

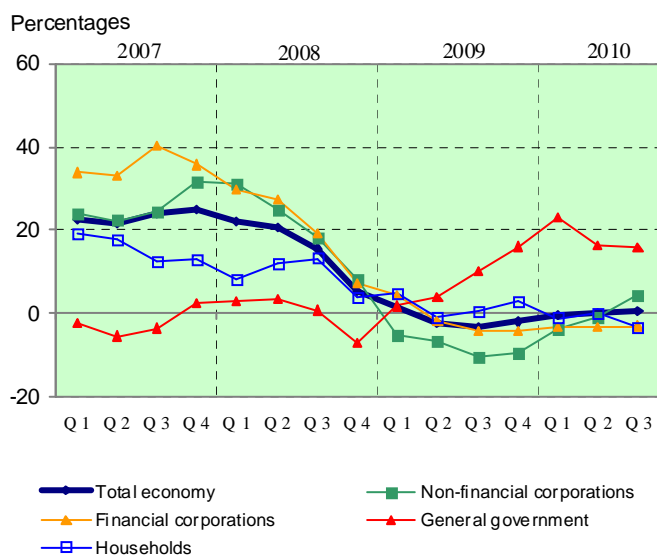
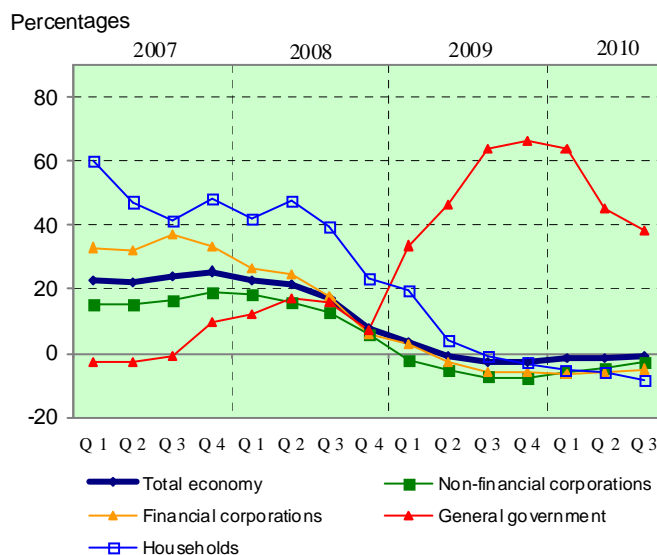
10 January 2011

FINANCIAL ACCOUNTS OF LITHUANIA FOR THE THIRD QUARTER OF 2010

At the end of the third quarter of 2010, Lithuania's financial assets totalled LTL 316.5 billion, and its [annual growth rates](#)¹ annual growth rate was 0.7 per cent (in the corresponding quarter of 2009 it dropped to -3.3%; see Fig. 1). The major investment positions of financial assets were loans (27%), shares (25%), deposits (19%), and debt securities (10%). These proportions remained almost unchanged, if compared to the previous quarters of 2010.

At the end of the third quarter, Lithuania's liabilities totalled LTL 379.2 billion, and their annual growth rate was -0.8 per cent. In the same quarter of 2009, the annual growth rate was -2.9 per cent (see Fig. 2).

Loans and debt securities accounted for one third (34%) of total liabilities. In the third quarter of 2010, the ratio of loans and debt securities to financial assets made up 41 per cent. This indicator remained broadly unchanged

 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.

in recent years, except for the government sector, where the named ratio grew up to 104 per cent at the end of the third quarter (see Fig. 3).

The rest of the world sector (non-residents) plays an important role in Lithuania's economy. In the third quarter of 2010, debt security holdings by non-residents accounted for 71 per cent of total debt securities issued in Lithuania, their annual growth rate was 85 per cent (see Fig. 4). Non-residents owned 34 per cent of total shares issued in Lithuania; their annual growth rate was 11 per cent (see Fig. 4). The largest portion of investment from non-residents went to Lithuania's financial sector: they owned 94 per cent of shares issued by other monetary financial institutions (other MFIs)² and 77 per cent of shares issued by insurance corporations.

