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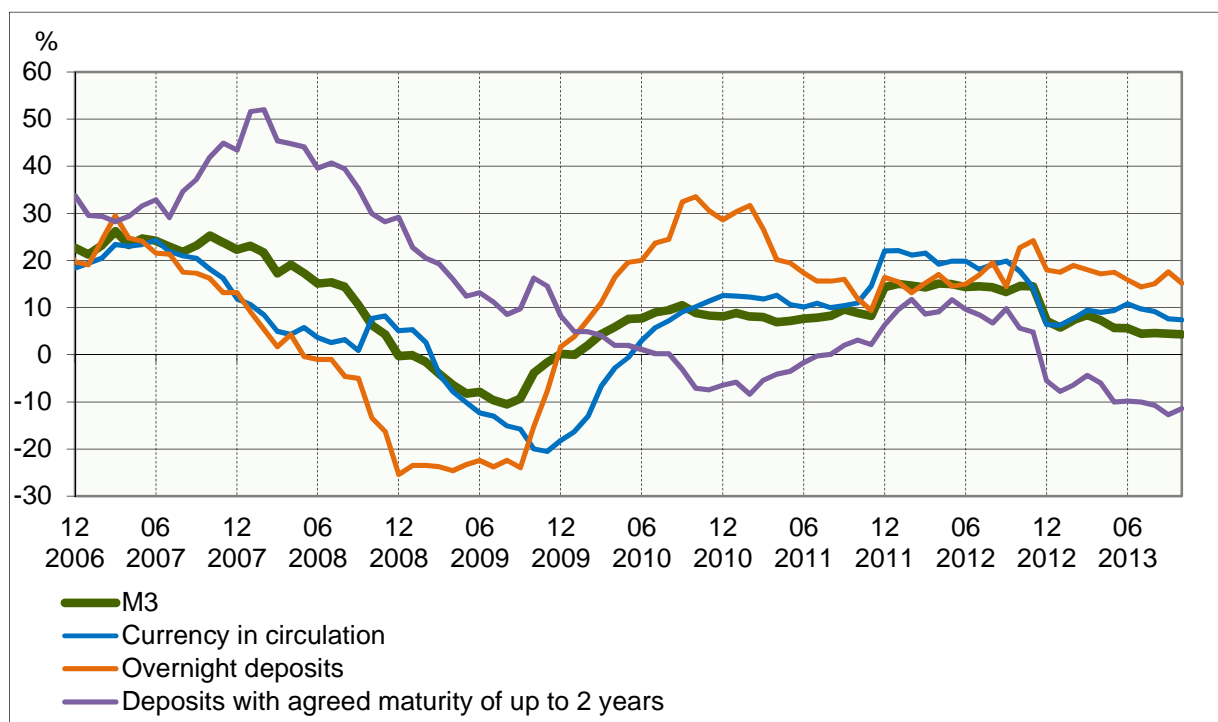
MONETARY SURVEY AND BALANCE SHEET OF OTHER MFIs, OCTOBER 2013

Over October 2013, the M3 broad monetary aggregate increased by LTL 601.6 million, and its annual growth rate at the end of the month was 4.3 per cent. A major impact on the increase in M3 came from overnight deposits (LTL 773.8 million) and deposits redeemable at notice of up to 3 months (LTL 6.7 million), however M3 was reduced by decreasing deposits with an agreed maturity of up to 2 years (LTL 155.3 million), debt securities with a maturity of up to 2 years (LTL 15.1 million), and currency in circulation (LTL 8.5 million). Domestic credit grew by LTL 345.7 million over the month as the result of an increase in credit to general government by LTL 271.6 million and a rise in credit to other residents by LTL 74.1 million. Over the month monetary financial institutions' (MFI) net external assets went down by LTL 33.6 million and amounted to LTL 9.8 billion. 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 69.4 per cent (at the end of October 2013), with the respective increase in the share of lending in litas.

Monetary aggregates grew over the year as follows: M1 — 12.9, M2 — 4.4 and M3 — 4.3 per cent. At the end of October 2013, M1 amounted to LTL 37.9 billion, M2 — LTL 54.5 billion, M3 — LTL 54.9 billion.

