



Centralna banka
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БОСНЕ И ХЕРЦЕГОВИНЕ



Comment on Monetary Trends in June 2023



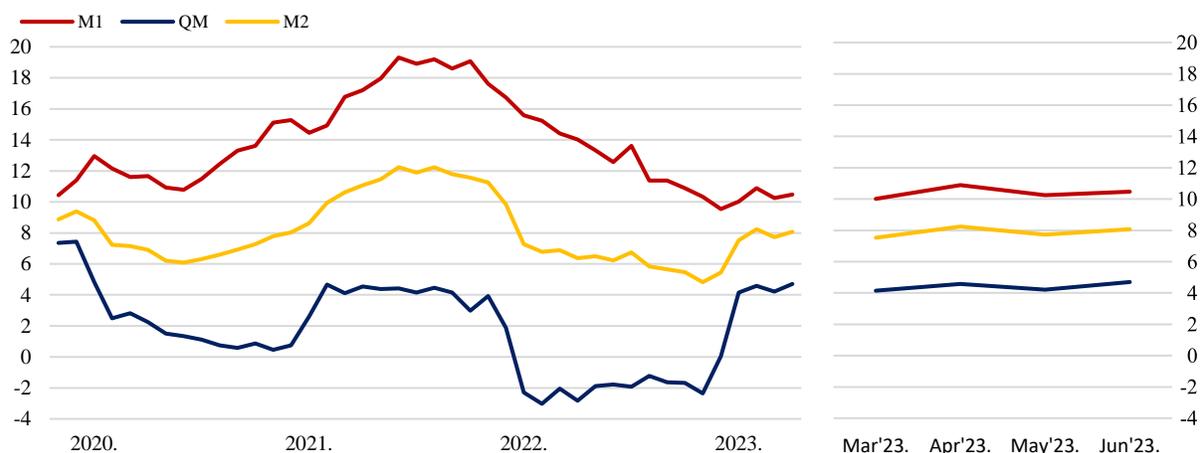
Monetary Trends – June 2023

The total money supply (M2) amounted to KM 34.05 billion at the end of June 2023, with an increase being 269.6 million KM (0.8%) compared to the previous month. The increase in money supply (M2) in June 2023 was the result of an increase in money (M1) by KM 248.9 million (1.2%) and quasi money (QM) by KM 20.7 million (0.42%). The increase in money (M1) was caused by an increase in cash outside banks by KM 89.6 million (1.5%), and an increase in transferable deposits in local currency by KM 159.3 million (1.1%). The increase in quasi money (QM) is the result of an increase in other deposits in local currency by KM 38.9 million (1.4%), and an increase in other deposits in foreign currency by KM 18.5 million (0.3%), while transferable deposits in foreign currency decreased by KM 36.8 million (0.9%).

On an annual level, the increase in money supply (M2) amounted to KM 2.54 billion (8.1%) in June 2023. The growth was recorded in cash outside banks by KM 397.8 million (6.8%), transferable deposits in local currency by KM 1.53 billion (12.2%) and transferable deposits in foreign currency by KM 685.7 million (21.4%), while other deposits in local currency decreased by KM 52.9 million (1.8%) and other deposits in foreign currency by KM 17.3 million (0.2%).

Monetary aggregates

(annual growth rate)
2020 - 2023



The counter-item to the monthly increase in money supply (M2) in June 2023 totaling KM 269.6 million (0.8%), is a decrease in net foreign assets (NSA) by KM 11.7 million (0.1%) and an increase in net domestic assets (NDA) by KM 281.2 million (2.0%). The annual increase in money supply (M2) totaling KM 2.54 billion (8.1%) was the result of an increase in net foreign assets (NSA) by KM 1.22 billion (6.6%) and net domestic assets (NDA) by KM 1.33 billion (10.1%).

Monetary Survey

	Balance in mil. KM	Monthly changes in mil. KM			Annual growth rate in %		
	VI 2023	IV 2023	V 2023	VI 2023	IV 2023	V 2023	VI 2023
Assets							
1. Net foreign assets	19,539.7	237.0	115.9	-11.7	6.3	5.9	6.6
1.1 Foreign assets	20,997.4	234.6	81.4	-44.6	4.5	3.9	3.9
1.2 Foreign liabilities	-1,457.7	2.4	34.5	32.9	-14.3	-17.1	-22.4
2. Net domestic assets	14,512.7	116.3	62.0	281.2	11.0	10.3	10.1
2.1. Claims on central government (net) cantons and municipalities	274.0	-3.4	58.0	-27.1	-213.4	-168.9	-172.8
2.2 Claims on local sectors	21,818.4	199.3	46.0	331.2	5.1	4.5	5.3
2.3 Other items	-7,579.8	-79.6	-42.0	-22.8	1.3	4.5	5.9
Liabilities							
1 Money supply (M2)	34,052.4	353.3	177.9	269.6	8.2	7.7	8.1
1.1 Money (M1)	20,335.1	346.8	129.0	248.9	10.9	10.3	10.5
1.2 Quasi money (QM)	13,717.3	6.4	48.9	20.7	4.6	4.2	4.7

