

29 June 2009

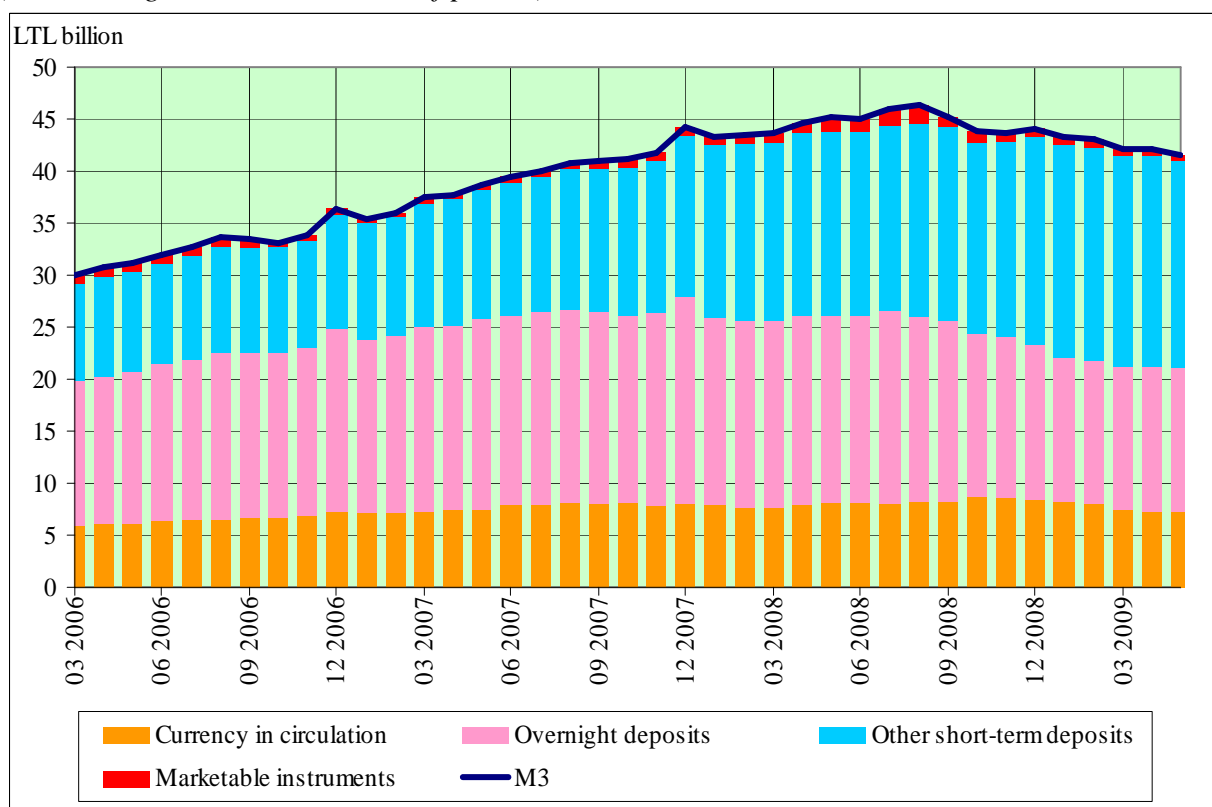
MONETARY SURVEY AND BALANCE SHEET OF OTHER MFIs, MAY 2009

In May 2009, monetary aggregates M3 and M2 contracted respectively by LTL 435.4 million and LTL 363.1 million, while M1 climbed by LTL 48.2 million. In the course of the year, all monetary aggregates shrank respectively by 8.2%, 6.6% and 19.2% to LTL 41.5 billion, LTL 41.1 billion, and 21.1 billion at the end of the month.

