

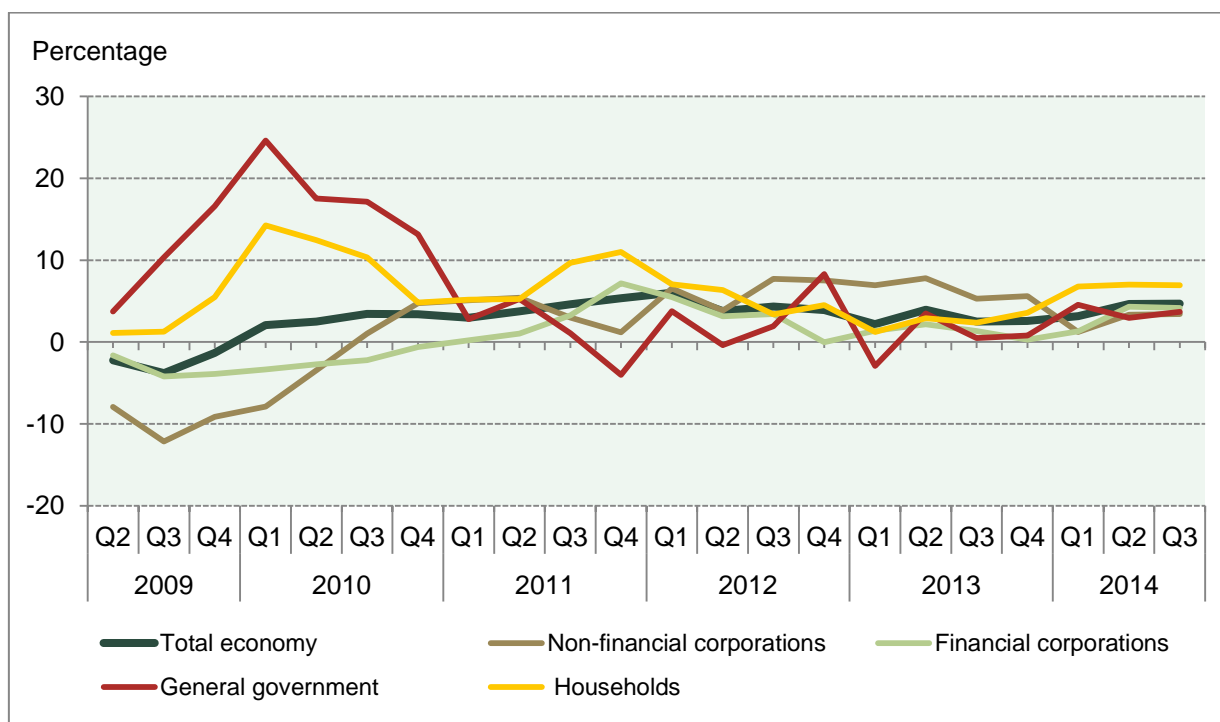
8 January 2015

LITHUANIA'S FINANCIAL ACCOUNTS FOR Q3 2014

In the third quarter of 2014, the annual growth rate¹ of Lithuania's financial assets (5%) exceeded that of liabilities (3%). In Q3 2013, the said growth rates accounted for 3 and 1 per cent, respectively. Net acquisition of financial assets in all sectors of Lithuania's economy, except for households, was positive. Net incurrence of liabilities was positive in financial corporations and household sectors.

At the end of the third quarter of 2014, financial assets totalled EUR 114.6 (LTL 395.5) billion. The main investment positions of financial assets were shares (29%), loans (22%), and deposits (21%).