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

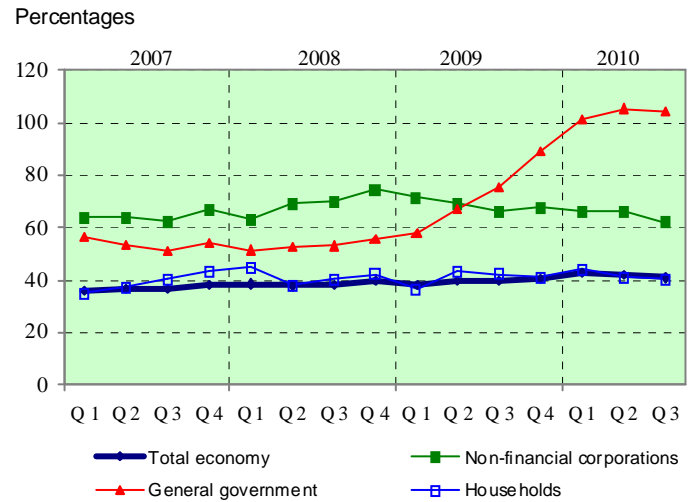
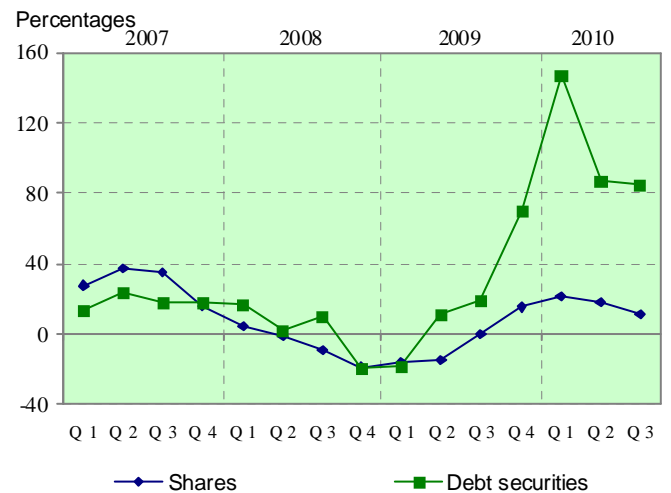


Fig. 4. Non-resident holdings of shares and debt securities issued in Lithuania
(Annual growth rate)



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 monetary financial institutions (other MFIs), other financial intermediaries (OFIs)³, financial auxiliaries, insurance corporations and pension funds.

At the end of the third quarter, financial assets of other MFIs totalled LTL 87.0 billion, and their annual growth rate was negative (-3.1%), almost the same like a year ago (-3.2%; see Fig. 5). Loans accounted for three quarters (75%) of other MFIs' financial assets. However, their share in financial assets has declined gradually (at the end of the third quarter of 2009 it made up 78%). In the third quarter of 2010, annual decrease of short-term loans made up 4 per cent, and that of long-term loans was equal to 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 7.7 billion (69% of total short-term loans) and long-term loans amounted to LTL 22.7 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 (6%) and LTL 27.1 billion (50%).

At the end of the third quarter of 2010, the liabilities of other MFIs amounted to LTL 87.3 billion with a negative annual growth rate of 4 per cent. In comparison, a year ago it declined to -5 per cent (see Fig. 6). Transferable deposits (27%) and other deposits (58%) accounted for the largest shares of liabilities.

