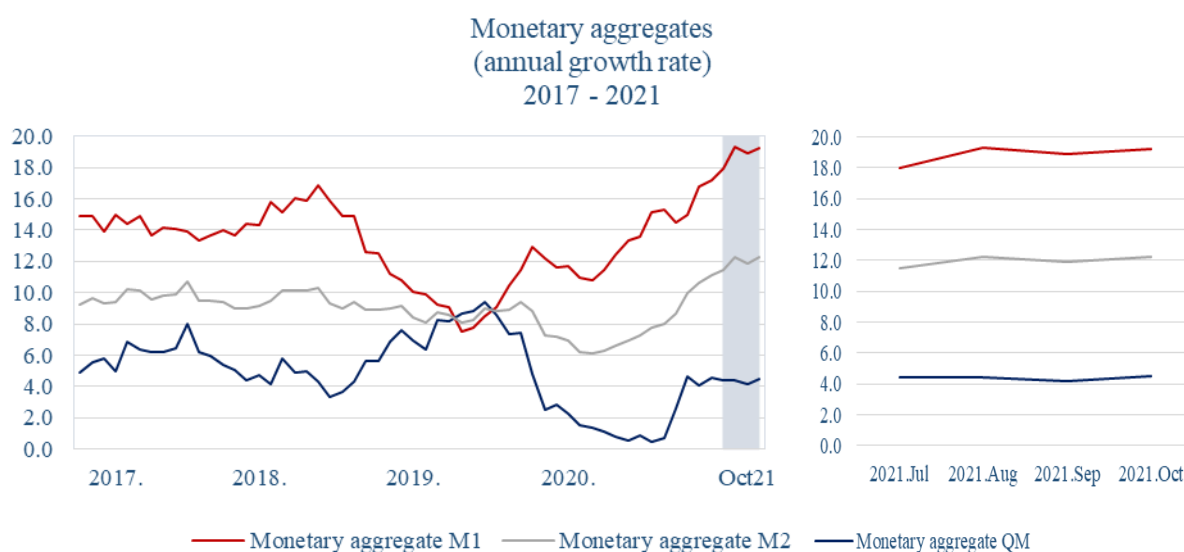


Comment on Monetary Trends in October 2021

The total money supply (M2) at the end of October 2021 amounted to KM 31.01 billion, the monthly increase being KM 356.5 million (1.2%). The growth of money supply (M2) in October 2021 was brought about by the growth of money (M1) by KM 261.2 million (1.5%) and lower growth of quasi money (QM) by KM 95.3 million (0.7%). Cash (M1) increased due to growth of cash outside banks by KM 33.6 million (0.6%) and transferable deposits in local currency by KM 227.6 million (2.0%). In quasi money (QM), there was an increase in transferable deposits in foreign currency by KM 76.8 million (2.5%) and other deposits in foreign currency by KM 41.6 million (0.6%), with a simultaneous decline in other deposits in local currency by KM 23.1 million (0.7%).

At the annual level, money supply (M2) increased in October 2021 by 3.38 billion KM (12.2%). Growth was realized in cash outside banks by KM 547.5 million (11.1%), transferable deposits in local currency by KM 2.25 billion (23.3%), transferable deposits in foreign currency by KM 382.9 million (13.6%), other deposits in local currency by KM 98.1 million (3.3%) and other deposits in foreign currency by KM 102.7 million (1.4%).



The counter-item of money supply (M2) on a monthly basis in October 2021 totaling 356.5 million KM (1.2%) is the growth of net foreign assets (NSA) by 439.7 million KM (2.4%) and reduction of net domestic assets (NDA) by KM 83.2 million (0.7%). The increase in money supply (M2) at the annual level by KM 3.38 billion (12.2%) is the result of an increase in net foreign assets (NSA) by KM 3.49 billion (22.5%) and a decrease in net domestic assets (NDA) by KM 114.5 million (0.9%).

Monetary survey

	Balance in mil. KM	Monthly changes in mil. KM			Annual growth rate in %		
	X 2021	VIII 2021	IX 2021	X 2021	VIII 2021	IX 2021	X 2021
Assets							
1 Net foreign assets	18.992,2	981,2	-161,0	439,7	23,2	21,6	22,5
1.1 Foreign assets	20.870,0	938,1	-161,5	428,3	17,7	16,4	17,5
1.2 Foreign liabilities	-1.877,9	43,1	0,6	11,4	-18,4	-18,0	-16,8
2. Net domestic assets	12.013,1	-420,5	166,7	-83,2	-1,5	-0,3	-0,9
2.1. Claims on central government (net) cantons and municipalities	-256,4	-481,7	56,2	-73,3	-595,6	-254,5	-255,6
2.2 Claims on local sectors	19.912,4	34,1	82,8	46,0	2,4	2,8	3,1
2.3 Other items	-7.643,0	27,0	27,6	-55,8	5,0	3,8	4,0
Liabilities							
1 Money supply (M2)	31.005,3	560,6	5,7	356,5	12,2	11,9	12,2
1.1 Money (M1)	17.356,0	517,1	-5,1	261,2	19,3	18,9	19,2
1.2 Quasi money (QM)	13.649,3	43,6	10,8	95,3	4,4	4,1	4,5

Loans

Total loans to domestic sectors in October 2021 amounted to KM 21 billion and compared to the previous month increased by KM 34.2 million (0.2%). Growth in loans was recorded in the household sector by KM 55 million (0.5%), private companies by KM 4.1 million (0.1%) and other domestic sectors by KM 1.2 million (0.7%). The decrease in loans was registered with government sector institutions by KM 13.5 million (1.1%) and public companies by KM 12.6 million (2.5%).

The annual growth rate of total loans in October 2021 was (2.9%) nominally 593.7 million KM. At the annual level, loans to households increased by KM 468.1 million (4.7%), those to private companies by KM 139.2 million (1.6%), those to government institutions by KM 10.1 million (0.9%) and those to other domestic sectors by KM 2.3 million (1.4%). The decrease in loans growth was recorded in public enterprises by KM 26.1 million (5.0%).

Sectorial structure of loans in BH

	Balance in mil. KM	Monthly changes in mil. KM			Annual growth rate in %		
	X 2021	VIII 2021	IX 2021	X 2021	VIII 2021	IX 2021	X 2021
Total	21.001,4	14,2	133,8	34,2	2,4	2,9	2,9
Out of it:							
Households	10.406,1	40,5	47,6	55,0	4,1	4,3	4,7
Private companies	8.761,8	-22,2	29,3	4,1	1,2	1,4	1,6
Government institutions	1.171,5	-2,9	46,8	-13,5	3,3	6,8	0,9
Public companies	493,5	3,9	7,3	-12,6	-8,0	-3,9	-5,0
Loans to other domestic sectors	168,5	-5,1	2,8	1,2	-6,4	-0,9	1,4

Foreign Exchange Reserves

At the end of October 2021, the foreign exchange reserves of the Central Bank of BiH amounted to KM 16.01 billion. Compared to the previous month, the foreign exchange reserves of the Central Bank of BiH increased by KM 632.4 million (4.1%), while an annual increase of KM 2.64 billion (19.7%) was recorded.