

## **RULES ON RESERVE REQUIREMENTS FOR CREDIT INSTITUTIONS**

### **I. GENERAL PROVISIONS**

1. Rules on reserve requirements for credit institutions (hereinafter referred to as “Rules”) set out the application of reserve requirements to credit institutions, reserve requirement ratios, the arrangements for the composition and maintenance of required reserves and penalties for failure to comply with such arrangements.

2. The main definitions used in these Rules:

- ‘**allowance**’ shall mean the amount set by these Rules by which a credit institution is allowed to reduce its calculated required reserves,
- ‘**business day**’ shall mean a day on which the interbank funds transfer system managed by the Bank of Lithuania operates,
- ‘**intermediary**’ shall mean a credit institution to which the Bank of Lithuania applies the reserve requirement and which holds in its account (-s) with the Bank of Lithuania its own and other credit institution’s required reserves,
- ‘**maintenance period**’ shall mean the period over which a credit institution must comply with the reserve requirement,
- ‘**reserve account**’ shall mean the account of a credit institution with the Bank of Lithuania the balance of which after the end of operation of the interbank funds transfer system managed by the Bank of Lithuania is included in the assessment of compliance of the credit institution with reserve requirements,
- ‘**reserve base**’ shall mean the amount of liabilities of the credit institution’s statistical balance sheet to which zero per cent or positive reserve ratio is applied in order to calculate the required reserves,
- ‘**reserve ratio**’ shall mean the percentage applied to the amount of liabilities indicated in any item of the reserve base in order to calculate the required reserves,
- ‘**reserve requirement**’ shall mean the requirement for a credit institution to hold in a specified manner set by these Rules the amount of funds on reserve accounts not lower than the required reserves of this maintenance period,
- ‘**reorganisation measures**’ shall mean the following measures: restriction of operation of a credit institution (moratorium); temporary suspension of the licence,
- ‘**standard deduction ratio**’ shall mean the share of the amount of debt securities with the initial maturity of up to and including 2 years issued by a credit institution set by the Bank of Lithuania by which the credit institution may reduce its reserve base, when the exact data on the share of these securities belonging to the Bank of Lithuania or the credit institutions to which the Bank of Lithuania applies the reserve requirement are not available and therefore may not be provided.

### **II. CREDIT INSTITUTIONS SUBJECT TO THE RULES**

3. The following credit institutions defined in the first paragraph of Article 1(1) of the Directive 2000/12/EC of the European Parliament and of the Council relating to the taking up and pursuit of the business of credit institutions (including its subsequent amendments), other than the NCBs, shall be subject to the Bank of Lithuania’s Rules on reserve requirements:

3.1. credit institutions established in Lithuania and holding a licence of the supervisory authority of Lithuania. Foreign branches of those credit institutions shall not be subject to the Bank of Lithuania's Rules on reserve requirements;

3.2. branches of credit institutions established in other European Union (EU) Member States holding a licence of the supervisory authority of that Member State for operating in Lithuania, acting in accordance with the Republic of Lithuania Law on Banks;

3.3. branches of other foreign credit institutions holding a licence of the supervisory authority of Lithuania and acting in accordance with the Republic of Lithuania Law on Banks.

4. A credit institution shall, without a separate request, be exempted from reserve requirement from the maintenance period during which its licence is cancelled or in which a decision to submit the credit institution to winding-up proceedings is taken by a judicial authority or any other competent authority of a EU Member State .

The Bank of Lithuania may exempt a credit institution from the reserve requirements on a non- discriminatory basis, when:

4.1. credit institution is subject to reorganisation measures;

4.2. the application of the reserve requirement to the credit institution would not help in achievement of the monetary policy objectives of the Bank of Lithuania. When adopting a decision in this case, the Bank of Lithuania shall take into consideration one or more of the following criteria:

4.2.1. the credit institution is pursuing special-purpose functions;

4.2.2. the credit institution is not actively involved in the provision of licensed financial services in competition with other credit institutions;

4.2.3. the credit institution intend to earmark all its deposits for the purposes relating to regional and/or international development assistance;

5. The Bank of Lithuania shall renew the application of reserve requirements effective from the nearest maintenance period prior to which the reorganisation measures to the credit institution were abolished.

6. The Bank of Lithuania shall publish the list of credit institutions subject to the Rules on reserve requirements and the list of credit institutions, which were exempted from reserve requirements for reasons other than reorganisation measures. Credit institutions may use these lists as guidance in deciding whether they have liabilities to credit institutions to which the Bank of Lithuania applies reserve requirements.

