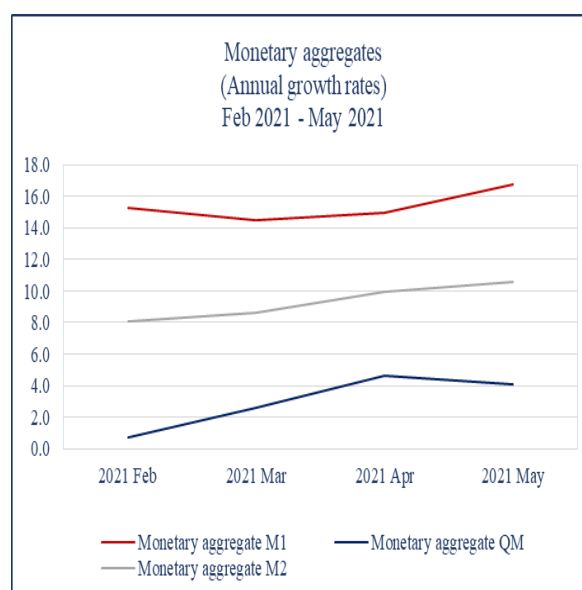
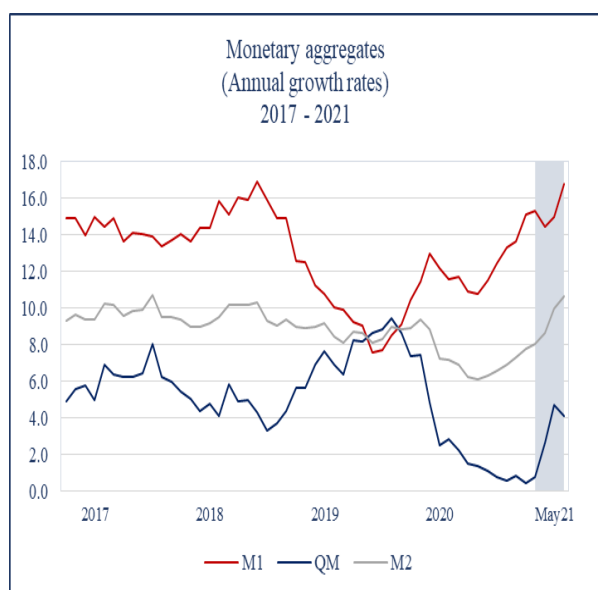


## Comment on Monetary Trends in May 2021

The total money supply (M2) at the end of May 2021 amounted to KM 29.34 billion, with a monthly increase of KM 266.7 million (0.9%). The growth of money supply (M2) in May 2021 is the result of the growth of money (M1) by KM 306 million (2.0%) and a slight decline in quasi money (QM) by KM 39.3 million (0.3%). Cash (M1) increased due to the growth of transferable deposits in local currency by KM 266.4 million (2.5%) and cash outside banks by KM 39.6 million (0.8%). Quasi-money (QM) recorded an increase in transferable deposits in foreign currency by KM 14.7 million (0.5%) and a decrease in other deposits in foreign currency by KM 36.4 million (0.5%) and other deposits in local currency by KM 17.6 million (0.6%).

At the annual level, the increase in money supply (M2) amounts to 2.82 billion KM (10.6%). Growth was realized in cash outside the bank by KM 321.1 million (6.6%), transfers of deposits in local currency by KM 1.97 billion (22.4%), transfers of deposits in foreign currency by KM 442 million (16, 9%), other deposits in local currency by KM 57.7 million (2.0%) and other deposits in foreign currency by KM 29.2 million (0.4%).



The counter-item of the monthly increase of money supply (M2) in May 2021 in the amount of KM 266.7 million (0.9%) is the growth of net foreign assets (NSA) by KM 195.8 million (1.2%) and net domestic assets (NDA) by KM 70.9 million (0.6%). The increase in money supply (M2) at the annual level of 2.82 billion KM (10.6%) is the result of the growth of net foreign assets (NSA) by 2.29 billion KM (15.5%) and net domestic assets (NDA) by KM 526.9 million (4.5%).

