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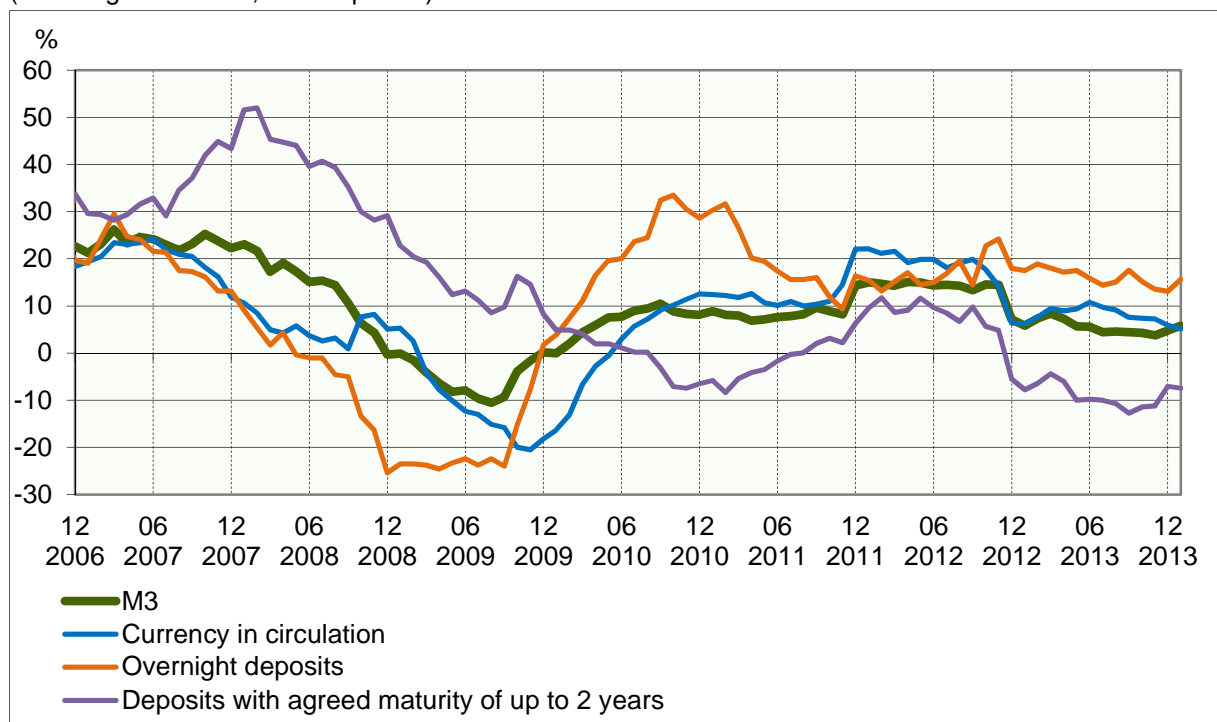
## MONETARY SURVEY AND BALANCE SHEET OF OTHER MFIs, JANUARY 2014

Over January 2014 the net external assets of monetary financial institutions (MFI) increased by LTL 1.4 billion and amounted to LTL 11.5 billion. The M3 broad monetary aggregate decreased by LTL 774.0 million over the month, and its annual growth rate was 5.8 per cent at the end of the month. A major impact on the decrease in M3 came from a decline in overnight deposits (LTL 461.8 million), currency in circulation (263.1 million), deposits with an agreed maturity of up to 2 years (LTL 105.0 million) and deposits redeemable at notice of up to 3 months (LTL 15.1 million), while an increase in debt securities with a maturity of up to 2 years (LTL 71.0 million) boosted M3. Domestic credit grew by LTL 84.1 million over the month as a result of an increase in credit to general government by LTL 209.4 million and a drop in credit to other residents by LTL 125.3 million. 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 69.2 per cent (at the end of January 2014), with the respective increase in the share of lending in litas.

Monetary aggregates grew over the year as follows: M1 — 12.6, M2 — 6.0 and M3 — 5.8 per cent. At the end of January 2014, M1 amounted to LTL 39.1 billion, M2 — LTL 55.5 billion, M3 — LTL 55.8 billion.