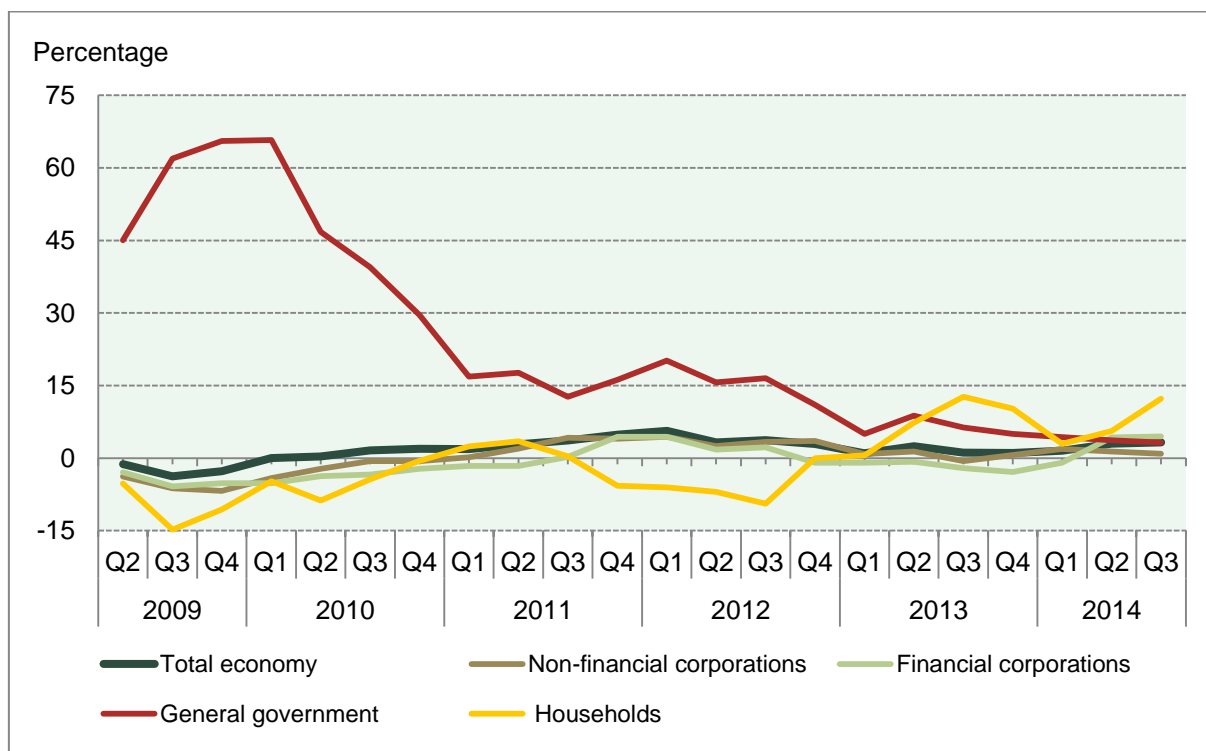
Chart 1. Lithuania's financial assets
(annual growth rate)



At the end of the third quarter, Lithuania's liabilities totalled EUR 129.9 (LTL 448.6) billion. Loans and debt securities accounted for almost one third (32%) of total liabilities.

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

Chart 2. Lithuania's liabilities
(annual growth rate)



In Q3 2014, net acquisition of financial assets in all sectors of Lithuania's economy, except for households¹, was positive. Net incurrence of liabilities was positive in financial corporations and households sectors (see Table 1).

Table 1. Financial transactions between institutional sectors
(Q3 2014; billions)

Liabilities \ Assets	Assets						
	Currency	Non-financial corporations	Financial corporations	General government	Households ¹	Rest of the world	Total
Non-financial corporations	EUR	-0.3	0.0	0.0	-0.1	0.3	0.0
	LTL	-0.9	0.0	0.0	-0.3	1.0	-0.1
Financial corporations	EUR	0.3	0.4	0.1	-0.1	-0.2	0.5
	LTL	0.9	1.5	0.2	-0.2	-0.5	1.8
General government	EUR	0.0	0.1	-0.2	-0.2	0.1	-0.1
	LTL	0.0	0.4	-0.6	-0.7	0.3	-0.5
Households ¹	EUR	0.8	0.0	0.0	0.0	0.0	0.9
	LTL	2.8	0.1	0.0	0.0	0.0	3.0
Rest of the world	EUR	-0.2	0.1	0.2	0.0	X	0.1
	LTL	-0.8	0.3	0.8	0.0	X	0.3
Total	EUR	0.6	0.7	0.1	-0.4	0.2	1.3
	LTL	2.1	2.4	0.4	-1.2	0.8	4.4

¹ Including non-profit institutions serving households.
X — Not applicable.

At the end of the third quarter, the largest amount of financial assets was accumulated in the financial corporations sector. Liabilities were predominant in non-financial corporations (see Table 2).

