

28 September 2009

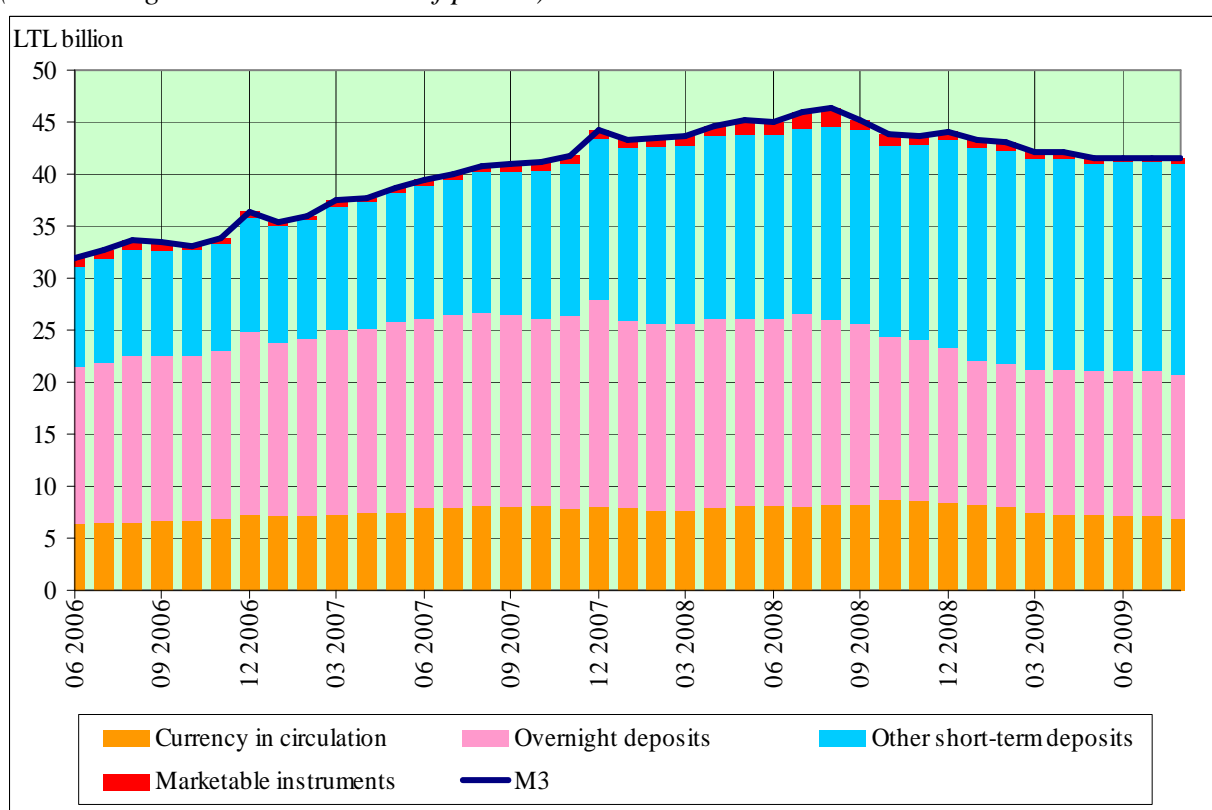
MONETARY SURVEY AND BALANCE SHEET OF OTHER MFIs, AUGUST 2009

A contraction was observed in all monetary aggregates in August 2009: M1 shrank by LTL 314.6 million, M2 by LTL 5.6 million, and M3 by LTL 4.0 million. In the course of the year, they shrank respectively by 20.1%, 8.3% and 10.5% to LTL 20.8 billion, LTL 41.1 billion, and LTL 41.6 billion at the end of the year.

Monetary aggregate M3 went down as a result of a decrease in overnight deposits, currency in circulation, deposits redeemable at a period of notice of up to 3 months, and repo transactions by LTL 248.5, LTL 66.1, LTL 11.7, and LTL 1.8 million, respectively. However, an increase in deposits with agreed maturity of up to 2 years and debt securities issued up to 2 years pushed M3 up respectively by LTL 320.7 and LTL 3.5 million.

