The Republic of Lithuania

Investor Presentation

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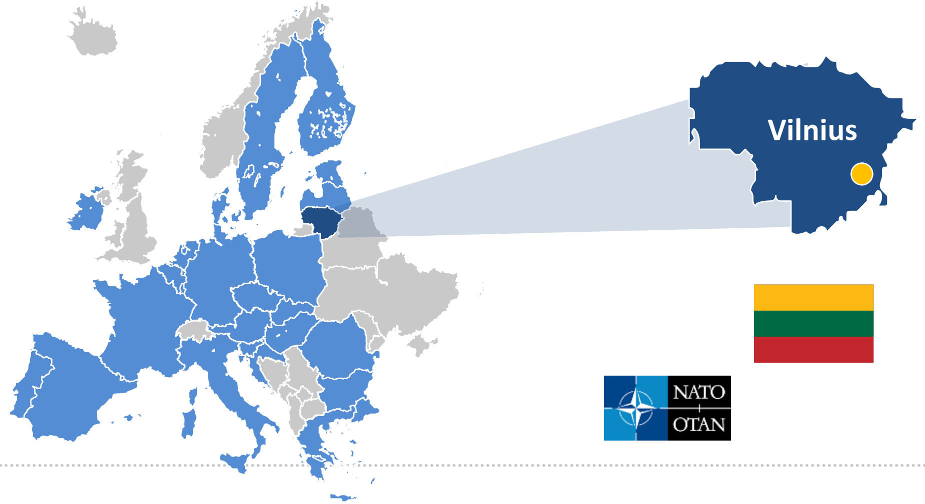
Overview

Lithuania Snapshot

Lithuania's **resilient economic growth** is underpinned by **prudent macroeconomic management, strong institutions, and EU membership** which anchors economic and fiscal policies, while its **strategic location** along the Baltic Sea offers key access to major European trade routes.

Key Facts

Nominal GDP[(1)]:	EUR 84,258 mn
Annual real GDP growth[(1)]:	2.9 % (2025), 2.8 % (1Q 2026) and 3.8 % (2Q 2026)
Credit ratings:	**Moody's:** A2 (outlook stable) **S&P:** A (outlook stable) **Fitch:** A+ (outlook stable)
Currency:	Euro (EUR) since 1 January 2015
Government:	Centre-left coalition, elected in 2024 and reshuffled in 2025 and in June 2026, it has a majority in the Parliament (75 seats out of 141)



Lithuania's Path From Independence to a Member of Eurozone: Key Milestones

- **1990** – Independence
- **2001** – WTO Membership
- **2002** – Investment Grade Ratings from Moody's, S&P and Fitch
- **2004** – EU and NATO Membership
- **2015** – Eurozone Accession
- **2018** – OECD Membership
- **May 2024** – Re-election of president Gitanas Nausėda
- **October 2024** – Parliamentary Elections
- **July 2026** – New Government led by Mindaugas Sinkevičius

Sources: Statistics Lithuania, Ministry of Finance, Moody's Investors Service, Standard & Poor's Financial Services, Fitch Ratings (14.07.2026).
Note(s): (1) Statistics Lithuania, unadjusted nominal GDP for 2025 and real GDP change (03.08.2026).

Key Credit Strengths

Dynamic Economy

- Lithuania's openness and flexibility have facilitated its income convergence with its Western European peers, **with real GDP growth rate reaching 2.9% in 2025, 2.8% in 1Q 2026 and 3.8% in 2Q 2026**. This growth is expected to continue going forward with a **growth rate of 3.1% in 2026**
- The successful implementation of the Recovery and Resilience Plan (RRP) is expected to **fund an investment pipeline that will deepen the structural reform agenda**

Institutional Strength

- A strong institutional framework, **cross-party political consensus and robust governance**, as reflected in strong World Governance Indicators, are expected to remain under the new centre-left coalition led by the Social Democrats
- The country's **consistent track record of sound fiscal policies and prudent debt management** has helped it build a fiscal space, supporting the decline in inflation from its peak levels

Policy Effectiveness

- Lithuania's economy benefits from rising **sophistication, export diversification, and global integration,** underpinned by strong productivity gains from technological advancement and human capital growth
- A **structurally adaptable labour market supports economic stability**, while migration inflows from Ukraine help offset workforce decline and strengthen demographic trends

Energy and National Security

- National security is ensured by the presence of NATO troops in the Baltics and supported by high defence budget commitments. According to the draft State budget for 2026, defence spending is set to reach 5.38% of GDP
- Lithuania secures its energy needs through diversified imports primarily from the USA, Saudi Arabia, and Norway, enhancing supply stability and mitigating geopolitical risk

Macro-fiscal Buffers

- **Strong track record of outperforming budget execution**, with a **deficit of 1.8% of GDP** in 2025 vs. a budgeted 3% of GDP and fiscal flexibility, which allowed it to redirect expenditures towards social protection amidst the ongoing macroeconomic events
- **Moderate government debt burden with low interest expenditures and limited FX risk**, supported by a domestic capital market and proven access to international markets

