

25 February 2010

MONETARY SURVEY AND BALANCE SHEET OF OTHER MFIs, JANUARY 2010

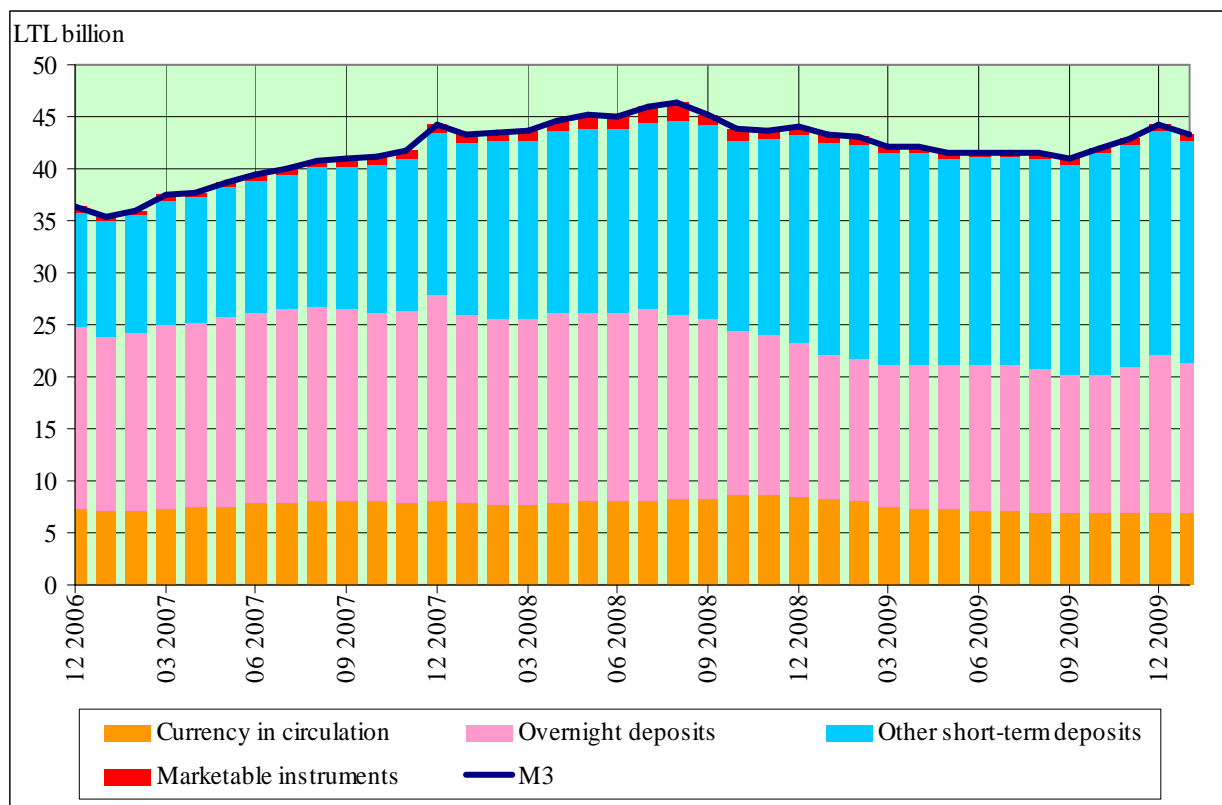
A contraction in all monetary aggregates was observed in January 2010: narrow monetary aggregate M1 decreased by LTL 687.4 million, while intermediate and broad monetary aggregates M2 and M3 contracted by LTL 1.0 billion each. Net external assets of monetary financial institutions (MFIs) (i. e. external assets less external liabilities) went up over the month by LTL 786.1 million. Lending by other MFIs to residents went down in January by LTL 338.9 million with lending in euros accounting for 69.3% of total lending by other MFIs by the end of the month, the highest result since March 2004.

M1 contracted over the year by 3.6%, while M2 grew by 0.3%, and M3 stayed unchanged. At the end of January, monetary aggregates M1, M2, and M3 amounted respectively to LTL 21.4 billion, LTL 42.6 billion, and LTL 43.2 billion.

In January, the M3 decrease was the result of contractions of LTL 592.7 million in overnight deposits, LTL 322.3 million in deposits with agreed maturity of up to 2 years, LTL 94.7 million in currency in circulation, LTL 18.6 million in deposits redeemable at a period of notice of up to 3 months, and LTL 1.9 million in debt securities with maturity of up to 2 years. However, a hike in repo transactions pushed M3 up by LTL 19.1 million.