Monetary aggregate M3 and its components

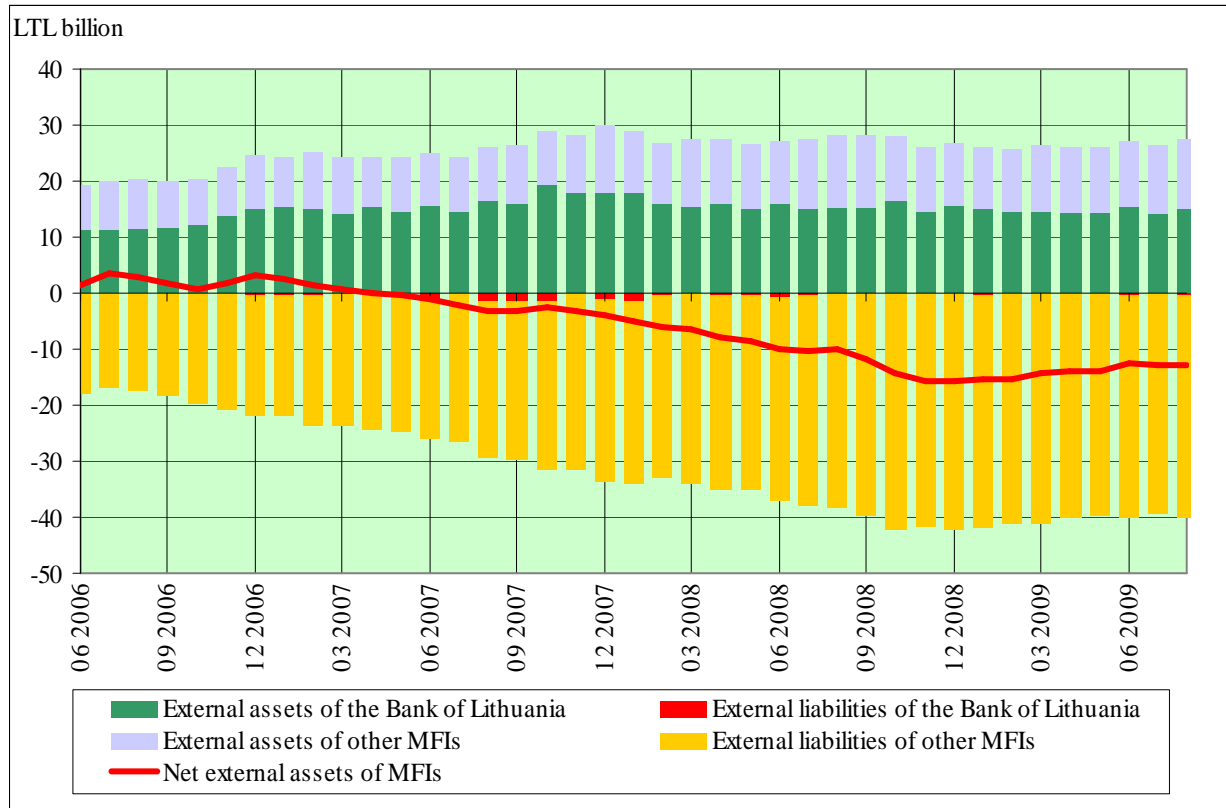
(outstanding amounts at the end of period)



Net external assets of monetary financial institutions (MFIs) grew in August by LTL 114.4 million although the result was negative at the end of the month, amounting to LTL 12.8 billion. Net external assets of the Bank of Lithuania increased by LTL 206.1 million and other MFIs' net external assets went down by LTL 91.7 million.

Net External Assets of MFIs

(outstanding amounts at the end of period)



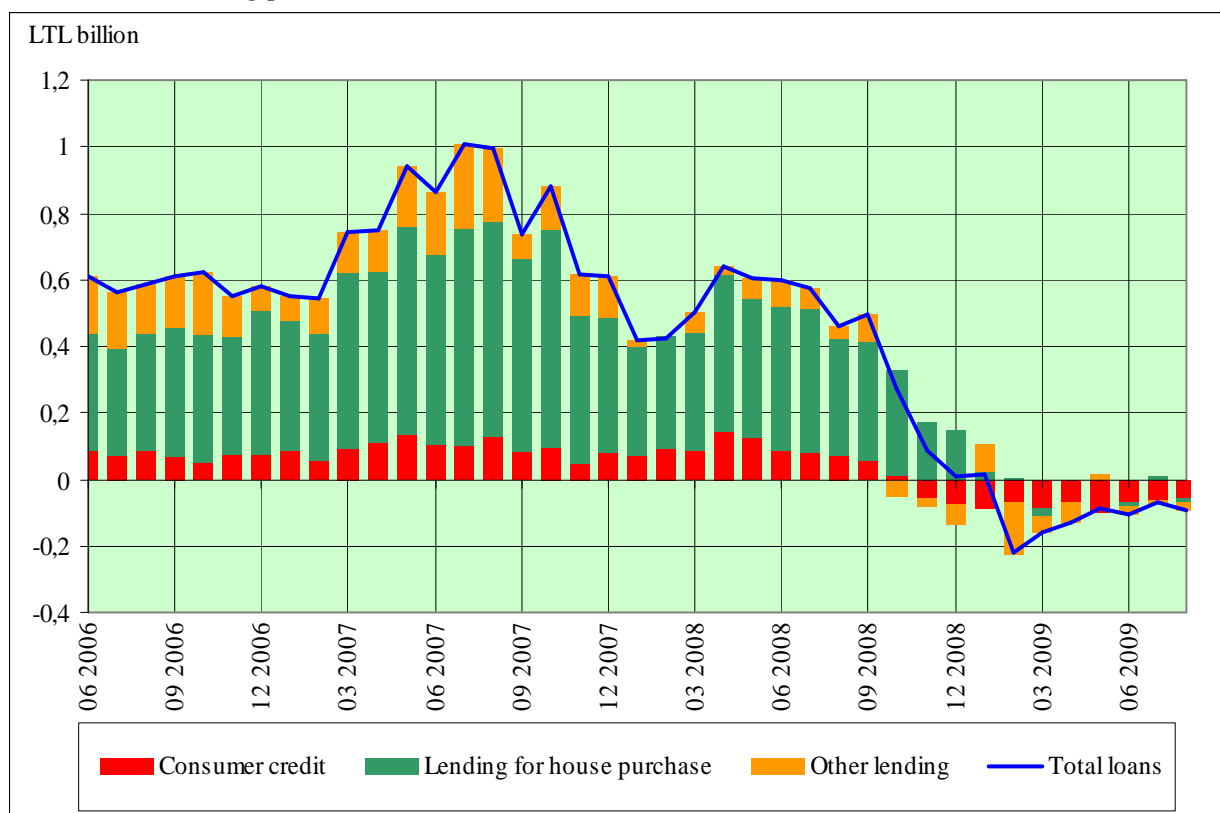
From December 2008 to July 2009, domestic credit kept decreasing due to decelerated lending by other MFIs to non-financial corporations and households. In August 2009, domestic credit went up by LTL 320.7 million mainly due to acquisition of government sector-issued securities other than shares by other MFIs, which went up by LTL 237.5 million. For the first time during the last nine-month period, other MFIs' lending to non-financial corporations increased by LTL 21.9 million. Lending to households, however, went down by LTL 92.2 million.

