

29 August 2011

MONETARY SURVEY AND BALANCE SHEET OF OTHER MFIs, JULY 2011

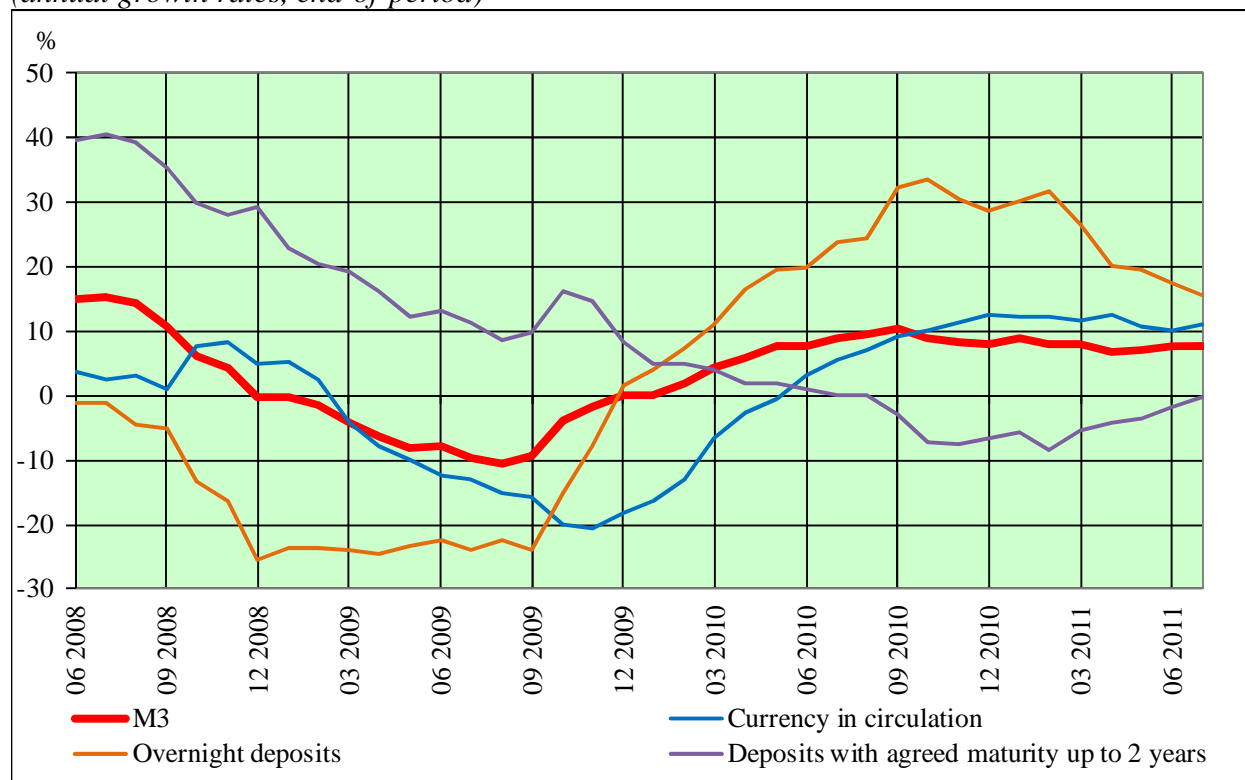
For the first time since February 2009 an increase of LTL 14.8 million was registered in MFIs' lending to resident households in July 2011: loans for house purchase and other loans grew respectively by LTL 19.0 million and LTL 25.1 million, while consumer loans fell by LTL 29.2 million. Other MFIs' lending to residents, excluding MFIs, increased in July by LTL 506.9 million. It was dominated by euro lending and accounted for 69,6% of total loans at the end of the month. M3 increased over the month by LTL 671.9 million. Net external assets of MFIs' went down over the month to LTL 2.4 billion at the end of July remaining however in the positive territory for more than six months.