A decrease in deposits with agreed maturity of up to 2 years, repurchase agreements, currency in circulation, debt securities with maturity of up to 2 years and those redeemable at a period of notice of up to 3 months in May contributed to the contraction of broad monetary aggregate M3 respectively by LTL 403.5 million, LTL 46.3 million, LTL 44.8 million, LTL 26.0 million, and LTL 7.8 million. However, an increase in overnight deposits pushed M3 up by LTL 93.1 million.

Monetary aggregate M3 and its components

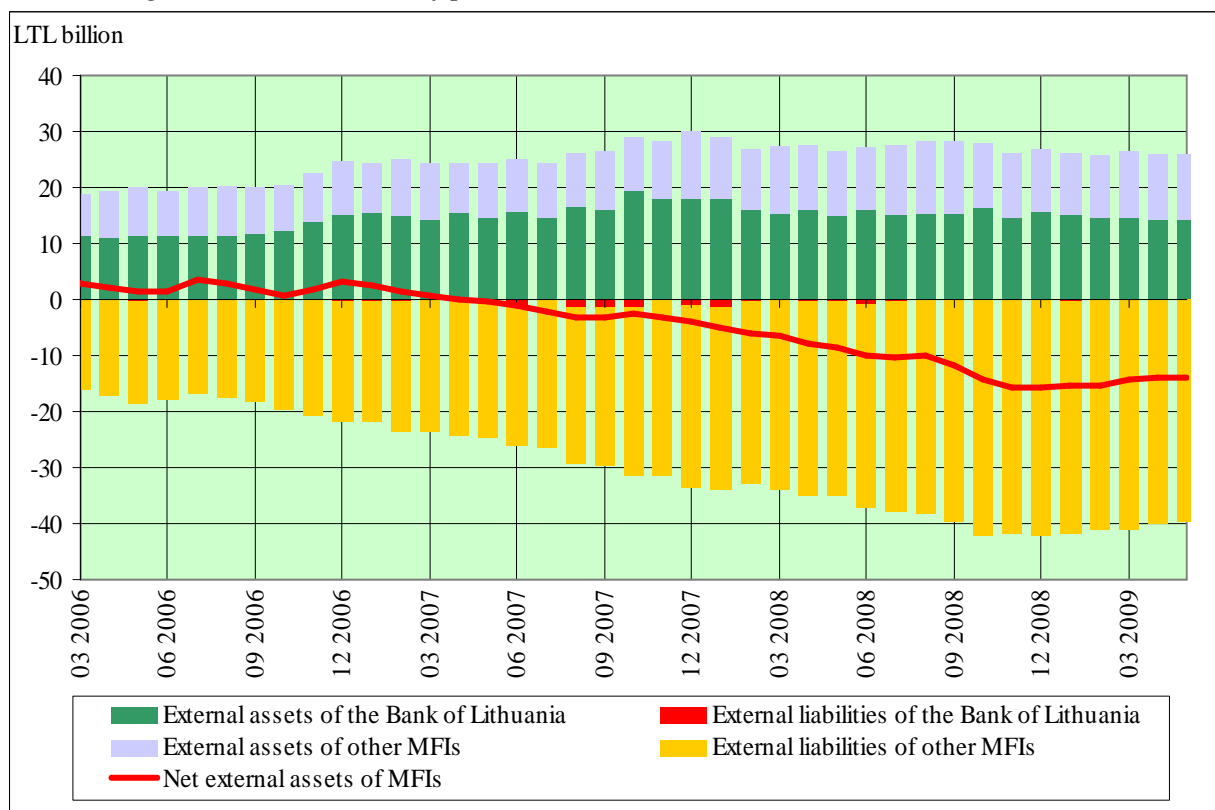
(outstanding amounts at the end of period)



Since February 2009 net external assets of monetary financial institutions (MFIs) have been gradually growing. In May, they grew by LTL 54.9 million, but at the end of the month the result was negative amounting to LTL 13.8 billion. The increase in net external assets was driven by a hike of net external asset of the Bank of Lithuania.