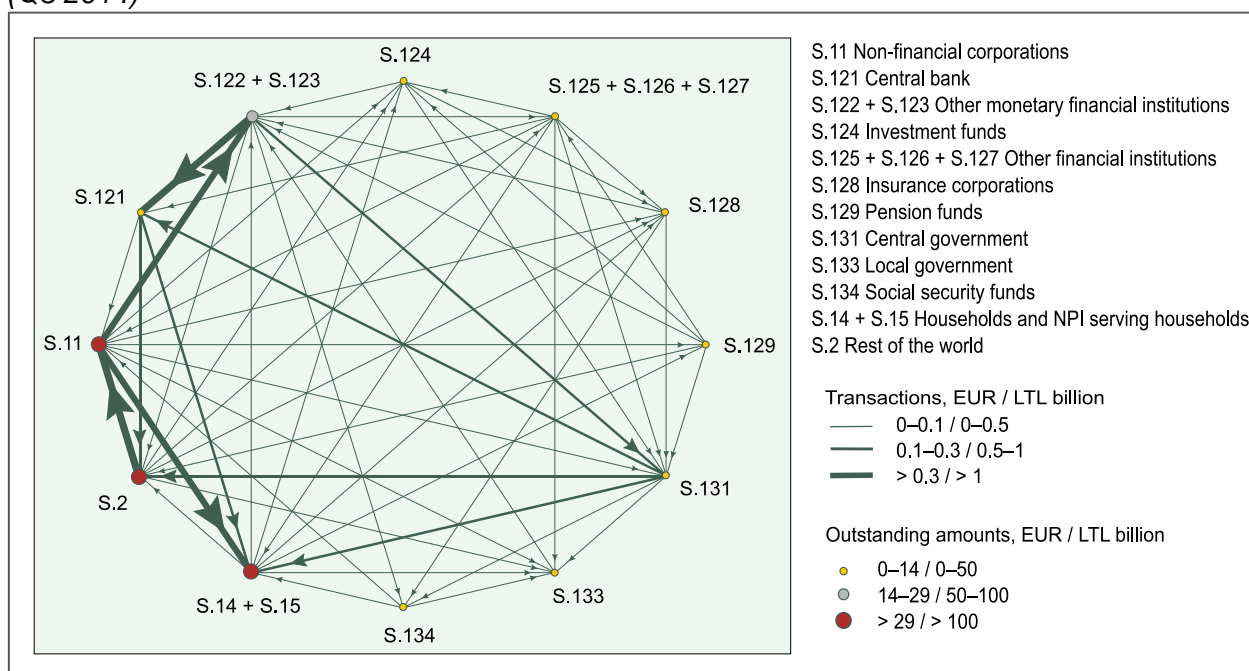
Table 2. Financial assets and liabilities of institutional sectors
(end of Q3 2014; billions)

Assets Liabilities	Currency	Non-financial corporations	Financial corporations	General government	Households ¹	Rest of the world	Total
Non-financial corporations	EUR	14.5	12.1	5.5	14.2	11.3	57.7
	LTL	50.2	41.7	19.1	49.1	38.9	199.1
Financial corporations	EUR	6.8	4.0	2.7	14.9	10.8	39.2
	LTL	23.4	13.7	9.5	51.6	37.4	135.5
General government	EUR	0.6	3.5	3.7	1.4	12.4	21.6
	LTL	2.0	12.1	12.8	4.8	42.7	74.4
Households ¹	EUR	3.5	8.0	0.0	0.0	0.0	11.5
	LTL	12.0	27.5	0.0	0.0	0.1	39.6
Rest of the world	EUR	5.6	11.9	0.7	0.7	X	18.9
	LTL	19.4	41.1	2.5	2.3	X	65.4
Total	EUR	31.0	39.4	12.7	31.2	34.5	148.9
	LTL	107.0	136.1	43.9	107.9	119.1	514.0

¹ Including non-profit institutions serving households.
X — Not applicable.