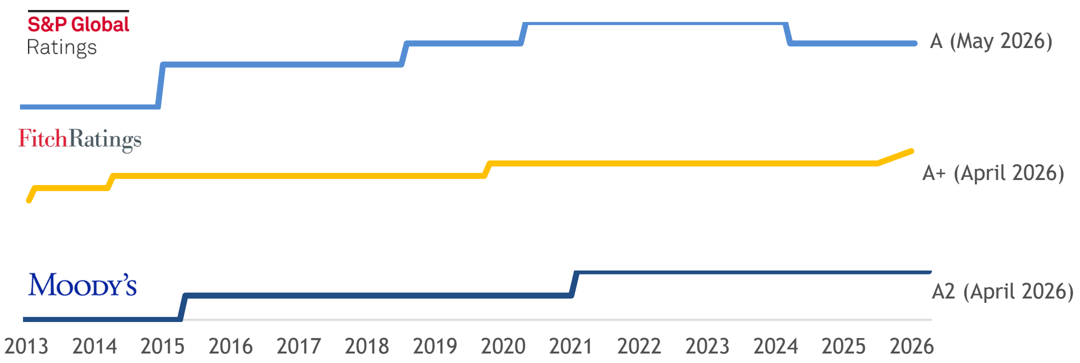
Sound Banking Sector

- The banking sector has recorded **exceptionally high profitability while high capitalization levels have strengthened**, **liquidity metrics are robust** and the share of non-performing debt instruments remains significantly below pre-pandemic levels, standing at 0.45% of total loans as of 31 March 2026
- Lithuania has one of **the largest numbers of licensed fintech companies in the EU**, with companies driving structural changes in the financial system and boosting IT and financial services

Sources: Ministry of Finance, Bank of Lithuania, Statistics Lithuania, Ministry of Defence, Invest Lithuania, Moody's Investors Service, Standard & Poor's Financial Services, Fitch Ratings (03.08.2026)

Solid Ratings Anchored in a Flexible and Credible Policy Framework

Ratings Development since 2013



Source(s): Fitch Ratings, Moody's, Standard & Poor's (03.06.2026).

Peer Comparison

	Moody's	S&P Global Ratings	FitchRatings
Finland	Aa1 (stable)	AA+ (negative)	AA (stable)
Czechia	Aa3 (stable)	AA- (stable)	AA- (stable)
Belgium	A1 (stable)	AA- (stable)	A+ (stable)
Estonia	A1 (stable)	N/A	A+ (stable)
Slovenia	A2 (stable)	AA (stable)	A+ (stable)
Lithuania	**A2 (stable)**	**A (stable)**	**A+ (stable)**
Slovakia	A3 (stable)	A (stable)	A- (stable)
Latvia	A3 (stable)	A (stable)	A- (stable)
Poland	A2 (negative)	A- (stable)	A- (negative)

Source(s): Fitch Ratings, Moody's, Standard & Poor's (14.07.2026).

Select Ratings Agency Commentary

*"The upgrade reflects Lithuania's **stronger growth performance** and favourable medium-term outlook, and **continued resilience to successive external shocks**."*

24 April 2026

FitchRatings

*"[...] Lithuania's A2 ratings reflects a solid track record of **proactive policymaking** and **fiscal prudence**, which enhance the sovereign's capacity **to absorb future shocks**."*

17 April 2026

Moody's

*"The stable outlook reflects our expectation that Lithuania **will withstand external headwinds** over the next two to three years, including **near-term spillover effects from the Middle East conflict** and **persistent risks from the Russia-Ukraine war**."*

29 May 2026

S&P Global Ratings

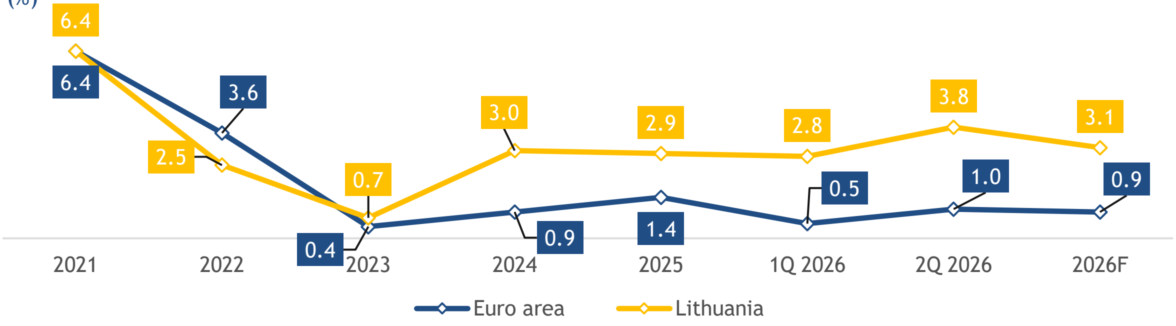
Macroeconomic Developments

Attractive Macro Fundamentals with a Fast-growing, Diversified Economy

Lithuania's economic activity remains extremely robust, supported by private consumption and economic diversification towards high-value added activities and a growing tech sector

Real GDP Growth(1)

