

10 October 2011

FINANCIAL ACCOUNTS OF LITHUANIA FOR THE SECOND QUARTER OF 2011

At the end of the second quarter of 2011, the annual growth rate¹ of Lithuania's financial assets (6%) exceeded that of liabilities (4%). In the same quarter of 2010, the named growth rates accounted for 0.2 per cent and -1 per cent, respectively (see Fig. 1 and Fig. 2).

Financial assets totalled LTL 339.5 billion. The major investment positions of financial assets were shares (28%), loans (26%), deposits (18%), and debt securities (10%).

At the end of the second quarter, Lithuania's liabilities totalled LTL 400.2 billion. Loans and debt securities accounted for one third (34%) of total liabilities, whereas the ratio of loans and debt securities to financial assets made up 40 per cent.

Fig. 1. Financial assets of Lithuania
(Annual growth rate)

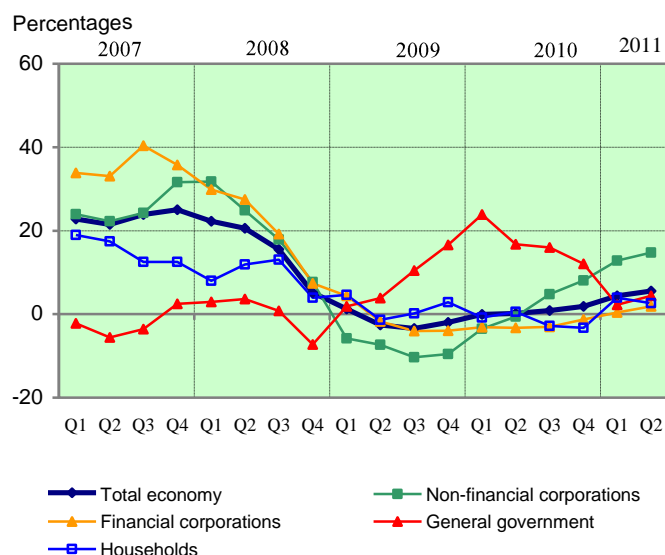
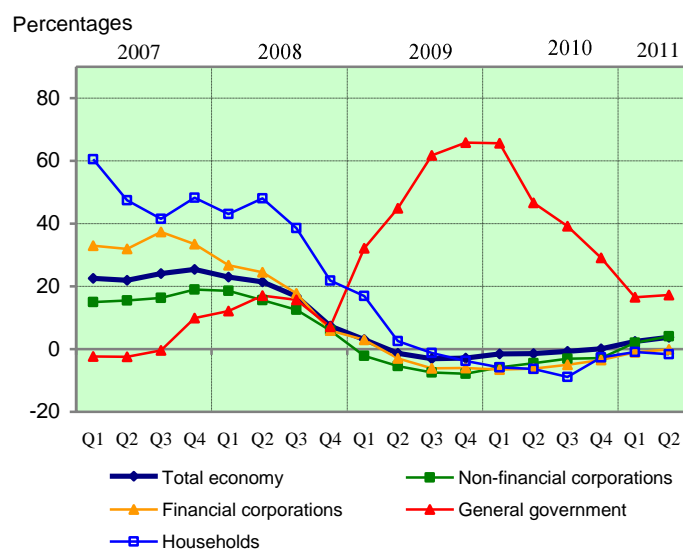


Fig. 2. Liabilities of Lithuania
(Annual growth rate)



¹ Annual growth rate is calculated by taking the difference between end quarters outstanding amounts and then removing the effects of revaluation adjustments, exchange rate adjustments, as well as other changes in volume.

This indicator remained broadly unchanged in recent years, except for the government sector, where the named ratio grew up to 129 per cent at the end of the second quarter (see Fig. 3).

The rest of the world sector (non-residents) plays an important role in Lithuania's economy. In the second quarter of 2011, debt security holdings by non-residents accounted for 72 per cent of total debt securities issued in Lithuania. Annual growth rate of said securities equalled 15 per cent (at the same period of 2010, it made up 87%; see Fig. 4). Non-residents owned 30 per cent of total shares issued in Lithuania which annual growth rate was 4 per cent (at the end of the second quarter of 2010, it made up 19%; see Fig. 4). The largest portion of non-resident investment went to Lithuania's financial sector: they owned 91 per cent of shares issued by other monetary financial institutions (other MFIs)² and 73 per cent of shares issued by insurance corporations.

