

29 April 2013

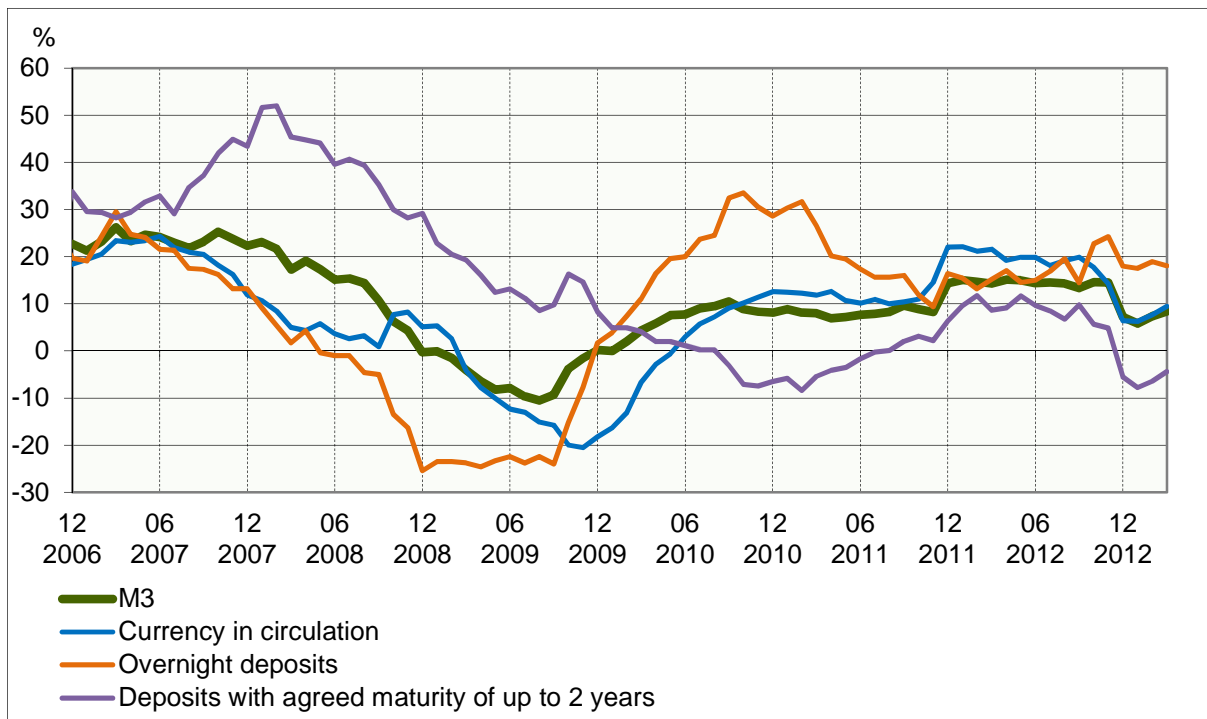
MONETARY SURVEY AND BALANCE SHEET OF OTHER MFIs, MARCH 2013

In March 2013 the monetary financial institutions' (MFIs) net external assets went down by LTL 3.3 billion and amounted to LTL 7.6 billion. Domestic credit, with the growth of credit to the general government, increased by LTL 632.8 million over the month. In March broad monetary aggregate M3 increased by LTL 412.7 million, and its annual growth rate at the end of the month increased from 7.4 per cent to 8.4 per cent. The M3 increase was mostly due to the growth in deposits and currency in circulation (LTL 157.4 million and LTL 172.7 million respectively). The share of other MFIs' lending to households in euro was declining steadily—from 73.2 per cent (at the end of December 2011) to 70.8 per cent (at the end of March 2013), with the respective increase of the share of loans in litas.

Monetary aggregates grew over the year as follows: M1—15.4, M2—8.1, while M3—8.4 per cent. At the end of March 2013, M1 amounted to LTL 35.7 billion, M2—LTL 53.8 billion and M3—LTL 54.3 billion.

