

28 January 2010

## MONETARY SURVEY AND BALANCE SHEET OF OTHER MFIs, DECEMBER 2009

In 2009, net external assets (i.e., external assets less external liabilities) of Monetary Financial Institutions (MFIs) remained negative but increased by LTL 9.3 billion. Last year, other MFIs lending to residents shrank by LTL 6.9 billion, out of which lending to non-financial corporations decreased by LTL 3.3 billion, to financial intermediaries – by LTL 1.5 billion, to households – by LTL 1.3 billion, and to other resident sectors – by LTL 0.8 billion.

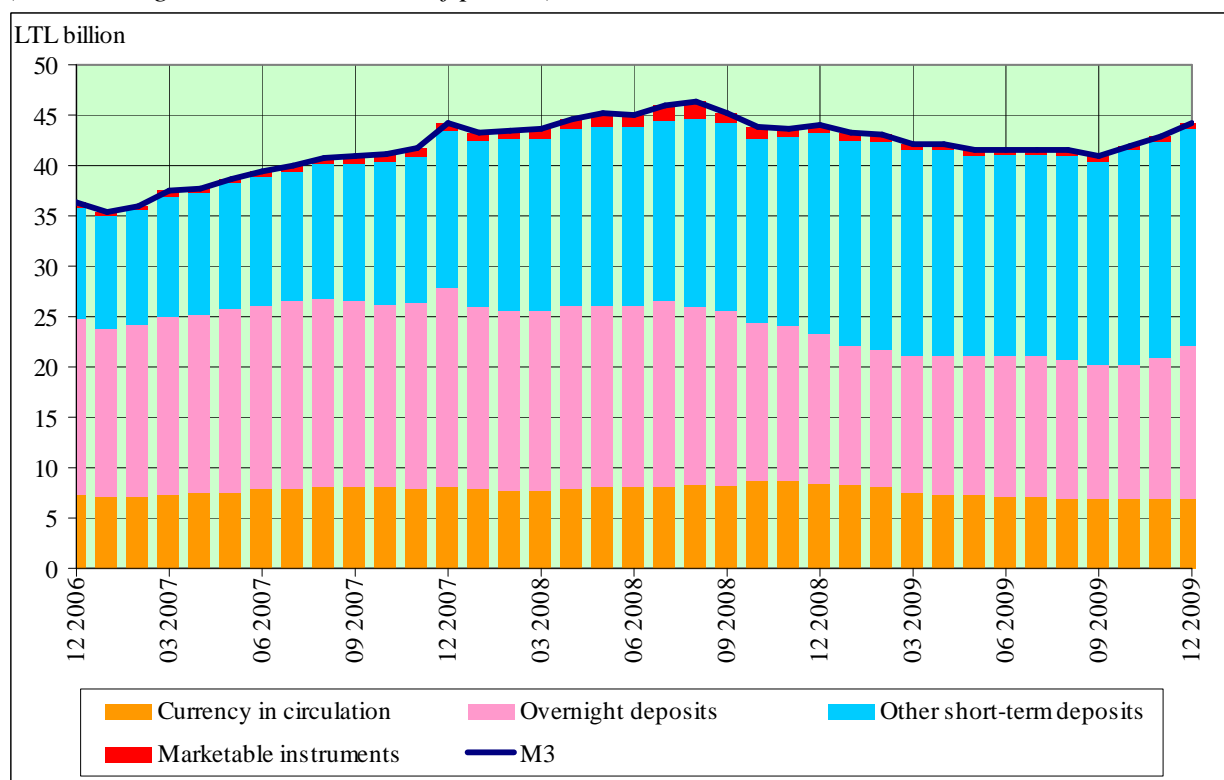
In 2009, monetary aggregate M3 grew by LTL 76.6 million due to a LTL 1.8 billion increase of overnight and other short-term deposits and a LTL 1.7 billion decrease of currency in circulation and marketable instruments.

