

27 February 2012

MONETARY SURVEY AND BALANCE SHEET OF OTHER MFIs, JANUARY 2012

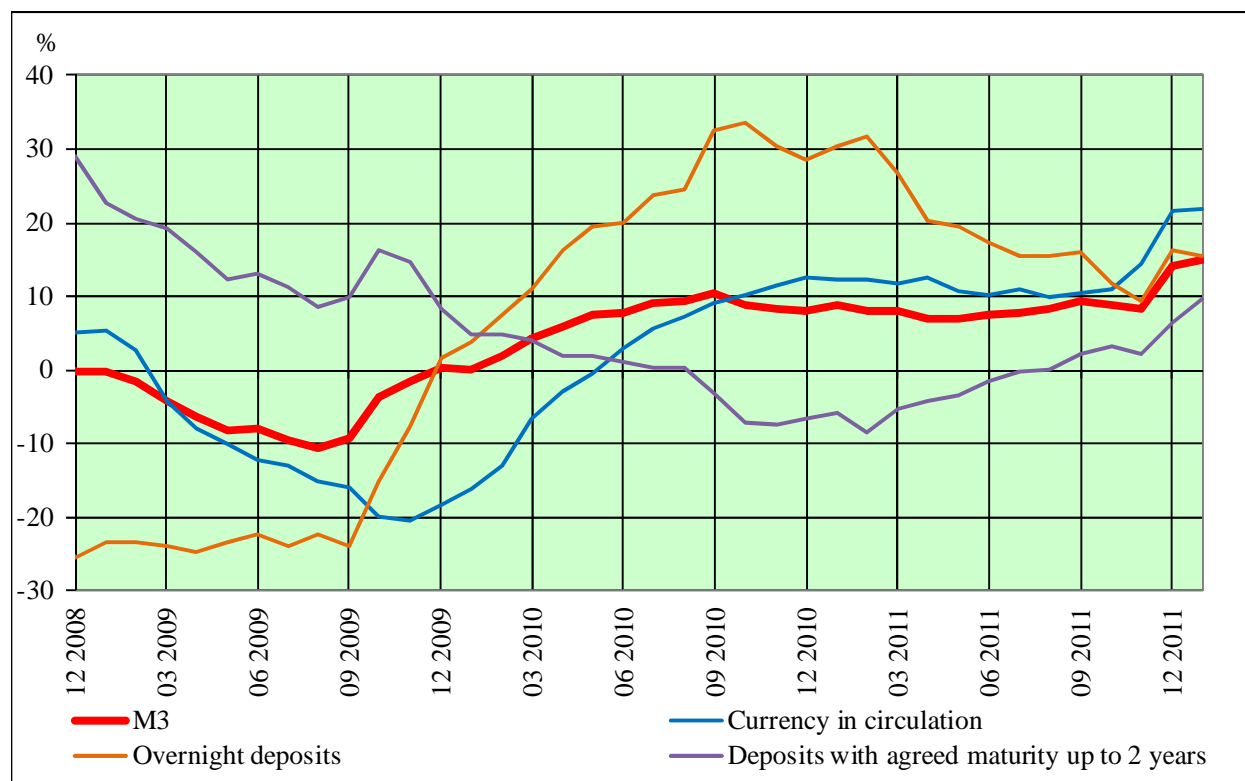
Monetary aggregate M3 declined in January 2012 by LTL 497.2 million, whereas its annual growth rate made up 15.0 per cent at the end of the month. The decline in M3 was mostly determined by the decline in overnight deposits and currency in circulation. For the first time since October 2008, consumer loans by monetary financial institutions (MFIs) to resident households increased by LTL 8.8 million. Loans in euro prevailed among loans to residents, with the exception of MFIs: they made up 68.6% of total loans at the end of the month and declined slightly due to an increase in the share of loans in litas.

All three monetary aggregates (M1, M2 and M3) grew year on year by 17.4%, 13.9% and 15.0% respectively. At the end of January, M1 made up LTL 30.4 billion, M2 – LTL 49.5 billion and M3 – LTL 50.0 billion.

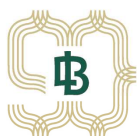
The decline in M3 in January was determined by a decline in overnight deposits, currency in circulation, debt securities with a maturity of up to 2 years and deposits redeemable at notice of up to 3 months of LTL 743.1 million, LTL 124.6 million, LTL 21.4 million and LTL 17.3 million, respectively. However, M3 was pushed up by an increase in deposits with an agreed maturity of up to 2 years of LTL 411.7 million. Comprehensive data is available in the table below the review.

Monetary aggregate M3 and its components

(annual growth rates, end-of-period)