In October M3 was boosted due to overnight deposits and deposits redeemable at notice of up to 3 months, which went up by LTL 773.8 million and LTL 6.7 million respectively. However, M3 broad monetary aggregate decreased due to the fact that deposits with an agreed maturity of up to two years, debt securities with a maturity of up to 2 years and currency in circulation decreased respectively by LTL 155.3 million, LTL 15.1 million and LTL 8.5 million. Detailed data is presented in Table 1 at the end of the Survey.

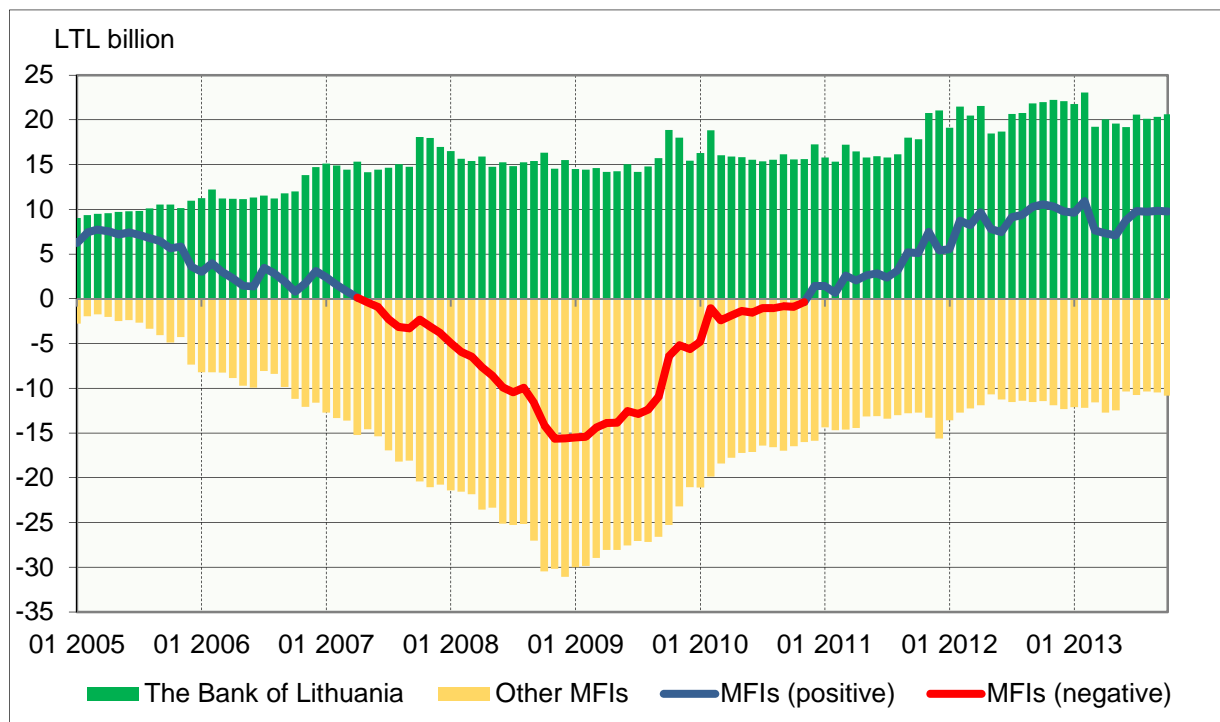
Fig. 1. Monetary aggregate M3 and its components
(annual growth rates, end-of-period)



MFIs' net external assets went down by LTL 33.6 million over the month and at the end of October 2013 amounted to LTL 9.8 billion. As can be seen in Fig. 2, from the end of 2008 MFIs' net external assets grew rapidly. Over the last two years they increased by LTL 7.7 billion: other MFIs' — LTL 4.3 billion, the Bank of

Lithuania's — LTL 3.4 billion. The Lithuanian banking system's (other MFIs) net external assets increased over this period as a result of a decrease in external liabilities by LTL 5.2 billion.