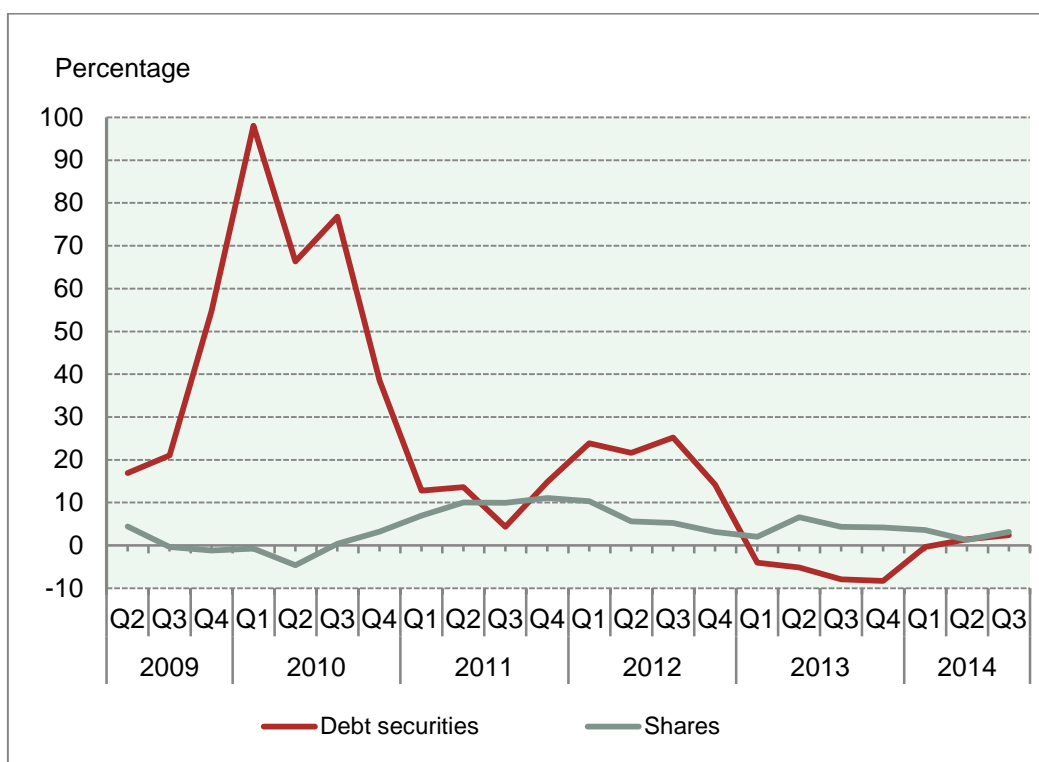
Financial interlinkages between institutional sectors and financial asset flows are illustrated in Chart 3. The thickness of the connecting lines indicates the size of gross exposures in financial assets between sectors whereas arrows show directions of the flows of financial assets.

Chart 3. Financial interlinkages between the institutional sectors
(Q3 2014)



The rest of the world sector (non-residents) plays an important role in Lithuania's economy. In Q3 2014, holdings of debt securities by non-residents accounted for 76 per cent of total debt securities issued in Lithuania. The annual growth rate of the said securities amounted to 2 per cent (in Q3 2013 it accounted for –8%; see Chart 4). Non-residents also owned 24 per cent of total shares issued in Lithuania, whose annual growth rate was 3 per cent (in Q3 2013 it made up 4%; see Chart 4). The largest portion of non-resident investment went to Lithuania's financial sector: non-residents owned 95 per cent of shares issued by deposit-taking corporations² and 75 per cent of shares issued by insurance corporations.