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

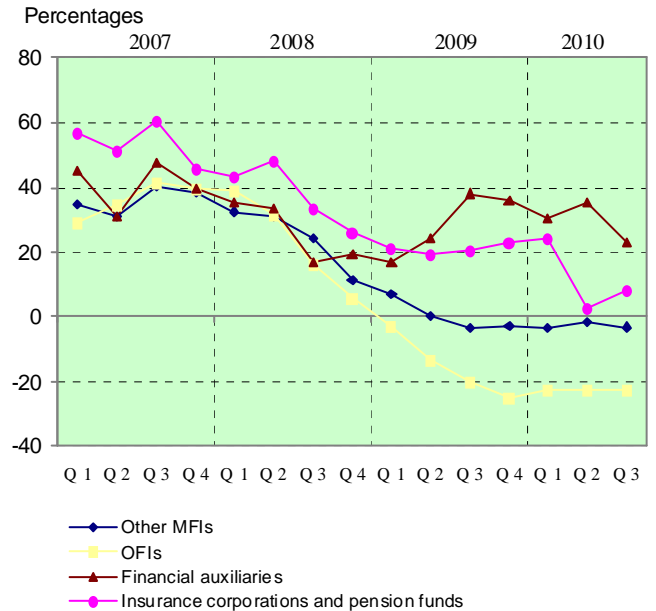
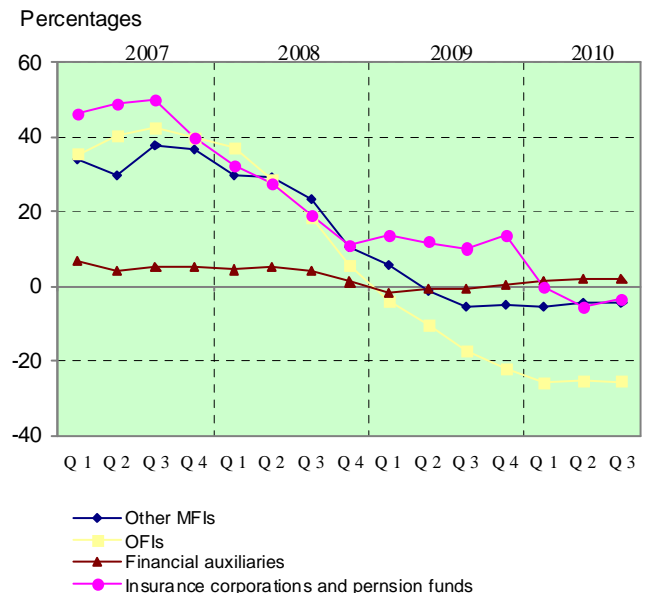


Fig. 6. Liabilities of financial corporations
(Annual growth rate)



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

Financial assets of OFIs amounted to LTL 11.3 billion, and their annual growth rate dropped to -23 per cent. In the third quarter of 2009, annual growth rate was -20 per cent (see Fig. 5). As in the case of other MFIs, loans accounted for the largest share of OFIs' financial assets (66%). The largest portion of short-term loans (45%) was granted to non-residents, whereas largest portion of long-term loans (74%) was granted to non-financial corporations (see Fig. 8).

At the end of the third quarter, OFIs' liabilities equalled to LTL 10.6 billion. Their annual growth rate went down to -26 per cent also, whereas in the third quarter of 2009, it equalled -18 per cent (see Fig. 6). Unlike other MFIs, OFIs accumulate funds through borrowing from other economic entities; consequently, both short-term loans (16%) and long-term loans (56%) made up the largest shares of liabilities.

At the end of the third quarter, financial assets of insurance corporations and pension funds amounted to LTL 7.5 billion, and annual growth rate was 8 per cent (in the corresponding quarter of 2009, the rate above was 21%; 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 (46%) and shares of investment funds (40%).

Liabilities of insurance corporations and pension funds totalled LTL 6.4 billion, with the annual growth rate of -3 per cent, while in the third quarter of 2009 annual growth rate accounted for 10 per cent (see Fig. 6). At the end of the third quarter of 2010, pension funds and insurance technical reserves accounted respectively for 58 and 29 per cent of liabilities.