All three monetary aggregates (M1, M2 and M3) grew over the year by 14.2%, 7.8%, and 7.8% respectively. At the end of July, M1, M2 and M3 made up respectively LTL 28.5 billion, LTL 48.5 billion, and LTL 49.2 billion.

In July, M3 growth was driven by an increase in currency in circulation (LTL 238.7 million), deposits with agreed maturity of up to 2 years (LTL 204.3 million), overnight deposits (LTL 192.3 million), debt securities with a maturity of up to two years (LTL 29.8 million), and deposits redeemable at notice of up to 3 months (LTL 6.8 million). Comprehensive data is available in the table below the review.

Monetary aggregate M3 and its components

(annual growth rates, end-of-period)

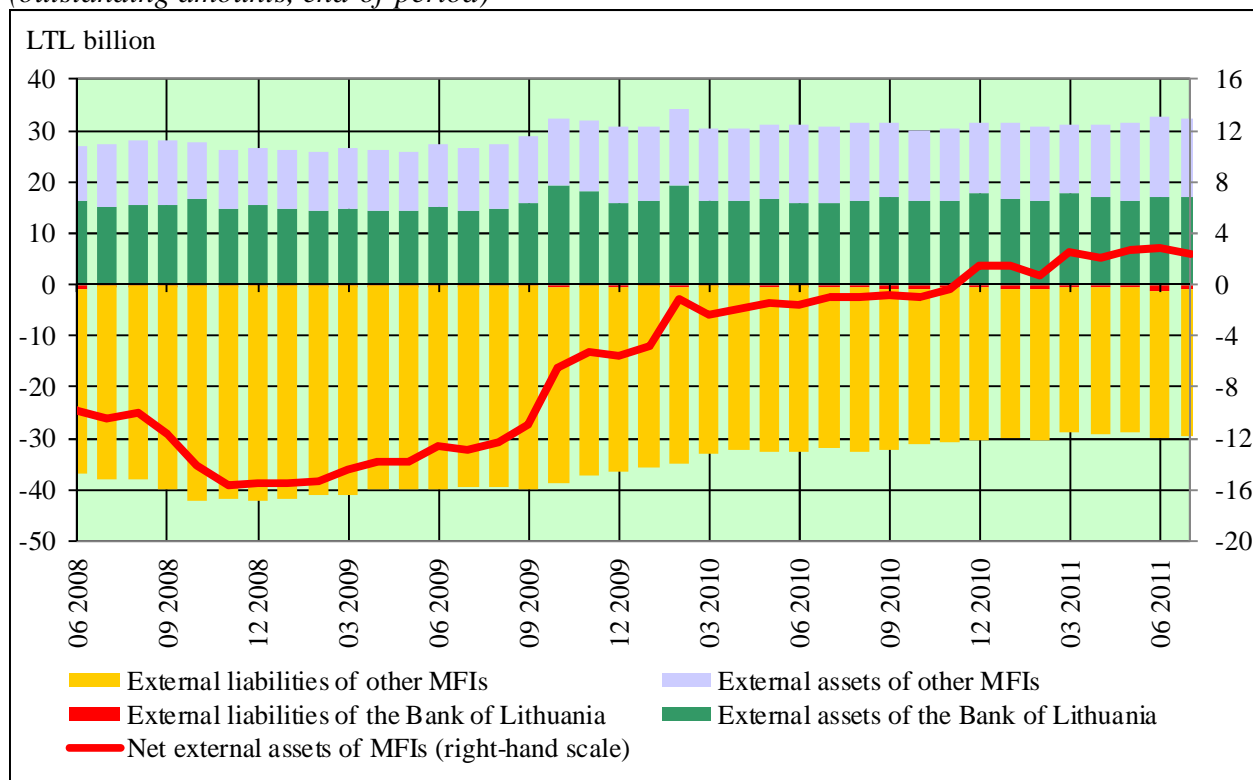


Net external assets of MFIs went down in July by LTL 469.6 million to LTL 2.4 billion at the end of the month remaining however in the positive territory for more than six consecutive months. The decrease in net external assets of MFIs was largely driven by a decline of LTL

321.9 million and LTL 147.7 million in net external assets of other MFIs and the Bank of Lithuania.