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



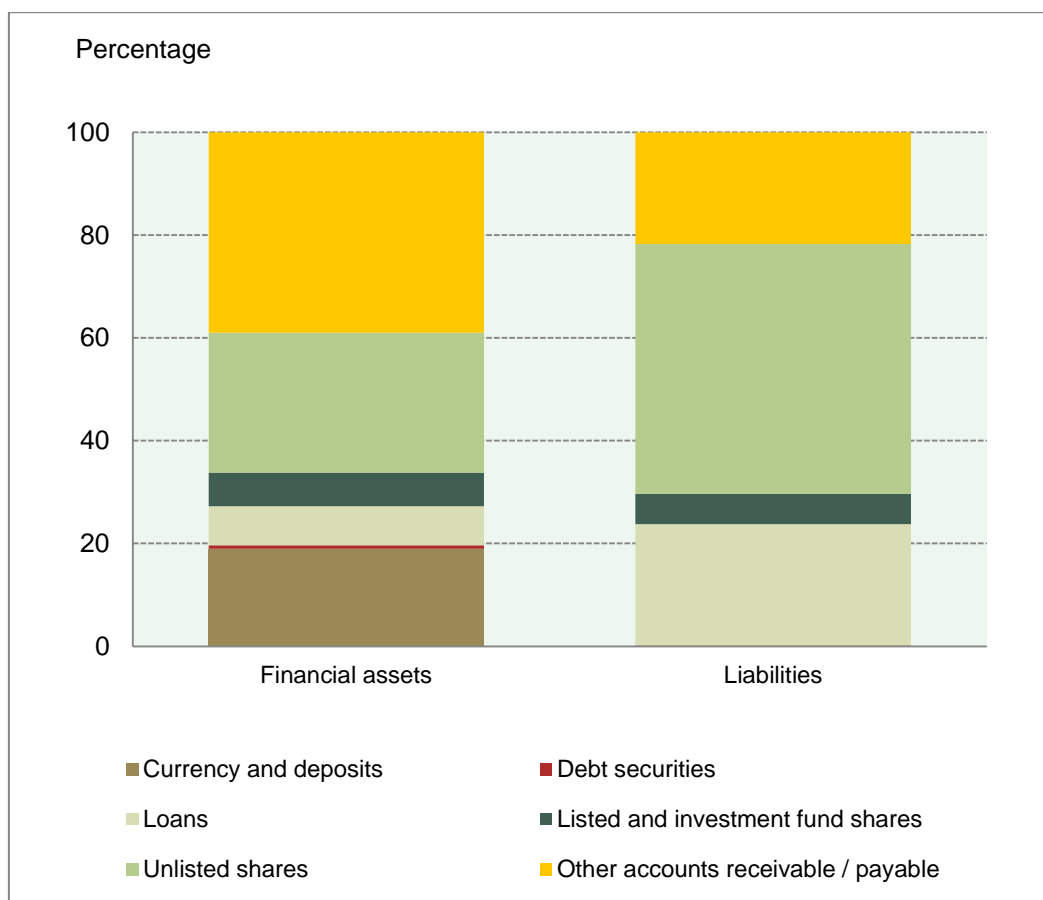
NON-FINANCIAL CORPORATIONS

At the end of Q3 2014, financial assets of non-financial corporations amounted to EUR 31 (LTL 107) billion, whereas their annual growth rate was 3 per cent, while in Q3 2013 it was 5 per cent (see Chart 1).

Unlisted shares and other accounts receivable composed the largest portions of financial assets. At the end of the quarter, the said components made up 27 and 39 per cent, respectively (see Chart 5).

² Deposit-taking corporations — commercial banks, branches of foreign banks, Lithuanian Central Credit Union, credit unions.

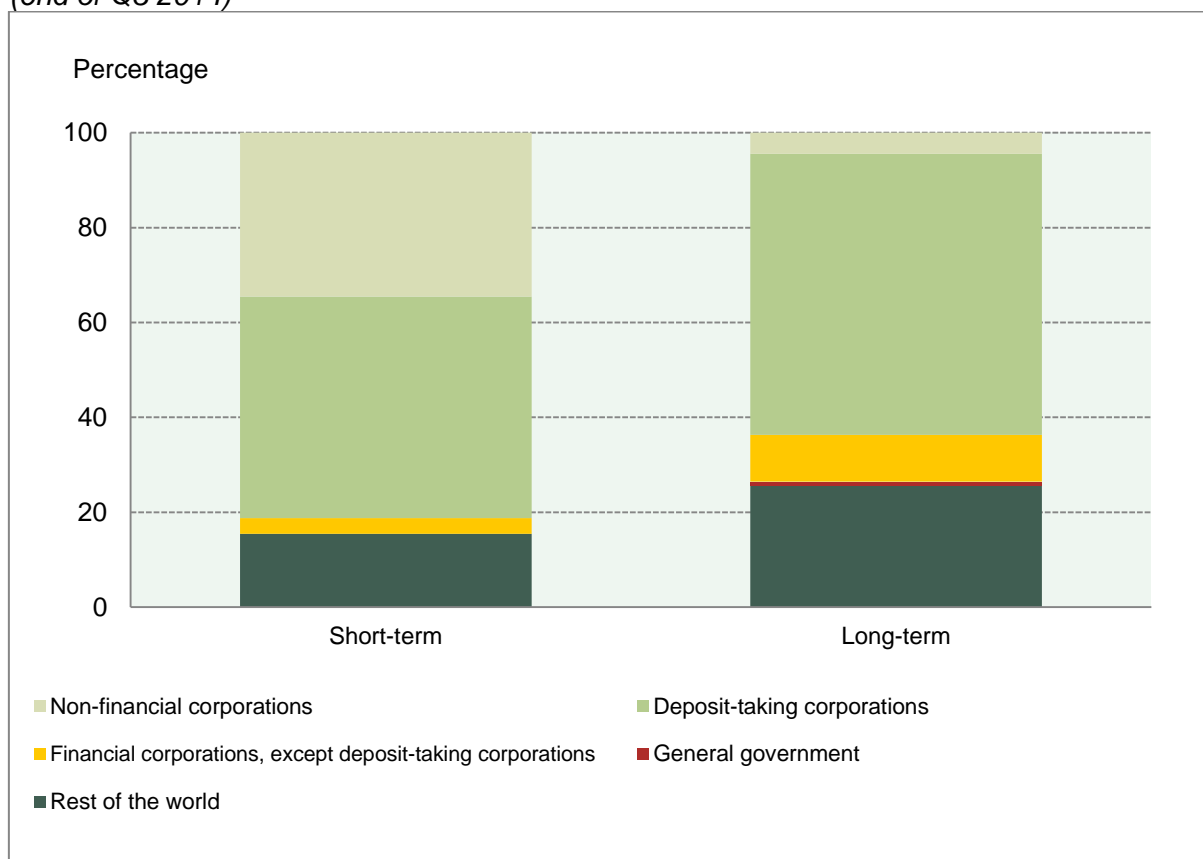
Chart 5. Financial assets and liabilities of non-financial corporations
(end of Q3 2014)