Monetary aggregate M3 and its components

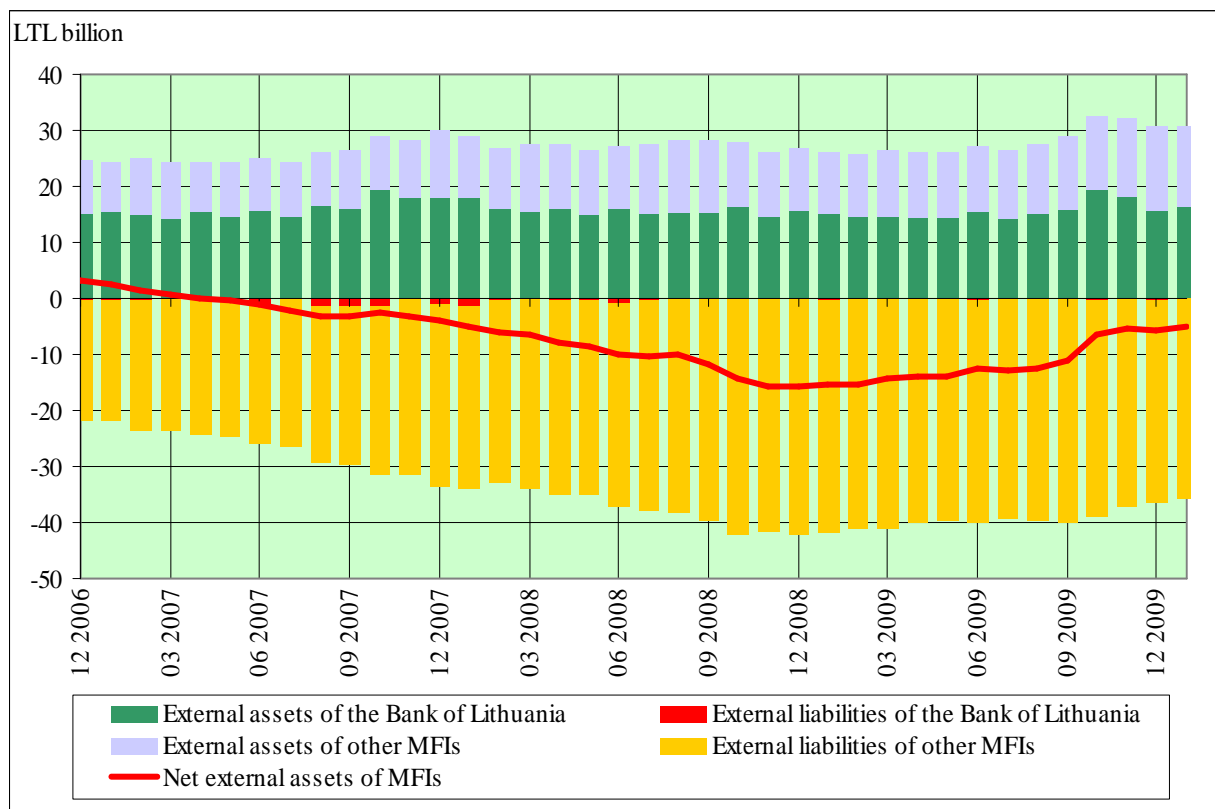
(outstanding amounts, end-of-period)



Although net external assets of MFIs rose in January by LTL 786.1 million, they remained in negative territory: by the end of the month they made up LTL 4.9 billion. The growth of net external assets in January was determined by an increase of LTL 863.3 million in net external assets of the Bank of Lithuania. Net external assets of other MFIs went down by LTL 77.2 million.

Net External Assets of MFIs

(outstanding amounts, end-of-period)



In January, domestic credit contracted by LTL 129.1 million: credit to other residents diminished by LTL 396.2 million, while credit to general government increased by LTL 267.1 million. Lending by other MFIs continued to diminish: lending to non-financial corporations went down by LTL 148.8 million, households by LTL 140.2 million, and financial intermediaries by LTL 86.5 million.

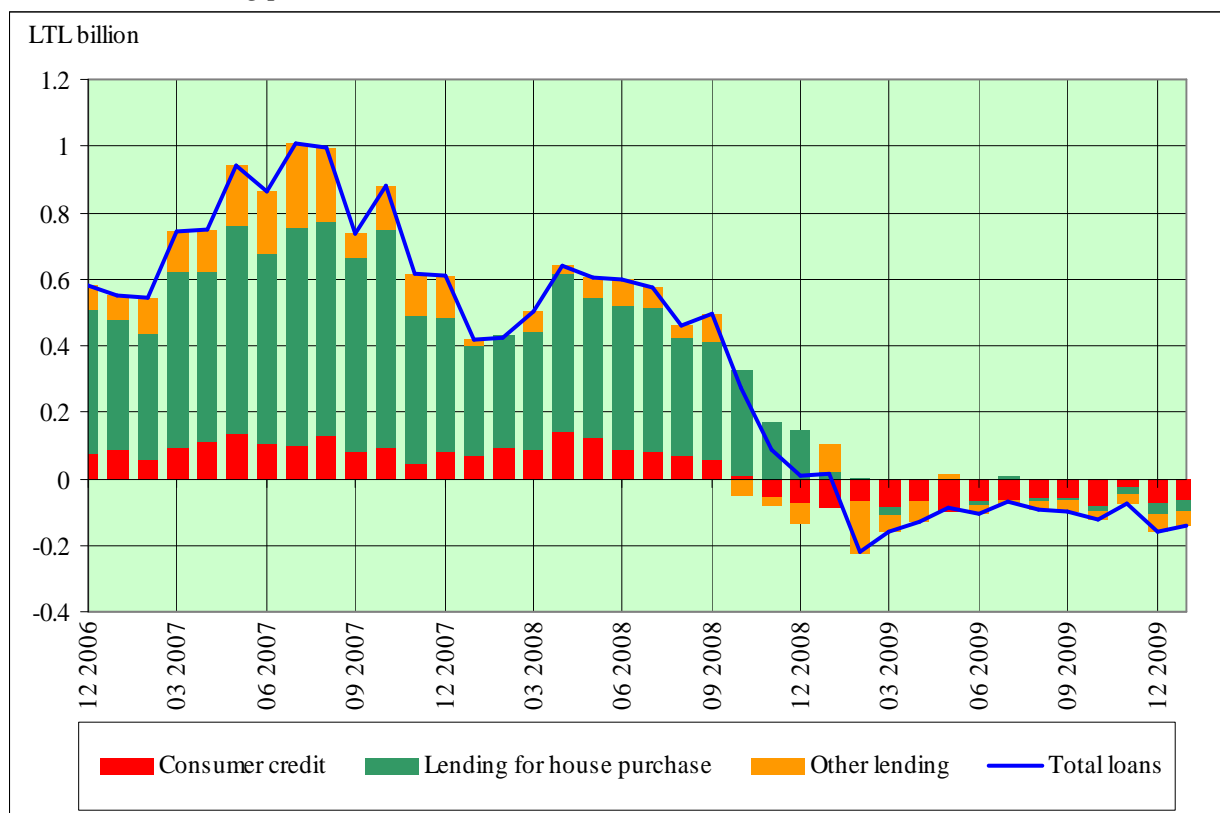
By the end of December, a year-on-year decrease in other MFIs' lending to non-financial corporations made up 8.5% and households 4.8%.

