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Comment on Monetary Trends in September 2023

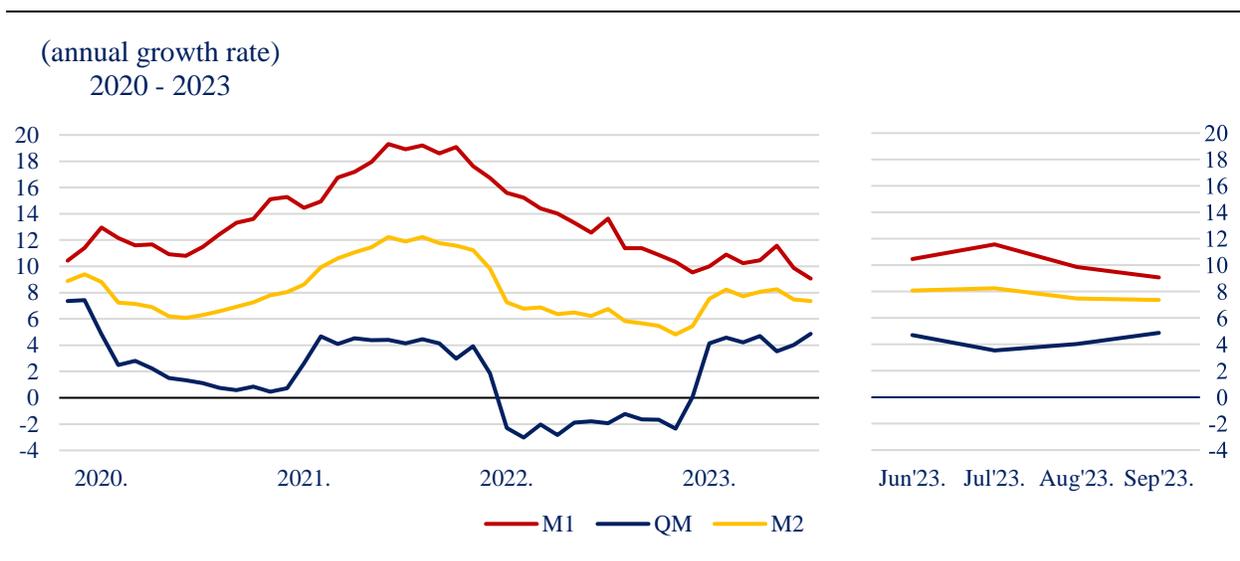


Monetary Trends – September 2023

The total money supply (M2) amounted to KM 35.13 billion at the end of September 2023, with an increase being KM 141 million (0.4%) compared to the previous month. The increase in money supply (M2) in September 2023, was the result of an increase in money (M1) by KM 38.1 million (0.2%) and quasi money (QM) by KM 103 million (0.7%). The increase in money (M1) was the result of an increase in cash outside banks by KM 8.2 million (0.1%), and transferable deposits in local currency by KM 29.8 million (0.2%). Quasi money (QM) has increased due to the increase in transferable deposits in foreign currency by KM 50.9 million (1.3%), other deposits in local currency by KM 3.9 million (0.1%) and other deposits in foreign currency by KM 48.2 million (0.7%).

On an annual level, the increase in money supply (M2) amounted to KM 2.41 billion (7.4%) in September 2023. The growth was recorded in cash outside banks by KM 316.2 million (5.2%), for transferable deposits in local currency by KM 1.45 billion (10.8%), transferable deposits in foreign currency by KM 552.6 million (16.0%), other deposits in local currency by KM 6.8 million (0.2%) and for other deposits in foreign currency by KM 88.7 million (1.3%).

Monetary aggregates



The counter-item to the monthly increase in money supply (M2) totaling KM 141 million (0.4%) in September 2023, is a decrease in net foreign assets (NSA) by KM 19.4 million (0.1%) and an increase in net domestic assets (NDA) by KM 160.5 million (1.1%). The annual increase in money supply (M2) totaling KM 2.41 billion (7.4%), was the result of an increase in net foreign assets (NSA) by KM 1.03 billion (5.3%) and net domestic assets (NDA) by KM 1.39 billion (10.3%).

