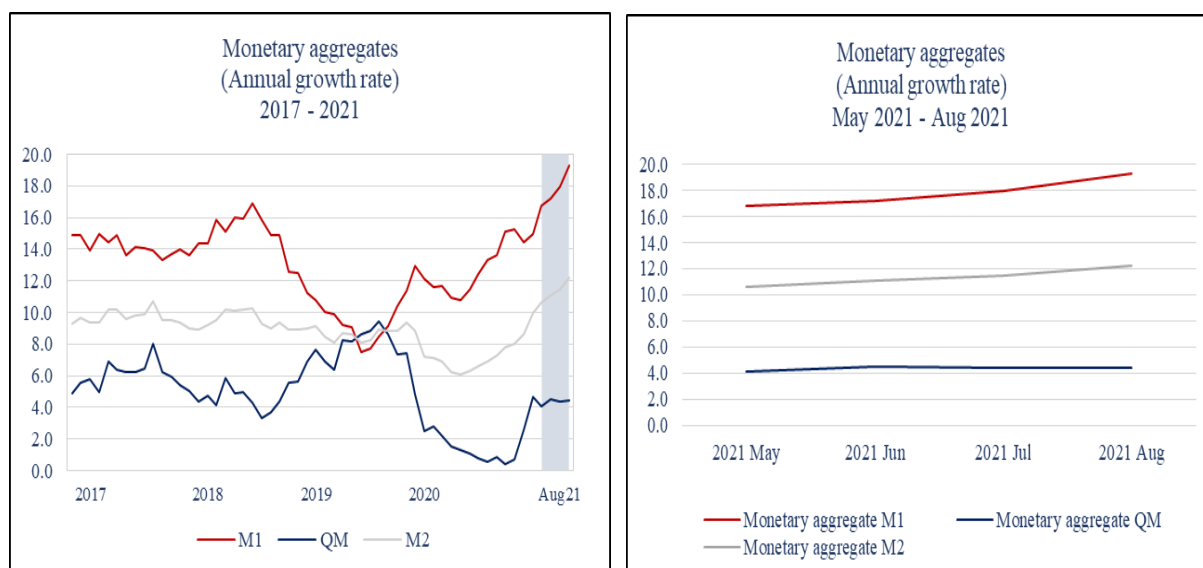


## Comment on Monetary Trends in August 2021

The total money supply (M2) at the end of August 2021 amounted to KM 30.64 billion, so that an increase of KM 560.6 million (1.9%) was registered on a monthly basis. The growth of money supply (M2) in August 2021 is the result of the growth of money (M1) by KM 517.1 million (3.1%) and a slight increase of quasi money (QM) by KM 43.6 million (0.3%). Cash (M1) increased due to the growth of cash outside banks by KM 27.8 million (0.5%) and transferable deposits in local currency by KM 489.3 million (4.4%). Quasi money (QM) had an increase in transferable deposits in foreign currency by KM 64.8 million (2.1%) and other deposits in local currency by KM 13.7 million (0.4%), with a simultaneous decrease in other deposits in foreign currency by KM 34.9 million (0.5%).

At the annual level, the increase in money supply (M2) in August 2021 amounted to 3.34 billion KM (12.2%). Growth was realized in cash outside banks by KM 555.2 million (11.3%), transferable deposits in local currency by KM 2.21 billion (23.5%), transferable deposits in foreign currency by KM 454.9 million (16.8%), other deposits in local currency by KM 110.5 million (3.7%) and other deposits in foreign currency by KM 6.9 million (0.1%).



The counter-item of the monthly increase of money supply (M2) in August 2021 in the amount of KM 560.6 million (1.9%) was the growth of net foreign assets (NSA) by KM 981.2 million (5.5%) and decrease in net domestic assets (NDA) by KM 420.5 million (3.4%). The increase in money supply (M2) at the annual level of KM 3.34 billion (12.2%) is the result of an increase in net foreign assets (NSA) by KM 3.52 billion (23.2%) and a decrease in net domestic assets (NDA) by KM 180.6 million (1.5%).