At the end of the third quarter, the liabilities of non-financial corporations totalled EUR 57.7 (LTL 199.1) billion; their annual growth rate was 1 per cent; in the respective quarter of 2013 it was –1 per cent (see Chart 2).

Unlisted shares and loans were the largest segments of liabilities, accounting for, respectively, 49 and 24 per cent (see Chart 5). At the end of the quarter, the amounts of short-term and long-term loans granted to non-financial corporations totalled EUR 3.2 (LTL 11) billion and EUR 10.4 (LTL 36) billion, respectively. Loans received from deposit-taking corporations were 47 per cent of short-term loans and 59 per cent of total long-term loans. Besides, non-financial corporations granted a significant portion (35%) of short-term loans to each other. Loans received from non-residents made up 15 per cent of total short-term loans and 26 per cent of total long-term loans (see Chart 6).

Chart 6. Loans granted to non-financial corporations
(end of Q3 2014)



At the end of Q3 2014, the debt of non-financial corporations totalled EUR 13.7 (LTL 47.4) billion and comprised 38 per cent of gross domestic product (GDP; see Table 3).

Table 3. Debt indicators of non-financial corporations
(end-of-period; percentage)

Indicators		2013				2014		
		Q1	Q2	Q3	Q4	Q1	Q2	Q3
Debt, billions ¹	EUR billion	13.9	13.4	13.5	13.4	13.9	13.8	13.7
	LTL billion	47.9	46.2	46.6	46.4	47.9	47.5	47.4
Ratio of debt to GDP ²		41.3	39.2	39.1	38.4	39.3	38.6	38.0
Ratio of debt to total financial assets ³		51.0	48.5	47.9	48.0	48.2	45.5	44.3
Ratio of debt to equity ⁴		46.4	44.6	44.2	43.7	44.5	43.9	43.6
Ratio of short-term liabilities to short-term assets ⁵		58.9	55.6	57.9	52.8	51.3	56.1	49.6

¹ Short-term and long-term debt securities, short-term and long-term loans at market prices

² Ratio of debt (see footnote 1) to the quarterly GDP of the latest four quarters (at current prices)