In December 2009, narrow monetary aggregate M1 expanded by LTL 971.8 million, intermediate monetary aggregate M2 – by LTL 1.2 billion, broad monetary aggregate M3 – by LTL 1.3 billion. However, in a year, M1 shrank by 5.5 per cent, whereas M2 and M3 grew by 0.6 per cent and 0.2 per cent respectively for the first time after a year's break. At the end of December, monetary aggregate M1 made up LTL 22.0 billion, M2 – LTL 43.6 billion and M3 – LTL 44.2 billion.

The December increase of M3 was driven by a LTL 849.8 million growth of overnight deposits, a LTL 213.8 million rise of deposits with agreed maturity of up to 2 years, a LTL 121.9 million expansion of currency in circulation, and by a LTL 118.5 million increase of debt securities with maturity of up to 2 years. However, decreased repo transactions reduced M3 by LTL 24.8 million and deposits redeemable at notice of up to 3 months pushed this indicator down by LTL 14.0 million.

### Monetary aggregate M3 and its components

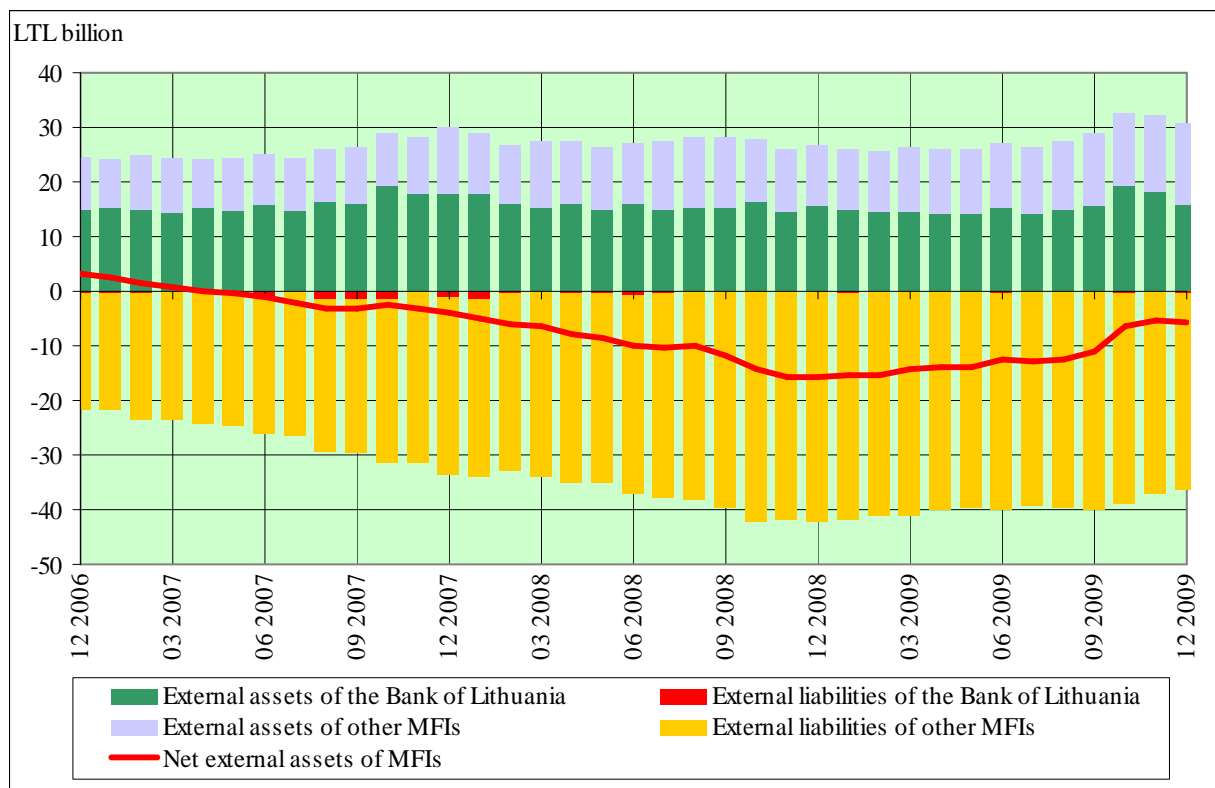
(outstanding amounts at the end of period)