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



In October, domestic credit increased by LTL 345.7 million. This increase was due to a rise of LTL 271.6 million in credit to general government, while credit to other residents — by LTL 74.1 million. Lending of other MFIs to non-financial corporations, households, and general government increased respectively by LTL 91.1 million, LTL 7.9 million and LTL 6.8 million, while loans to financial intermediaries decreased by LTL 38.3 million. Loans to households increased due to an increase in loans for house purchase and consumer loans by LTL 22.9 million and LTL 0.5 million respectively, while other loans decreased by LTL 15.5 million.

Other MFIs' loans to residents in euro dominated the lending composition by currency: at the end of October they accounted for 66.8 per cent, while loans in litas — 31.2 per cent. Such differences in lending by currency emerged due to the composition of other MFIs' loans to non-financial corporations and households. At the end of October other MFIs' loans to non-financial corporations in euro accounted for 68.8 per cent, in litas — 27.8 per cent. Other MFIs' loans to households in euro accounted for 69.4 per cent, while lending in litas — 29.6 per cent. The share of loans by other MFIs to residents in euro per month decreased by 0.1 percentage points, while the share in litas increased by 0.2 percentage points, with the share of loans to households in litas having respectively increased.

In October 2013 MFIs' longer-term financial liabilities increased by LTL 154.2 million because of a rise in their capital and reserves (LTL 204.9 million) as well as a decline in deposits with agreed maturity of over 2 years (LTL 7.0 million) and debt securities with a maturity of over 2 years (LTL 43.7 million). Central government deposits contracted by LTL 290.5 million over the month because of a decline in deposits held with other MFIs' by LTL 304.1 million, while deposits with the Bank of Lithuania went up by LTL 13.6 million.

Footnotes.

1. Unless otherwise specified, 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 an 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 per cent	
	September 2013	October 2013	October 2013	October 2013	September 2013	October 2013
M2	53,911.3	616.7	-25.8	54,502.2	4.6	4.4
M1	37,178.4	765.3	-14.0	37,929.6	14.5	12.9
Currency in circulation	10,817.3	-8.5	-0.2	10,808.6	7.6	7.4
Overnight deposits	26,361.0	773.8	-13.8	27,121.0	17.6	15.2
Other short-term deposits	16,733.0	-148.6	-11.8	16,572.6	-12.2	-10.9
Deposits with an agreed maturity of up to 2 years	16,233.7	-155.3	-11.2	16,067.2	-12.7	-11.4
Deposits redeemable at notice of up to 3 months	499.3	6.7	-0.6	505.4	6.9	10.1
Marketable instruments	419.4	-15.1	0.0	404.3	-4.6	-9.2
Repurchase agreements	1.5	0.0	0.0	1.5	x	x
Money market funds shares/units
Debt securities issued up to 2 years	417.9	-15.1	0.0	402.8	-4.0	-2.0
M3	54,330.7	601.6	-25.9	54,906.5	4.5	4.3
Net external assets	9,846.6	-33.6	-36.4	9,776.6	1.1	-2.3
Credit to general government	8,453.6	271.6	1.0	8,726.2	27.7	32.8
Loans	4,165.6	6.8	1.2	4,173.6	29.9	30.4
Securities other than shares	4,288.0	264.7	-0.2	4,552.5	25.6	35.1
Credit to other residents	55,829.3	74.1	-105.3	55,798.1	1.4	0.4
Loans	54,234.5	60.4	-105.7	54,189.2	0.7	0.3
Securities other than shares	126.9	0.0	0.0	127.0	-63.7	-63.7
Shares and other equity	1,467.9	13.7	0.4	1,481.9	46.0	15.9
Central government deposits <i>less</i>	5,249.8	-290.5	0.2	4,959.5	-19.5	-24.8
Longer-term financial liabilities <i>less</i>	14,410.6	154.2	-122.2	14,442.6	3.9	4.3
Other items (net) <i>less</i>	138.3	-153.2	7.2	-7.7	x	x

Footnote. The totals may 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