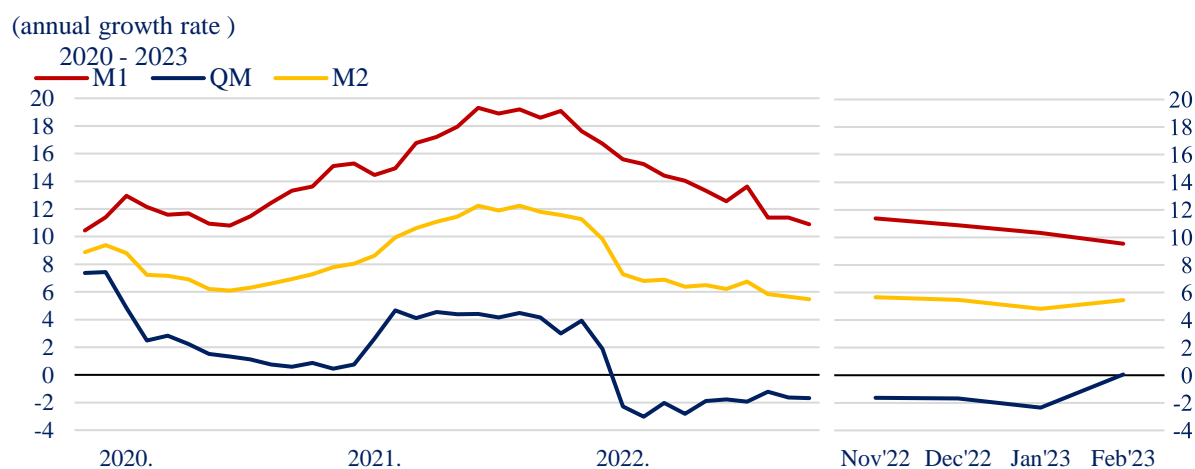


## Comment on Monetary Trends in February 2023

The total money supply (M2) amounted to 33.19 billion KM at the end of February 2023, with an increase being 52.2 million KM (0.2%), compared to the previous month. The increase in money supply (M2) in February 2023 was a result of decrease in money (M1) by 86.6 million KM (0.4%) and an increase in quasi money (QM) by 138.8 million KM (1.0%). The decrease in money (M1) was caused by an increase in cash outside banks by 28.8 million KM (0.5%), and decrease in transferable deposits in local currency by 115.4 million KM (0.8%). The increase in quasi money (QM) is the result of an increase in transferable deposits in foreign currency by 72.2 million KM (2.1%) and other foreign currency deposits by 101.1 million KM (1.5%) and a decrease in other deposits in local currency by 39.5 million KM (1.4%).

On an annual level, the increase in money supply (M2) amounted to 1.72 billion KM (5.5%) in February 2023. The growth was recorded in cash outside banks by 304.2 million KM (5.4%), for transferable deposits in local currency by 1.40 billion KM (11.5%) and transferable deposits in foreign currency by 332.4 million KM (9.8%). Simultaneously, there was decrease in other deposits in local currency by 174.9 million KM (5.7%) and other foreign currency deposits by 150.1 million (2.1%) KM.

### Monetary aggregates



The counter-item to the monthly increase in money supply (M2) totaling 52.2 million KM (0.2%) in February 2023, is a decrease in net foreign assets (NSA) by 213.5 million KM (1.1%) and an increase in net domestic assets (NDA) by 265.7 million KM (1.9%). The annual increase in money supply (M2) by 1.72 billion KM (5.5%), was the result of an increase in net foreign assets (NSA) by 89.5 million KM (0.5%) and net domestic assets (NDA) by 1.63 billion KM (13.0%).

## Monetary survey

	Balance in mil. KM	Monthly changes in mil. KM			Annual growth rate in %		
	II 2023	XII 2022	I 2023	II 2023	XII 2022	I 2023	II 2023
<b>Assets</b>							
<b>1. Net foreign assets</b>	<b>19,086.8</b>	<b>235.0</b>	<b>29.3</b>	<b>-213.5</b>	<b>0.8</b>	<b>0.2</b>	<b>0.5</b>
1.1 Foreign assets	20,758.1	225.9	-90.6	-235.8	0.1	-0.6	-0.4
1.2 Foreign liabilities	-1,671.2	9.1	119.8	22.3	-7.0	-8.9	-9.7
<b>2. Net domestic assets</b>	<b>14,098.2</b>	<b>183.2</b>	<b>-136.5</b>	<b>265.7</b>	<b>12.7</b>	<b>12.0</b>	<b>13.0</b>
2.1. Claims on central government (net) cantons and municipalities	404.0	-133.9	170.3	150.7	-137.6	-226.8	-305.3
2.2 Claims on local sectors	21,008.4	118.2	-192.8	143.0	5.4	5.1	5.1
2.3 Other items	-7,314.2	198.9	-114.0	-28.0	-2.6	-0.3	-0.2
<b>Liabilities</b>							
<b>1 Money supply (M2)</b>	<b>33,185.0</b>	<b>418.2</b>	<b>-107.2</b>	<b>52.2</b>	<b>5.5</b>	<b>4.8</b>	<b>5.5</b>
1.1 Money (M1)	19,625.8	484.4	-166.2	-86.6	10.9	10.3	9.5
1.2 Quasi money (QM)	13,559.2	-66.2	59.0	138.8	-1.7	-2.3	0.1

