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Comment on Monetary Trends in August 2023



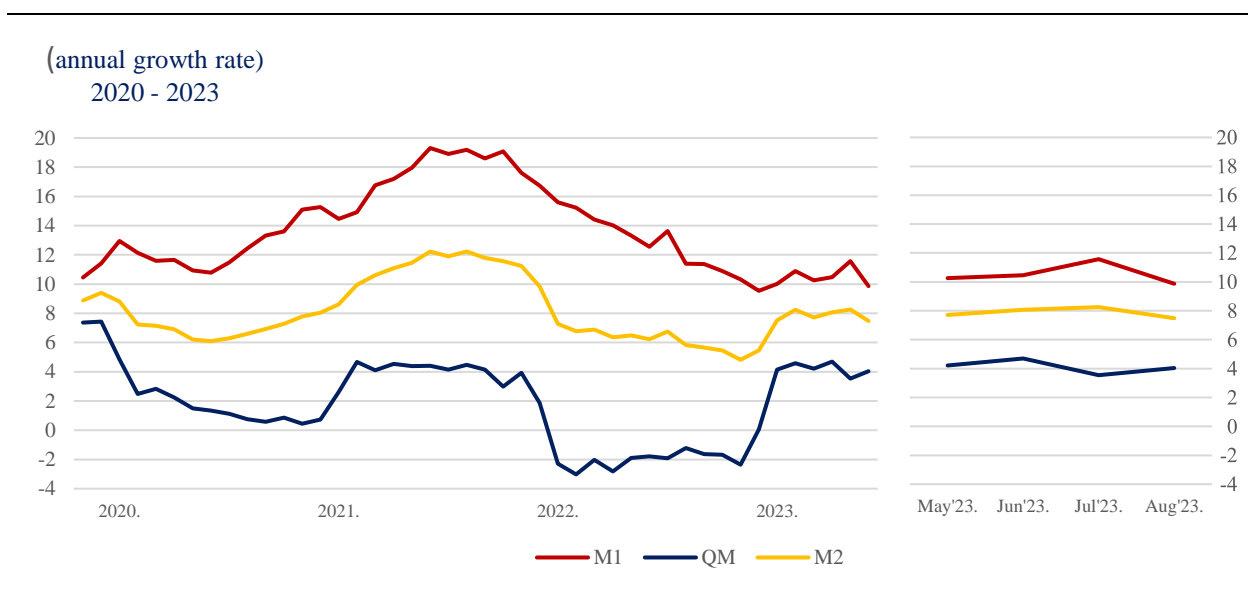
Monetary Trends – August 2023

The total money supply (M2) amounted to KM 34.99 billion at the end of August 2023, with an increase being KM 303.8 million (0.9%) compared to the previous month. The increase in money supply (M2) in August 2023 was the result of an increase in money (M1) by KM 179.5 million (0.9%) and quasi money (QM) by KM 124.3 million (0.9%).

The increase in money (M1) was the result of an increase in cash outside banks by KM 15.2 million (0.2%), and transferable deposits in domestic currency by KM 164.4 million (1.1%). Quasi money (QM) increased due to the increase in transferable deposits in foreign currency by KM 11.9 million (0.3%), other deposits in local currency by KM 75.5 million (2.7%) and other deposits in foreign currency by KM 37 million (0.5%).

On an annual level, the increase in money supply (M2) amounted to KM 2.44 billion (7.5%) in August 2023. The growth was recorded in cash outside banks by KM 325.4 million (5.4%), for transferable deposits in local currency by KM 1.57 billion (11.9%) and for transferable deposits in foreign currency by KM 574.4 million (17.0%), while other deposits in local currency decreased by KM 22 million (0.8%) and other foreign currency deposits by KM 16.2 million (0.2%).

Monetary aggregates



The counter-item to the monthly increase in money supply (M2) totaling KM 303.8 million (0.9%) in August 2023 is an increase in net foreign assets (NSA) by KM 422.6 million (2.1%) and a decrease in net domestic assets (NDA) by KM 118.7 million (0.8%). The annual increase in money supply (M2) of KM 2.44 billion (7.5%), was the result of an increase in net foreign assets (NSA) by KM 1.07 billion (5.6%) and net domestic assets (NDA) by KM 1.37 billion (10.3%).