These lists shall not be determinative for deciding whether credit institutions are subject to reserve requirements in accordance to the provisions of the Section II of these Rules.

If the required reserves calculated by a credit institution equal zero or do not exceed the allowance, it shall be treated that the Bank of Lithuania applies the reserve requirement to this credit institution.

### **III. RESERVE BASE**

7. The reserve base shall comprise a credit institution's liabilities to residents, euro area residents and other non-residents in the national currency and foreign currencies as recorded in the credit institution's monthly statistical balance sheet and defined in Annex 1 to the Rules.

The reserve base shall include a credit institution's liabilities to its foreign branches or its head office registered abroad and liabilities to credit institutions included in the list of credit institutions to which the Rules on reserve requirements are not applied or to which the Rules are applied but which are exempted from reserve requirements, published by the Bank of Lithuania.

8. The reserve base shall not include a credit institution's liabilities to the Bank of Lithuania and credit institutions included in the list of credit institutions to which the Rules on

reserve requirements are applied and which are not exempted from reserve requirements published by the Bank of Lithuania. For the application of this provision, the credit institution shall be able to provide evidence of the exact amount of its liabilities owed to the above institutions.

If such evidence is not available by the credit institution and therefore cannot be presented to the Bank of Lithuania for debt securities issued by the credit institution with an initial maturity of up to and including two years, held by the right of ownership by the above institutions, the credit institution may reduce the reserve base by subtracting the share of the amount of such debt securities equal to the standard deduction ratio of 30 per cent of the amount of such debt securities.

#### **IV. RESERVE RATIOS**

9. A reserve ratio of zero per cent shall be applied to the following liabilities of a credit institution defined in the General Provisions on the Balance Sheet Statistical Reporting Requirements and Classification Principles of Monetary Financial Institutions approved by the Resolution No. 46 of the Board of the Bank of Lithuania of 8 May 2003 (including its subsequent amendments):

- 9.1. deposits with agreed maturity over two years or
- 9.2. deposits redeemable at notice over two years;
- 9.3. debt securities issued with agreed maturity over two years;
- 9.4. repurchase agreements.

10. A reserve ratio of 6 per cent shall apply to all other liabilities included in the reserve base.

#### **V. CALCULATION, CONFIRMATION AND REVISION OF THE RESERVE BASE AND THE REQUIRED RESERVES**

11. The required reserves to be held by a credit institution in respect of a maintenance period starting in a particular month shall be calculated by the credit institution on the basis of the liabilities recorded in the statistical balance sheet for a previous month.

12. Required reserves shall be calculated by applying the set reserve ratio to the liabilities indicated in relevant items of the reserve base.

13. The credit institution may deduct an allowance of LTL 345,000 from the amount of the calculated required reserves.

14. The credit institution shall provide its calculation of the required reserves (Annex 1) to the Bank of Lithuania at the latest on the 12th business day of the month within which the maintenance period of these reserves starts using communications acceptable to the Bank of Lithuania.

15. The calculated reserve base shall match the data of the credit institution's statistical balance sheet, which shall be confirmed by the Bank of Lithuania and valid at the end of the 12th business day of the month within which the maintenance period of these reserves starts.

16. If the calculation of required reserves provided by the credit institution does not match the data of the statistical balance sheet confirmed by the Bank of Lithuania, the credit institution shall provide to the Bank of Lithuania the revised data until the end of term by which the Bank of Lithuania shall acknowledge the required reserves.

17. The Bank of Lithuania shall acknowledge the credit institution's required reserves at the latest on the 14th business day of the month within which the maintenance period of these reserves starts. The absence of a reaction from the Bank of Lithuania by that time shall be deemed to constitute a confirmation that the reserve base and the amount of the required reserves calculated and provided by the credit institution are acknowledged.

Revisions to the credit institution's statistical balance sheet data that occur after the end of the term of required reserve acknowledgement, shall not lead to revision to the acknowledged reserve base and the required reserves.

18. Should the possibility of revising calculation of the required reserves be used by a credit institution in an abusive manner (by applying to the Bank of Lithuania with regard to revisions more than twice during the previous six months without excusatory reasons, or in similar situations), the Bank of Lithuania may restrict the possibility of revising the data of the reserve base and the amount of reserves for this credit institution.

## **VI. MAINTENANCE PERIOD**

19. The maintenance period shall be one month, starting on the 24th calendar day of each month and ending on the 23rd calendar day of the following month.