## Monetary survey

	Balance in mil. KM	Monthly changes in mil. KM			Annual growth rate in %		
	V 2021	III 2021	IV 2021	V 2021	III 2021	IV2021	V2021
<b>Assets</b>							
<b>1 Net foreign assets</b>	<b>17.035,0</b>	<b>141,8</b>	<b>502,0</b>	<b>195,8</b>	<b>16,5</b>	<b>14,9</b>	<b>15,5</b>
1.1 Foreign assets	19.101,3	65,1	483,3	185,6	9,1	7,5	8,4
1.2 Foreign liabilities	-2.066,3	76,7	18,7	10,2	-27,2	-29,5	-28,1
<b>2 Net domestic assets</b>	<b>12.306,1</b>	<b>32,5</b>	<b>-253,3</b>	<b>70,9</b>	<b>-0,2</b>	<b>3,8</b>	<b>4,5</b>
2.1. Claims on central government (net) cantons and municipalities	217,3	-38,4	-333,4	53,4	723,2	-139,9	-159,0
2.2 Claims on local sectors	19.537,7	128,9	101,4	78,5	-0,5	1,0	1,6
2.3 Other items	-7.448,8	-58,0	-21,4	-61,0	5,3	4,5	5,2
<b>Liabilities</b>							
<b>1 Money supply (M2)</b>	<b>29.341,2</b>	<b>174,3</b>	<b>248,6</b>	<b>266,7</b>	<b>8,6</b>	<b>9,9</b>	<b>10,6</b>
1.1 Money (M1)	15.924,1	72,4	196,9	306,0	14,5	14,9	16,8
1.2 Quasi money (QM)	13.417,1	101,9	51,7	-39,3	2,6	4,7	4,1

## Total loans

At the end of May 2021, total loans to domestic sectors amounted to KM 20.64 billion and compared to the previous month increased by KM 72.8 million (0.4%). Credit growth was registered in the household sector by KM 75.1 million (0.7%) and private companies by KM 12.5 million (0.1%). A decrease in credit growth was registered in the sectors of government institutions by KM 4.2 million (0.4%), public companies by KM 6.9 million (1.4%) and other domestic sectors by KM 3.7 million (2.6%).

At the annual level, total loans in May 2021 recorded an increase of (1.9%) or nominally KM 384.1 million. The growth of loans was registered in the household sector by KM 310.4 million (3.2%), government institutions by KM 73.2 million (6.7%) and public companies by KM 39 million (8.4%). A decrease in credit growth was registered in the sectors of private companies by KM 14.9 million (0.2%) and other domestic sectors by KM 23.6 million (14.6%).

### Sectoral structure of loans in BH

	Balance in mil. KM V 2021	Monthly changes in mil. KM			Annual change rates in %		
		III 2021	IV 2021	V 2021	III 2021	IV 2021	V 2021
<b>Total</b>	<b>20.644,2</b>	<b>165,5</b>	<b>98,9</b>	<b>72,8</b>	<b>-0,1</b>	<b>1,3</b>	<b>1,9</b>
Out of it:							
Households	10.105,9	72,9	59,8	75,1	0,7	2,3	3,2
Private companies	8.723,4	66,5	53,9	12,5	-2,1	-0,6	-0,2
Government institutions	1.172,0	36,5	-1,9	-4,2	6,2	6,6	6,7
Public companies	504,9	-13,8	-2,0	-6,9	8,2	9,0	8,4
Loans to other domestic sectors	138,0	3,5	-10,9	-3,7	-5,8	-13,3	-14,6

### The CBBH Foreign exchange reserves

At the end of May 2021, the foreign exchange reserves of the Central Bank of BiH amounted to KM 14.06 billion and increased by KM 25.3 million (0.2%) compared to the previous month. At the annual level, the foreign exchange reserves of the Central Bank of BiH increased by KM 998.7 million (7.6%).