Fig. 3. Ratio of loans and debt securities to total financial assets
(End-of-period)

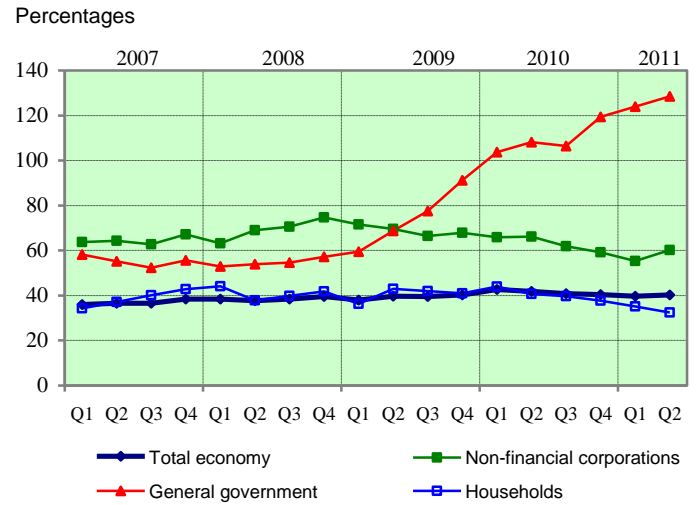
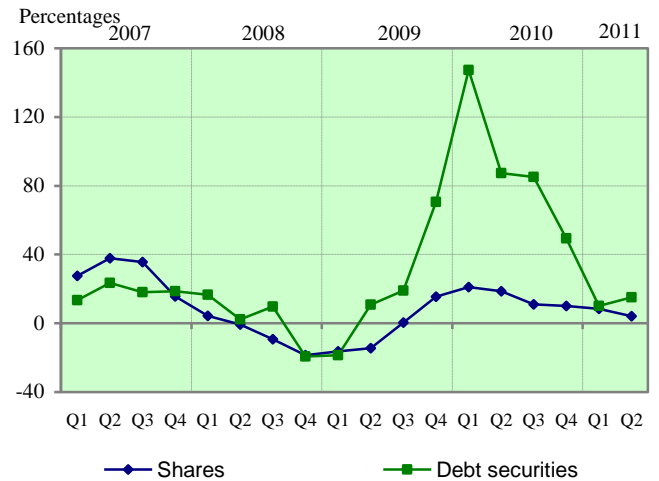


Fig. 4. Non-resident holdings of shares and debt securities issued in Lithuania
(Annual growth rate)



² Other MFIs cover banks, credit unions, branches of foreign banks, and money market funds.

FINANCIAL CORPORATIONS

Financial corporations by type of activity are grouped into other MFIs, other financial intermediaries (OFIs)³, financial auxiliaries, and insurance corporations and pension funds.

At the end of the second quarter, financial assets of other MFIs totalled LTL 87 billion, and their annual growth rate was -1 per cent, whereas a year ago it was -2 per cent (see Fig. 5). Loans accounted for the almost three quarters (73%) of other MFIs' financial assets. However, their share in financial assets has slightly declined (at the end of the second quarter of 2010 it made up 75%). In the second quarter of 2011, short-term loans annually increased by 1 per cent, whereas long-term loans decreased by 5 per cent. Non-financial corporations and households were major borrowers of other MFIs. At the end of the quarter, short-term loans to non-financial corporations made up LTL 6.9 billion (66% of total short-term loans) and long-term loans amounted to LTL 22.2 billion (42% of total long-term loans; see Fig. 7). Short-term loans and long-term loans to households totalled, respectively, LTL 0.7 billion (7%) and LTL 26.6 billion (51%).

At the end of the second quarter of 2011, the liabilities of other MFIs amounted to LTL 86.6 billion with a negative annual growth rate of 1 per cent. In comparison, a year ago they declined to -4 per cent (see Fig. 6). Transferable deposits (30%) and other deposits (55%) accounted for the largest shares of liabilities.