## **VII. RESERVE HOLDINGS AND COMPLIANCE CONTROL**

20. A credit institution shall hold its required reserves in litas on one or several reserve accounts, which shall be a settlement account (-s) of this credit institution, if the Board of the Bank of Lithuania does not establish otherwise

21. Compliance with the reserve requirement shall be controlled on a daily basis by the Bank of Lithuania and the credit institution (see Annex 2 for a control sample).

22. A credit institution shall have complied with its reserve requirement, if the average end-of-day balance on its reserve accounts over the maintenance period on the last calendar day of that period is not less than the required reserves. On non-business days, the end-of-day balance of the previous business day shall be used in this calculation.

23. If a credit institution established in a foreign state has more than one branch in Lithuania, it shall indicate which branch shall be responsible for ensuring compliance with the reserve requirement, using communications acceptable to the Bank of Lithuania. In calculating compliance of the branches of the said credit institution in Lithuania with the reserve requirement, the reserves accumulated in reserve accounts with the Bank of Lithuania of all branches of this institution shall be summed up.

## **VIII. REMUNERATION FOR RESERVE HOLDINGS**

24. The Bank of Lithuania shall pay remuneration to a credit institution for reserve holdings calculated according to the following formula (whereby the result is rounded to the nearest cent):

$$A_t = \frac{H_t \cdot n_t \cdot r_t}{100 \cdot 360}; \text{ here } r_t = \sum_{i=1}^{n_t} \frac{MR_i}{n_t},$$

where:

$A_t$  – remuneration to be paid by the Bank of Lithuania to a credit institution for reserve holdings over the maintenance period  $t$ ;

$H_t$  – the average arithmetic balance held on calendar days on the reserve accounts of the credit institution with the Bank of Lithuania over the maintenance period  $t$ , but not more than the share of required reserves calculated according to reserve ratios applied by the ECB during this period;

$n_t$  – the number of calendar days in the maintenance period  $t$ ;

$r_t$  – interest rate applied in the calculation of the remuneration, rounded to two decimal numbers;

$i$  – calendar day  $i$  of the maintenance period  $t$ ;

$MR_i$  – the marginal interest rate of the main refinancing operation of the European Central Bank (ECB) conducted at the day  $i$  of the settlement of the parties or (if at that day no settlements for the main refinancing operation of the ECB were performed) of the last such operation conducted before the day  $i$ .

25. The Bank of Lithuania shall pay the remuneration to a credit institution for reserve holdings on the second business day after the end of the maintenance period of these reserves.

## **IX. HOLDING OF REQUIRED RESERVES THROUGH AN INTERMEDIARY**

26. A credit institution may apply for permission to hold all its required reserves through an intermediary (hereinafter referred to as “permission”). The intermediary shall be a credit institution subject to Bank of Lithuania reserve requirements, which normally effects part of the administration (e.g. treasury management) of the credit institution for which it is acting as an intermediary.

27. A credit institution wishing to hold its required reserves through an intermediary shall submit an application for permission to the Bank of Lithuania. The application shall include a copy of an agreement between the intermediary and the applicant on the arrangement of holding required reserves through the intermediary. The agreement shall indicate the consent of both parties to such an arrangement of holding required reserves and shall state that the required reserves will be held pursuant to the Rules. The agreement shall also indicate the term of the agreement and state that both parties will notify each other about the termination of the agreement no later than 12 months in advance.

Upon fulfilment of the above conditions, the Bank of Lithuania may grant permission for the period of validity of the aforementioned agreement. Such permission shall become effective from the start of the first maintenance period following the granting of the permission.

28. The intermediary shall maintain these required reserve holdings in accordance with these Rules. The intermediary shall, in addition to the credit institution for which it acts as an intermediary, be responsible for compliance with the reserve requirement. In the event of non-compliance with these Rules, the Bank of Lithuania may impose penalties on the intermediary and/or the credit institution for which it acts as an intermediary as specified in Section XIII of these Rules.

29. The intermediary shall, in accordance with the procedure set out in the Rules, provide the Bank of Lithuania with the separate calculations of required reserves to be held in relation to itself and the credit institution for which it acts as an intermediary and other information necessary for the verification of these calculations. The intermediary shall be responsible for comprehensiveness and quality of the said data and their timely provision. In addition, the intermediary shall store the data on required reserves and compliance with the reserve requirement both for itself and each institution for which it acts as an intermediary.

30. On the day of confirmation of the required reserves, the Bank of Lithuania shall notify, the intermediary, using acceptable communications, about the confirmed required reserves of the intermediary and the credit institution for which it acts as an intermediary.