In January, M3 declined due to the fact that overnight deposits, currency in circulation, deposits with an agreed maturity of up to 2 years and deposits redeemable at notice of up to three months declined respectively by LTL 461.8 million, LTL 263.1 million, LTL 105.0 million and LTL 15.1 million. M3 was boosted, however, by debt securities with a maturity of up to 2 years, which grew by LTL 71.0 million. Detailed data is presented in Table 1 at the end of the Survey.

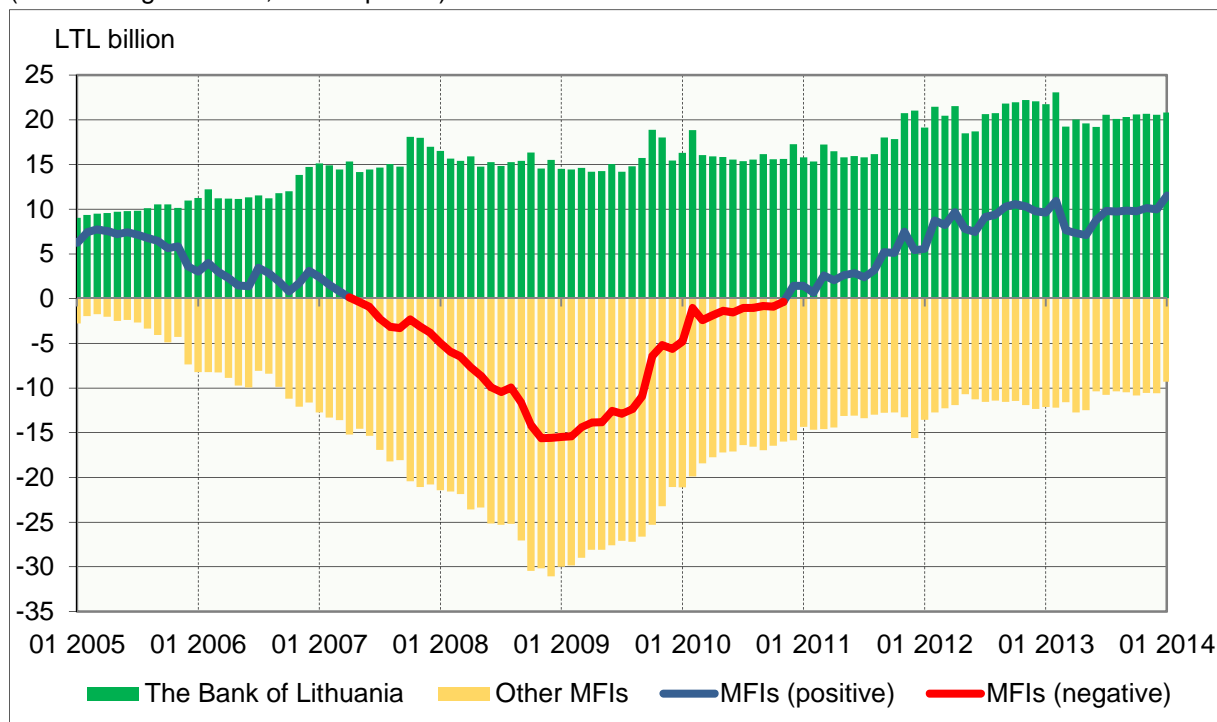
Chart 1. Monetary aggregate M3 and its components  
(annual growth rates, end-of-period)



MFIs' net external assets grew by LTL 1.4 billion over the month and at the end of January 2014 amounted to LTL 11.5 billion. As can be seen in Fig. 2, MFIs' net external assets grew rapidly from the end of 2008. Over the last two years they grew by LTL 6.7 billion: other MFIs' — LTL 4.2 billion, the Bank of Lithuania's — LTL 2.5

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 5.5 billion.

