

28 March 2012

MONETARY SURVEY AND BALANCE SHEET OF OTHER MFIs, FEBRUARY 2012

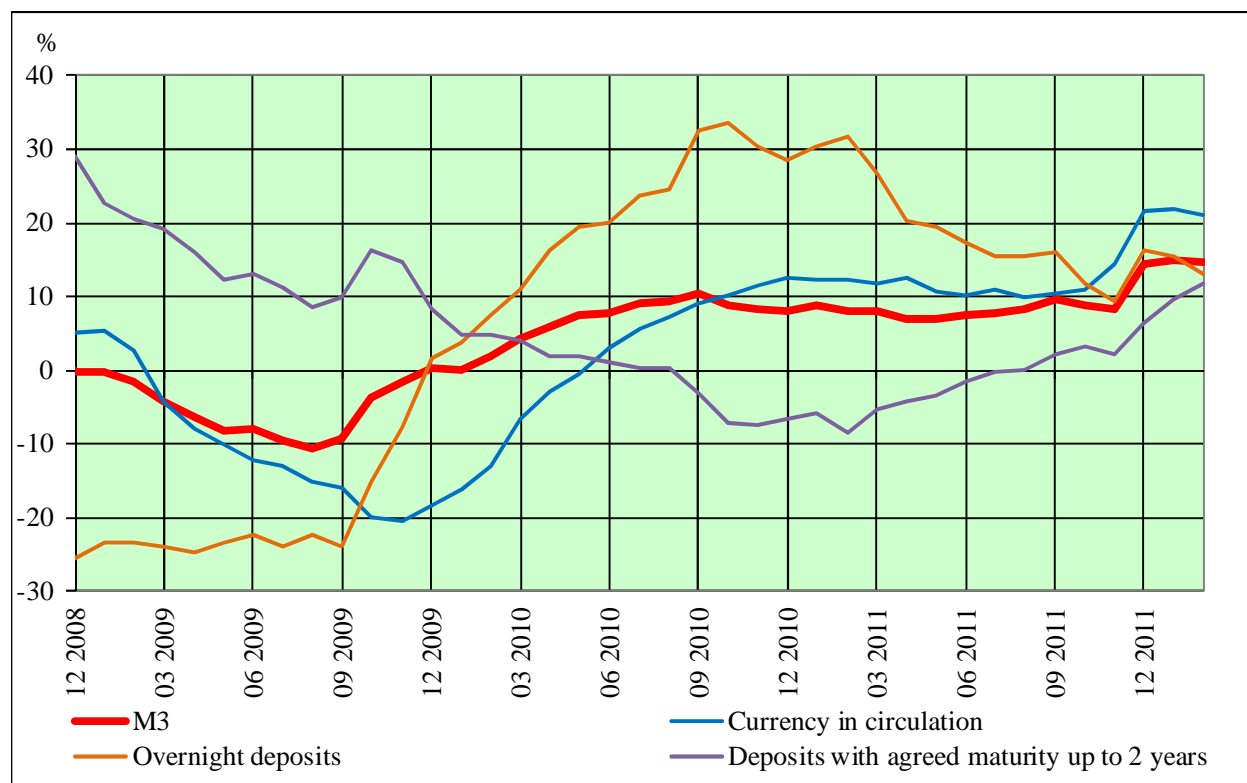
Net external assets of monetary financial institutions (MFIs) grew over February 2012 by LTL 3.2 billion to an all-time high of LTL 9.0 billion at the end of the month. Monetary aggregate M3 climbed during the month by LTL 178.7 million, but its annual growth rates moderating slightly towards the end of the month to 14.6%. The M3 growth was driven mainly by an increase in overnight deposits and deposits with agreed maturity of up to 2 years. Litas loans declined and euro loans expanded to account for 68.9% of total loans to residents, excluding MFIs, at the end of the month.