The annualised growth rate of other MFIs lending to non financial corporations was negative for the third consecutive month, making up 6.3%. Although the growth rate of lending to households remained positive, it slowed down to 0.1% (for instance, at the end of August 2008, it was 31.9%).

In August 2009, a decrease was observed in all other MFIs' loans to households by purpose: consumer credit went down by LTL 58.9 million, lending for house purchase decreased by LTL 11.5 million, and other loans fell by LTL 21.8 million. Although the annualised growth rate of lending for house purchase stood at 4.9% at the end of August, it was the lowest during the last five-year period (for instance, in August 2008 it was 35.6%).

Development of Loans to Households

(transactions during period)



Throughout August, longer-term financial liabilities of MFIs grew by LTL 281.8 million. The change was driven by an increase of LTL 256.0 million in capital and reserves, and a hike of LTL 32.9 million in deposits with agreed maturity of over 2 years, and a contraction of MFIs-issued debt securities with maturity of over 2 by LTL 7.2 million.

Central government deposits with MFIs went up during the month by LTL 298.4 million, whereas central government deposits with the Bank of Lithuania and other MFIs respectively grew by LTL 220.3 million and LTL 78.1 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	
	June 2009	August 2009	August 2009	August 2009	June 2009	August 2009
M2	41085.7	-5.6	-27.1	41053.0	-7.9	-8.3
M1	21133.2	-314.6	-9.8	20808.8	-20.5	-20.1
Currency in circulation	7073.8	-66.1	0.0	7007.8	-13.0	-15.1
Overnight deposits	14059.4	-248.5	-9.8	13801.0	-23.8	-22.4
Other short-term deposits	19952.5	309.0	-17.3	20244.2	10.7	8.1
Deposits with agreed maturity up to 2 years	19700.3	320.7	-16.9	20004.1	11.2	8.6
Deposits redeemable at notice up to 3 months	252.2	-11.7	-0.3	240.1	-17.3	-22.8
Marketable instruments	517.6	1.7	3.8	523.0	-62.8	-68.4
Repurchase agreements	73.9	-1.8	0.0	72.1	x	x
Money market funds shares/units
Debt securities issued up to 2 years	443.7	3.5	3.8	450.9	-62.9	-65.2
M3	41603.3	-4.0	-23.3	41576.0	-9.6	-10.5
Net external assets	-12889.5	114.4	6.4	-12768.8	28.2	33.3
Credit to general government	4819.1	241.9	1.7	5062.7	37.9	53.3
Loans	1740.2	4.4	-0.1	1744.5	50.5	83.1
Securities other than shares	3078.9	237.5	1.8	3318.2	30.0	39.1
Credit to other residents	65603.0	78.8	-28.9	65652.8	-2.7	-4.2
Loans	65013.9	82.7	-32.5	65064.1	-3.2	-4.6
Securities other than shares	244.7	-6.2	0.1	238.6	359.8	345.3
Shares and other equity	344.5	2.2	3.5	350.2	47.6	48.0
less: Deposits of central government	3684.5	298.4	-0.2	3982.7	27.5	54.5
less: Longer-term financial liabilities	12575.8	281.8	-37.7	12819.9	9.6	8.7
less: Other items (net)	-331.0	-141.1	40.3	-431.7	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