Fig. 5. Financial assets of financial corporations (Annual growth rate)

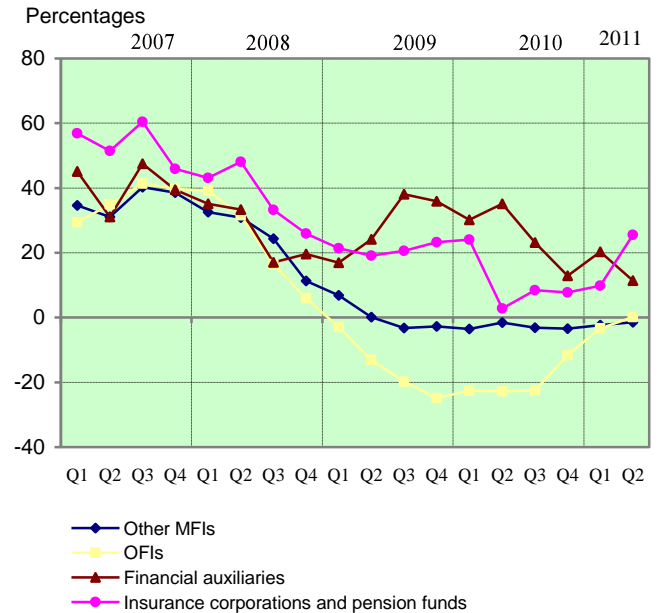
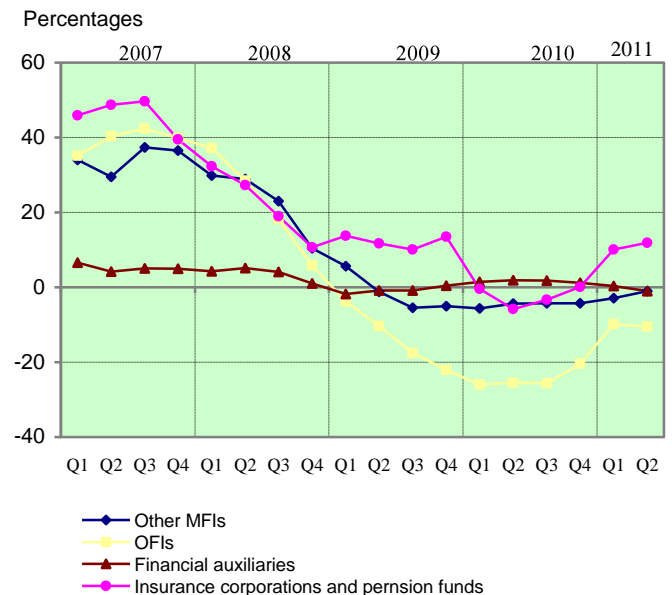


Fig. 6. Liabilities of financial corporations (Annual growth rate)



³ OFIs cover financial leasing corporations and other corporations engaged in credit granting, and investment funds.

Financial assets of OFIs amounted to LTL 12.4 billion, and their annual growth rate was 0.1 per cent. In the second quarter of 2010, annual growth rate was -22 per cent (see Fig. 5). As in the case of other MFIs, loans accounted for the largest share of OFIs' financial assets (63%). The largest portion of short-term loans (42%) was granted to households, whereas largest portion of long-term loans (66%) was granted to non-financial corporations (see Fig. 8).

At the end of the second quarter, OFIs' liabilities equalled to LTL 10.9 billion. Their annual growth rate was -11 per cent (in the corresponding quarter of 2010, the rate was -25%; see Fig. 6). Unlike other MFIs, OFIs accumulate funds through borrowing from other economic entities; consequently, both short-term loans (12%) and long-term loans (56%) made up the largest shares of their liabilities.

At the end of the second quarter, financial assets of insurance corporations and pension funds amounted to LTL 8.6 billion, and annual growth rate of these assets made up 26 per cent (in the corresponding quarter of 2010, the rate was 3%; see Fig. 5). A significant amount of funds accumulated by insurance corporations and pension funds in the form of insurance technical reserves and pension funds were invested into debt securities (38%) and shares of investment funds (49%).