All three monetary aggregates (M1, M2 and M3) grew over the year by 15.4%, 13.6%, and 14.6% respectively. At the end of February, M1 made up LTL 30.5 billion, M2 was LTL 49.7 billion and M3 stood at LTL 50.1 billion.

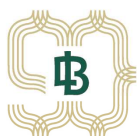
The February increase in M3 was driven by a climb of LTL 135.4 million in overnight deposits, a jump of LTL 69.6 million in deposits with agreed maturity of up to 2 years, and a hike of LTL 1.6 million in repo transactions. On the other hand, the M3 growth was contained by a fall of LTL 15.6 million in debt securities with a maturity of up to 2 years, a drop of LTL 10.5 million in deposits redeemable at a notice of 3 months, and a decline of LTL 1.6 million in currency in circulation. Comprehensive data is available in the table below the review.

Monetary aggregate M3 and its components

(annual growth rates, end-of-period)

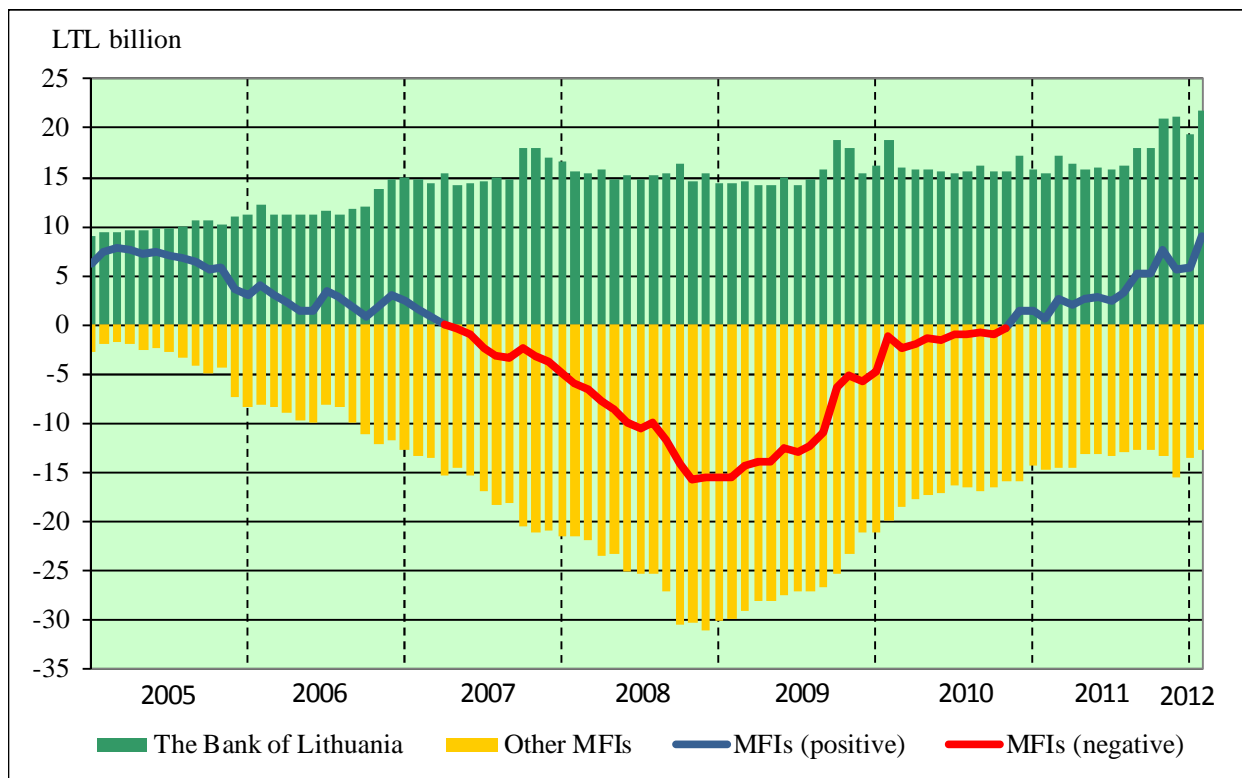


External assets of MFIs climbed over the months by LTL 3.2 billion to an all-time high of LTL 9.0 billion at the end of February. External assets of the Lithuanian banking system (other MFIs) surged over the past two years by LTL 2.7 billion.



