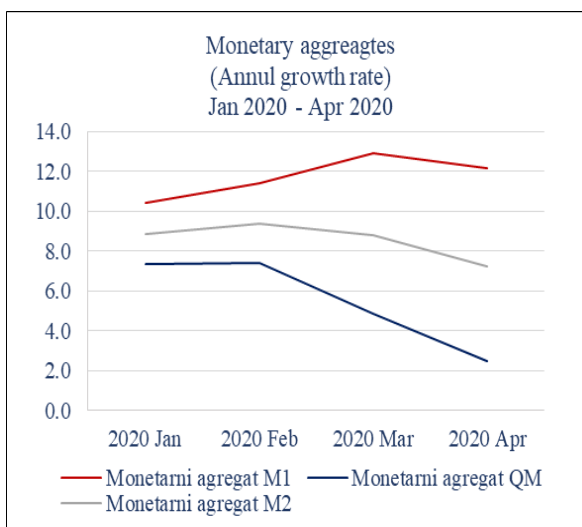
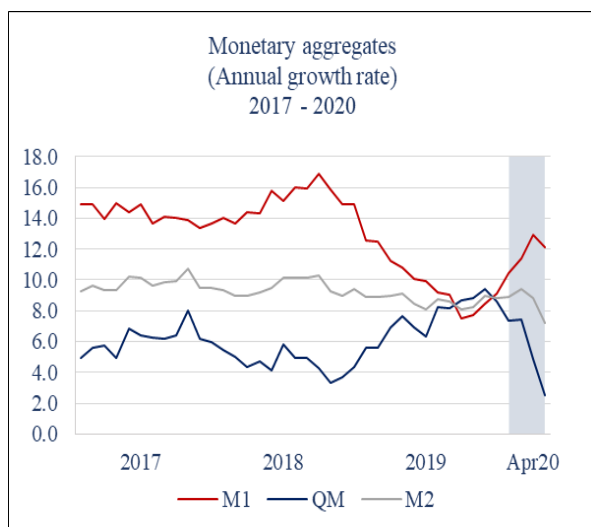


Comment on Monetary Trends in April 2020

Money supply (M2) at the end of April 2020 amounted to KM 26.45 billion, the monthly decrease being KM 91.8 million (0.3%). The decrease in money supply (M2) in April 2020 is the result of a decrease in quasi-money (QM) by KM 207 million (1.6%) due to a decrease in other foreign currency deposits by KM 151.8 million (2.1%), transferable deposits in foreign currency by KM 19.9 million (0%) and other deposits in local currency by KM 35.3 million (1.2%). At the same time, there was an increase in money (M1) by KM 115.1 million (0.9%) as a result of an increase in cash outside banks by KM 112.6 million (2.4%) and transferable deposits in local currency by KM 2.6 million (0.03%).

At the annual level, money supply (M2) increased by KM 1.78 billion (7.2%). Growth was realized in cash outside banks by KM 757.7 million (18.8%), transferable deposits in local currency by KM 714 million (8.8%), transferable deposits in foreign currency by KM 168.5 million (7.1%), other deposits in local currency by KM 287.2 million (10.6%) and decrease in other deposits in foreign currency by KM 143.2 million (1.9%).



Counter-item of the monthly decrease of money supply (M2) in April 2020 was the growth of net foreign assets (NSA) by KM 633.3 million (4.1%) and a decrease in net domestic assets (NDA) by KM 725.0 million (5.8%). The increase in M2 at the annual level of KM 1.78 billion (7.2%) is the result of an increase in net foreign assets (NSA) by KM 1.87 billion (14.7%) and a decrease in net domestic assets (NDA) by KM 89.5 million (0.8%).

Monetary survey

	Balance in mil. KM	Monthly changes in mil. KM			Annual growth rate in %		
	IV 2020	II 2020	III 2020	IV 2020	II 2020	III 2020	IV 2020
Assets							
1 Net foreign assets	14.655,3	93,8	-207,4	633,2	13,2	10,3	14,7
1.1 Foreign assets	17.598,9	58,4	-272,9	700,0	11,4	9,0	12,0
1.2 Foreign liabilities	-2.943,7	35,4	65,5	-66,8	3,4	2,7	0,4
2 Net domestic assets	11.790,4	64,5	225,4	-725,0	5,3	7,1	-0,8
2.1 Claims on central government (net) cantons and municipalities	-410,9	86,1	41,7	-471,3	-54,1	-462,4	1483,8
2.2 Claims on local sectors	19.268,5	84,2	55,9	-180,4	4,2	3,4	1,4
2.3 Other items	-7.067,2	-105,8	127,8	-73,4	2,0	-1,6	-0,3
Liabilities							
1 Money supply (M2)	26.445,7	158,3	18,0	-91,8	9,4	8,8	7,2
1.1 Money (M1)	13.589,2	117,4	159,7	115,1	11,4	13,0	12,1
1.2 Quasi money (QM)	12.856,5	40,9	-141,7	-207,0	7,4	4,8	2,5

Loans

At the end of April 2020, total loans to domestic sectors amounted to KM 20.30 billion, having decreased by KM 186 million (0.9%) compared to the previous month. The decline in loans was recorded in the households sector by KM 95.0 million (0.9%), private companies sector by KM 80.6 million (0.9%), in government institutions by KM 6.2 million (0.5%) and public companies by KM 5.7 million (1.2%).

The annual growth rate of total loans in April 2020 amounted to 1.8% or nominally KM 364.7 million. Loans to households increased by KM 321.3 million (3.4%), those to government sector by KM 57.2 million (5.5%), those to public companies by 58.3 (14.2%) and other domestic sectors by KM 23.6 million (16.8%). A decrease in loans to private companies by KM 95.8 million (1.1%) was registered.

Sectorial structure of loans in BH

	Balance in mil. KM	Monthly changes in mil. KM			Annual growth rate in %		
	IV 2020	II 2020	III 2020	IV 2020	II 2020	III 2020	IV 2020
Total	20.304,5	109,7	52,9	-186,0	4,6	3,7	1,8
Out of it:							
Households 1)	9.806,9	47,4	21,2	-95,0	6,2	5,3	3,4
Private companies 1)	8.761,3	39,4	37,2	-80,6	1,4	1,0	-1,1
Government institutions	1.103,4	25,8	-4,3	-6,2	10,0	6,5	5,5
Public companies	469,4	-5,4	-4,5	-5,7	16,4	14,4	14,2
Loans to other domestic sectors	163,4	2,5	3,2	1,4	23,6	19,6	16,9

The CBBH Foreign Exchange Reserves

At the end of April 2020, the CBBH foreign exchange reserves amounted to KM 13.18 billion having increased by KM 718 million (5.8%) compared to the previous month. At the annual level, the foreign exchange reserves of the CBBH increased by KM 1.39 billion (11.7%).

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.