Net External Assets of MFIs

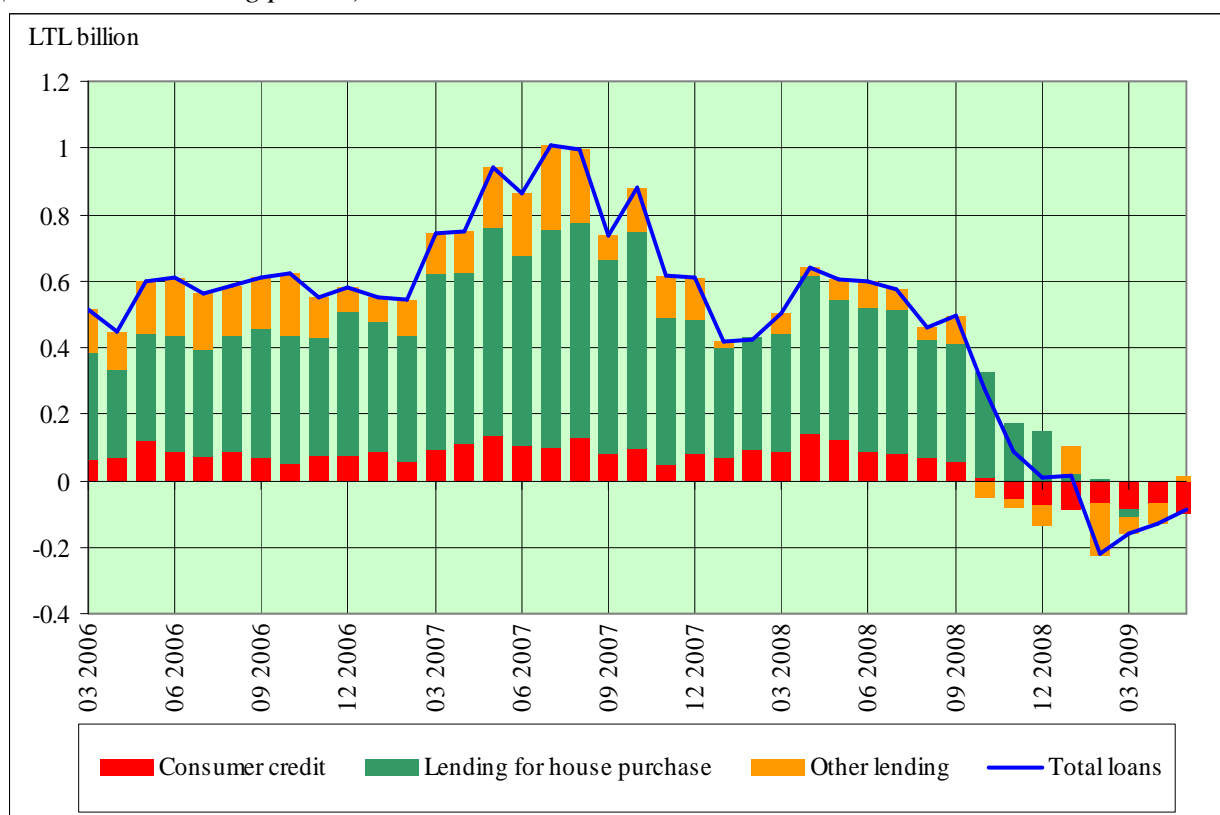
(outstanding amounts at the end of period)



Starting with mid-December 2008, a decline in domestic credit has continued due to decelerated lending by other MFIs to non-financial corporations and financial intermediaries. In May 2009, domestic credit declined by LTL 749.8 million. The major reasons behind the domestic credit decline was a decrease in other MFIs' loans to non-financial corporations, financial intermediaries, and households, which respectively made up LTL 609.4 million, LTL 201.5 million and LTL 85.1 million. The decline in lending transactions to households and non-financial corporations has been observed since mid-2007. At the end of May 2009, the annual growth rates of these loans were respectively 6.9% and 1.2%.