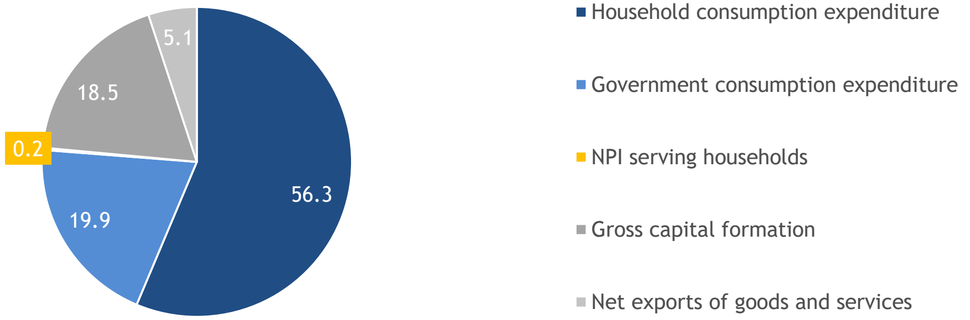
(%)



Source(s): Eurostat, Statistics Lithuania, European Commission's Spring 2026 Economic Forecast, Economic Development Scenario of the Ministry of Finance (March 2026) (03.08.2026).
Notes: (1) Chain linked volumes, percentage change compared to same period in previous year

Composition of GDP by Expenditure

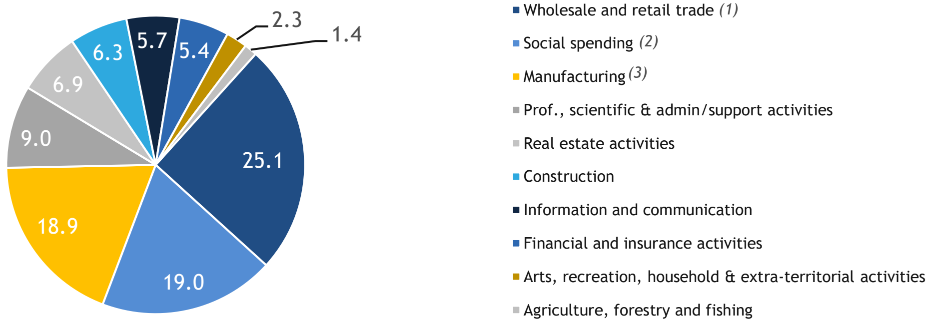
(% of total, 1Q 2026)



Source(s): Eurostat (05.06.2026).

Composition of Gross Value Added by Sector

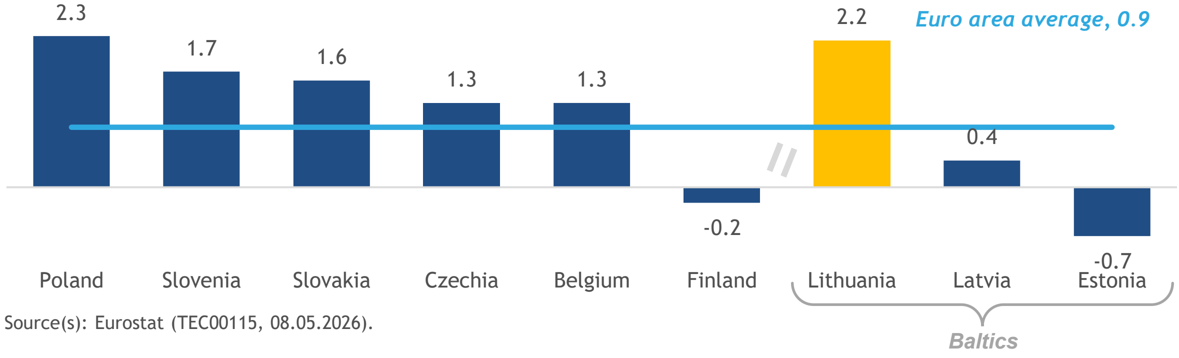
(% of total, 1Q 2026)



Source(s): Eurostat (05.06.2026).
Note(s): (1) includes repair of motor vehicles and motorcycles; transportation and storage; accommodation and food service activities; (2) includes public administration, defence, compulsory soc. insurance, education, human health and social work; (3) Includes mining and quarrying; manufacturing; electricity, gas, steam and air conditioning supply; water supply; sewerage, waste management and remediation activities;

Real GDP Growth Rate Slightly Ahead of Peers

(%, 2023-2025 3-year average)



Source(s): Eurostat (TEC00115, 08.05.2026).