Net external assets of MFI

(outstanding amounts, end-of-period)



In July, domestic credit went up by LTL 364.1 million: credit to general government increased by LTL 139.5 million, while credit to other residents grew by LTL 224.6 million. The increase of the latter was driven mainly by an increase in other MFIs' lending to non-financial corporations and households by LTL 262.3 million and LTL 14.8 million respectively. Lending to financial intermediaries however decreased by LTL 50.9 million.

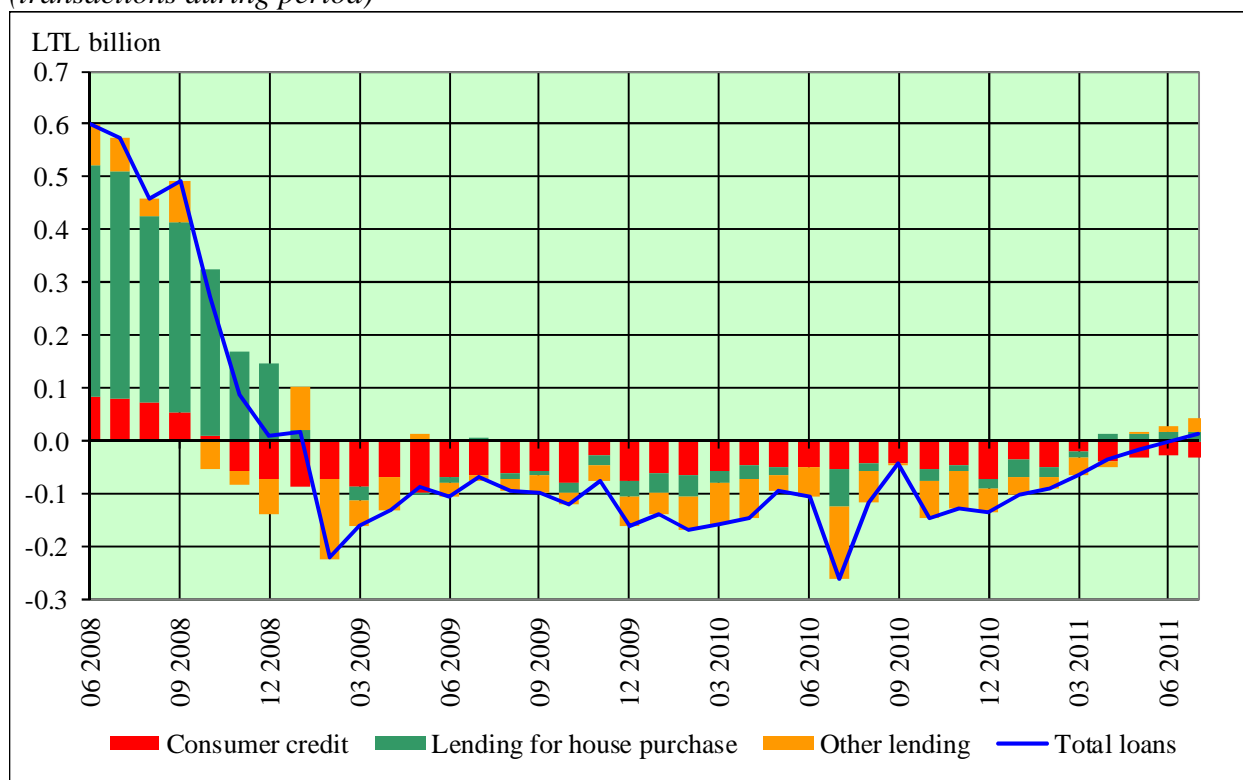
Other MFIs' lending to non-financial corporations and households decreased year on year by 4.5% and 3.1% respectively. Since the end of 2010, the decrease of this type of loans has been gradually decelerating.

