

27 January 2012

## MONETARY SURVEY AND BALANCE SHEET OF OTHER MFIs, DECEMBER 2011

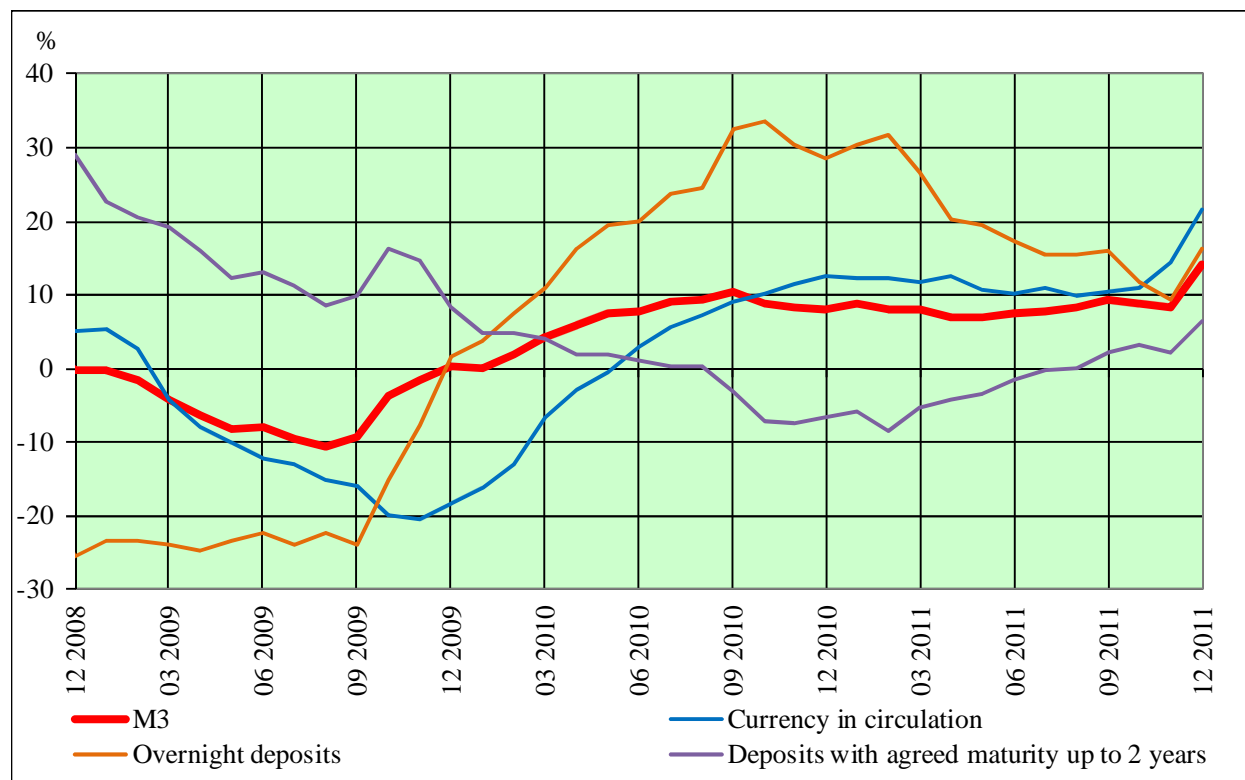
In December 2011, the outstanding amount at the end of period (hereinafter „the outstanding amount“) of net external assets of monetary financial institutions (MFIs) decreased by LTL 2.1 billion remaining in the positive territory for more than a year. At the end of December 2011, the annual growth rate of M3 was 14.2%. As a result of transactions, its outstanding amount grew over the month by LTL 4.3 billion, but declined by LTL 4.5 billion as a result of other changes related mainly to the reclassification of a bank, the licence of which was cancelled, into a non-financial corporation. Euro loans dominated in the structure of lending to residents, excluding MFIs: at the end of the month they accounted for 69.2% of total loans, a slight increase at the expense of a smaller share of litas loans.

All three monetary aggregates (M1, M2 and M3) grew year on year by 17.9%, 13.1%, and 14.2% respectively. At the end of December, M1 made up LTL 31.3 billion, M2 – LTL 50.0 billion and M3 – LTL 50.5 billion.