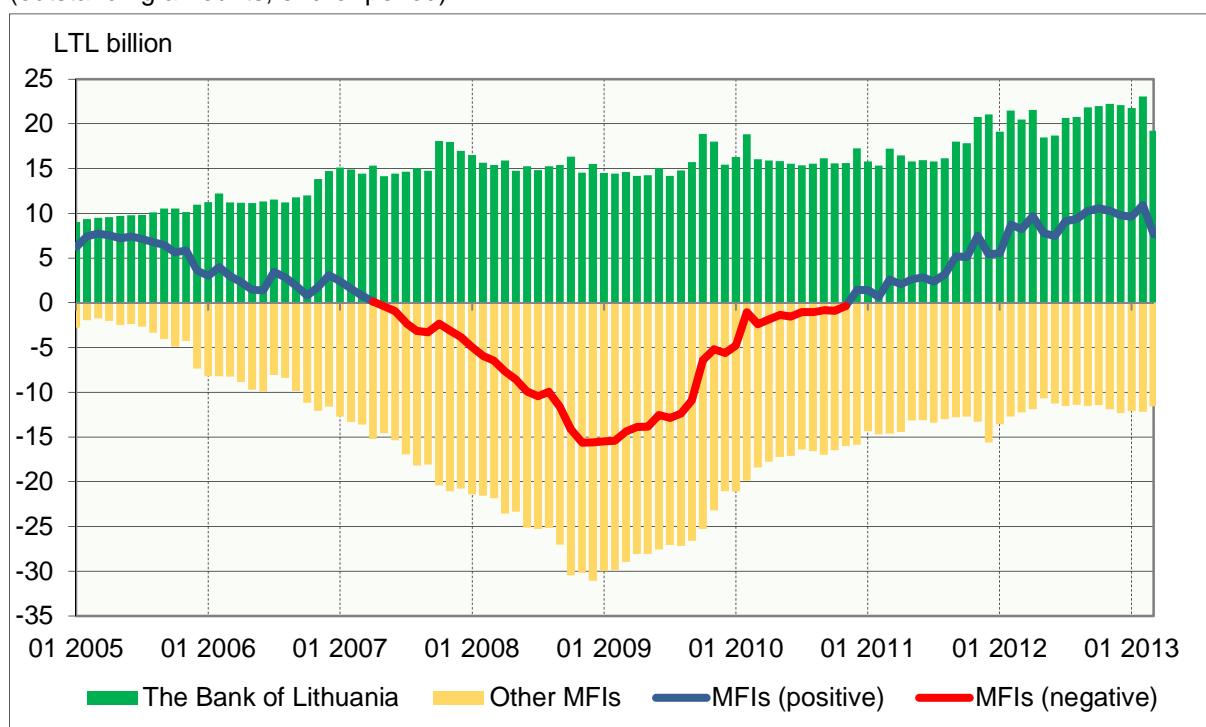
At the end of March, M3 increased due to the fact that currency in circulation, overnight deposits, debt securities with a maturity of up to two years, deposits with agreed maturity up to 2 years, deposits redeemable at notice of up to 3 months increased respectively by LTL 172.7 million, LTL 111.5 million, LTL 80.7 million, LTL 39.9 million and LTL 8.0 million. Detailed data is provided in Table 1 at the end of this survey.

Fig. 1. Monetary aggregate M3 and its components
(annual growth rates, end-of-period)



MFIs' net external assets went down, over the month, by LTL 3.3 billion and at the end of March 2013 amounted to LTL 7.6 billion. However, as can be seen in Fig. 2, from the end of 2008 MFIs' net external asset rapidly grew. Over the last two years it increased by LTL 7.9 billion: those of other MFIs—LTL 5.7 billion, of the Bank of Lithuania—LTL 2.3 billion. The Lithuanian banking system's (other MFIs) net external assets over this period increased as a result of a decrease in external liabilities by LTL 3.8 billion, while external assets increased by LTL 1.9 billion.