The July increase in loans for house purchase and other loans to households outran a decrease in consumer loans leading to an increase in other MFIs' loans to households for the first time since February 2009. In July, consumer lending by other MFIs to households decreased by LTL 29.2 million, while lending for house purchase and other lending increased respectively by LTL 19.0 million and LTL 25.1 million. Following a decrease that continued for more than two years, lending for house purchase have been increasing for the fourth consecutive month with their annual growth rate (-0.3%) however remaining in July in the negative territory. Other lending to households kept growing for the third consecutive month.

Other MFIs' euro lending to residents dominated in the lending structure by currency: by the end of July euro loans made up 69.6%, while litas loans made up 28.1%. Such differences in lending by currency were determined by the structure of other MFIs' lending to non-financial corporations and households. By the end of July, for example, other MFIs' euro lending to non-financial corporations accounted for 70.9%, while litas lending accounted for 25.6%. Other MFIs' euro lending to households made up 72.1%, while lending in litas made up 26.7%.

Loans to households

(transactions during period)



Longer-term financial liabilities of MFIs increased by LTL 83.3 million in July: capital and reserves, and deposits with agreed maturity of over 2 years grew respectively by LTL 87.7 million and LTL 3.9 million, while debt securities with the maturity of over 2 years went down by LTL 8.2 million.

In one month, central government deposits with MFIs contracted by LTL 681.0 million: deposits with the Bank of Lithuania went down by LTL 529.5 million, and deposits with other MFIs decreased by LTL 151.5 million.

Footnotes.

1. Changes per month (in litas) and annual growth rates (in per cent) of 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.
4. For the terms used in the review see the website of the Bank of Lithuania <http://www.lb.lt/notes>.

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	
	June 2011	July 2011	July 2011	July 2011	June 2011	July 2011
M2	47815.8	642.1	0.7	48458.6	7.5	7.8
M1	28107.5	431.0	-0.4	28538.0	15.2	14.2
Currency in circulation	8044.0	238.7	0.2	8282.9	10.1	10.9
Overnight deposits	20063.5	192.3	-0.6	20255.2	17.3	15.6
Other short-term deposits	19708.2	211.2	1.1	19920.5	-1.7	-0.3
Deposits with an agreed maturity of up to 2 years	19536.1	204.3	1.1	19741.6	-1.6	-0.2
Deposits redeemable at notice of up to 3 months	172.1	6.8	0.0	178.9	-10.5	-11.2
Marketable instruments	676.7	29.8	0.1	706.6	16.7	13.7
Repurchase agreements	9.8	0.0	0.0	9.8	x	x
Money market funds shares/units
Debt securities issued up to 2 years	667.5	29.8	0.1	697.4	71.3	73.4
M3	48492.5	671.9	0.8	49165.2	7.6	7.8
Net external assets	2817.8	-469.6	22.8	2371.0	x	x
Credit to general government	5793.7	139.5	-0.6	5932.6	26.3	27.2
Loans	2567.2	280.7	-0.4	2847.4	84.5	80.6
Securities other than shares	3226.5	-141.1	-0.2	3085.2	1.4	0.2
Credit to other residents	59565.1	224.6	-9.0	59780.7	-4.4	-3.0
Loans	58347.3	226.1	-8.8	58564.6	-5.2	-3.7
Securities other than shares	344.7	0.0	-0.1	344.6	3.7	4.6
Shares and other equity	873.1	-1.5	-0.1	871.4	91.2	89.1
less: Deposits of central government	4669.6	-681.0	5.4	3993.9	-13.2	-21.7
less: Longer-term financial liabilities	15660.9	83.3	-22.3	15722.0	12.1	12.7
less: Other items (net)	-646.4	-179.6	29.2	-796.8	x	x

Footnote. The totals cannot 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