Fig. 7. Loans granted by other MFIs
(End-of-2010Q3)

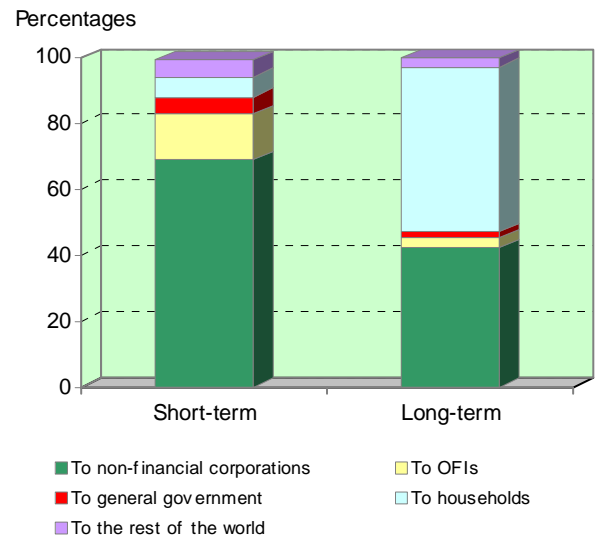
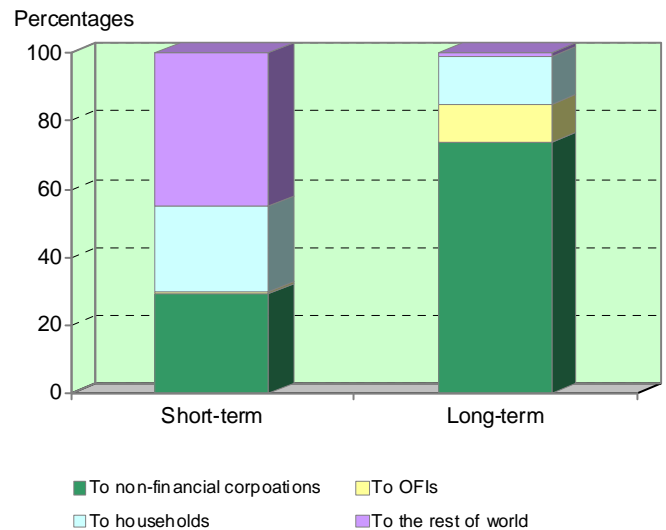


Fig. 8. Loans granted by OFIs
(End-of-2010Q3)



NON-FINANCIAL CORPORATIONS

At the end of the third quarter of 2010, financial assets of non-financial corporations amounted to LTL 78.4 billion and annual growth rate was 5 per cent (in the third quarter of 2009, it was -10%; 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 third quarter, the named portions made up 25 and 40 per cent respectively (see Fig. 9).

At the end of the third quarter liabilities of non-financial corporations totalled LTL 170.9 billion; their annual growth rate was negative (-3%), as well as in the third quarter of 2009 (-7%; see Fig. 2).

Unquoted shares and loans were the largest segments of liabilities, making up respectively 44 and 28 per cent (see Fig. 9). At the end of the third quarter of 2010, the amounts of short-term and long-term loans granted to non-financial corporations totalled, respectively, LTL 11.6 billion and LTL 36.7 billion. Loans received from other MFIs made up 66 per cent of all short-term loans and 62 per cent of all long-term loans. Non-financial corporations granted a significant portion of short-term loans (17%) to each other. Loans received from the rest of the world made up about 14 per cent of all short-term loans and 17 per cent of all long-term loans (see Fig. 10).

Fig. 9. Financial assets and liabilities of non-financial corporations
(End-of-2010Q3)

