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Licences of management companies. As of 31 December 2015, 11 management companies, which had an operating licence and operated under the Republic of Lithuania Law on Collective Investment Undertakings as well as the Republic of Lithuania Law on the Supplementary Voluntary Accumulation of Pensions, operated in Lithuania's market for financial instruments. Over 2015, the number of management companies decreased by two. In September 2015, by request of *UAB Ūkio banko investicijų valdymas* and *UAB MP Pension Funds Baltic*, the Board of the Bank of Lithuania terminated the validity of the operating licences of these companies. In June 2015, by request of the operating management company *UAB Lords LB Asset Management*, the Board of the Bank of Lithuania issued a collective investment undertaking licence intended for professional investors, which provides the right to manage collective investment undertakings intended for professional investors.

Activities of management companies. As at 31 December 2015, five management companies managed 18 accumulation of a portion of the state social insurance contribution (2nd pillar) pension funds. Their asset value was EUR 1,793.0 million, in which 1.0 million participants accumulated pensions. Four management companies managed 12 supplementary accumulation of pensions (3rd pillar) funds. Their asset value was EUR 61.55 million, while the number of participants — 47,333. Another nine management companies have established and managed 20 collective investment undertakings, operating in compliance with the Law on Collective Investment Undertakings. Their asset value amounted to EUR 226.46 million, while the number of participants — 13,787. Another eight management companies managed 24 collective investment undertakings, acting in accordance with the Republic of Lithuania Law on Collective Investment Undertakings Intended for Informed Investors; assets managed by them amounted to EUR 148.76 million. At the end of the year, 356 participants had invested their funds in entities of this type.

Assets of management companies. According to audited financial statement data, over 2015 the assets of management companies increased by 19.4 per cent and as of 31 December 2015 amounted to EUR 23.4 million (as of 31 December 2014 — EUR 19.6 million). As of 31 December 2015, as in the previous year most of the assets of management companies were held in bank accounts (54.9%).

Results of the activities of management companies and compliance with prudential requirements. According to audited financial statement data, the operating profit of management companies in 2015, year on year, increased by 20.8 per cent. The operating result for 2015 was a profit of EUR 5.2 million (in 2014 — EUR 4.3 million). The improvement in the operating result was driven by the increase in services and commission income — by 20.8 per cent. The income from pension fund and collective investment undertaking management amounted to 86.7 per cent of total income. The growth of administrative costs amounted to 8.8 per cent. Nine management companies operated profitably, while two management companies experienced losses. Operations of *UAB SEB investicijų valdymas*,

Chart 1. Data of the activities of management companies

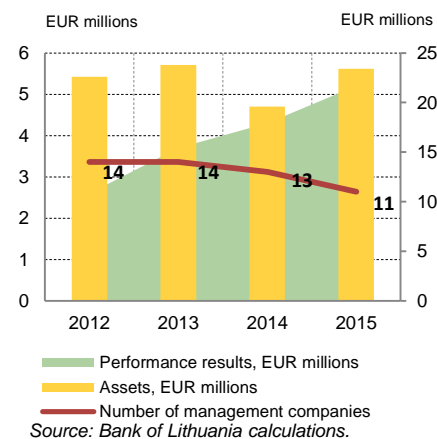


Chart 2. Assets of management companies

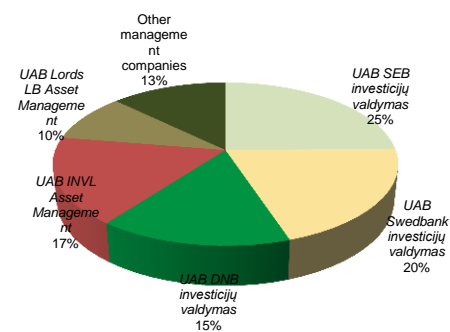
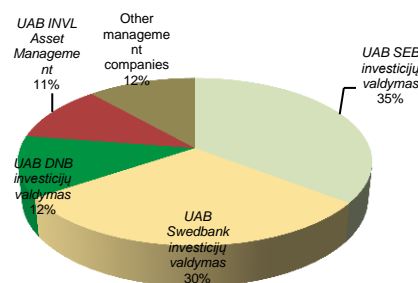


Chart 3. Managed assets of customers of management companies



Source: Bank of Lithuania calculations.

UAB Swedbank investicijų valdymas, UAB DNB investicijų valdymas and UAB Lords LB Asset Management were the most profitable. As of 31 December 2015, all management companies complied with the capital adequacy ratio, which is 1.0, and exceeded it.

Changes in the field of legal regulation of management companies. Decision No 03-10 of the Board of the Bank of Lithuania of 28 January 2016 approved the Bank of Lithuania prepared amendments to the Rules on the Publicly Announced Information on Financial Brokerage Firms and Management Companies. The list of publicly announced information on subordinated loans, other debt instruments, their maturity and terms and conditions as well as information about credit and dilution risk of purchased receivables, market and operational risk, revealing how a company complies with the capital adequacy requirements, were supplemented. These changes are published in the registry of legal acts: <http://www.lblitlex.lbank.lt/Default.aspx?Id=3&DocId=612367>.

By Decision No 03-26 of the Board of the Bank of Lithuania of 11 February 2016, the Rules for the Requirements for the Risk Management of Management Companies were approved. They establish the key risk management principles, with which management companies should comply so that their risk management would be properly organised, efficient and ensuring secure, stable and reliable operation. The requirements, as set forth in the Rules, are applied in accordance with the Republic of Lithuania Law on Collective Investment Undertakings, the Republic of Lithuania Law on the Supplementary Voluntary Accumulation of Pensions and/or the Republic of Lithuania Law on Collective Investment Undertaking's Management Companies Intended for Qualified Investors.

On 28 January 2016, the Official Journal of the European Union announced the regulatory technical standards for prudent valuation. The technical standard is also published on the Bank of Lithuania website:

http://www.lb.lt/n22581/rts_on_prudent_valuation_lt.pdf.

Key performance indicators of management companies (31 December 2015; EUR thousands)

Seq.No.	Management company and code	Assets	Net profit (loss)	Capital adequacy ratio, %	Customer assets managed by right of property trust
1.	<i>UAB SEB investicijų valdymas, 125277981</i>	5,775	1,535	5.33	857,687
2.	<i>Swedbank investicijų valdymas, UAB, 124815377</i>	4,723	1,417	6.33	733,877
3.	<i>UAB INVL Asset Management, 126263073</i>	4,044	-571	2.34	266,651
4.	<i>UAB DNB investicijų valdymas, 226299280</i>	3,608	1,247	3.85	285,492
5.	<i>UAB LORDS LB ASSET MANAGEMENT, 301849625</i>	2,251	1,137	2.95	122,046
6.	<i>UAB Danske Capital investicijų valdymas, 300542356</i>	1,208	112	3.15	72,16
7.	<i>UAB Orion Asset Management, 111707985</i>	849	419	1.91	49,221
8.	<i>UAB Dovre Forvaltning, 302589746</i>	312	-139	1.82	17,806
9.	<i>UAB Prudentis, 300081998</i>	261	42	1.44	12,14
10.	<i>UAB Synergy finance, 301439551</i>	195	17	1.36	4,304
11.	<i>UAB Novus Asset Management, 302633413</i>	170	12	1.15	3,604
	Total	23,395	5,229		2,424,988