



# Review of the Activities of Management Companies

## 2013

**As of 31 December 2013, 14 management companies operated in Lithuania's market for financial instruments.** In 2013, no new licences were issued and none of existing ones were revoked. In late 2013, management companies managed twenty eight 2<sup>nd</sup> pillar pension funds for the accumulation of a portion of the state social insurance contribution, ten 3<sup>rd</sup> pillar funds for supplementary voluntary pension accumulation, and thirty three CIUs (of which thirty two investment funds and one investment company with variable capital).

Following the entry into force of the Law on Collective Investment Undertakings Intended for Informed Investors on 1 July 2013, the Board of the Bank of Lithuania in late 2013 expanded the operating licences of *UAB Synergy Finance* and *UAB LORDS LB Asset Management* to include, at their request, the right to manage the collective investment undertakings established pursuant to the Law on Collective Investment Undertakings Intended for Informed Investors. Early in 2014, the Board of the Bank of Lithuania issued an authorisation for *UAB LT Development Fund* to engage in investment firm activities in accordance with the Law on Collective Investment Undertakings Intended for Informed Investors, transferring the management of the firm to the management company *UAB Synergy Finance*. More companies are likely to apply for authorisations to pursue operations falling within the scope of the latter law.

**In 2013, as compared to 2012, the assets of management companies increased by 5.4 per cent and amounted to LTL 82.1 million as of 31 December 2013 (LTL 77.9 million as of 31 December 2012).** In late 2013, over half (64.9%) of the assets of management companies were held in settlement and term deposit accounts with banks. The assets of two management companies — *UAB Swedbank investicijų valdymas* and *UAB SEB investicijų valdymas* — accounted for more than half of the management companies' total assets.

**The operating result of management companies for 2013 was a profit of LTL 12.7 million.** Most management companies (ten) operated at a profit, led by *UAB SEB investicijų valdymas*, which generated the highest profit (LTL 7.5 million). In 2012, the profit of management companies amounted to LTL 8.5 million.

**As of 31 December 2013, all management companies complied with the capital adequacy ratio, which shall be at least 1.0.** The average capital adequacy ratio of management companies increased from 3.4 to 4.2 in the last quarter of 2013.