Liabilities of insurance corporations and pension funds totalled LTL 7 billion, with the annual growth rate of 12 per cent, while in the second quarter of 2010 said rate was -6per cent (see Fig. 6). At the end of the second quarter of 2011, pension funds and insurance technical reserves accounted, respectively, for 59 and 29 per cent of liabilities.

Fig. 7. Loans granted by other MFIs
(End-of-2011Q2)

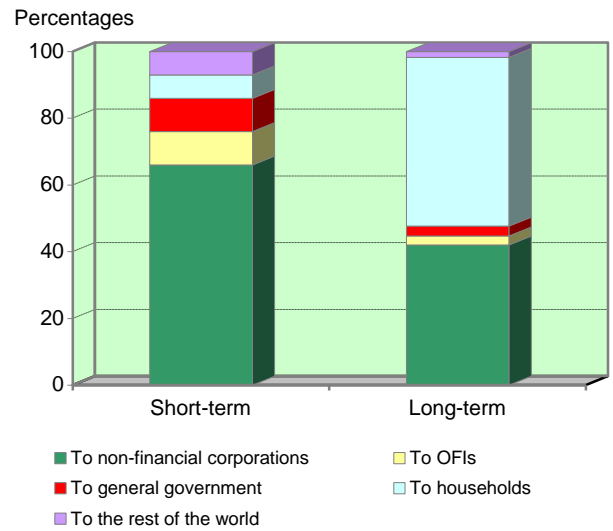
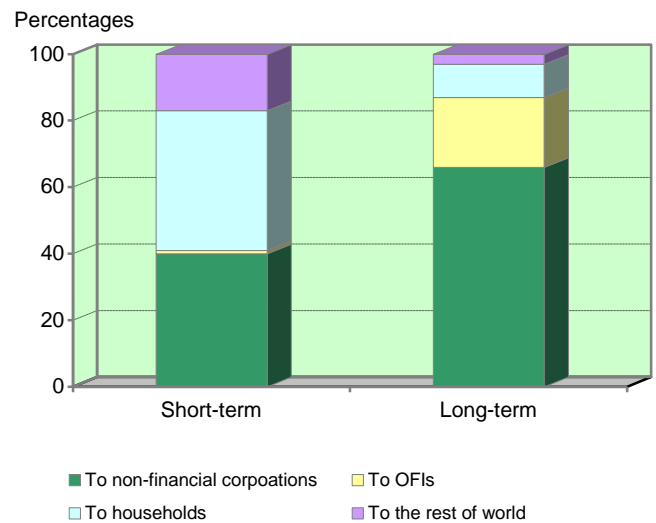


Fig. 8. Loans granted by OFIs
(End-of-2011Q2)



NON-FINANCIAL CORPORATIONS

At the end of the second quarter of 2011, financial assets of non-financial corporations amounted to LTL 87.3 billion, and their annual growth rate was 15 per cent (in the second quarter of 2010, it made up -1%; see Fig. 1).

For several years, unquoted shares and other accounts receivable have accounted for the largest portions of financial assets. At the end of the second quarter, the named portions made up 25 and 37 per cent, respectively (see Fig. 9).

At the end of the second quarter, liabilities of non-financial corporations totalled LTL 187.8 billion; their annual growth rate was 4 per cent (in the second quarter of 2010, it was -5%; see Fig. 2).

Unquoted shares and loans were the largest segments of liabilities, making up, respectively, 46 and 28 per cent (see Fig. 9). At the end of the quarter, the amounts of short-term and long-term loans granted to non-financial corporations totalled, respectively, LTL 15.6 billion and LTL 36.5 billion. Loans received from other MFIs made up 44 per cent of all short-term loans and 61 per cent of all long-term loans. Besides, non-financial corporations granted a significant portion of short-term loans (44%) to each other. Loans received from the rest of the world made up about 9 per cent of all short-term loans and 20 per cent of all long-term loans (see Fig. 10).