## Monetary survey

	Balance in mil. KM VII 2021	Monthly changes in mil. KM			Annual growth rate in %		
		V 2021	VI 2021	VII 2021	V 2021	VI 2021	VII 2021
<b>Assets</b>							
<b>1 Net foreign assets</b>	<b>18.713,4</b>	<b>133,6</b>	<b>563,6</b>	<b>981,2</b>	<b>17,2</b>	<b>18,5</b>	<b>23,2</b>
1.1 Foreign assets	20.603,3	48,2	515,7	938,1	11,6	13,3	17,7
1.2 Foreign liabilities	-1.889,9	85,4	48,0	43,1	-21,3	-19,5	-18,4
<b>2 Net domestic assets</b>	<b>11.929,6</b>	<b>149,8</b>	<b>-105,8</b>	<b>-420,5</b>	<b>3,6</b>	<b>2,7</b>	<b>-1,5</b>
2.1. Claims on central government (net) cantons and municipalities	-239,2	30,0	-4,8	-481,7	-249,1	-861,5	-595,6
2.2 Claims on local sectors	19.783,6	188,6	23,2	34,1	1,6	1,8	2,4
2.3 Other items	7.614,8	-68,8	-124,2	27,0	4,1	4,1	5,0
<b>Liabilities</b>							
<b>1 Money supply (M2)</b>	<b>30.643,0</b>	<b>283,4</b>	<b>457,8</b>	<b>560,6</b>	<b>11,1</b>	<b>11,5</b>	<b>12,2</b>
1.1 Money (M1)	17.099,8	218,4	440,2	517,1	17,2	18,0	19,3
1.2 Quasi money (QM)	13.543,2	65,0	17,6	43,6	4,5	4,4	4,4

## Loans

Total loans to domestic sectors at the end of August 2021 amounted to KM 20.83 billion and compared to the previous month increased by KM 14.2 million (0.1%). Credit growth was registered in the household sector by KM 40.5 million (0.4%) and public companies by KM 3.9 million (0.8%). A decrease in credit growth was registered in the sectors of private companies by KM 22.2 million (0.3%), government institutions by KM 2.9 million (0.3%) and other domestic sectors by KM 5.1 million (3%).

The annual growth rate of total loans in August 2021 amounted to (2.4%), nominally KM 491.9 million. Annual credit growth was registered in the household sectors by KM 403.5 million (4.1%), private companies by KM 105.9 million (1.2%) and government institutions by KM 36.8 million (3.3%). The decrease in credit growth was registered in the sectors of public enterprises by KM 43.1 million (8.0%) and other domestic sectors by KM 11.1 million (6.4%).

### Sectoral structure of loans in BH

	Balance in mil. KM VII 2021	Monthly changes in mil. KM			Annual change rates in %		
		V 2021	VI 2021	VII 2021	V 2021	VI 2021	VII 2021
<b>Total</b>	<b>20.833,4</b>	<b>164,3</b>	<b>10,6</b>	<b>14,2</b>	<b>2,0</b>	<b>1,9</b>	<b>2,4</b>
Out of it:							
Households	10.303,5	97,2	59,8	40,5	3,6	3,8	4,1
Private companies	8.728,4	81,6	-54,4	-22,2	0,7	0,3	1,2
Government institutions	1.138,2	-19,9	-11,1	-2,9	4,6	3,6	3,3
Public companies	498,8	0,4	-10,4	3,9	-5,7	-7,9	-8,0
Loans to other domestic sectors	164,6	4,9	26,8	-5,1	-17,3	-5,2	-6,4

### The CBBH Foreign exchange reserves

At the end of August 2021, the foreign exchange reserves of the Central Bank of BiH amounted to KM 15.5 billion and increased by KM 911.1 million (6.2%) compared to the previous month. At the annual level, the foreign exchange reserves of the Central Bank of BiH increased by KM 2.19 billion (16.4%).