31. A credit institution, which holds its required reserves through an intermediary, or the intermediary itself, may, at any time, ask the Bank of Lithuania to withdraw the permission. Withdrawal requires prior notification by the Bank of Lithuania of the credit institution and the intermediary to become effective. The Bank of Lithuania may withdraw the permission on its own initiative if a credit institution which holds its required reserves through

an intermediary, or the intermediary itself fails to comply with the requirements under these Rules, or for prudential reasons related to the intermediary.

The permission may not be withdrawn before the end of the maintenance period, with the exception of cases when it is withdrawn for prudential reasons related to the intermediary.

32. The Bank of Lithuania shall inform the credit institution which holds its required reserves through an intermediary and the intermediary itself about any withdrawal of permission for reasons other than prudential ones at least five business days before the end of the current maintenance period.

## **X. RESERVE HOLDING ON A CONSOLIDATED BASIS**

33. A credit institution group allowed by the Bank of Lithuania to report the statistical balance sheet on a consolidated basis must hold its required reserves through one of the credit institutions in this group, which, in holding the required reserves, is acting as an intermediary exclusively for this group and operating according to the provisions contained in Section IX of these Rules.

A credit institution acting as an intermediary may apply to the Bank of Lithuania for the exemption of credit institutions of the group for which it is acting as an intermediary from the requirement to provide their calculations of required reserves individually. If the Bank of Lithuania grants an exemption to credit institutions of this group from the requirement to provide the said data, then the credit institution acting as an intermediary shall provide to the Bank of Lithuania the reserve base and the amount of required reserves for the group as a whole, and the required reserves may be reduced by only one allowance set by these Rules.

## **XI. RESERVE REQUIREMENTS IN BANK MERGERS AND DIVISIONS**

34. The merging institutions' reserve requirements shall be assumed by the acquiring credit institution from the date of the take-over of liabilities, inclusive.

34.1. For the maintenance period in which a merger takes effect, the merging institutions' reserve requirements, equal to the sum of the amount of reserve requirements for each of the merging institutions, subject to the allowance set by these Rules, shall be assumed by the acquiring institution.

All reserve holdings of the merging credit institutions during the maintenance period within which the merger takes effect, count together towards the fulfilment of reserve requirements by the acquiring credit institution.

34.2. When the merger of credit institutions takes effect between the first day of the current month and the deadline set by the Bank of Lithuania for the reporting of calculation of required reserves, the acquiring institution's required reserves for the following maintenance period shall be calculated using a reserve base which aggregates the reserve bases of the acquiring institution and merged credit institutions. The reserve bases to be aggregated are those which would have been relevant for this maintenance period had the merger not occurred. The acquiring credit institution shall be granted only one allowance set by these Rules with respect to the calculated reserve requirements. The acquiring credit institution shall report its calculations to the Bank of Lithuania using communications acceptable to the Bank of Lithuania.

34.3. Where a merger takes effect after the deadline, set by the Bank of Lithuania for the reporting of calculation of required reserves for the following maintenance period, the Bank of Lithuania shall calculate the aggregated reserve base and required reserves for the acquiring credit institution on the basis of already reported calculations and shall report the calculation of required reserves to the credit institution for approval using communications

acceptable to the Bank of Lithuania. The acquiring credit institution shall be granted only one allowance set by set by these Rules with respect to the calculated reserve requirements.

The reserve base and required reserves for the following maintenance period as communicated by the Bank of Lithuania shall be confirmed by the acquiring institution on the next business day at the latest using communications acceptable to the Bank of Lithuania. The absence of a response from a credit institution to the Bank of Lithuania by that time shall be treated as confirmation of the reserve base and amount of required reserves, communicated by the Bank of Lithuania.

35. The reserve requirements of a divided credit institution shall be assumed by the credit institution that takes over its liabilities starting from the date of the take-over,

35.1. For the maintenance period in which the division takes effect, the reserve requirement of the credit institution being divided shall be assumed by the recipient credit institutions on the basis of the proportion of liabilities taken over on that date to which a positive reserve ratio is applicable.

Until the division is completed and the divided credit institution transfers all liabilities to which a positive reserve ratio is applicable, it shall comply with the reserve requirement in respect of all remaining liabilities.

The distributed required reserves shall be equal to the required reserves calculated for the divided credit institution, reduced by the amount of the allowance set by these Rules.

When a proportion of reserve requirement of a divided credit institution is taken over by a credit institution established on a later date than the date which had to be used for the calculation of the required reserves for that particular maintenance period, the required reserves taken over by such a credit institution shall be subject to an allowance set by these Rules.

