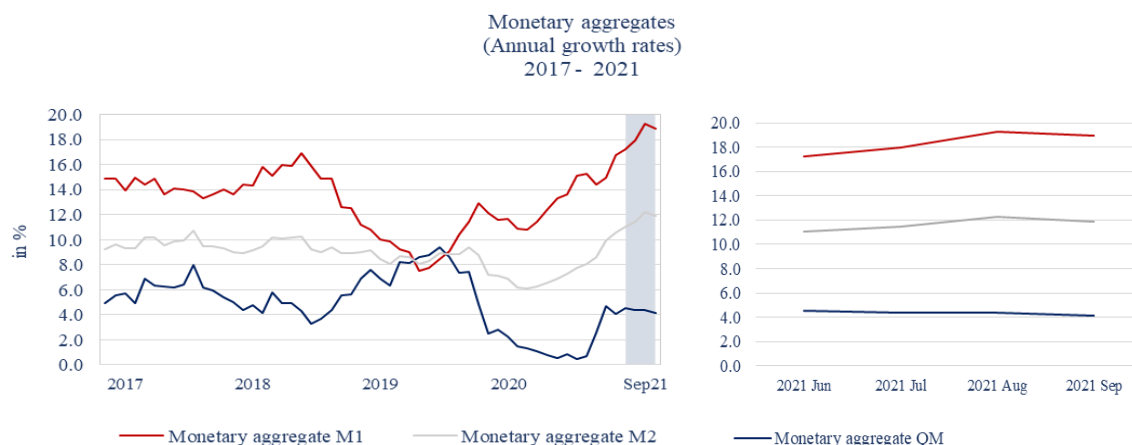


## Comment on Monetary Trends in September 2021

The total money supply (M2) at the end of September 2021 amounted to KM 30.65 billion, while a monthly increase of KM 5.7 million (0.02%) was registered. The low growth of money supply (M2) in September 2021 is the result of a decrease in money (M1) by 5.1 million KM (0.03%) and a lower growth of quasi money (QM) by 10.8 million KM (0.1%). Cash (M1) decreased due to a decrease in cash outside banks by KM 24.5 million (0.4%) and lower growth of transferable deposits in local currency by KM 19.4 million (0.2%). Quasi-money (QM) recorded a decrease in transferable deposits in foreign currency by KM 48.7 million (1.5%), with a simultaneous increase in other deposits in local currency by KM 21.5 million (0.7%) and other deposits in foreign currency by KM 38.1 million (0.5%).

At the annual level, the increase in the money supply (M2) in September 2021 amounted to 3.26 billion KM (11.9%). Growth was realized in cash outside banks by KM 539.3 million (11.0%), transferable deposits in local currency by KM 2.18 billion (23.0%), transferable deposits in foreign currency by KM 353.4 million (12.8%), other deposits in local currency by KM 122.7 million (4.1%) and other deposits in foreign currency by KM 63.1 million (0.9%).



The counter-item of the monthly increase of money supply (M2) in September 2021 in the amount of 5.7 million KM (0.02%) was a decrease in net foreign assets (NSA) by 161 million KM (0.9%) and an increase in net domestic assets (NDA) by KM 166.7 million (1.4%). The increase in the money supply (M2) at the annual level of 3.26 billion KM (11.9%) is the result of the growth of net foreign assets (NSA) by 3.30 billion KM (21.6%) and a decrease in net domestic assets (NDA) by KM 42.4 million (0.3%).

## Monetary survey

	Balance in mil. KM IX 2021	Monthly changes in mil. KM			Annual growth rate in %		
		VII 2021	VIII 2021	IX 2021	VII 2021	VIII 2021	IX 2021
<b>Assets</b>							
<b>1 Net foreign assets</b>	<b>18.552,5</b>	<b>563,6</b>	<b>981,2</b>	<b>-161,0</b>	<b>18,5</b>	<b>23,2</b>	<b>21,6</b>
1.1 Foreign assets	20.441,8	515,7	938,1	-161,5	13,3	17,7	16,4
1.2 Foreign liabilities	-1.889,3	48,0	43,1	0,6	-19,5	-18,4	-18,0
<b>2 Net domestic assets</b>	<b>12.096,3</b>	<b>-105,8</b>	<b>-420,5</b>	<b>166,7</b>	<b>2,7</b>	<b>-1,5</b>	<b>-0,3</b>
2.1. Claims on central government (net) cantons and municipalities	-183,0	-4,8	-481,7	56,2	-861,5	-595,6	-254,5
2.2 Claims on local sectors	19.866,4	23,2	34,1	82,8	1,8	2,4	2,8
2.3 Other items	-7.587,2	-124,2	27,0	27,6	4,1	5,0	3,8
<b>Liabilities</b>							
<b>1 Money supply (M2)</b>	<b>30.648,7</b>	<b>457,8</b>	<b>560,6</b>	<b>5,7</b>	<b>11,5</b>	<b>12,2</b>	<b>11,9</b>
1.1 Money (M1)	17.094,7	440,2	517,1	-5,1	18,0	19,3	18,9
1.2 Quasi money (QM)	13.554,0	17,6	43,6	10,8	4,4	4,4	4,1

## Loans

Total loans to domestic sectors in September 2021 amounted to KM 20.97 billion and compared to the previous month they increased by KM 133.8 million (0.6%). Credit growth was registered in all sectors: households by KM 47.6 million (0.5%), private companies by KM 29.3 million (0.3%), government institutions by KM 46.8 million (4.1%), public companies by KM 7.3 million (1.5%) and other domestic sectors by KM 2.8 million (1.7%).

The annual growth rate of total loans in September 2021 amounted to (2.9%), nominally 597.8 million KM. Annual growth of loans was registered in the sectors of households by KM 426.1 million (4.3%), private companies by KM 118.1 million (1.4%) and government institutions by KM 75.8 million (6.8%). A decrease in loan growth was registered with public companies by KM 20.7 million (3.9%) and other domestic sectors by KM 1.5 million (0.9%).

### Sectoral structure of loans in BH

	Balance in mil. KM IX 2021	Monthly changes in mil. KM			Annual change rates in %		
		VII 2021	VIII 2021	IX 2021	VII 2021	VIII 2021	IX 2021
<b>Total</b>	<b>20.967,2</b>	<b>10,6</b>	<b>14,2</b>	<b>133,8</b>	<b>1,9</b>	<b>2,4</b>	<b>2,9</b>
Out of it:							
Households	10.351,1	59,8	40,5	47,6	3,8	4,1	4,3
Private companies	8.757,7	-54,4	-22,2	29,3	0,3	1,2	1,4
Government institutions	1.185,0	-11,1	-2,9	46,8	3,6	3,3	6,8
Public companies	506,1	-10,4	3,9	7,3	-7,9	-8,0	-3,9
Loans to other domestic sectors	167,3	26,8	-5,1	2,8	-5,2	-6,4	-0,9

### Foreign exchange reserves

The foreign exchange reserves of the Central Bank of BH at the end of September 2021 amounted to KM 15.42 billion. Compared to the previous month, the foreign exchange reserves of the Central Bank of BH decreased by KM 83.6 million (0.5%), while at the annual level an increase of KM 2.07 billion (15.5%) was registered.