## Loans

Total loans to domestic sectors amounted to 22 billion KM at the end of February 2023, having increased by 136.2 million KM (0.6%) compared to the previous month. The loan growth was registered in the household sector by 32.6 million KM (0.3%), non-financial public enterprises by 15 million KM (2.5%) and private companies by 105.4 million KM (1.2%). The decrease in loan growth was registered with government institutions by 10 million KM (0.9%) and with other domestic sectors by 6.7 million KM (3.9%).

In February 2023, the annual growth rate of total loans amounted to 4.5%, nominally 952.2 million KM. The annual loan growth was registered in the household sector by 562.8 million KM (5.4%), private companies by 342.9 million KM (3.9%) and non-financial public companies by 97.5 million KM (19.0%). The annual decrease in loan growth was registered with government institutions by 47.8 million KM (4.2%) and other domestic sectors by 3.1 million KM (1.9%).

## Sectorial structure of loans

	Balance in mil. KM	Monthly changes in mil. KM			Annual growth rate in %		
	II 2023	XII 2022	I 2023	II 2023	XII 2022	I 2023	II 2023
<b>Total</b>	<b>22,006.0</b>	<b>101.4</b>	<b>-198.3</b>	<b>136.2</b>	<b>4.7</b>	<b>4.5</b>	<b>4.5</b>
Out of it:							
Households	11,003.3	23.0	-7.6	32.6	5.2	5.5	5.4
Private companies	9,124.5	15.9	-136.4	105.4	4.3	3.7	3.9
Government institutions	1,103.1	-2.3	-9.7	-10.0	-4.9	-4.5	-4.2
Public companies	611.4	44.5	-29.9	15.0	22.6	17.7	19.0
Loans to other domestic sectors	163.7	20.3	-14.6	-6.7	6.3	1.2	-1.9

## Deposits

Total deposits of domestic sectors amounted to 29.19 billion KM at the end of February 2023, having increased by 141.2 million KM (0.5%) compared to the previous month. The monthly growth of deposits was registered in the household sector by 184.6 million KM (1.3%) and non-financial public companies by 31.9 million KM (1.6%). In other sectors, deposits have decreased, namely, at private companies by 24.4 million KM (0.4%), government institutions by 8.4 million KM (0.2%) and other domestic sectors by 42.5 million KM (2.3%).

In February 2023, the annual growth rate of total deposits amounted to 5.8%, which is in the absolute amount 1.60 billion KM. The annual deposit growth was registered in all sectors, namely: households by 322.3 million KM (2.2%), government institutions by 315.4 million KM (8.0%), private companies by 840.7 million KM (15.4%), non-financial public companies by 95.6 million KM (5.0%) and other domestic sectors by 29.3 million KM (1.6%).

## Sectorial structure of deposits

	Balance in mil. KM	Monthly changes in mil. KM			Annual growth rate in %		
	II 2023	XII 2022	I 2023	II 2023	XII 2022	I 2023	II 2023
<b>Total</b>	<b>29,185.2</b>	<b>496.8</b>	<b>-185.1</b>	<b>141.2</b>	<b>5.0</b>	<b>4.0</b>	<b>5.8</b>
Out of it:							
Households	14,835.2	297.1	75.1	184.6	-0.8	-0.7	2.2
Private companies	6,296.0	127.2	175.5	-24.4	11.0	11.5	15.4
Government institutions	4,254.5	121.6	-346.0	-8.4	14.7	9.5	8.0
Public companies	1,993.8	41.5	-52.0	31.9	11.6	6.1	5.0
Deposits of other domestic sectors	1,805.8	-90.6	-37.7	-42.5	6.1	4.6	1.6

## Foreign Exchange Reserves

At the end of February 2023, the foreign exchange reserves of the Central Bank of BiH amounted to 15.37 billion KM, having decreased by 582.3 million KM (3.7%) compared to the previous month. Consequently, foreign exchange reserves of the Central Bank of BiH are reduced by 975 million KM (6.0%) on an annual level.

In the of scope of the foreign exchange reserve's structure, investments in securities have decreased by 108.9 million KM (1.6%), as well as deposits with non-resident banks by 452.9 million KM (5.4%), compared to the previous month.