In December, the outstanding amount of M3 was pushed up by transactions of overnight deposits by LTL 2.3 billion, transactions in deposits with agreed maturity of up to 2 years and currency in circulation, the value of which was LTL 1.3 billion and LTL 817.8 million respectively, but its growth was contained by other changes in the value of deposits with agreed maturity of up to 2 years, overnight deposits, and debt securities with maturity of up to 2 years respectively of LTL 3.1 billion, LTL 1.2 billion, and LTL 580.4 million. Comprehensive data is available in the table below the review.

### Monetary aggregate M3 and its components

(annual growth rates, end-of-period)

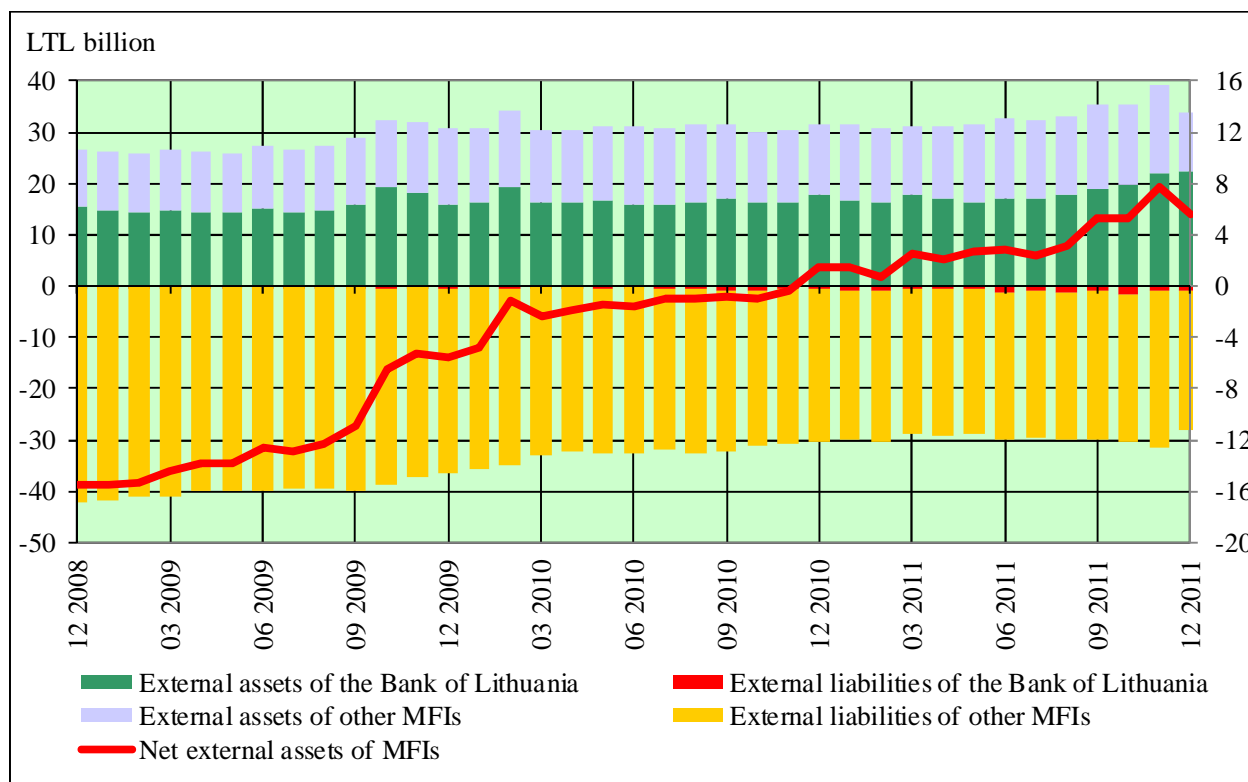


The outstanding amount of MFIs' net external assets contracted by LTL 2.1 billion (increased by LTL 319.7 million as a result of transactions, but declined by LTL 2.4 billion as a result of other

changes). It remained positive since December 2010 reaching LTL 5.6 billion at the end of December 2011.

### Net External Assets of MFIs

(outstanding amounts, end-of-period)



In December, the outstanding amount of domestic credit declined by LTL 2.8 billion (increased by LTL 47.6 million as a result of transactions, but decreased by LTL 2.9 billion as a result of other changes). The outstanding amount of credit to general government grew by LTL 264.2 million (increased by LTL 380.7 million as a result of transactions, but decreased by LTL 116.5 million as a result of other changes). The outstanding amount of credit to other residents decreased by LTL 3.1 billion (by LTL 333.1 million as a result of transactions and LTL 2.8 billion as a result of other changes).