Monetary Survey

	Balance in mil. KM	Monthly changes in mil. KM			Annual growth rate in %		
	VIII 2023	VI 2023	VII 2023	VIII 2023	VI 2023	VII 2023	VIII 2023
Assets							
1. Net foreign assets	20.316,0	-11,7	353,7	422,6	6,6	5,5	5,6
1.1 Foreign assets	21.794,5	-44,6	347,7	449,3	3,9	3,2	3,5
1.2 Foreign liabilities	-1.478,4	32,9	6,0	-26,7	-22,4	-20,5	-17,9
2. Net domestic assets	14.669,2	281,2	275,3	-118,7	10,1	12,2	10,3
2.1. Claims on central government (net) cantons and municipalities	496,5	-27,1	249,9	-27,4	-172,8	-254,2	-274,7
2.2 Claims on local sectors	21.949,2	331,2	87,7	43,1	5,3	5,4	5,6
2.3 Other items	-7.776,5	-22,8	-62,3	-134,4	5,9	5,2	8,1
Liabilities							
1 Money supply (M2)	34.985,2	269,6	629,0	303,8	8,1	8,3	7,5
1.1 Money (M1)	21.147,2	248,9	632,6	179,5	10,5	11,6	9,9
1.2 Quasi money (QM)	13.838,0	20,7	-3,6	124,3	4,7	3,5	4,0

Loans

Total loans to domestic sectors amounted to KM 22.86 billion at the end of August 2023, having increased by KM 47.7 million (0.2%) compared to the previous month. The loan growth was registered in the household sector by KM 72.1 million (0.6%), non-financial public companies by KM 6.2 million (1.0%) and other domestic sectors by KM 2.3 million (1.0%). The decrease in loan growth was registered with private companies by KM 29.3 million (0.3%) and with government institutions by KM 3.5 million (0.3%).

The annual growth rate of total loans amounted to 4.8% in August 2023, nominally KM 1.05 billion. The annual growth of loans was registered in the household sector by KM 679.3 million (6.3%), private companies by KM 338.8 million (3.7%), non-financial public companies by KM 65.5 million (12.3%) and other domestic sectors by KM 56.5 million (33.7%). The annual decrease in loan growth was registered with government institutions by KM 88.9 million (7.9%).

Sectorial structure of loans

	Balance in mil.KM	Monthly changes in mil. KM			Annual growth rate in %		
	VIII 2023	VI 2023	VII 2023	VIII 2023	VI 2023	VII 2023	VIII 2023
Total	22.858,5	303,9	84,6	47,7	4,7	4,8	4,8
Out of it:							
Households	11.537,1	138,1	81,2	72,1	5,7	5,9	6,3
Private companies	9.459,3	147,2	-6,9	-29,3	3,3	3,4	3,7
Government institutions	1.041,7	-28,4	3,3	-3,5	-4,6	-3,9	-7,9
Public companies	596,2	20,8	-5,7	6,2	22,3	17,0	12,3
Loans to other domestic sectors	224,3	26,3	12,8	2,3	17,3	32,1	33,7

Deposits

Total deposits of domestic sectors amounted to KM 30.51 billion at the end of August 2023, having increased by KM 343.2 million (1.1%) compared to the previous month. The monthly growth of deposits was recorded in all sectors: households by KM 107.7 million (0.7%), private companies by KM 153.1 million (2.3%), non-financial public companies by KM 18.3 million (1.0%), government institutions by KM 47.2 million (1.1%) and other sectors by KM 16.9 million (0.9%).

The annual growth rate of total deposits amounted to 6.8% in August 2023, which is in the absolute amount KM 1.93 billion. The annual growth of deposits was registered in the household sector by KM 1.32 billion (9.3%), private companies by KM 979.5 million (16.8%) and with other domestic sectors by KM 5.2 million (0.3%). For non-financial public companies, deposits have decreased by KM 118.9 million (5.9%), as well as with government institutions by KM 252.9 million (5.3%).

Sectorial structure of deposits

	Balance in mil. KM	Monthly changes in mil. KM			Annual growth rate in %		
	VIII 2023	VI 2023	VII 2023	VIII 2023	VI 2023	VII 2023	VIII 2023
Total	30.509,0	137,8	302,9	343,2	7,5	7,5	6,8
Out of it:							
Households	15.426,0	170,8	70,5	107,7	9,9	9,6	9,3
Private companies	6.812,0	56,3	270,9	153,1	18,3	19,8	16,8
Government institutions	4.510,5	-22,9	-12,1	47,2	-4,4	-4,6	-5,3
Public companies	1.908,6	-94,0	3,2	18,3	-6,7	-6,2	-5,9
Deposits of other domestic sectors	1.851,9	27,7	-29,6	16,9	3,0	0,4	0,3

Foreign Exchange Reserves

At the end of August 2023, the foreign exchange reserves of the CBBH amounted to KM 15.87 billion, having increased by KM 306.6 million KM (2.0%) compared to the previous month.

At a monthly level, in the structure of foreign exchange reserves deposit with non-resident banks have increased by KM 196.5 million (2.4%), investments in securities by KM 125.8 million (1.9%), as well as foreign currency in the CBBH treasury by 4 million KM (0.9%).