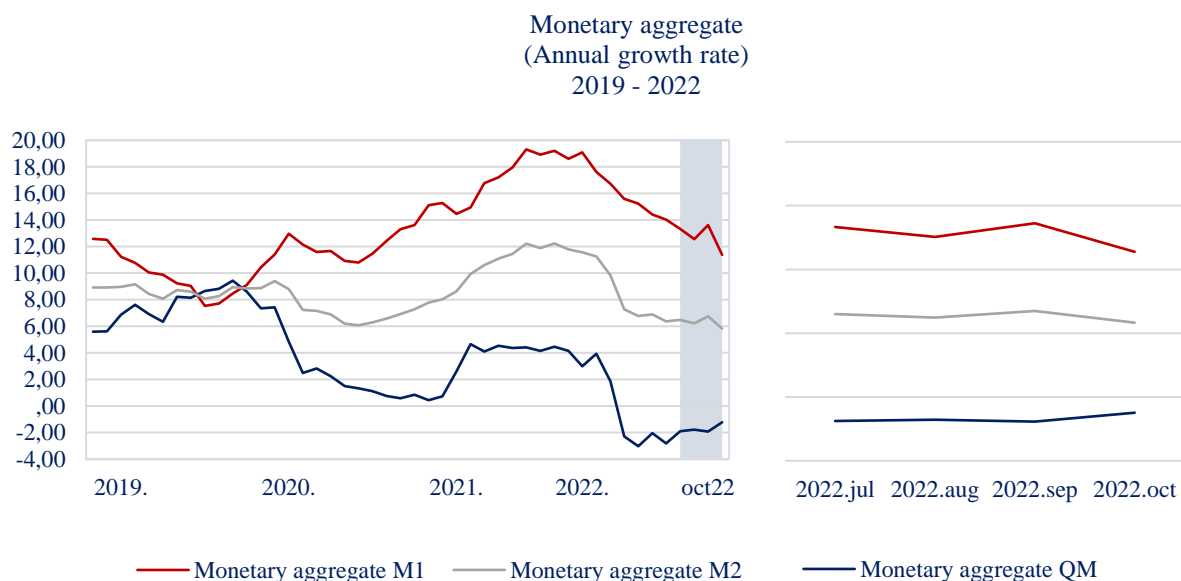


Comment on Monetary Trends in October 2022

The total money supply (M2) at the end of October 2022 amounted to 32.81 billion KM, with a slight increase being 96.9 million KM (0.3%) compared to the previous month. The increase in money supply (M2) in October 2022 is the result of a decrease in money (M1) by 91.6 million KM (0.5%) and an increase in quasi-money (QM) by 188.5 million KM (1.4%). The decrease in money (M1) was caused by decline in transferable deposits in local currency by 36.1 million KM (0.3%) and cash outside banks by 55.5 million KM (0.9%). The increase in quasi-money (QM) is the result of an increase in transferable deposits in foreign currency by 163.6 million KM (4.7%) and other deposits in local currency by 51 million KM (1.8%), as well as decrease in other deposits in foreign currency by 26 million KM (0.4%).

Annually, the increase in money supply (M2) in October 2022 amounted to 1.81 billion KM (5.8%). Growth was achieved in cash outside banks by 555.6 million KM (10.2%), in transferable deposits in local currency by 1.42 billion KM (11.9%) and transferable deposits in foreign currency by 423.9 million KM (13.3%). At the same time there was decrease in other deposits in local currency by 135.8 million KM (4.4%) and other deposits in foreign currency by 456.1 million KM (6.2%).



The counter-item to the increase in money supply (M2) on a monthly level in October 2022, totaling 96.9 million KM (0.3%) is an increase in net foreign assets (NSA) by 242 million KM (1.3%) and a decrease in net domestic assets (NDA) by 145.1 million KM (1.1%). The annual increase in money supply (M2) of 1.81 billion KM (5.8%) is due to the increase in net foreign assets (NSA) by 521.5 million KM (2.7%) and net domestic assets (NDA) by 1.29 billion KM (10.7%).

