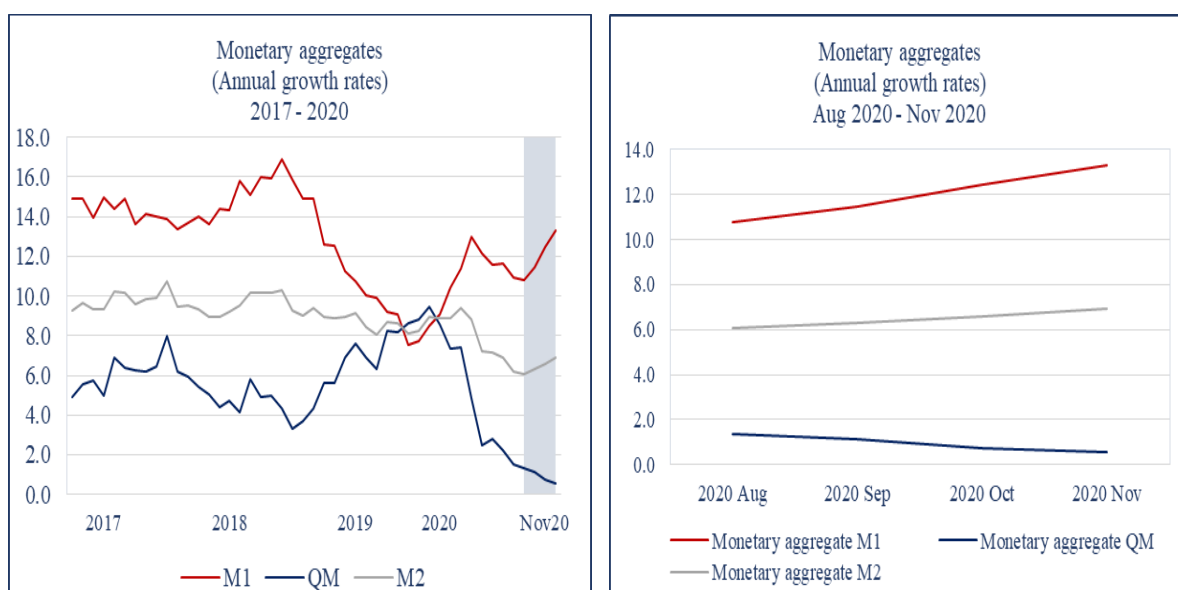


Comment on Monetary Trends in November 2020

At the end of November 2020 the total money supply (M2) amounted to KM 27.79 billion, the monthly increase being KM 164.2 million (0.6%). The growth of money supply (M2) in November 2020 is the result of the growth of money (M1) by KM 122.2 million (0.8%) and (QM) by KM 42.0 million (0.3%). Money (M1) increased primarily due to the growth of transferable deposits in local currency by KM 131.2 million (1.4%) and a slight decline in cash outside banks by KM 9 million (0.2%). Quasi money (QM) recorded an increase in transferable deposits in foreign currency by KM 106.9 million (3.8%) and other deposits in local currency by KM 26.1 million (0.9%) with a synchronized decline in other deposits in foreign currency by KM 91 million (1.3%).

At the annual level, money supply (M2) increased by 1.80 billion KM (6.9%). Growth was realized in cash outside banks by KM 672.2 million (15.8%), transferable deposits in local currency by KM 1.05 billion (12.1%), transferable deposits in foreign currency by KM 358.3 million (14%) and other deposits in local currency by KM 57.1 million (1.9%) with a synchronized decrease in other deposits in foreign currency by KM 339.5 million (4.5%).



The counter-item of the monthly increase of money supply (M2) in November 2020 in the amount of 164.2 million KM is the growth of net foreign assets (NSA) by 216.1 million KM (1.4%) and a decrease in net domestic assets (NDA) by KM 51.9 million (0.4%). The increase in money supply (M2) at the annual level of KM 1.80 billion is the result of the growth of net foreign assets (NSA) by KM 1.83 billion (13.2%) and a decrease in net domestic assets (NDA) by KM 32.3 million (0.3%).

Monetary survey

	Balance in mil. KM	Monthly changes in mil. KM			Annual growth rate in %		
	XI 2020	IX 2020	X 2020	XI 2020	IX 2020	X 2020	XI 2020
Assets							
1 Net foreign assets	15.714,4	59,6	245,6	216,1	10,3	11,8	13,2
1.1 Foreign assets	17.965,6	47,6	201,2	209,1	4,4	6,0	7,3
1.2 Foreign liabilities	-2.251,2	12,0	44,4	7,0	-22,8	-21,9	-21,5
2. Net domestic assets	12.075,7	28,5	-11,1	-51,9	1,7	0,6	-0,3
2.1. Claims on central government (net) cantons and municipalities	128,3	70,2	46,3	-36,5	-164,5	-170,4	-146,2
2.2 Claims on local sectors	19.302,5	16,6	-17,9	-12,8	-0,7	-1,3	-2,0
2.3 Other items	-7.355,1	58,3	39,5	2,6	-0,4	1,0	0,7
Liabilities							
1 Money supply (M2)	27.790,1	88,2	234,5	164,2	6,3	6,6	6,9
1.1 Money (M1)	14.682,5	44,2	183,8	122,2	11,5	12,4	13,3
1.2 Quasi money (QM)	13.107,6	43,9	50,7	42,0	1,1	0,8	0,6

Total loans

In November 2020 total loans to domestic sectors amounted to KM 20.40 billion, having decreased by KM 6.6 million (0.03%) compared to the previous month. Growth of loans was registered in the sectors of private companies by KM 1.0 million (0.01%), government institutions by KM 8.0 million (0.7%) and public companies by KM 2.9 million (0.5%). Decrease of loans was registered in the household sectors by KM 8.6 million (0.1%) and in other domestic sectors by KM 9.9 million (5.9%).

At the annual level, as of November 2020, total loans have decreased by KM 246.7 million (1.2%). A significant decrease in loans was registered with private companies by KM 375.3 million (4.2%) and a slight decrease with households by KM 9 million (0.1%). Growth of loans was registered in government sectors by KM 98.7 million (9.2%), public companies by KM 37.2 million (7.7%) and in other domestic sectors by KM 1.7 million (1.1%).

Sectoral structure of loans in BH

	Balance in mil. KM	Monthly changes in mil. KM			Annual growth rate in %		
	XI 2020	IX 2020	X 2020	XI 2020	IX 2020	X 2020	XI 2020
Total	20.401,1	27,9	38,3	-6,6	-0,4	-0,6	-1,2
Out of it:							
Households 1)	9.929,5	25,0	13,1	-8,6	0,7	0,2	-0,1
Private companies 1)	8.623,5	17,2	-17,1	1,0	-3,2	-3,7	-4,2
Government institutions	1.169,3	7,8	52,1	8,0	2,5	8,1	9,2
Public companies 1)	522,5	-15,0	-7,2	2,9	26,6	23,1	7,7
Loans to other domestic sectors	156,4	-7,0	-2,6	-9,9	3,2	2,7	1,1

Foreign exchange reserves

At the end of November 2020, the foreign exchange reserves of the Central Bank of BiH amounted to KM 13.52 billion, having increased by KM 110.1 million (0.8%) compared to the previous month. At the annual level, the foreign exchange reserves of the Central Bank of BiH increased by KM 1.13 billion (9.1%).

1) Growth rates were calculated taking into account Decision on managing credit risk and defining expected credit losses, on the basis of which commercial banks, from 01 January 2020, removed some claims from balance to off-balance records, which was reflected in the decrease of claims (loans) of around KM 400 million in sectors of private companies and households.