Net External Assets of MFIs

(outstanding amounts, end-of-period)



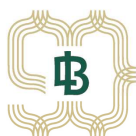
In February, domestic credit contracted by LTL 239.7 million: credit to general government went down by LTL 103.7 million, and credit to other residents shrank by LTL 136.0 million. The credit to other residents decrease was driven by a drop of LTL 59.5 million and LTL 81.3 million in other MFIs' lending to non-financial corporations and households respectively. The other MFIs' lending to households declined as a result of a decline in all loans by purpose: loans for house purchase (by LTL 42.5 million), consumer loans (by LTL 20.8 million), and other loans (by LTL 18.0 million).

Other MFIs' euro loans to residents prevailed in the lending structure by currency: at the end of February they made up 68.9%, while litas loans made up 28.2%. 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 February, other MFIs' euro lending to non-financial corporations made up 69.2%, while litas lending made up 26.0%. Other MFIs' euro lending to households accounted for 73.0%, while lending in litas accounted for 25.9%. A month-on-month growth was recorded in the share of other MFIs' euro lending to residents following a hike in the euro lending to non-financial corporations (by 0.2 percentage point) due to a decline in litas lending.

In February 2012, longer-term financial liabilities of MFIs increased by LTL 123.5 million owing to a rise of LTL 111.6 million in capital and reserves and a rise of LTL 12.8 million in deposits with an agreed maturity of over two years. MFIs' deposits with central government went up over the month by LTL 2.8 billion driven mainly by an increase of LTL 2.4 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,



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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	
	January 2012	February 2012	February 2012	February 2012	January 2012	February 2012
M2	49514.6	192.8	-8.9	49698.5	13.9	13.6
M1	30413.9	133.7	-5.0	30542.7	17.4	15.4
Currency in circulation	9555.9	-1.6	-0.5	9553.7	21.9	21.0
Overnight deposits	20858.0	135.4	-4.4	20989.0	15.5	13.2
Other short-term deposits	19100.7	59.0	-4.0	19155.8	9.6	11.5
Deposits with an agreed maturity of up to 2 years	18678.4	69.6	-6.7	18741.3	9.6	11.8
Deposits redeemable at notice of up to 3 months	422.3	-10.5	2.7	414.4	18.7	-2.3
Marketable instruments	464.5	-14.0	0.2	450.6	135.2	119.0
Repurchase agreements	9.4	1.6	0.0	11.0	x	x
Money market funds shares/units
Debt securities issued up to 2 years	455.5	-15.6	0.2	440.1	137.9	120.4
M3	49979.2	178.7	-8.8	50149.1	15.0	14.6
Net external assets	5781.6	3202.3	48.7	9032.6	505.3	1928.2
Credit to general government	6923.7	-103.7	4.8	6824.8	22.3	19.0
Loans	2994.4	17.8	1.8	3014.1	27.7	27.9
Securities other than shares	3929.3	-121.6	3.0	3810.7	18.4	12.7
Credit to other residents	56732.5	-136.0	-0.3	56596.2	-1.1	-1.3
Loans	55136.7	-138.2	-1.4	54997.1	-1.9	-2.1
Securities other than shares	346.7	0.0	0.2	347.0	3.1	3.1
Shares and other equity	1249.1	2.2	0.8	1252.1	55.5	55.8
less: Deposits of central government	3650.9	2792.3	0.3	6443.6	-30.7	47.3
less: Longer-term financial liabilities	15754.2	123.5	25.4	15903.0	17.7	17.6
less: Other items (net)	53.6	-131.9	36.2	-42.1	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