Monetary Survey

	Balance in mil. KM IX 2023	Monthly changes in mil. KM			Annual growth rate in %		
		VII 2023	VIII 2023	IX 2023	VII 2023	VIII 2023	IX 2023
Assets							
1. Net foreign assets	20.296,6	353,7	422,6	-19,4	5,5	5,6	5,3
1.1 Foreign assets	21.756,2	347,7	449,3	-38,3	3,2	3,5	3,4
1.2 Foreign liabilities	-1.459,6	6,0	-26,7	18,9	-20,5	-17,9	-17,2
2. Net domestic assets	14.829,7	275,3	-118,7	160,5	12,2	10,3	10,3
2.1. Claims on central government (net) cantons and municipalities	508,5	249,9	-27,4	11,9	-254,2	-274,7	-359,8
2.2 Claims on local sectors	22.147,4	87,7	43,1	198,3	5,4	5,6	6,4
2.3 Other items	-7.826,2	-62,3	-134,4	-49,7	5,2	8,1	9,0
Liabilities							
1 Money supply (M2)	35.126,3	629,0	303,8	141,0	8,3	7,5	7,4
1.1 Money (M1)	21.185,3	632,6	179,5	38,1	11,6	9,9	9,1
1.2 Quasi money (QM)	13.941,0	-3,6	124,3	103,0	3,5	4,0	4,9

Loans

Total loans to domestic sectors amounted to KM 23.04 billion at the end of September 2023, having increased by KM 184.1 million (0.8%) compared to the previous month. The loan growth was registered in the household sector by KM 79.2 million (0.7%), private companies by KM 124.6 million (1.3%) and other domestic sectors by KM 1.2 million (0.5%). The decrease in loan growth was registered with non-financial public companies by KM 1.3 million (0.2%) and with government institutions by KM 19.6 million (1.9%).

In September 2023 the annual growth rate of total loans amounted to 5.5%, nominally KM 1.2 billion. The annual growth of loans was registered in the household sector by KM 712.6 million (6.5%), private companies by KM 485.9 million (5.3%), non-financial public companies by KM 62.2 million (11.7%) and other domestic sectors by KM 46.6 million (26%). The annual decrease in loan growth was registered with government institutions by KM 112.8 million (9.9%).

Sectorial structure of loans

	Balance in mil. KM IX 2023	Monthly changes in mil. KM			Annual rates of change in %		
		VII 2023	VIII 2023	IX 2023	VII 2023	VIII 2023	IX 2023
Total	23.042,6	84,6	47,7	184,1	4,8	4,8	5,5
Out of it:							
Households	11.616,3	81,2	72,1	79,2	5,9	6,3	6,5
Private companies	9.583,9	-6,9	-29,3	124,6	3,4	3,7	5,3
Government institutions	1.022,1	3,3	-3,5	-19,6	-3,9	-7,9	-9,9
Public companies	594,9	-5,7	6,2	-1,3	17,0	12,3	11,7
Loans to other domestic sectors	225,5	12,8	2,3	1,2	32,1	33,7	26,0

Deposits

Total deposits of domestic sectors amounted to KM 30.66 billion at the end of September 2023, having increase by KM 151.7 million (0.5%) compared to the previous month. The monthly growth of deposits was recorded in the household sector by KM 140.3 million (0.9%), private companies by KM 17.5 million (0.3%) and government institutions by KM 28.7 million (0.6%). Deposits have decreased by KM 26.1 million (1.4%) with non-financial public companies and with other sectors by KM 8.6 million (0.5%).

The annual growth rate of total deposits amounted to 6.9% in September 2023, having to be KM 1.98 billion in the absolute amount. The annual growth of deposits was registered in the household sector by KM 1.35 billion (9.5%) and with private companies by KM 951.5 million (16.2%). The annual decrease of deposits was recorded with government institutions by KM 183.1 million (3.9%), non-financial public companies by KM 99 million (5.0%) and other domestic sectors by KM 42 million (2.2%).

Sectorial structure of deposits

	Balance in mil. KM IX 2023	Monthly changes in mil. KM			Annual rates of change in %		
		VII 2023	VIII 2023	IX 2023	VII 2023	VIII 2023	IX 2023
Total	30.660,7	302,9	343,2	151,7	7,5	6,8	6,9
Out of it:							
Households	15.566,2	70,5	107,7	140,3	9,6	9,3	9,5
Private companies	6.829,5	270,9	153,1	17,5	19,8	16,8	16,2
Government institutions	4.539,2	-12,1	47,2	28,7	-4,6	-5,3	-3,9
Public companies	1.882,5	3,2	18,3	-26,1	-6,2	-5,9	-5,0
Deposits of other domestic sectors	1.843,3	-29,6	16,9	-8,6	0,4	0,3	-2,2

Foreign Exchange Reserves

At the end of September 2023, the foreign exchange reserves of the CBBH amounted to KM 15.92 billion, having increased by KM 44.2 million KM (0.3%) compared to the previous month.

At a monthly level, in the structure of foreign exchange reserves investments in securities have increased by KM 140.8 million (2.1%), while deposits with non-resident banks have decreased by KM 92.8 million (1.1%).