Although all lending transactions to households have remained negative since February 2009, their decline has continued to moderate every month. In the course of the month, lending for house purchase declined by LTL 3.2 million, while its annual growth rate dropped at the end of May to 11.8% (from 46.0% in May 2008). Over the month, consumer credit went down by LTL 96.6 million, while other lending hiked by LTL 14.7 million.

Development of Loans to Households (transactions during period)



In the course of the month, central government's deposits decreased by LTL 236.1 million, and MFIs' longer-term financial liabilities grew by LTL 27.4 million. These liabilities grew in May as a result of an increase of LTL 125.5 million in capital and reserves, and a hike of LTL 8.5 million in deposits with agreed maturity of over 2 years. However, debt securities over 2 years fell by LTL 106.6 million

Footnotes.

1. Changes in monetary aggregates and the balance sheet items of other MFIs are disclosed as transactions, i.e. are calculated by taking the difference between end-month outstanding amounts and then removing the effects of revaluation adjustments, exchange rate adjustments as well as reclassifications and other adjustments.
2. Other short-term deposits, i.e. M2 minus M1, include deposits with agreed maturity of up to 2 years and deposits redeemable at a period of notice of up to 3 months.
3. Marketable instruments, i.e. M3 minus M2, include repurchase agreements, money market funds' shares (units) and debt securities with maturity of up to 2 years.

Monetary Aggregates and Counterparts, LTL million

	Outstanding amounts at the end of previous period	Transactions during period	Other changes of outstanding amounts during period	Outstanding amounts at the end of the reporting period	Annual growth rates, in percent	
	April 2009	May 2009	May 2009	May 2009	April 2009	May 2009
M2	41484.1	-363.1	-67.6	41053.4	-5.4	-6.6
M1	21114.1	48.2	-24.0	21138.3	-19.5	-19.2
Currency in circulation	7256.7	-44.8	0.1	7211.9	-7.8	-10.1
Overnight deposits	13857.4	93.1	-24.1	13926.4	-24.6	-23.3
Other short-term deposits	20370.0	-411.3	-43.6	19915.0	15.8	12.0
Deposits with agreed maturity up to 2 years	20129.3	-403.5	-42.9	19682.8	16.1	12.4
Deposits redeemable at notice up to 3 months	240.7	-7.8	-0.7	232.2	-7.5	-13.4
Marketable instruments	573.6	-72.3	-23.2	478.1	-47.4	-62.0
Repurchase agreements	100.6	-46.3	0.0	54.3	x	x
Money market funds shares/units
Debt securities issued up to 2 years	472.9	-26.0	-23.2	423.8	-48.7	-57.1
M3	42057.7	-435.4	-90.9	41531.4	-6.4	-8.2
Net external assets	-13888.3	54.9	-4.5	-13837.9	86.0	66.5
Credit to general government	4439.0	62.4	1.7	4503.1	46.7	43.9
Loans	1545.5	-7.0	-0.1	1538.4	81.7	66.5
Securities other than shares	2893.5	69.4	1.8	2964.7	31.1	32.5
Credit to other residents	67459.8	-812.2	-102.6	66544.9	4.7	2.5
Loans	66982.7	-895.4	-100.9	65986.4	4.4	2.1
Securities other than shares	218.3	40.3	0.1	258.8	283.5	395.9
Shares and other equity	258.7	42.8	-1.8	299.8	6.2	24.2
less: Deposits of central government	3895.7	-236.1	-21.6	3638.1	8.9	27.3
less: Longer-term financial liabilities	12257.9	27.4	23.9	12309.2	9.6	8.4
less: Other items (net)	-200.9	-50.8	-16.8	-268.6	x	x

Footnote. The totals can not correspond to the sums of terms due to rounding.

Symbols and conventions

„0.0“ Magnitude less than indicated measurement units

„...“ Data not available, although the phenomenon existed

„x“ Indicator is not calculated in such expression, although the phenomenon existed