Fig. 9. Financial assets and liabilities of non-financial corporations
(End-of-2011Q2)

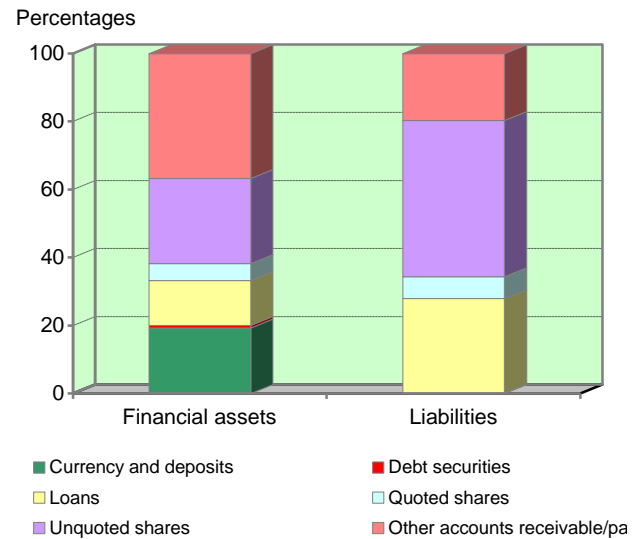
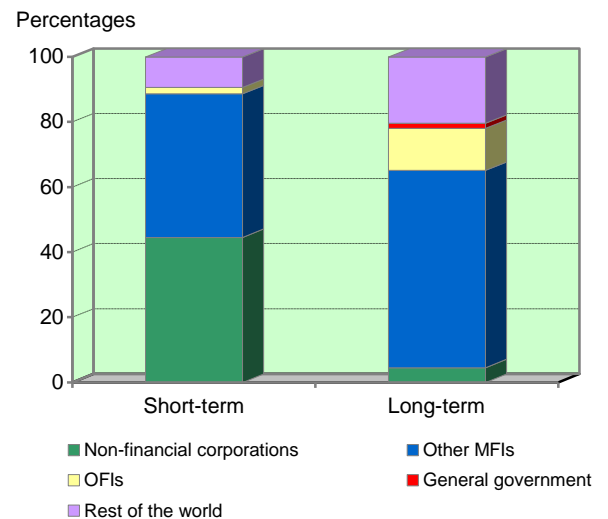


Fig. 10. Loans granted to non-financial corporations
(End-of-2011Q2)



HOUSEHOLDS

At the end of the second quarter of 2011, financial assets of households totalled LTL 87.4 billion; their annual growth rate was 3 per cent, while in the same quarter of 2010, the named rate was 1 per cent (see Fig. 1).

Shares and currency and deposits represented the largest segments of households' financial assets: 45 and 36 per cent, respectively (see Fig. 11).

At the end of the quarter, liabilities of households amounted to LTL 37.1 billion. Their annual growth rate dropped to -2 per cent, while in the same quarter of 2010, it was -6 per cent (see Fig. 2).

Loans and other accounts payable made up, respectively, 76 and 24 per cent of the household liabilities (see Fig. 11).

At the end of the second quarter of 2011, financial assets of Lithuanian households per capita amounted to LTL 27 thousand, and liabilities per capita made up LTL 12 thousand.

Fig. 11. Financial assets and liabilities of households (End-of-2011Q2)

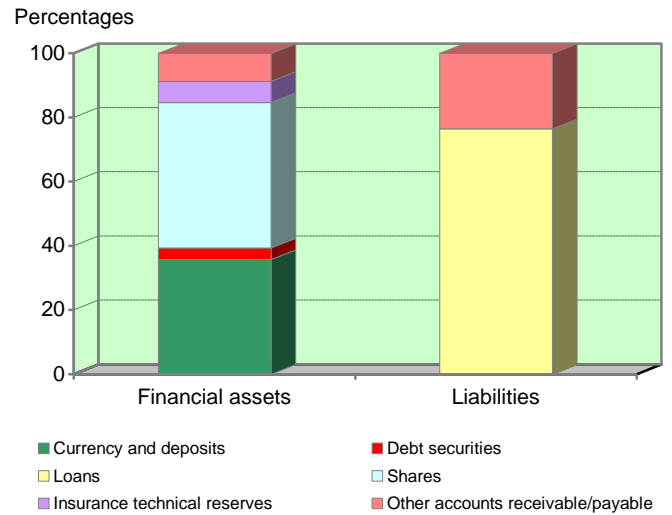


Fig. 12. Financial assets and liabilities of households (End-of-period, per capita)