Chart 2. Net external assets of MFIs  
(outstanding amounts, end-of-period)



Domestic credit boosted by LTL 84.1 million in January. This boost was due to an increase of LTL 209.4 million in credit to general government, while credit to other residents contracted by LTL 125.3 million. Other MFIs' lending to financial intermediaries, general government and households decreased respectively by LTL 131.1 million, LTL 52.0 million and LTL 18.6 million, while loans to non-financial corporations increased by LTL 25.6 million. Loans to households decreased due to a decrease in other loans by LTL 30.2 million, while consumer loans and loans for house purchase increased by LTL 6.8 million and LTL 4.8 million respectively.

In terms of the lending composition by currency, it can be seen that other MFIs' loans to residents in euro dominated it: at the end of January they accounted for 66.8 per cent, loans in litas — 31.0 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 January other MFIs' loans to non-financial corporations in euro accounted for 70.3 per cent, in litas — 26.0 per cent. Other MFIs' loans to households in euro accounted for 69.2 per cent, while lending in litas — 29.9 per cent. The share of other MFIs' loans to residents in euro contracted by 0.2 percentage points, while the share in litas increased by 0.1 percentage points over the month. Since the end of December 2011 the share of other MFIs' loans to households has expanded by 4.2 percentage points, while the share in euro contracted by 4.0 percentage points.

In January 2014 MFIs' longer-term financial liabilities increased by LTL 192.3 million, as a result of a rise in their capital and reserves (LTL 210.7 million) as well as a decline in debt securities of over 2 years (LTL 11.6 million) and deposits with agreed maturity of over 2 years (LTL 6.8 million). Central government deposits grew by LTL 2.2 billion over the month — deposits held with the Bank of Lithuania and those held with other MFIs grew respectively by LTL 2.0 billion and LTL 119.7 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 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/metodologija>).

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, per cent	
	12 2013	01 2014	01 2014	01 2014	12 2013	01 2014
<b>M2</b>	<b>56,279.9</b>	<b>-845.0</b>	<b>21.5</b>	<b>55,456.4</b>	<b>5.2</b>	<b>6.0</b>
M1	39,808.3	-724.9	15.8	39,099.2	11.0	12.6
Currency in circulation	10,941.2	-263.1	-0.6	10,677.5	5.9	5.1
Overnight deposits	28,867.1	-461.8	16.3	28,421.6	13.1	15.7
Other short-term deposits	16,471.6	-120.1	5.7	16,357.2	-6.6	-7.0
Deposits with an agreed maturity of up to 2 years	15,938.0	-105.0	7.2	15,840.2	-7.0	-7.4
Deposits redeemable at notice of up to 3 months	533.6	-15.1	-1.5	517.0	6.3	6.8
<b>Marketable instruments</b>	<b>302.5</b>	<b>71.0</b>	<b>0.0</b>	<b>373.5</b>	<b>-39.9</b>	<b>-18.9</b>
Repurchase agreements	0.0	0.0	0.0	0.0	x	x
Money market funds shares/units	...	...	...	...	...	...
Debt securities issued up to 2 years	302.5	71.0	0.0	373.5	-35.2	-12.1
<b>M3</b>	<b>56,582.4</b>	<b>-774.0</b>	<b>21.5</b>	<b>55,829.9</b>	<b>4.8</b>	<b>5.8</b>
Net external assets	9,992.1	1,431.7	100.2	11,523.9	8.2	22.2
Credit to general government	8,880.2	209.4	9.6	9,099.2	27.0	33.4
Loans	4,158.5	-52.0	2.4	4,108.9	25.9	24.7
Securities other than shares	4,721.8	261.4	7.1	4,990.3	28.1	41.5
Credit to other residents	55,271.4	-125.3	11.1	55,157.3	-1.6	-1.3
Loans	53,876.1	-124.6	10.3	53,761.9	-1.0	-1.0
Securities other than shares	127.0	0.0	0.1	127.1	-58.7	-8.9
Shares and other equity	1,268.3	-0.8	0.8	1,268.3	-10.7	-10.8
Central government deposits less	3,111.5	2,168.0	2.2	5,281.7	-46.2	-16.4
Longer-term financial liabilities less	14,495.0	192.3	3.2	14,690.5	5.7	5.8
Other items (net) less	-45.2	-70.6	94.1	-21.7	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 an expression although the phenomenon existed.