Monetary survey

	Balance in mil. KM	Monthly changes in mil. KM			Annual growth rate in %		
	X 2022	VIII 2022	IX 2022	X 2022	VIII 2022	IX 2022	X 2022
Assets							
1. Net foreign assets	19,513.6	391.5	25.3	242.0	2.8	3.9	2.7
1.1 Foreign assets	21,267.4	366.0	-12.9	232.6	2.2	2.9	1.9
1.2 Foreign liabilities	-1,753.7	25.4	38.2	9.4	-4.7	-6.7	-6.6
2. Net domestic assets	13,299.5	120.1	141.8	-145.1	11.5	11.1	10.7
2.1. Claims on central government (net) cantons and municipalities	-243.2	55.5	88.6	-47.5	18.8	6.9	-5.1
2.2 Claims on local sectors	20,919.7	-6.8	37.8	102.1	5.0	4.8	5.1
2.3 Other items	-7,377.0	71.4	15.4	-199.6	-5.5	-5.4	-3.5
Liabilities							
1 Money supply (M2)	32,813.1	511.5	167.1	96.9	6.2	6.7	5.8
1.1 Money (M1)	19,331.8	454.3	176.1	-91.6	12.6	13.6	11.4
1.2 Quasi money (QM)	13,481.4	57.2	-9.0	188.5	-1.8	-1.9	-1.2

Loans

At the end of October 2022, total loans to domestic sectors amounted to 21.94 billion KM, with a slight increase of 93.1 million KM (0.4%) compared to the previous month. The growth of loans was registered in the household sector by 34.3 million KM (0.3%), non-financial public companies by 37.3 million KM (7.0%) and private companies by 30.5 million KM (0.3%). A decrease in loan growth on a monthly basis was recorded at government institutions by 4.2 million KM (0.4%) and at other domestic sectors by 4.8 million KM (2.7%).

The annual growth rate of total loans in October 2022 amounted to 4.5%, nominally 939.9 million KM. The annual growth of loans was registered in the household sector by 531.8 million KM (5.1%), private companies by KM 366.8 million (4.2%), non-financial public companies by 76.5 million KM (15.5%) and other domestic sectors by 5.5 million KM (3.3%). The annual decrease in loan growth was registered with government institutions by 40.7 million KM (3.5%).

Sectorial structure of loans in BH

	Balance in mil. KM	Monthly changes in mil. KM			Annual growth rate in %		
	X 2022	VIII 2022	IX 2022	X 2022	VIII 2022	IX 2022	X 2022
Total	21,941.3	43.9	40.8	93.1	4.7	4.2	4.5
Out of it:							
Households	10,937.9	28.3	45.9	34.3	5.4	5.3	5.1
Private companies	9,128.6	-54.1	-22.4	30.5	4.5	3.9	4.2
Government institutions	1,130.7	43.5	4.3	-4.2	-0.7	-4.2	-3.5
Public companies	570.0	26.4	2.0	37.3	6.4	5.3	15.5
Loans to other domestic sectors	174.1	-0.2	11.1	-4.8	2.0	6.9	3.3

Deposits

The total deposits of domestic sectors at the end of October 2022 amounted to 28.88 billion KM, having increased by 192.5 million KM (0.7%) compared to the previous month. Growth of deposits on a monthly level was registered in the household sector by 24 million KM (0.2%), private companies by 145.9 million KM (2.5%) and government institutions by 46.7 million KM (1.0%). A decrease in deposits was recorded in non-financial public companies by 16.7 million KM (0.8%) and in other domestic sectors by 7.4 million KM (0.4%).

The annual growth rate of total deposits in October 2022 was 6.0%, which is 1.63 billion KM in absolute amount. The annual growth of deposits was registered with government institutions by 904.7 million KM (23.4%), private companies by 635.4 million KM (11.8%), non-financial public companies by 245.6 million KM (14.3%) and other domestic sectors by 142.3 million KM (8.2%). The annual decrease in the growth rate of deposits was noted in the household sector by 2.0%, i.e. 298 million KM.

Sectorial structure of deposits in BH

	Balance in mil. KM	Monthly changes in mil. KM			Annual growth rate in %		
	X 2022	VIII 2022	IX 2022	X 2022	VIII 2022	IX 2022	X 2022
Total	28,878.1	519.8	106.8	192.5	5.3	5.7	6.0
Out of it:							
Households	14,242.6	132.2	109.8	24.0	-2.3	-1.9	-2.0
Private companies	6,023.8	273.4	45.5	145.9	6.5	10.1	11.8
Government institutions	4,769.0	83.4	-41.1	46.7	28.7	23.0	23.4
Public companies	1,964.9	11.8	-46.0	-16.7	12.3	14.8	14.3
Deposits of other domestic sectors	1,877.9	19.1	38.5	-7.4	8.3	8.8	8.2

Foreign Exchange Reserves

At the end of October 2022, the foreign exchange reserves of the Central Bank of BiH amounted to 16.26 billion KM. Compared to the previous month, foreign currency reserves decreased by 259.3 million KM (1.6%), while on the annual level foreign exchange reserves of the Central Bank of BiH increased by 212.2 million KM (1.3%).