A Flexible Labour Market and Migration Flows Improve Demographics

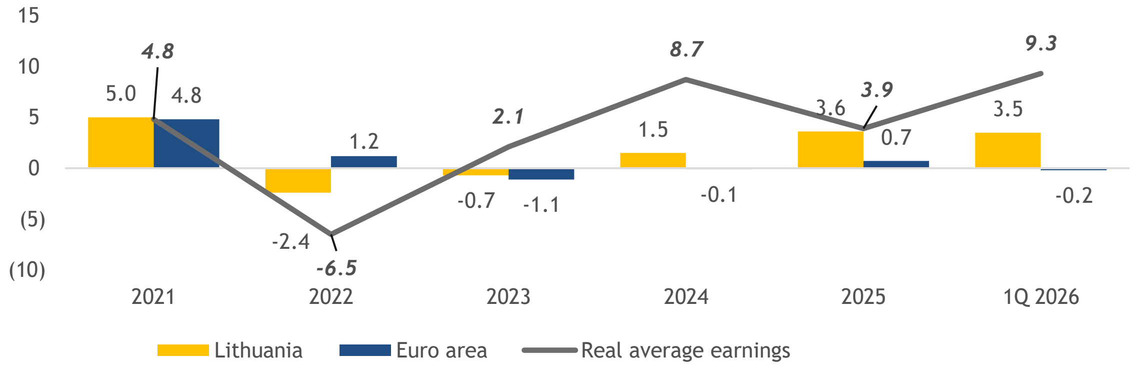
Flexible Labour Market at the Heart of Economic Resiliency

- Labour market has remained strong throughout Covid and macroeconomic events, spurring a **solid wage growth** that has supported domestic demand
- The structural flexibility of the labour market allows the country to weather shocks. The structural flexibility of the labour market originates from **the 2017 Labour Code reform**, which introduced new contract types and reduced severance payments, while increasing the benefits and duration of the unemployment insurance. Additionally, wages are largely determined at a company level
- Currently, **unemployment stood at 7.3% at the end of 1Q 2026.** Meanwhile, high employment trends reflect continuing labour demand, positive migration inflows and authorities' ability to integrate foreigners in the labour market
- **Increased immigration** over the 2022-2024 period has mitigated the constraining labour market bottlenecks, **enhancing the total output of Lithuania's economy**

Source(s): Statistics Lithuania (25.06.2026).

Growth of Real Productivity and Real Average Earnings

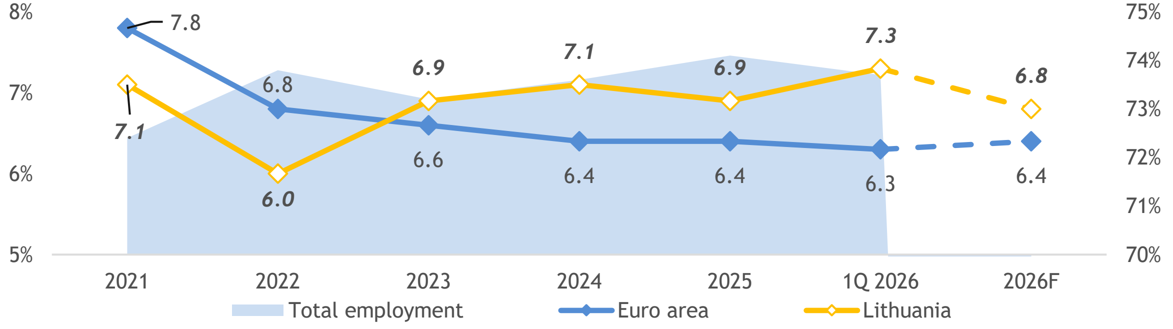
(% change on previous year)



Source(s): Eurostat (NAMA_10_LP_ULC, NAMAQ_10_LP_ULC), Statistics Lithuania (10.06.2026).

Annual Average Unemployment[(1)] and Employment[(2)] Rates

(unemployment, % of population in the labour force) (% of total population)

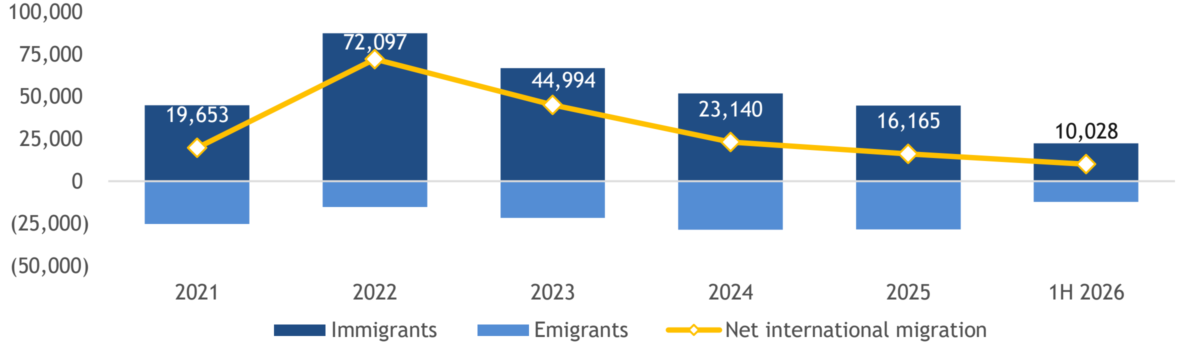


Source(s): Eurostat, European Commission's Spring 2026 Economic Forecast, Economic Development Scenario of the Ministry of Finance (March 2026) (18.06.2026).

Note(s): (1) Unemployed aged 15-74; (2) Persons employed aged 15-64.