Fig.2. Net External Assets of MFIs
(outstanding amounts, end-of-period)



In March, domestic credit increased by LTL 632.8 million. This increase was due to the growth of LTL 639.8 million of credit to general government, while credit to other residents decreased by LTL 7.0 million. Lending of other MFIs to non-financial corporations and households went down respectively by LTL 340.3 million and LTL 37.6 million, while loans to financial intermediaries increased by LTL 358.2 million. Loans to households decreased due to a decrease in consumer loans, loans for house purchase, and other loans by LTL 7.6 million, LTL 18.0 million and LTL 11.9 million, respectively.

Other MFIs' loans to residents denominated in euro dominated the credit composition by currency: at the end of March they amounted to 67.5 per cent, while loans in litas—30.1 per cent. Such differences in lending by currency emerged as a result of the structure of lending by other MFIs to non-financial corporations and households. By the end of March other MFIs' lending to non-financial corporations in euros accounted for 68.3 per cent, while lending in litas accounted for 27.7 per cent. By the end of March other MFIs' lending to non-financial corporations in euros accounted for 70.8 per cent, while lending in litas accounted for 28.1 per cent. The share of loans by other MFIs to residents in euro per month increased by 0.3 percentage points, while the share in litas decreased by 0.2 percentage points. This was due to the same changes in the structure of loans to non-financial corporations. From December 2011 the share of loans to households in euro decreased by 2.3 percentage points, while the share of loans in litas increased by the same amount.

In March 2013, MFIs' longer-term financial liabilities decreased by LTL 81.8 million, with the decrease in debt securities with a maturity of over two years (LTL 49.7 million), capital and reserves (LTL 27.0 million) and deposits with an agreed maturity of over two years (LTL 5.1 million). Central government deposits declined over the month by LTL 4.0 billion. Deposits held with the Bank of Lithuania went down by 4.1 billion and those held with other MFIs increased by LTL 109.1 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 Survey see the website of the Bank of Lithuania <http://www.lb.lt/notes>.

Table 1. Monetary Aggregates and Counterparts, LTL millions

	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	
	February 2013	March 2013	March 2013	March 2013	February 2013	March 2013
M2	53,349.2	332.0	72.6	53,753.9	7.2	8.1
M1	35,349.8	284.2	39.3	35,673.3	15.4	15.4
Currency in circulation	10,295.6	172.7	-0.7	10,467.6	7.7	9.4
Overnight deposits	25,054.2	111.5	40.0	25,205.7	18.9	18.1
Other short-term deposits, i.e.	17,999.5	47.8	33.3	18,080.6	-5.9	-3.9
Deposits with an agreed maturity of up to 2 years	17,501.2	39.9	32.0	17,573.1	-6.4	-4.3
Deposits redeemable at notice of up to 3 months	498.2	8.0	1.3	507.5	14.2	16.7
Marketable instruments	512.6	80.7	0.1	593.4	29.0	42.4
Repurchase agreements	36.1	0.0	0.0	36.2	x	x
Money market funds shares/units
Debt securities issued up to 2 years	476.5	80.7	0.0	557.2	23.4	37.5
M3	53,861.8	412.7	72.7	54,347.2	7.4	8.4
Net external assets	10,913.5	-3,290.7	8.7	7,631.5	30.3	-4.0
Credit to general government	7,830.0	639.8	6.8	8,476.5	13.9	21.4
Loans	4,150.5	-0.5	2.6	4,152.6	36.8	31.6
Securities other than shares	3,679.5	640.3	4.2	4,323.9	-4.2	12.9
Credit to other residents	57,690.9	-7.0	-474.6	57,209.3	2.8	2.7
Loans	55,619.2	-19.8	7.1	55,606.5	2.0	1.9
Securities other than shares	157.7	0.0	0.1	157.8	-54.4	-54.4
Shares and other equity	1,914.0	12.8	-481.8	1,445.0	52.1	52.6
less: Deposits of central government	7,315.4	-4,032.8	2.2	3,284.9	10.3	-48.6
less: Longer-term financial liabilities	15,425.3	-81.8	-527.8	14,815.8	7.3	7.7
less: Other items (net)	-168.1	1,043.9	-6.3	869.4	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