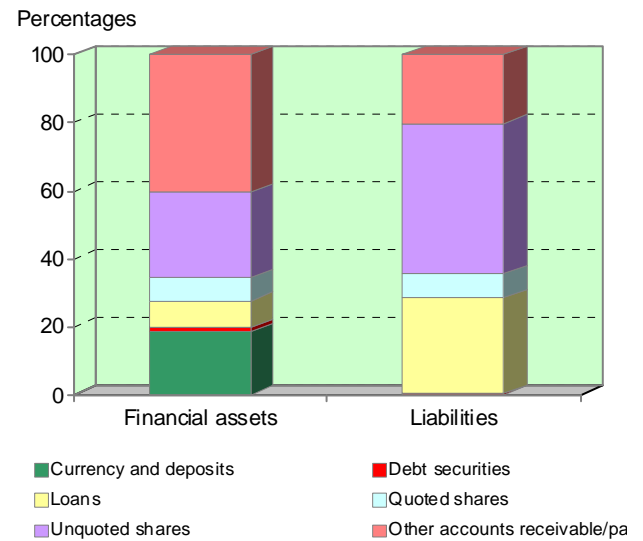
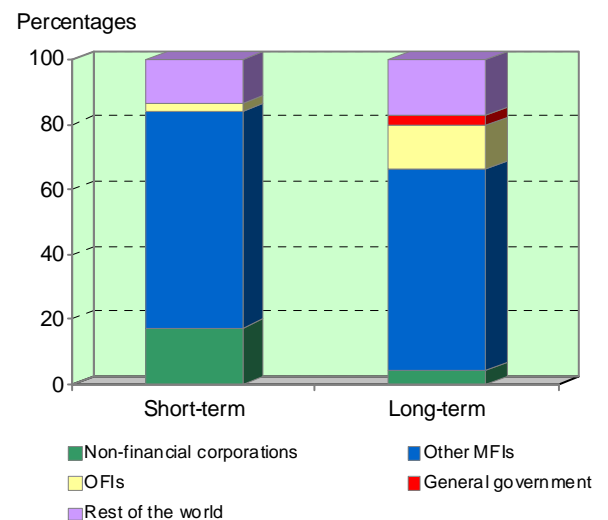


Fig. 10. Loans granted to non-financial corporations
(End-of-2010Q3)



HOUSEHOLDS

At the end of the third quarter of 2010, financial assets of households totalled LTL 72.1 billion; their annual growth rate was -3 per cent, while in the same quarter of 2009, annual growth rate was 0.4 per cent (see Fig. 1).

Shares, and currency and deposits represented the largest segments of households' financial assets: 37 and 41 per cent respectively (see Fig. 11).

At the end of the quarter, liabilities of households amounted to LTL 39.2 billion. Their annual growth rate dropped to -8 per cent, whereas in the third quarter of 2009 annual growth rate was -0.8 per cent (see Fig. 2).

Loans and other accounts payable made up, respectively, 74 and 26 per cent of the household liabilities (see Fig. 11).

At the end of the third quarter of 2010, financial assets of Lithuanian households per capita amounted to LTL 22 thousand, and liabilities per capita made up LTL 12 thousand.

Fig. 11. Financial assets and liabilities of households (End-of-2010Q3)

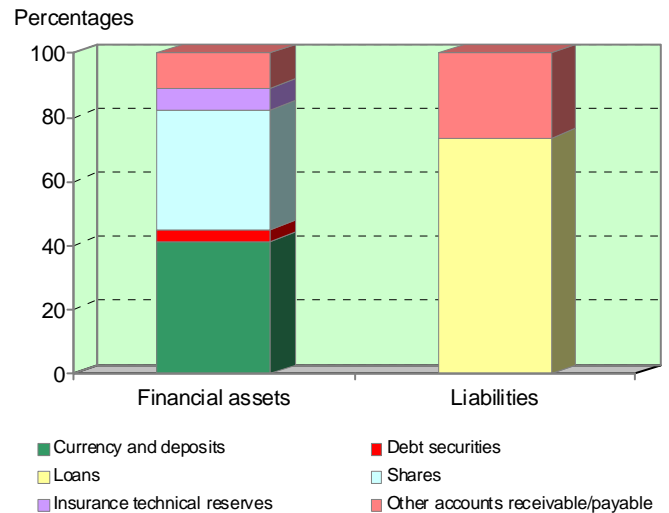


Fig. 12. Financial assets and liabilities of households (End-of-period, per capita)