Migration Trends

(persons)



Source(s): Statistics Lithuania (10.07.2026).

Inflation Gradually Returns to Relatively Low Levels

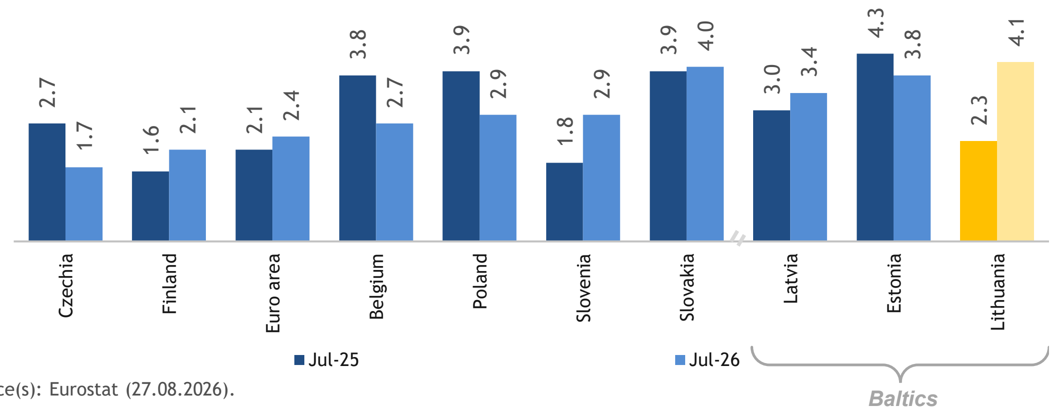
Lithuania's inflation declined sharply from 2022 peaks, but re-accelerated in 2026

Key Highlights

- Prior macroeconomic events had a transient effect on the global energy supply and pricing in 2022 and 2023, but Lithuania's resilient economy demonstrated recovery with prices recovering since, however, the war in Iran and its negative implications around energy prices pose a threat to price stability
- Inflation was already comparably high prior to the crisis as very **high growth and rising wages put pressure on consumer prices**, also historically energy products had a bigger weight in the harmonised index of consumer prices (HICP) basket compared to other EU members
- This has cushioned the social impact of the increase in inflation in 2022 and lowered the risk of social pressures. In addition, the **rapid increase in per capita income** and overall spending power has also muted the social impact of the rising inflation
- Annual inflation rate (annual HICP inflation) peaked in September 2022 and eased to 0.1% in October 2024 as the more temporary contributors such as energy prices and supply chain bottlenecks dissipate. In July 2026, annual HICP inflation stood at **5.4%**. In July 2026, annual average inflation reached **4.1%**

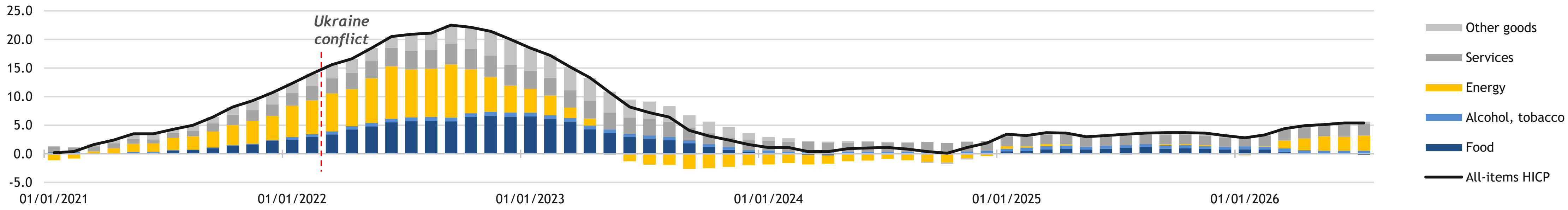
Source(s): Eurostat, Ministry of Finance (27.08.2026).

Annual Average Inflation: Peer Comparison
(12-month average rate of change, %)



Source(s): Eurostat (27.08.2026).

Annual Inflation Rate (HICP) and its Composition has Stabilised
(%, YoY)

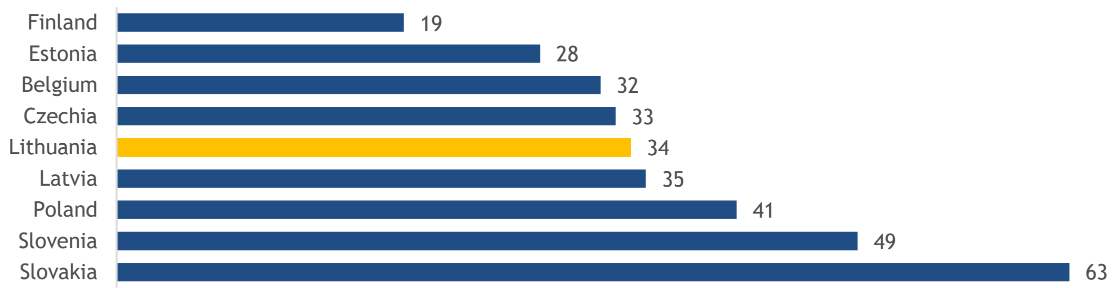


Source(s): Eurostat, Statistics Lithuania 27.08.2026.