³ Ratio of debt (see footnote 1) to the total financial assets

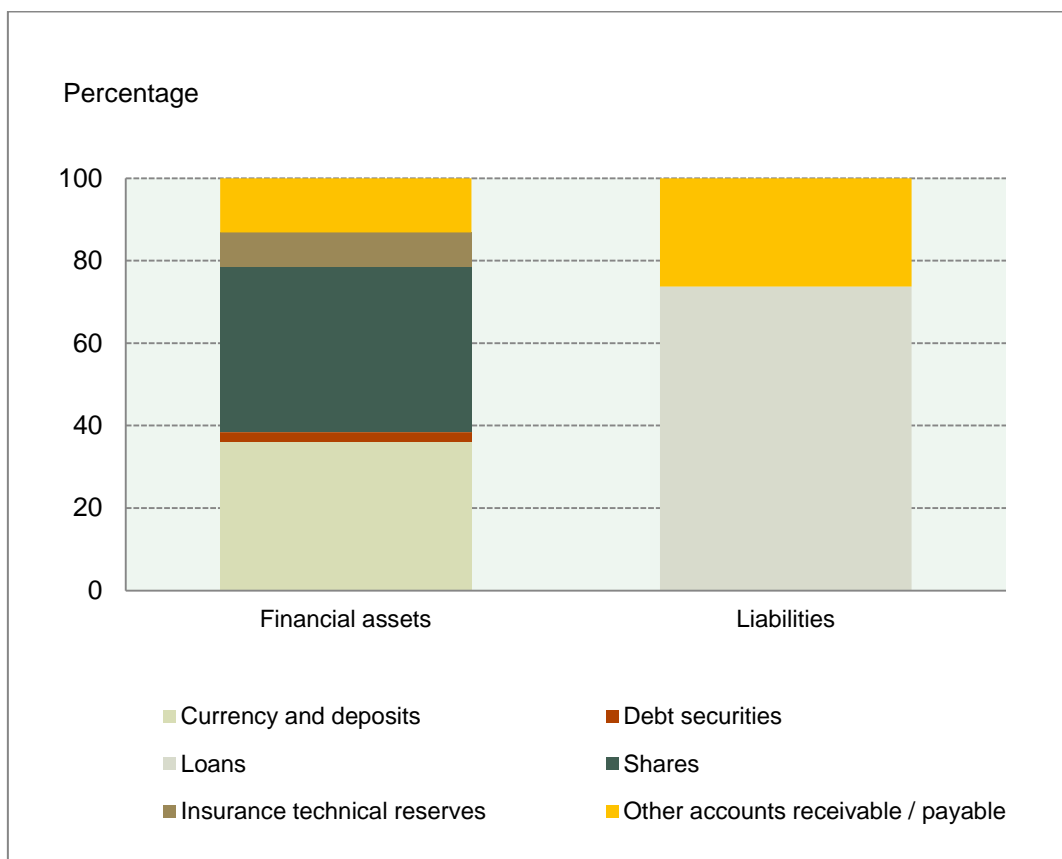
⁴ Ratio of debt (see footnote 1) to listed and unlisted shares, other equity, and investment fund shares.

⁵ Ratio of short-term debt securities issued and short-term loans to currency, transferable deposits, short-term debt securities, short-term loans granted.

HOUSEHOLDS

At the end of Q3 2014, the financial assets of households totalled EUR 31 (LTL 107.2) billion; their annual growth rate was 7 per cent (in Q3 2013 it was 2%; see Chart 1). Shares and currency and deposits represented the largest segments of the financial assets of households: 40 and 35 per cent, respectively (see Chart 7).

Chart 7. Financial assets and liabilities of households
(end of Q3 2014)



At the end of the quarter, the liabilities of households amounted to EUR 11.5 (LTL 39.5) billion. Their annual growth rate was 12 per cent; whereas in the respective quarter of 2013 it was 13 per cent (see Chart 2). Loans and other accounts payable accounted for, respectively, 69 and 31 per cent of household liabilities (see Chart 7).

At the end of Q3 2014, the debt of households totalled EUR 7.9 (LTL 27.1) billion and comprised 21.8 per cent of GDP (see Table 4).

Table 4. Debt indicators of households
(end-of-period; percentage)

Indicators		2013				2014		
		Q1	Q2	Q3	Q4	Q1	Q2	Q3
Debt, billions ¹	EUR billion	7.8	7.8	7.8	7.8	7.8	7.8	7.9
	LTL billion	26.9	26.9	27.0	27.0	26.8	27.0	27.1
Ratio of debt to GDP ²		23.2	22.9	22.7	22.3	22.0	21.9	21.8
Ratio of debt to total financial assets ³		27.7	27.4	27.1	25.7	25.9	25.9	25.3
Ratio of short-term liabilities to short-term assets ⁴		7.5	7.2	7.6	6.6	6.4	6.4	6.5

¹ Short-term and long-term debt securities, short-term and long-term loans at market prices

² Ratio of debt (see footnote 1) to the quarterly GDP of the latest four quarters (at current prices)

³ Ratio of debt (see footnote 1) to the total financial assets

⁴ Ratio of short-term debt securities issued and short-term loans to currency, transferable deposits, short-term debt securities, short-term loans granted.

At the end of Q3 2014, the financial assets of Lithuanian households per capita amounted to EUR 10.6 (LTL 37) thousand, whereas liabilities per capita made up EUR 3.9 (LTL 14) thousand (see Chart 8).

Chart 8. Financial assets and liabilities of households
(end-of-period; per capita)

