

FINANCIAL ACCOUNTS OF LITHUANIA FOR THE SECOND QUARTER OF 2009

The growth rates of financial assets in all economic sectors other than central government declined further (a trend observed since the beginning of 2008) (Fig. 1). At the end of the second quarter of 2009, financial assets of Lithuanian economy made up LTL 310 billion. Its growth rate was negative (-3.1%), whereas in the second quarter of 2008, the growth rate made up 21.2 per cent.

The structure of financial assets of the total economy slightly changed. Major investment positions looked as follows: loans accounted for 29.4 per cent, shares 26 per cent, deposits 16.4 per cent, and debt securities 9.3 per cent (in the past major investment position was in shares). The value of financial assets went down significantly in recent years. Over the last four quarters the value of quoted shares decreased by 58.6 per cent, the value of Lithuanian investment funds declined by 25.7 per cent, and the value of investment funds of the rest of the world went down by 2.1 per cent.

At the end of the quarter, Lithuania's liabilities made up LTL 372.3 billion. Their growth rate was also negative (-1.1%), down from 22.2 per cent in the second quarter of 2008 (Fig. 2). In the quarter, the largest growth rate (42%) was observed in liabilities of central government.

Relations between sectors of economy remained unchanged with households and non-financial corporations being the largest borrowers and monetary financial institutions (MFIs) remaining the largest investors.

The rest of the world is a major finance and investment providers to our country. In the second quarter of 2009, foreigners held 57 per cent of total short-term and long-term debt securities, and 28.7 per cent of total shares issued in Lithuania.

Fig. 1. Financial assets of Lithuania
(annual change)

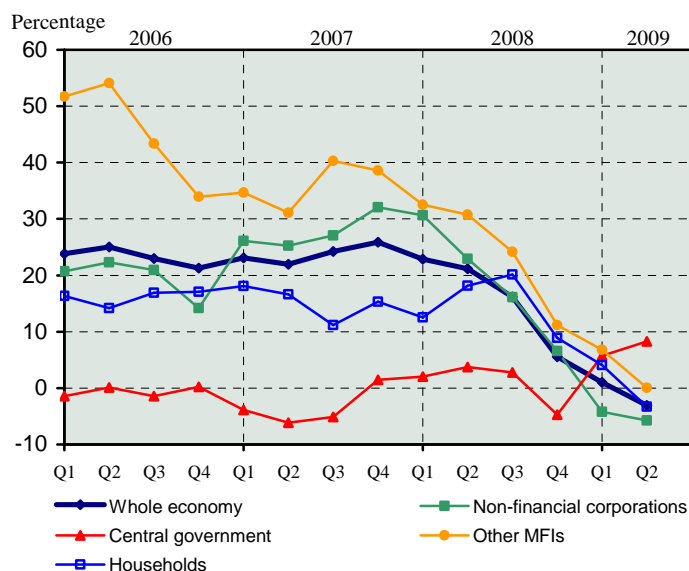
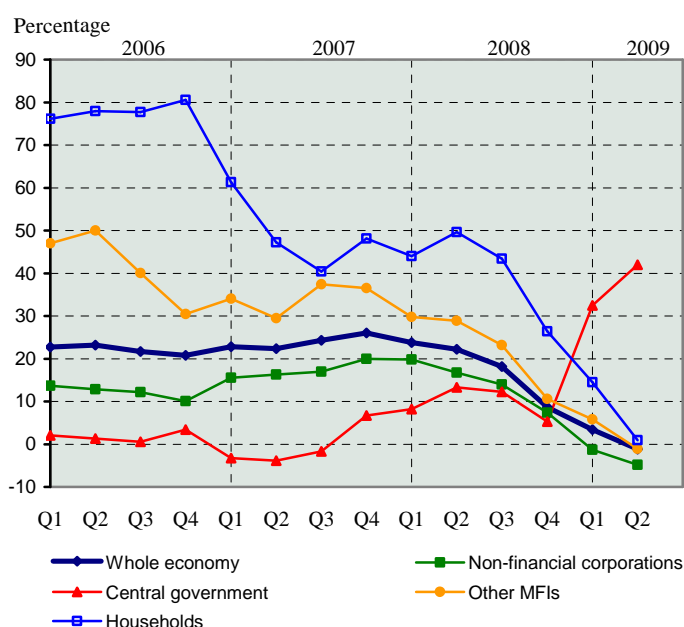


Fig. 2. Liabilities of Lithuania
(annual change)



OTHER MONETARY FINANCIAL INSTITUTIONS

At the end of the second quarter of 2009, financial assets of other MFIs¹ amounted to LTL 87.9 billion. Its growth rate slowed down to 0.06 per cent from 30.7 per cent in the second quarter of 2008 (Fig. 1).