Strong and Improving Governance Indicators

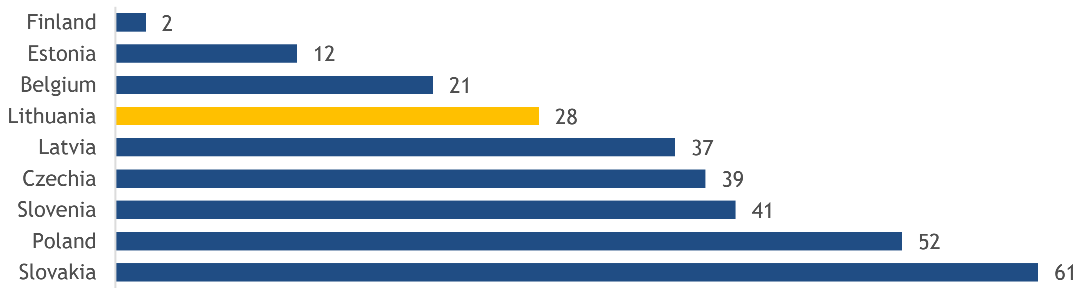
Lithuania’s commitment to transparency, rule of law, and institutional effectiveness have underpinned its broader development progress, which is also reflected in steady improvements across the World Governance Indicators. The country maintains broad policy continuity and prudency with strong cross-party consensus on key policy priorities which result in strong institutions and governance

World Competitiveness Ranking 2026



Source(s): World Competitiveness Ranking (02.07.2026).
Note(s): 70 economies are ranked.

Corruption Perceptions Index: Ranking 2025



Source(s): Transparency Org (10.02.2026).
Note(s): 181 countries are ranked.

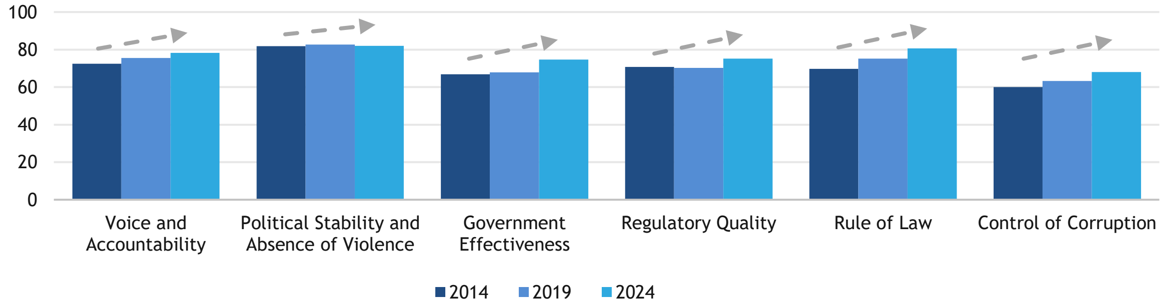
Basel AML Index: Ranking 2025

(Ranked by AML/CFT risk; higher rank = lower risk)

Source(s): Basel Governance (02.07.2026).

Lithuania’s World Bank Worldwide Governance Percentile Ranks

(0 has the lowest rank, 100 the highest rank)



Source(s): World Bank, World Governance Indicators 2024 (30.12.2025).

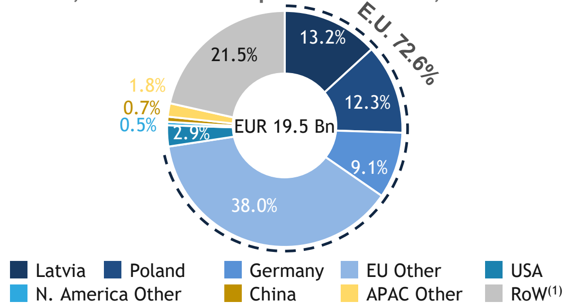
Effective Government Policies to Weather Geopolitical Risk Factors

Lithuania continues to implement a series of measures to secure a diversified energy mix while strengthening its ties with Europe and leveraging its strategic position for trade, adding significant value to its energy security and economic stability

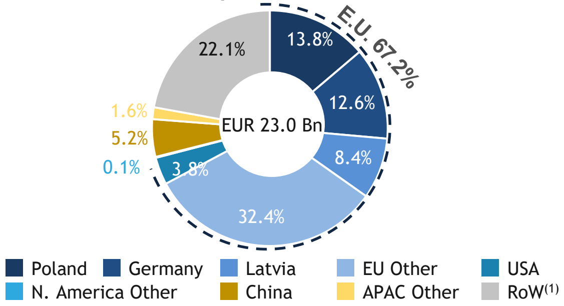
Well-diversified Trade Relations within EU & Globally

- Lithuania has a **diversified trade structure both internationally and within the EU**, which accounts for c. 2/3 of total exports and imports

%, Breakdown of Export Destinations, 1H 2026



%, Breakdown of Import Destinations, 1H 2026



Source(s): Ministry of Foreign Affairs, Ministry of Economy and Innovation, Statistics Lithuania (28.08.2026).
Notes: (1) Rest of the World

