



Centralna banka
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БОСНЕ И ХЕРЦЕГОВИНЕ



Comment on Monetary Trends in May 2023

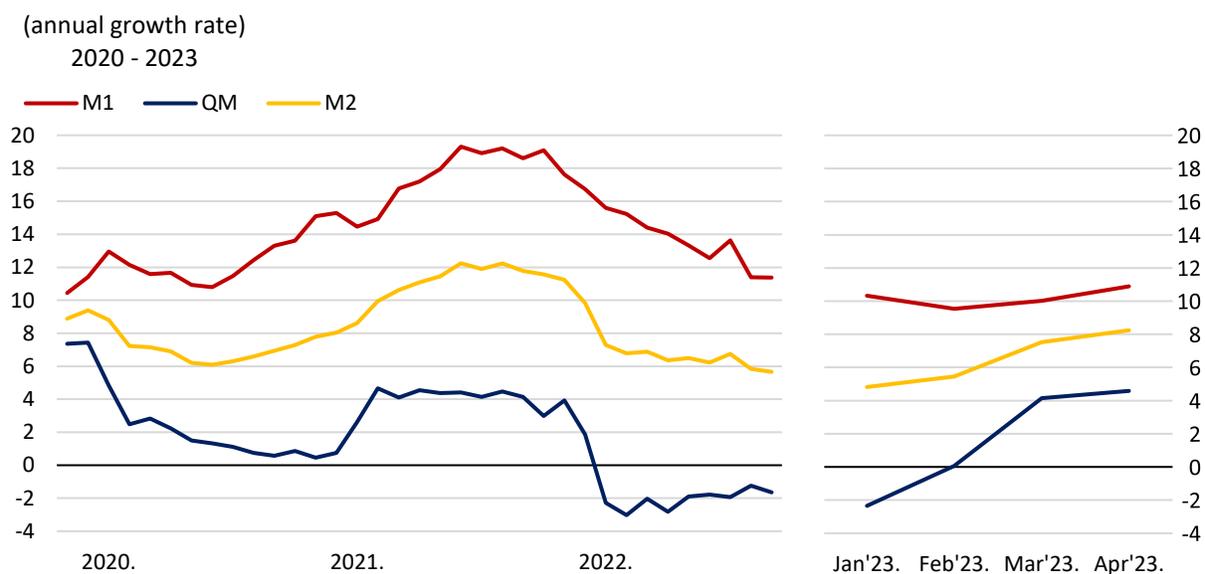


1. Monetary Trends – May 2023

The total money supply (M2) amounted to KM 33.78 billion at the end of May 2023, with an increase being 177.9 million KM (0.5%) compared to the previous month. The increase in money supply (M2) in May 2023 was the result of an increase in money (M1) by KM 129 million (0.6%) and quasi money (QM) by KM 48.9 million (0.4%). The increase in money (M1) was caused by decrease in cash outside banks by KM 35.4 million (0.6%), and increase in transferable deposits in local currency by KM 164.4 million (1.2%). The increase in quasi money (QM) is the result of an increase in transferable foreign currency deposits by KM 157.9 million (4.2%), while other deposits in domestic currency decreased by KM 73.4 million (2.5%), as well as other deposits in foreign currency by KM 35.5 million (0.5%).

On an annual level, the increase in money supply (M2) amounted to KM 2.42 billion (7.7%) in May 2023. The growth was recorded in cash outside banks by KM 308.9 million (5.3%), transferable deposits in local currency by KM 1.56 billion (12.6%) and transferable deposits in foreign currency by KM 603.5 million (18.2%), while other deposits in local currency decreased by KM 41.8 million (1.5%) and other deposits in foreign currency by KM 8.9 million (0.1%).

1.1. Monetary aggregates



The counter-item to the monthly increase in money supply (M2) in May 2023 totaling KM 177.9 million (0.5%), is an increase in net foreign assets (NSA) by KM 115.9 million (0.6%) and net domestic assets (NDA) by KM 62 million (0.4%). The annual increase in money supply (M2) totaling KM 2.42 billion (7.7%) was the result of an increase in net foreign assets (NSA) by KM 1.09 billion (5.9%) and net domestic assets (NDA) by KM 1.33 billion (10.3%).