35.2. For the maintenance period within which the division takes effect, compliance of the recipient credit institutions with the new reserve requirement shall be calculated by adding the reserves accumulated by the relevant credit institution and the part of reserves of the divided credit institution to which it is entitled in proportion to the assumed reserve requirement amount.

35.3. Information about transferred (assumed) liabilities shall be reported to the Bank of Lithuania on the next business day at the latest in accordance with the form specified in Annex 1 by both the credit institution transferring the liabilities, and by the recipient credit institution.

35.4. Upon receipt of data from credit institutions with respect to transferred (assumed) liabilities, the Bank of Lithuania shall confirm such data on the second business day at the latest using communications acceptable to it and shall inform each recipient credit institution about its assumed reserve requirement amount for the maintenance period during which the division takes effect and the proportion of accumulated reserves of the divided credit institution.

Until the completion of the division and as long as the divided credit institution has transferred only part of its liabilities, the Bank of Lithuania shall inform it about the remaining proportion of reserve requirements and accumulated reserves.

35.5. When the division of a credit institution takes place between the first day of the current month and the deadline set by the Bank of Lithuania for the reporting of the calculation of the required reserves, both the divided credit institution and the recipient credit institution shall report their calculations of the reserve base and required reserves for the following maintenance period to the Bank of Lithuania following the general procedure.

35.6. Following the confirmation of the calculated required reserves of the divided credit institution (or a part thereof if the division has not yet been completed) for the following maintenance period, the Bank of Lithuania shall allocate that required reserves to the recipient credit institutions in proportion to the assumed liabilities on the date of the transfer of liabilities to which a positive reserve ratio is applicable, and to the divided credit institution in proportion to the remaining liabilities on that date.

The Bank of Lithuania shall calculate the aggregate required reserves for each recipient credit institution for the following maintenance period, and the remaining part of required reserves for a divided credit institution, and shall report these calculations to these institutions immediately for their confirmation. The acquiring credit institution shall be granted only one allowance set by these Rules with respect to the calculated aggregate reserve requirements for the following maintenance period.

The required reserves for the following maintenance period shall be confirmed by these credit institutions on the next business day at the latest using communications acceptable to the Bank of Lithuania. The absence of a response from these credit institutions to the Bank of Lithuania by that time shall be treated as confirmation of the required reserves communicated by the Bank of Lithuania.

35.7. When the division of a credit institution occurs after the deadline set by the Bank of Lithuania for the reporting of calculation of required reserves, the Bank of Lithuania shall allocate the required reserves of a divided credit institution for the following maintenance period (or a part thereof if the division has not yet been completed) to the recipient credit institutions in proportion to the assumed liabilities on the date of the transfer of liabilities to which a positive reserve ratio is applicable, and to the divided credit institution in proportion to the remaining liabilities on that date.

The Bank of Lithuania shall calculate the aggregate required reserves for each recipient credit institution for the following maintenance period, and the remaining part of required reserves for a divided credit institution, and shall report these calculations to these institutions immediately for their confirmation. The acquiring credit institution shall be granted only one allowance set by these Rules with respect to the calculated aggregate reserve requirements for the following maintenance period.

The required reserves for the following maintenance period shall be confirmed by these credit institutions on the next business day at the latest using communications acceptable to the Bank of Lithuania. The absence of a response from credit institutions to the Bank of Lithuania by that time shall be treated as confirmation of the required reserves communicated by the Bank of Lithuania.

36. For the cases specified herein, the calculation of compliance with reserve requirements by acquiring credit institutions in cases of mergers and divisions, shall include funds owned by the acquiring institution held in taken over accounts of the credit institution that has transferred its liabilities.

## **XII. ELIGIBILITY FOR VERIFICATION**

37. The Bank of Lithuania shall have the right to verify the information on reserve requirements provided by a credit institution.

## **XIII. PENALTIES**

38. Upon failure by a credit institution to report the calculation of the reserve base and required reserves by a deadline set by the Bank of Lithuania, the Bank of Lithuania, taking into account the reasons of the delay, may impose a penalty up to LTL 34,528 for each day of delay, but not more than the total of LTL 345,280.

39. The Bank of Lithuania, taking into account the frequency of violations and/or their impact on the credit institution's reserve base and/or required reserves, may impose a penalty up to LTL 690,560 if:

39.1. it becomes evident that the credit institution reported incorrect or incomplete data, or the form of the report did not meet the set requirements;



39.2. a responsible person of a credit institution hindered the Bank of Lithuania in verifying the correctness of reported data. The expenses incurred by the Bank of Lithuania in verifying and correcting the data referred to above, shall be included in the imposed penalty.