Defence Spending as a Priority

- 2026 national defence budget is projected to be at 5.38% of GDP
- As a member of NATO and the EU since 2004, Lithuania has the following security guarantees in place:
  - **Under Article 5,** an armed attack against one Ally is considered an attack against all Allies. Lithuania works with allies on effective deterrence and, if necessary, to defend with all the means and capabilities needed
  - **EU Mutual Defence Clause:** This binding clause provides that if an EU country is the victim of armed aggression on its territory, the other EU countries have an obligation to aid and assist it
- Mutual cooperation recently strengthened with Germany's commitment to station a **permanent brigade in Lithuania by 2027** and the signing of agreements with Rheinmetall (November 2024) to start the construction of a modern ammunition production facility

Source(s): Ministry of National Defence, Ministry of Finance

Energy Sector Security

Since mid 2022, LNG imports have been sourced from the United States, Norway, Egypt, Trinidad and Tobago, Netherlands and other[2]. The annual regasification capacity of the Klaipeda LNG terminal is at 39 TWh, which is ample for Lithuania's needs of 20-24 TWh

Gas Interconnection Poland-Lithuania (GIPL) is a natural gas infrastructure that connects Polish and Lithuanian as well as Baltic and Finnish natural gas transmission systems with the EU system. GIPL started commercial operations in May 2022

On 9 February 2025, successfully synchronised the electricity systems with the **Continental Europe Synchronous Area**

The Government aims at stronger energy infrastructure and independence to ensure national security and is **focused on green energy including the energy storage system Energy Cell's 200MW**

In the coming years, Lithuania will have new energy resources including **two offshore wind farms with a combined capacity of 1.4 GW** which are planned to be built in the Baltic Sea by 2035

Lithuania has **developed a prosumer model** where electricity consumers can produce electricity and use it for their own needs

Source(s): Ministry of Energy, JSC Amber Grid (24.04.2026)
Notes: (2) Excluding Russia

External Sector

Current Account Surpluses and a High Stock of FDI

Lithuania has built ample external buffers on the back of strong export performance

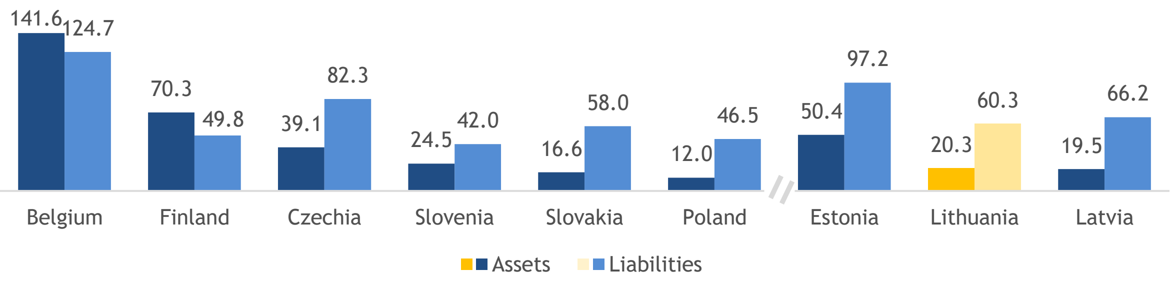
Key Highlights

- In Q1 2026, **surplus on the current account balance** decreased, compared to Q4 of 2025, from EUR 585.5 mn to EUR 324.3 mn, accounting for **1.6%(1) of GDP**. This development was mainly influenced by the increased deficit on the primary income balance and decreased surplus on the balance of services
- The Bank of Lithuania forecasts that the current account balance will be **-1.9% of GDP in 2026.**
- In Q1 of 2026, **the foreign direct investment (FDI) flow** in Lithuania went up **by 40.7%** year on year to EUR 685.4 mn
- As of 31 March 2026, **cumulative FDI rose by 16.5% over the year** and amounted to EUR 43.8 bn (52.1% of GDP). The **largest investors in Lithuania included Germany** (EUR 5.9 bn), the **Netherlands** (EUR 4.9 bn), and the **United Kingdom** (EUR 4.4 bn)
- **Financial and insurance businesses** attracted the most FDI (EUR 15.8 bn), with investments in these sectors increasing by 9.7% over the year

Source(s): Bank of Lithuania, Eurostat, Statistics Lithuania (01.07.2026).
Notes: (1) quarterly ratio, not annualised