Loans

Total loans to domestic sectors amounted to KM 22.73 billion at the end of June 2023, having increased by KM 303.9 million (1.4%) compared to the previous month. The loan growth was registered in the household sector by KM 138.1 million (1.2%), private companies by KM 147.2 million (1.6%), non-financial public companies by KM 20.8 million (3.6%) and other domestic sectors by KM 26.3 million (14.4%). The decrease in loan growth was registered with government institutions by KM 28.4 million (2.7%).

The annual growth rate of total loans in June 2023 amounted to 4.7%, nominally KM 1.01 billion. The annual loan growth was registered in the household sector by KM 614.2 million (5.7%), private companies by KM 307.2 million (3.3%), non-financial public companies by KM 108.7 million (22.3%) and other domestic sectors by KM 30.8 million (17.3%). The annual decrease in loan growth was registered with government institutions by KM 50.3 million (4.6%).

Sectorial structure of loans

	Balance in mil.KM	Monthly changes in mil. KM			Annual growth rate in %		
	VI 2023	IV 2023	V 2023	VI 2023	IV 2023	V 2023	VI 2023
Total	22,726.2	175.0	33.2	303.9	4.6	3.9	4.7
Out of it:							
Households	11,383.8	86.1	45.5	138.1	5.7	5.3	5.7
Private companies	9,495.5	79.5	16.4	147.2	3.3	2.6	3.3
Government institutions	1,041.9	5.5	-13.4	-28.4	-2.4	-2.8	-4.6
Public companies	595.7	5.8	-30.5	20.8	19.6	14.0	22.3
Loans to other domestic sectors	209.2	-2.0	15.1	26.3	0.8	8.7	17.3

Deposits

Total deposits of domestic sectors amounted to KM 29.86 billion at the end of June 2023, having increased by KM 137.8 million (0.5%) compared to the previous month. The monthly growth of deposits was registered in household sector by KM 170.8 million (1.1%), in private companies by KM 56.3 million (0.9%), and in other sectors by KM 27.7 million (1.5%). Deposits were reduced in non-financial public companies by KM 94 million (4.7%) and government institutions by KM 22.9 million (0.5%).

The annual growth rate of total deposits amounted to 7.5% in June 2023, which is in the absolute amount KM 2.08 billion. The annual growth of deposits was registered in the household sector by KM 1.38 billion (9.9%), private companies by KM 987.3 million (18.3%) and other domestic sectors by KM 53.6 million (3.0%). For non-financial public companies, deposits have decreased by KM 135.8 million annually (6.7%), as well as for government institutions by KM 204.3 million (4.4%),

Sectorial structure of deposits

	Balance in mil. KM	Monthly changes in mil. KM			Annual growth rate in %		
	VI 2023	IV 2023	V 2023	VI 2023	IV 2023	V 2023	VI 2023
Total	29,862.9	142.9	319.4	137.8	9.4	8.4	7.5
Out of it:							
Households	15,247.9	110.9	-38.6	170.8	9.6	9.5	9.9
Private companies	6,387.9	-9.6	242.1	56.3	18.3	16.6	18.3
Government institutions	4,475.4	-25.2	116.3	-22.9	7.4	3.9	-4.4
Public companies	1,887.1	12.9	28.9	-94.0	-4.7	-4.3	-6.7
Deposits of other domestic sectors	1,864.5	53.8	-29.2	27.7	2.9	0.7	3.0

Foreign Exchange Reserves

At the end of June 2023, foreign exchange reserves of the Central Bank of BiH amounted to 15.32 billion KM, having decreased by 210.1 million KM (1.4%) compared to the previous month. Consequently, foreign exchange reserves of the Central Bank of BiH are reduced by KM 579.6 million (3.6%) on an annual level.

Compared to the previous month, the majority of the change refers to an increase of investment in securities by KM 118.9 million (1.8%), and a decrease in deposits with non-resident banks by KM 323.2 million (4.0%).