After a constant growth since the beginning of 2009, net external assets declined by LTL 358.9 million in December and remained negative – at the end of the month they were equal to LTL 5.6 billion. The decrease of net external assets of MFIs was driven by a shrink of LTL 2.5 billion in net external assets of the Bank of Lithuania. Net external assets of other MFIs rose by LTL 2.2 billion.

### Net External Assets of MFIs

(outstanding amounts at the end of period)

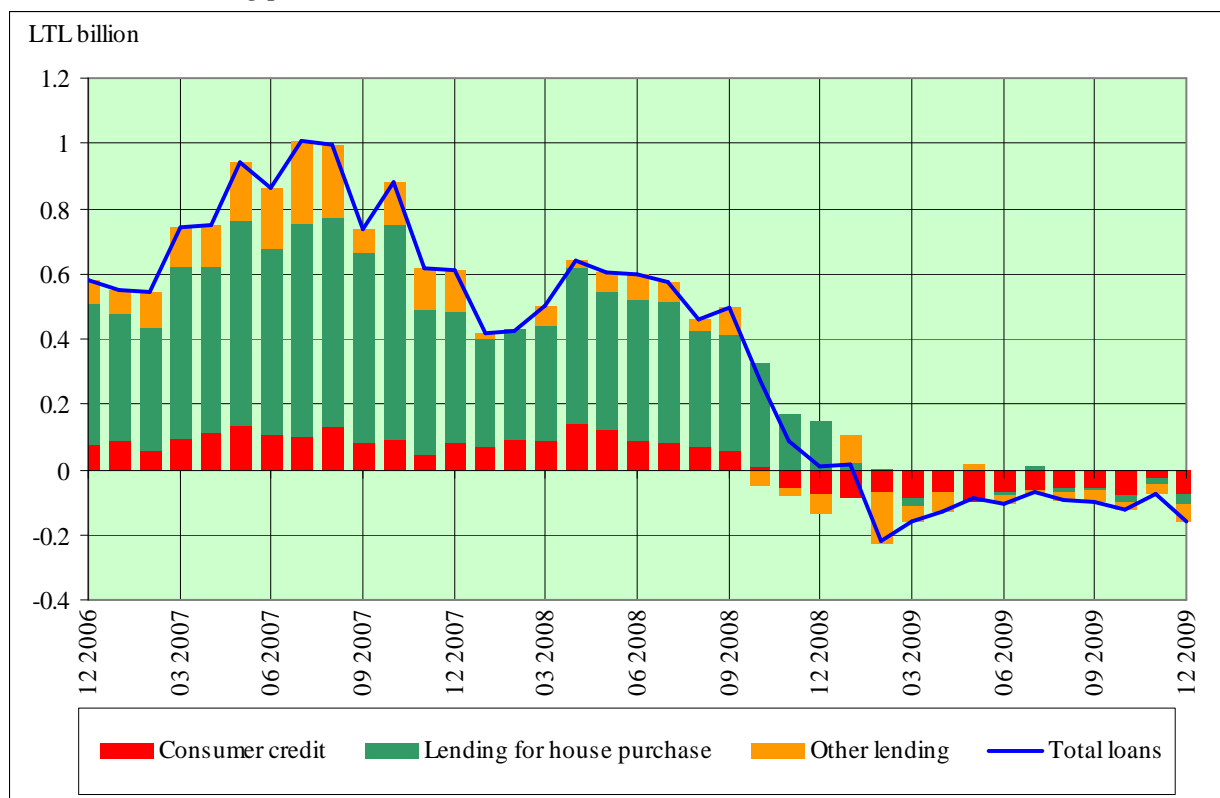


In December, domestic credit curtailed by LTL 1.4 billion: credit to other residents diminished by LTL 975.2 million, credit to general government – by LTL 408.7 million. Lending of other MFIs continued to decrease: loans to non-financial corporations reduced by LTL 472.2 million, loans to general government – by LTL 310.6 million, loans to households – by LTL 158.9 million, loans to financial intermediaries shrank by LTL 114.1 million.