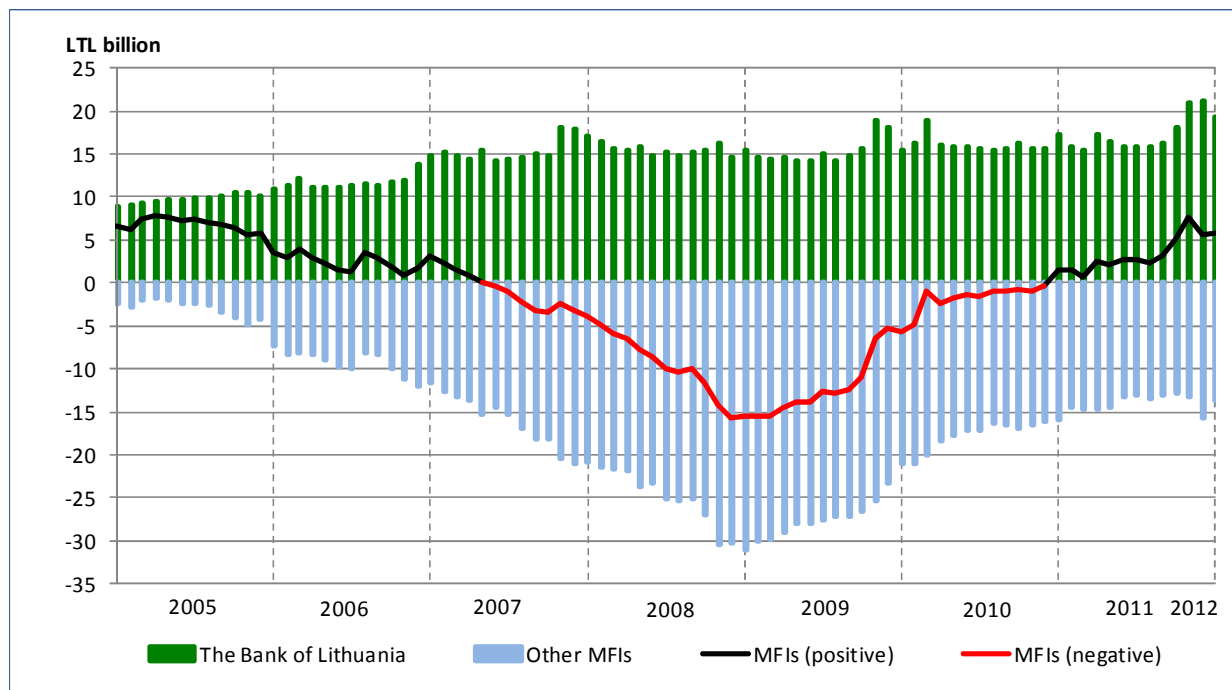


The net external assets of MFIs went up over the month by LTL 28.0 million and were positive at the end of January 2012, standing at LTL 5.8 billion. In the recent two years, the external assets of Lithuania's banking system (other MFIs) increased by LTL 2.1 billion.



Net External Assets of MFIs

(outstanding amounts, end-of-period)



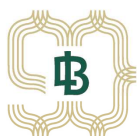
In January, domestic credit went up by LTL 13.1 million: credit to general government increased by LTL 171.1 million, while credit to other residents decreased by LTL 158.0 million. The decline of credit to other residents was driven largely by a slump in lending to financial intermediaries and households by other MFIs of LTL 89.7 million and LTL 71.8 million respectively. The decline of loans to households by other MFIs was driven by the decrease in housing loans and other loans (by LTL 64.2 million and LTL 16.3 million respectively). Consumer loans, however, went up by LTL 8.8 million – for the first time since October 2008.

Loans by other MFIs to residents in euro prevailed in the lending structure by currency: they made up 68.8%, whereas loans in litas made up 28.3% at the end of January. Such differences in lending by currency emerged as a result of the structure of lending by other MFIs to non-financial corporations and households. At the end of January, loans by other MFIs to non-financial corporations in euro made up 69.0%, whereas loans in litas accounted for 26.2%. Loans by other MFIs to households in euro made up 73.1%, while loans in litas accounted for 25.8%. The share of loans by other MFIs to residents in euro declined over the month, as the share of loans to non-financial corporations in euro contracted (by 0.6 percentage point) due to the growth of the share of loans in litas.

In January 2012, longer-term financial liabilities of MFIs increased by LTL 149.6 million owing to a rise in capital and reserves of LTL 123.5 million and in deposits with an agreed maturity of over 2 years of LTL 30.7 million. Central government deposits held with MFIs went up over the month by LTL 940.7 million as a result of an increase in deposits with the Bank of Lithuania of LTL 961.5 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



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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	
	December 2011	January 2012	January 2012	January 2012	December 2011	January 2012
M2	50000.9	-475.8	-10.4	49514.6	13.1	13.9
M1	31285.4	-867.7	-3.8	30413.9	17.9	17.4
Currency in circulation	9680.7	-124.6	-0.2	9555.9	21.6	21.9
Overnight deposits	21604.7	-743.1	-3.6	20858.0	16.4	15.5
Other short-term deposits	18715.5	391.9	-6.6	19100.7	6.5	9.6
Deposits with an agreed maturity of up to 2 years	18276.1	411.7	-9.4	18678.4	6.4	9.6
Deposits redeemable at notice of up to 3 months	439.4	-19.8	2.8	422.3	24.0	18.7
Marketable instruments	485.6	-21.4	0.3	464.5	157.9	131.6
Repurchase agreements	9.4	0.0	0.0	9.4	x	x
Money market funds shares/units
Debt securities issued up to 2 years	476.7	-21.4	0.3	455.5	180.4	134.3
M3	50486.5	-497.2	-10.1	49979.2	14.2	15.0
Net external assets	5604.1	28.0	149.5	5781.6	540.6	505.3
Credit to general government	6749.2	171.1	3.4	6923.7	19.9	22.3
Loans	3123.8	-130.0	0.6	2994.4	34.9	27.7
Securities other than shares	3625.4	301.1	2.8	3929.3	9.2	18.4
Credit to other residents	56909.7	-158.0	-19.2	56732.5	-0.9	-1.1
Loans	55317.5	-161.4	-19.5	55136.7	-1.7	-1.9
Securities other than shares	346.7	0.0	0.1	346.7	3.1	3.1
Shares and other equity	1245.5	3.3	0.2	1249.1	55.6	55.5
less: Deposits of central government	2710.2	940.7	0.0	3650.9	-46.5	-30.7
less: Longer-term financial liabilities	15497.8	149.6	106.8	15754.2	18.5	17.8
less: Other items (net)	568.6	-551.9	37.0	53.6	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