40. In the event that the average balance of funds of a credit institution over the maintenance period is below the required reserves, the bank shall pay a penalty to the Bank of Lithuania calculated on the basis of the following formula (whereby the result is rounded to the nearest cent):

$$B_t = \left( \sum_{i=1}^{n_t} (RR_t - H_i) \right) \cdot (r_t + p) \div (360 \cdot 100); \text{ here } r_t = \sum_{i=1}^{n_t} \frac{MLR_i}{n_t}$$

where:

$B_t$  – amount of the penalty in litas paid by the credit institution to the Bank of Lithuania;

$RR_t$  – reserve requirement during the maintenance period  $t$ ;

$H_i$  – holdings of a credit institution in a settlement accounts with the Bank of Lithuania at the end of the calendar day  $i$ ;

$n_t$  – number of calendar days over the maintenance period  $t$ ;

$r_t$  – interest rate applied in the calculation of the penalty, rounded to two decimal numbers;

$MLR_i$  – ECB marginal lending interest rate or overnight VILIBOR (percent) on day  $i$ , whichever is higher;

$p$  – 2.5 percentage points; upon failure by the bank to comply with reserve requirements in litas on more than 2 occasions during the recent 12-month period, 5 percentage points.

41. Upon failure by a credit institution to comply with reserve requirements, the Bank of Lithuania may increase the reserve requirement to a bank by an amount which exceeds the reserve shortage over the last maintenance period up to 3 times. The credit institution shall not be able to dispose of the above amount during the whole maintenance period with regard to which the increased reserve requirement has been set.

42. If the total amount of the penalties for a particular maintenance period calculated for a credit institution is less than LTL 345.28, payment of the penalties shall be waived.

43. The arrangements for imposing penalties shall be established by the Board of the Bank of Lithuania.

#### **XIV. FINAL PROVISIONS**

44. For credit institutions which have permission of the Bank of Lithuania to report their balance sheet statements on a quarterly basis, the data of these statement shall be used for the calculation of reserve requirements for such institutions for three consecutive maintenance periods, the first of which starts in the first month following the month for which the balance sheet statement has been reported.

# ANNEX 1 of the Rules on reserve requirements for credit institutions

(submitted by)

(place of composition)

Monetary Policy Department of the Bank of Lithuania  
Totorių 4, Vilnius

## CALCULATION OF REQUIRED RESERVES

For the period from 24 \_\_\_\_\_ 200... to 23 \_\_\_\_\_ 200...

Based on the data of the balance sheet of \_\_\_\_\_ 200...

Filled on: ... \_\_\_\_\_ 200...

Measurement unit: LTL thousands

Non-zero reserve ratio (r) \_\_\_\_ in percent

No.	Balance sheet item	Amount
<b>1</b>	<b>2</b>	<b>3</b>
<b>I.</b>	<b>DEPOSITS UP TO AND INCLUDING 2 YEARS (1+2+3)</b>	
<b>1.</b>	<b>Overnight deposits (1.1+1.2+1.3)</b>	
1.1.	Residents	
1.1.1.	of which the Bank of Lithuania and credit institutions subject to the Bank of Lithuania's reserve requirements	
1.2.	Euro area residents	
1.2.1.	of which the ECB, NCBs and credit institutions subject to the Eurosystem's minimum reserve requirements	
1.3.	Other non-residents	
<b>2.</b>	<b>Deposits with agreed maturity (2.1+2.2+2.3)</b>	
2.1.	Residents	
2.1.1.	of which the Bank of Lithuania and credit institutions subject to the Bank of Lithuania's reserve requirements	
2.2.	Euro area residents	
2.2.1.	of which the ECB, NCBs and credit institutions subject to the Eurosystem's minimum reserve requirements	
2.3.	Other non-residents	
<b>3.</b>	<b>Deposits redeemable at notice (3.1 + 3.2 + 3.3)</b>	
3.1.	Residents	
3.1.1.	of which the Bank of Lithuania and credit institutions subject to the Bank of Lithuania's reserve requirements	
3.2.	Euro area residents	
3.2.1.	of which the ECB, NCBs and credit institutions subject to the Eurosystem's minimum reserve requirements	
3.3.	Other non-residents	
<b>II.</b>	<b>DEPOSITS OVER 2 YEARS (4+5)</b>	
<b>4.</b>	<b>Deposits with agreed maturity (4.1+4.2+4.3)</b>	
4.1.	Residents	
4.1.1.	of which the Bank of Lithuania and credit institutions subject to the Bank of Lithuania's reserve requirements	
4.2.	Euro area residents	
4.2.1.	of which the ECB, NCBs and credit institutions subject to the Eurosystem's minimum reserve requirements	
4.3.	Other non-residents	