1.2. Monetary Survey

	Balance in mil. KM	Monthly changes in mil. KM			Annual growth rate in %		
	V 2023	III 2023	IV 2023	V 2023	III 2023	IV 2023	V 2023
Assets							
1. Net foreign assets	19,551.4	111.7	237.0	115.9	4.9	6.3	5.9
1.1 Foreign assets	21,042.0	-32.0	234.6	81.4	2.8	4.5	3.9
1.2 Foreign liabilities	-1,490.6	143.7	2.4	34.5	-17.6	-14.3	-17.1
2. Net domestic assets	14,231.4	-45.1	116.3	62.0	11.4	11.0	10.3
2.1. Claims on central government (net) cantons and municipalities	301.2	-157.4	-3.4	58.0	-215.3	-213.4	-168.9
2.2 Claims on local sectors	21,487.2	233.5	199.3	46.0	5.1	5.1	4.5
2.3 Other items	-7,556.9	-121.2	-79.6	-42.0	0.7	1.3	4.5
Liabilities							
1 Money supply (M2)	33,782.8	66.6	353.3	177.9	7.5	8.2	7.7
1.1 Money (M1)	20,086.2	-15.4	346.8	129.0	10.0	10.9	10.3
1.2 Quasi money (QM)	13,696.6	82.0	6.4	48.9	4.1	4.6	4.2

2. Loans

Total loans to domestic sectors amounted to KM 22.42 billion at the end of May 2023, having increased KM 33.2 million (0.1%) compared to the previous month. The loan growth was registered in the household sector by KM 45.5 million (0.4%), private companies by KM 16.4 million (0.2%) and other domestic sectors by KM 15.1 million (9.0%). The decrease in loan growth was registered with non-financial public companies by KM 30.5 million (5.0%) and with government institutions by KM 13.4 million (1.2%).

The annual growth rate of total loans in May 2023 amounted to 3.9%, nominally KM 850.9 million. The annual loan growth was registered in the household sector by KM 561.5 million (5.3%), private companies by KM 235.1 million (2.6%), non-financial public companies by KM 70.4 million (14%) and other domestic sectors by KM 14.6 million (8.7%). The annual decrease in loan growth was registered with government institutions by KM 30.7 million (2.8%).

2.1. Sectorial structure of loans

	Balance in mil.KM	Monthly changes in mil. KM			Annual growth rate in %		
	V 2023	III 2023	VI 2023	V 2023	III 2023	IV 2023	V 2023
Total	22,422.3	208.0	175.0	33.2	4.5	4.6	3.9
Out of it:							
Households	11,245.8	110.8	86.1	45.5	5.6	5.7	5.3
Private companies	9,348.4	128.0	79.5	16.4	3.7	3.3	2.6
Government institutions	1,070.3	-24.9	5.5	-13.4	-4.1	-2.4	-2.8
Public companies	574.8	-11.9	5.8	-30.5	18.6	19.6	14.0
Loans to other domestic sectors	182.9	6.0	-2.0	15.1	1.9	0.8	8.7

3. Deposits

Total deposits of domestic sectors amounted to KM 29.73 billion at the end of May 2023, having increased by KM 319.4 million (1.1%) compared to the previous month. The monthly growth of deposits was registered in private companies by KM 242.1 million (4.0%), non-financial public companies by KM 28.9 million (1.5%) and government institutions by KM 116.3 million (2.7%). Deposits were reduced in the household sector by KM 38.6 million (0.3%), and in other sectors by KM 29.2 million (1.6%).

The annual growth rate of total deposits amounted to 8.4% in May 2023, which is in the absolute amount KM 2.3 billion. The annual growth of deposits was registered in the household sector by KM 1.31 billion (9.5%), government institutions by KM 170.6 million (3.9%), private companies by KM 903.2 million (16.6%) and other domestic sectors by KM 13.4 million (0.7%). For non-financial public companies, deposits have decreased by KM 89 million annually (4.3%).

3.1. Sectorial structure of deposits

	Balance in mil. KM	Monthly changes in mil. KM			Annual growth rate in %		
	V 2023	III 2023	IV 2023	V 2023	III 2023	IV 2023	V 2023
Total	29,725.0	77.5	142.9	319.4	9.1	9.4	8.4
Out of it:							
Households	15,077.1	169.6	110.9	-38.6	8.8	9.6	9.5
Private companies	6,331.7	-196.7	-9.6	242.1	15.0	18.3	16.6
Government institutions	4,498.3	152.7	-25.2	116.3	10.6	7.4	3.9
Public companies	1,981.1	-54.5	12.9	28.9	-3.6	-4.7	-4.3
Deposits of other domestic sectors	1,836.9	6.4	53.8	-29.2	4.5	2.9	0.7

4. Foreign Exchange Reserves

At the end of May 2023, foreign exchange reserves of the Central Bank of BiH amounted to 15.53 billion KM, having increased by 198.7 million KM (1.3%) compared to the previous month. Consequently, foreign exchange reserves of the Central Bank of BiH are smaller by KM 441.9 million (2.8%) on an annual level.

On a monthly level, in the of scope of the foreign exchange reserve's structure, deposits with non-resident banks have increased by KM 194.9 million (2.5%), as well as investments in securities by KM 18.6 million (0.3%) and gold by KM 2.9 million (1.7%).