Loans accounted for 79.3 per cent of other MFIs' assets with their growth rate decelerating during the year. The growth rate of short-term loans went down from 36.1 per cent in the second quarter of 2008 to 9.3 per cent in the second quarter of 2009, and the growth rate of long-term loans decelerated to 0.4 per cent, down from 36.2 per cent in the second quarter of 2008 (Fig. 3). The biggest borrowers of other MFI loans were non-financial corporations and households. At the end of the quarter, short-term loans to non-financial corporations amounted to LTL 8.2 billion (72% of total short-term loans) (Fig. 4), and long-term loans made up LTL 25.8 billion (44% of total long-term loans) (Fig. 5). Short-term loans to households made up LTL 0.6 billion (5%) and long-term loans amounted to LTL 29 billion (50%).

At the end of the second quarter of 2009, other MFIs' liabilities equalled to LTL 87.1 billion, a decrease of 1.1 per cent over the year (in the second quarter of 2008, annual growth rate made up 28.9 per cent) (Fig. 2). The largest components of liabilities were transferable deposits (21.1%) and other deposits (67.6%).

Fig. 3. Other MFI granted loans (annual change)

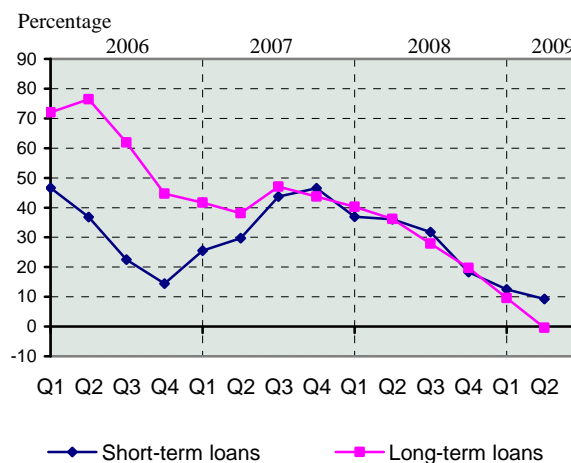


Fig. 4. Composition of other MFI short-term loans (end-of-2009Q2)

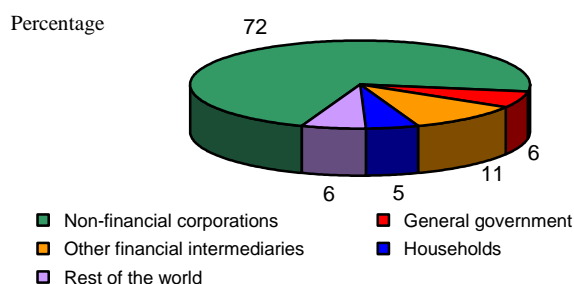
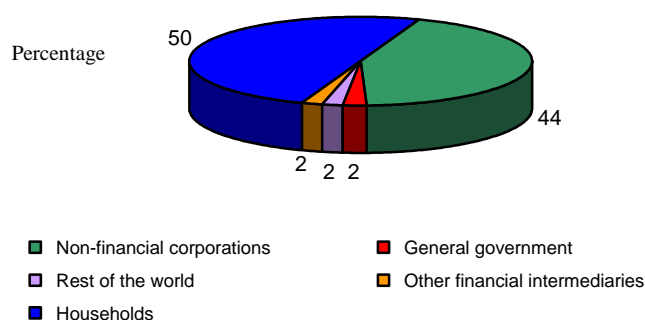


Fig. 5. Composition of other MFI long-term loans (end-of-2009Q2)



¹ Other MFIs comprise banks, credit unions and money market funds

NON-FINANCIAL CORPORATIONS

At the end of the second quarter of 2009, financial assets of non-financial corporations amounted to LTL 81.1 billion, a decrease of 5.8 per cent as compared to the second quarter of 2008 (Fig. 1).

For a few years non-quoted shares (31%) and trade credits (30%) accounted for the largest share of the financial assets (Fig. 6).