At the end of December of 2009, other MFIs' loans to non-financial corporations over a year dropped by 9.1 per cent and MFIs' loans to households – by 4.3 per cent.

In December 2009, other MFIs' loans to households decreased: consumer loans – by LTL 75.4 million, lending for house purchase – by LTL 28.5 million, and other lending – by LTL 55.0 million. At the end of December, the annual growth rate of lending for house purchase was negative for the first time within five years and was equal to 0.4 per cent.

## Loans to Households (transactions during period)



In December, longer-term MFIs' financial liabilities increased by LTL 28.3 million because of a rise of LTL 110.9 million in deposits with agreed maturity of over 2 years. However, MFIs' capital and reserves, as well as MFIs-issued debt securities with maturity of over 2 years curtailed by LTL 64.5 million and LTL 18.1 million, respectively.

In a month, central government deposits with MFIs dropped by LTL 2.5 billion: deposits with the Bank of Lithuania shrank by LTL 2.4 billion, and those with other MFIs contracted by LTL 107.7 billion.

### 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 a 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 in outstanding amounts during period	Outstanding amounts at the end of the reporting period	Annual growth rates, in percent	
	November 2009	December 2009	December 2009	December 2009	November 2009	December 2009
<b>M2</b>	<b>42377.9</b>	<b>1171.5</b>	<b>84.6</b>	<b>43634.0</b>	<b>-0.6</b>	<b>0.6</b>
M1	21046.7	971.8	31.5	22049.9	-12.3	-5.5
Currency in circulation	6850.4	121.9	-1.0	6971.3	-20.5	-18.2
Overnight deposits	14196.4	849.8	32.5	15078.7	-7.7	1.7
Other short-term deposits	21331.2	199.7	53.1	21584.0	14.3	7.8
Deposits with agreed maturity up to 2 years	21149.6	213.8	52.7	21416.1	14.6	8.3
Deposits redeemable at notice up to 3 months	181.5	-14.0	0.4	167.9	-10.0	-29.7
<b>Marketable instruments</b>	<b>463.3</b>	<b>93.7</b>	<b>-9.4</b>	<b>547.6</b>	<b>-46.8</b>	<b>-25.5</b>
Repurchase agreements	129.1	-24.8	0.1	104.5	x	x
Money market funds shares/units	...	...	...	...	...	...
Debt securities issued up to 2 years	334.1	118.5	-9.6	443.1	-44.0	-22.9
<b>M3</b>	<b>42841.1</b>	<b>1265.2</b>	<b>75.2</b>	<b>44181.6</b>	<b>-1.5</b>	<b>0.2</b>
Net external assets	-5200.4	-358.9	-80.3	-5639.6	-64.2	-61.8
Credit to general government	4745.2	-408.7	8.1	4344.6	30.4	11.3
Loans	1649.9	-310.6	1.9	1341.2	16.0	-10.2
Securities other than shares	3095.3	-98.1	6.2	3003.4	39.9	24.7
Credit to other residents	65040.0	-975.2	107.4	64172.2	-7.2	-8.1
Loans	64161.5	-745.4	111.2	63527.3	-8.1	-8.7
Securities other than shares	242.3	-43.0	0.3	199.5	571.4	573.6
Shares and other equity	636.3	-186.8	-4.1	445.3	176.4	82.3
less: Deposits of central government	6907.5	-2461.5	4.2	4450.2	184.7	101.9
less: Longer-term financial liabilities	14624.0	28.3	-54.4	14597.9	23.6	23.4
less: Other items (net)	212.1	-574.8	10.3	-352.5	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