The outstanding amount of credit to other residents contracted driven by a decrease of LTL 2.3 billion in the outstanding amount of other MFIs lending to non-financial corporations (fell by LTL 592.6 million as a result of transactions and by LTL 1.7 billion as a result of other changes) and of LTL 992.7 million to households (declined by LTL 153.0 million as a result of transactions and LTL 839.7 million as a result of other changes). The outstanding amount of other MFIs lending to households decreased driven by a decline in consumer loans (fell by LTL 51.0 million as a result of transactions and LTL 570.9 million as a result of other changes), also by a decline in loans for house purchase (fell by LTL 49.6 million as a result of transactions and LTL 120.9 million as a result of other changes), and a decline in other lending (fell by LTL 52.4 million as a result of transactions and LTL 147.9 million as a result of other changes).

Other MFIs' euro lending to residents dominated in the lending structure by currency: at the end of December euro loans made up 69.2% and litas loans made up 27.9%. Such differences in lending by currency emerged as the result of the structure of lending by other MFIs to non-financial corporations and households. At the end of December, other MFIs' lending to non-financial corporations in euros made up 69.6%, while lending in litas made up 25.7%. Other MFIs' euro lending to households accounted for 73.2%, while lending in litas accounted for 25.7%. Lending in litas contracted month on month by 1.8 percentage point to the lowest level since March 2004.

In December 2011, the outstanding amount of MFIs' longer-term financial liabilities decreased by LTL 801.4 million (increased by LTL 413.8 million as a result of transactions, but decreased by LTL 1.2 billion as a result of other changes). MFIs' deposits with central government went

down over the month by LTL 5.0 billion driven mainly by a decrease of LTL 4.6 billion in deposits with the Bank of Lithuania.

### 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	
	November 2011	December 2011	December 2011	December 2011	November 2011	December 2011
<b>M2</b>	<b>49592.6</b>	<b>4375.6</b>	<b>-3968.5</b>	<b>49999.8</b>	<b>7.1</b>	<b>13.1</b>
M1	29226.6	3103.6	-1044.8	31285.4	10.8	17.9
Currency in circulation	8723.5	817.8	139.4	9680.7	14.4	21.6
Overnight deposits	20503.1	2285.8	-1184.2	21604.7	9.3	16.4
Other short-term deposits	20366.0	1272.0	-2923.7	18714.4	2.3	6.5
Deposits with an agreed maturity of up to 2 years	20140.1	1250.0	-3115.1	18275.0	2.2	6.4
Deposits redeemable at notice of up to 3 months	226.0	22.0	191.4	439.4	10.6	24.0
<b>Marketable instruments</b>	<b>1110.6</b>	<b>-44.6</b>	<b>-580.3</b>	<b>485.6</b>	<b>100.4</b>	<b>156.3</b>
Repurchase agreements	9.3	0.0	0.0	9.4	x	x
Money market funds shares/units	...	...	...	...	...	...
Debt securities issued up to 2 years	1101.6	-44.6	-580.4	476.7	150.5	178.7
<b>M3</b>	<b>50703.2</b>	<b>4331.0</b>	<b>-4548.8</b>	<b>50485.4</b>	<b>8.2</b>	<b>14.2</b>
Net external assets	7686.4	319.7	-2402.0	5604.1	x	540.6
Credit to general government	6485.0	380.7	-116.5	6749.2	24.3	19.9
Loans	3161.6	65.9	-103.7	3123.8	56.3	34.9
Securities other than shares	3323.4	314.8	-12.8	3625.4	4.4	9.2
Credit to other residents	60022.6	-333.1	-2779.8	56909.7	-2.3	-0.9
Loans	58768.5	-675.4	-2775.5	55317.5	-2.9	-1.7
Securities other than shares	342.9	0.0	3.8	346.7	3.1	3.1
Shares and other equity	911.3	342.4	-8.1	1245.5	60.0	55.6
less: Deposits of central government	7748.3	-4990.3	-47.9	2710.2	51.1	-46.5
less: Longer-term financial liabilities	16299.2	413.8	-1215.2	15497.8	18.3	18.5
less: Other items (net)	-556.7	612.8	513.6	569.7	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