At the end of the quarter, liabilities of non-financial corporations made up LTL 180.5 billion, a decrease of 4.8 per cent as compared to the second quarter of 2008.

The largest components of liabilities (Fig. 7) were unquoted shares (46%) and loans (31%). At the end of the quarter, short-term and long-term loans to non-financial corporations amounted respectively to LTL 12.3 billion and LTL 43.8 billion with MFI loans accounting for 61 per cent and loans to each other accounting for 9 per cent. Foreign loans made up about 14 per cent of total loans.

Fig. 6. Composition of non-financial corporation financial assets
(end-of-2009Q2)

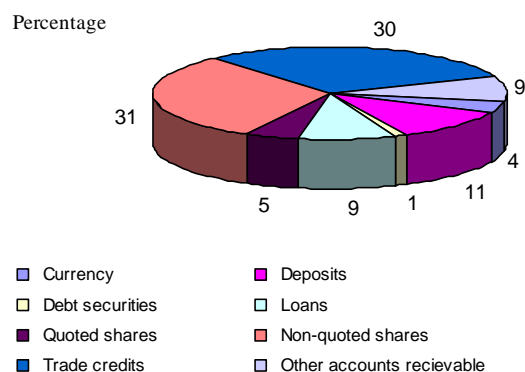
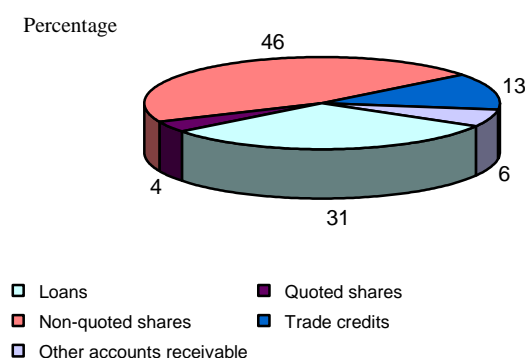


Fig. 7. Composition of non-financial corporation liabilities
(end-of-2009Q2)



HOUSEHOLDS

At the end of the quarter, financial assets of households amounted to LTL 69.9 billion, a decrease by 3.3 per cent (in the second quarter of 2008, financial assets grew by 18.2%; see Fig. 1).

Some changes took place in the structure of financial assets in the second quarter of 2009 with investments into shares losing their dominant position. Household investments into shares accounted for 39 per cent, and investments into deposits made up 35 per cent (Fig. 8).

At the end of the second quarter of 2009, household liabilities amounted to LTL 40 billion. Their growth rate made up 0.9 per cent in the second quarter of 2009, down from 49.6 per cent in the second quarter of 2008 (Fig. 2).

At the end of the second quarter this year, loans and trade credits were the largest components of households' liabilities accounting respectively for 76 per cent and 17 per cent (Fig. 9).

At the end of the second quarter of 2009, financial assets of households per capita amounted to LTL 20.9 thousand, and liabilities per capita made up LTL 12 thousand (Fig. 10).

Fig. 8. Composition of household financial assets
(end-of-2009Q2)

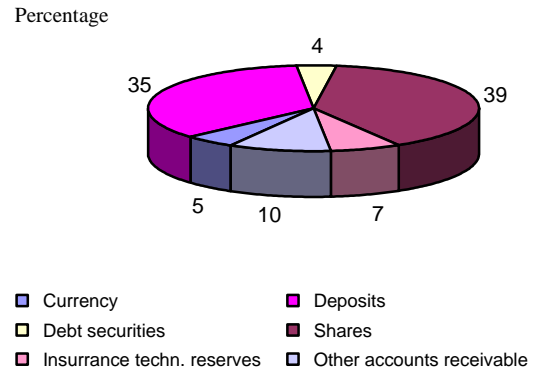


Fig. 9. Composition of household liabilities
(end-of-2009Q2)

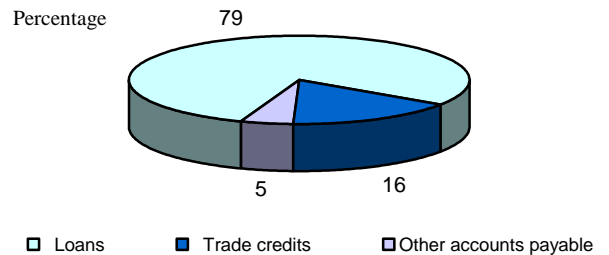


Fig. 10. Household financial assets and liabilities
(end-of-period; per capita)