A decrease was also observed in loans by other MFI's to households: consumer loans went down by LTL 61.8 million, lending for house purchase shrank by LTL 37.1 million, and other loans fell by LTL 41.3 million. The annual growth rate of lending for house purchase was -0.7% at the end of January.

Lending in euros prevailed in the lending structure of other MFIs by currency: by the end of January, they accounted for 69.3%, while loans in national currency litas accounted for 27.4%. Such difference in lending by currency was the result of the structure of lending by other MFIs to non-financial corporations and households. By the end of January, for example, other MFIs' lending to non-financial corporations in euros accounted for 70.9%, while lending in litas accounted for 23.7%. Other MFIs' lending to households in euros accounted for 70.0%, and lending in litas made up 29.0%. This was the lowest level of lending in litas observed since March 2004.

Loans to Households

(transactions during period)



In January, longer-term financial liabilities of MFIs increased by LTL 68.0 million driven by a rise of LTL 131.6 million in capital and reserves. However, the MFI-issued debt securities with the maturity of over 2 years and deposits with agreed maturity of over 2 years declined respectively by LTL 50.8 million and LTL 12.9 million.

Central government deposits with MFIs increased over the month by LTL 1.2 billion: deposits with the Bank of Lithuania went up by LTL 817.5 million, and deposits with other MFIs grew by LTL 387.6 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 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	
	December 2009	January 2010	January 2010	January 2010	December 2009	January 2010
M2	43634.0	-1028.3	34.3	42640.0	0.6	0.3
M1	22049.9	-687.4	13.2	21375.8	-5.5	-3.6
Currency in circulation	6971.3	-94.7	0.0	6876.5	-18.2	-16.3
Overnight deposits	15078.7	-592.7	13.2	14499.2	1.7	3.9
Other short-term deposits	21584.0	-340.9	21.2	21264.3	7.8	4.6
Deposits with agreed maturity up to 2 years	21416.1	-322.3	21.3	21115.1	8.3	4.9
Deposits redeemable at notice up to 3 months	167.9	-18.6	-0.2	149.2	-29.7	-28.9
Marketable instruments	547.6	17.2	-0.6	564.3	-25.4	-17.5
Repurchase agreements	104.5	19.1	0.0	123.6	x	x
Money market funds shares/units
Debt securities issued up to 2 years	443.1	-1.9	-0.6	440.7	-22.8	-16.6
M3	44181.6	-1011.0	33.8	43204.3	0.2	0.0
Net external assets	-5639.6	786.1	-16.5	-4870.0	-61.8	-67.1
Credit to general government	4344.6	267.1	7.0	4618.8	11.3	13.1
Loans	1341.2	36.6	0.1	1377.8	-10.2	-5.7
Securities other than shares	3003.4	230.5	7.0	3240.9	24.7	23.6
Credit to other residents	64172.2	-396.2	40.8	63816.8	-8.1	-8.0
Loans	63527.3	-375.5	40.8	63192.6	-8.7	-8.5
Securities other than shares	199.5	0.0	0.0	199.5	573.6	591.7
Shares and other equity	445.3	-20.7	0.0	424.7	82.3	72.3
<i>less:</i> Deposits of central government	4450.2	1205.1	0.6	5655.9	101.9	132.3
<i>less:</i> Longer-term financial liabilities	14597.9	68.0	-51.2	14614.7	23.4	22.4
<i>less:</i> Other items (net)	-352.5	395.0	48.2	90.7	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