*Cont.*

No.	Balance sheet item	Amount
<b>1</b>	<b>2</b>	<b>3</b>
<b>5.</b>	<b>Deposits redeemable at notice: (5.1 + 5.2 + 5.3)</b>	
5.1.	Residents	
5.1.1.	of which the Bank of Lithuania and credit institutions subject to the Bank of Lithuania's reserve requirements	
5.2.	Euro area residents	
5.2.1.	of which the ECB, NCBs and credit institutions subject to the Eurosystem's minimum reserve requirements	
5.3.	Other non-residents	
<b>6.</b>	<b>Repos (6.1 + 6.2 + 6.3)</b>	
6.1.	Residents	
6.1.1.	of which the Bank of Lithuania and credit institutions subject to the Bank of Lithuania's reserve requirements	
6.2.	Euro area residents	
6.2.1.	of which the ECB, NCBs and credit institutions subject to the Eurosystem's minimum reserve requirements	
6.3.	Other non-residents	
<b>7.</b>	<b>Debt securities issued (7.1+7.2)</b>	
7.1	Up to 2 years	
7.1.1.	of which debt securities held by the Bank of Lithuania and credit institutions subject to the Bank of Lithuania's reserve requirements, included in 7.1	
7.1.2.	of which debt securities held by the ECB, NCBs and credit institutions subject to the Eurosystem's minimum reserve requirements, included in 7.1	
7.1.3.	allowance of the amount of debt securities, applying standard deduction rate	
7.2.	Over 2 years	
<b>8.</b>	<b>TOTAL (I+II+6+7)</b>	
<b>CALCULATION OF RESERVE BASE AND REQUIRED RESERVES</b>		
<b>9.</b>	<b>Total liabilities reserve base (9.1 + 9.2)</b>	
<b>9.1.</b>	<b>Liabilities with positive reserve requirement ratio (1 – 1.1.1 + 2 - 2.1.1 + 3 – 3.1.1 + 7.1 – 7.1.1 – 7.1.3)</b>	
<b>9.2</b>	<b>Liabilities with zero reserve requirement ratio (4 – 4.1.1 + 5 – 5.1.1 + 6 – 6.1.1 + 7.2)</b>	
<b>10.</b>	<b>Calculated required reserves (R=9.1 x r : 100)</b>	
<b>11.</b>	<b>Allowance</b>	
<b>12.</b>	<b>Required reserves (RR=10 - 11, but not less than zero)</b>	

Head of the credit institution  
Chief accountant

name  
name

signature  
signature

Responsible person  
telephone

name

signature

ANNEX 2 of the Rules on reserve requirements for credit institutions

(Name of the credit institution)

**SAMPLE FOR THE CALCULATION OF THE RESERVE SURPLUS OR SHORTAGE  
FOR THE MAINTENANCE PERIOD FROM 24 JANUARY 200\_ TO 23 FEBRUARY 200\_**

LTL thousand, rounding: one decimal number

Required reserves: 24 743.1 (RR)

Number of calendar days during the maintenance period: 31 (t)

Maintenance period				End-of-day balance on reserve accounts	Accumulated balance on reserve accounts	Average balance on reserves accounts (6) : (4)	Days remaining to end of period	Necessary average balance on reserve accounts for remaining days ((RR) x t – (6)) : (8)	Real average surplus (+), shortage (-) on reserve accounts on remaining days (5) – (9)	Compliance with reserve requirements: accumulated surplus (+), shortage (-) (6) – (RR) × (4)
Month	Day	Weekday	Day of period							
(1)	(2)	(3)	(4)	(5)*	(6)	(7)	(8)	(9)	(10)**	(11)
January	24	Sat	1	18 145,3	18 145,3	18 145,3	30	24 963,0	-6 817,7	-6 597,8
	25	Sun	2	18 145,3	36 290,6	18 145,3	29	25 198,1	-7 052,8	-13 195,6
	26	Mon	3	0	36 290,6	12 096,9	28	26 098,1	-26 098,1	-37 938,7
	27	Tue	4	19 728,7	56 019,2	14 004,8	27	26 334,0	-6 605,3	-42 953,2
	28	Wed	5	19 328,7	75 347,9	15 069,6	26	26 603,4	-7 274,7	-48 367,6
	29	Th	6	23 638,9	98 986,8	16 497,8	25	26 722,0	-3 083,1	-49 471,8
	30	Fri	7	32 657,2	131 644,0	18 806,3	24	26 474,7	6 182,5	-41 557,7
	31	Sat	8	32 657,2	164 301,2	20 537,6	23	26 205,9	6 451,3	-33 643,6
February	1	Sun	9	32 657,2	196 958,4	21 884,3	22	25 912,6	6 744,6	-25 729,5
	2	Mon	10	29 510,8	226 469,1	22 646,9	21	25 741,3	3 769,5	-20 961,9
	3	Tue	11	35 648,2	262 117,4	23 828,9	20	25 245,9	10 402,3	-10 056,7
	4	Wed	12	32 840,6	294 958,0	24 579,8	19	24 846,2	7 994,4	-1 959,2
	5	Th	13	23 750,6	318 708,5	24 516,0	18	24 907,1	-1 156,5	-2 951,8
	6	Fri	14	27 840,6	346 549,1	24 753,5	17	24 734,5	3 106,1	145,7
	7	Sat	15	27 840,6	374 389,7	24 959,3	16	24 540,4	3 300,2	3 243,2

Cont.

Maintenance period				End-of-day balance on reserve accounts	Accumulated balance on reserve accounts	Average balance on reserves accounts (6) : (4)	Days remaining to end of period	Necessary average balance on reserve accounts for remaining days ((RR) x t – (6)) : (8)	Real average surplus (+), shortage (-) on reserve accounts on remaining days (5) – (9)	Compliance with reserve requirements: accumulated surplus (+), shortage (-) (6) – (RR) × (4)
Month	Day	Weekday	Day of period							
(1)	(2)	(3)	(4)	(5)*	(6)	(7)	(8)	(9)	(10)**	(11)
February	8	Sun	16	27 840,6	402 230,3	25 139,4	15	24 320,4	3 520,2	6 340,7
	9	Mon	17	35 384,5	437 614,8	25 742,0	14	23 530,1	11 854,4	16 982,1
	10	Tue	18	26 147,5	463 762,3	25 764,6	13	23 328,8	2 818,7	18 386,5
	11	Wed	19	21 982,7	485 745,1	25 565,5	12	23 440,9	-1 458,2	15 626,2
	12	Th	20	34 982,7	520 727,8	26 036,4	11	22 391,7	12 591,1	25 865,8
	13	Fri	21	23 749,6	544 477,4	25 927,5	10	22 255,9	1 493,7	24 872,3
	14	Sat	22	23 749,6	568 226,9	25 828,5	9	22 089,9	1 659,7	23 878,7
	15	Sun	23	23 749,6	591 976,5	25 738,1	8	21 882,4	1 867,1	22 885,2
	16	Mon	24	16 282,9	608 259,4	25 344,1	7	22 682,4	-6 399,5	14 425,0
	17	Tue	25	21 456,2	629 715,6	25 188,6	6	22 886,7	-1 430,5	11 138,1
	18	Wed	26	26 232,5	655 948,1	25 228,8	5	22 217,6	4 014,9	12 627,5
	19	Th	27	25 279,6	681 227,7	25 230,7	4	21 452,1	3 827,5	13 164,0
	20	Fri	28	17 289,2	698 516,9	24 947,0	3	22 839,7	-5 550,5	5 710,1
	21	Sat	29	17 289,2	715 806,1	24 683,0	2	25 615,0	-8 325,8	-1 743,8
	22	Sun	30	17 289,2	733 095,3	24 436,5	1	33 940,8	-16 651,6	-9 197,7
	23	Mon	31	28 909,1	762 004,4	24 580,8	0	–	–	-5 031,7***

For example, the necessary average balance on the reserve accounts for the remaining days after February 18 shall be calculated as follows:

The accumulated amounts of reserve requirements over the whole maintenance period:  $24\,734,1 \times 31 = 767\,036,1$ .

The accumulated balance on the reserve accounts before February 18, inclusive (column 6): 655 948,1.

Number of days remaining to the end of maintenance period after February 18 (column 8): 5.

Necessary average balance on reserve accounts for remaining days:  $(767\,036,1 - 655\,948,1) : 5 = 22\,217,6$ .

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\* On non-business days, the funds at the end of the previous business day shall be repeated.

\*\* If the value for any day calculated in column 9 is negative, then in calculating the value for the relevant day in column 10 the former value should be set to zero.

\*\*\* If the value for the last day of the period in this column is negative, this means that on the last day the credit institution had a shortage of the specified amount to comply with reserve requirements.