FDI Assets/Liabilities Peer Comparison

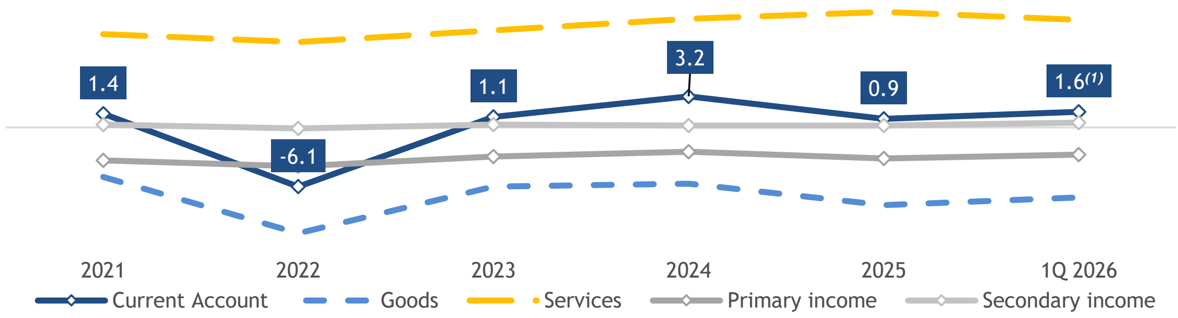
(positions, % of GDP, 1Q 2026)



Source(s): Eurostat (BOP_GDP6_Q, 10.07.2026).

Dynamics of Current Account Balance

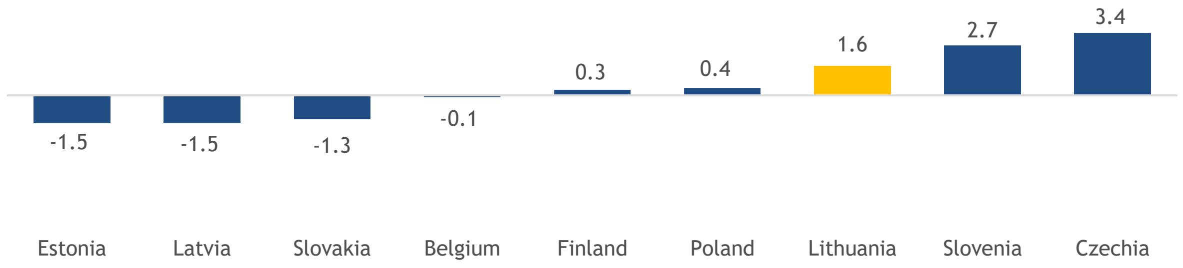
(% of GDP)



Source(s): Eurostat (BOP_GDP6_Q), Bank of Lithuania (01.07.2026).
Notes: (1) quarterly ratio, not annualised

Current Account Balance Peer Comparison

(% of GDP, 1Q 2026)

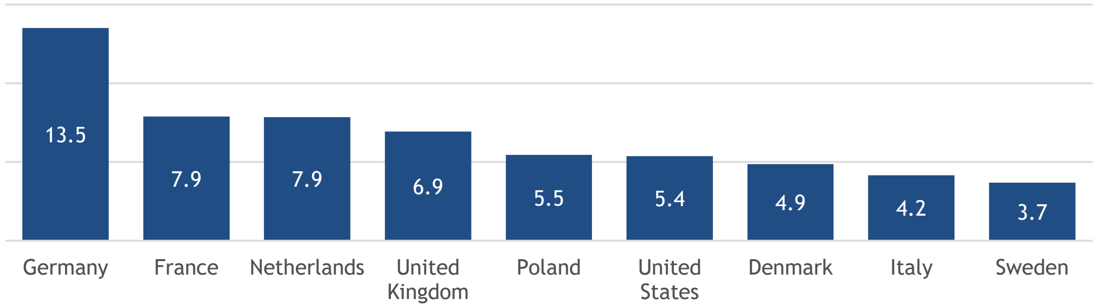


Source(s): Eurostat (BOP_GDP6_Q, 10.07.2026).

A High Value-Added and Diversified Export Sector

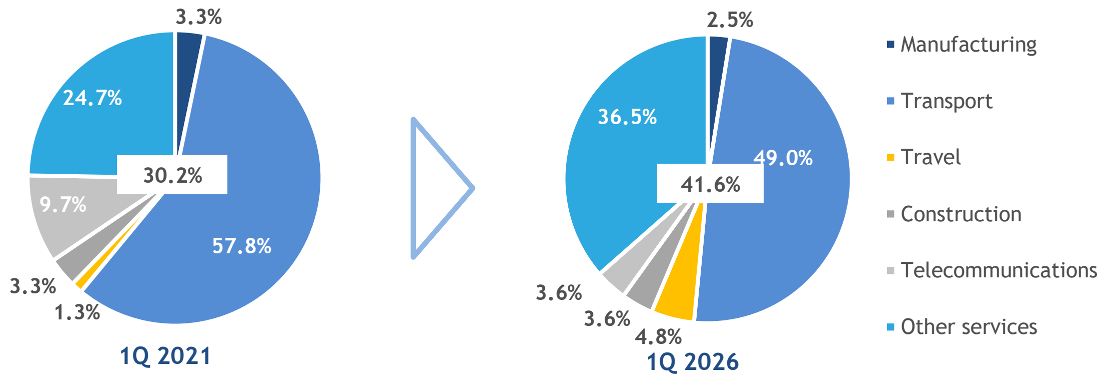
Lithuania has a dynamic and high value-added export sector, marked by strong growth in knowledge-intensive industries and services, showing the country’s continued progress in innovation and economic competitiveness

Key Partners in Exports of Services
(in % of total exports of services, 1Q 2026)



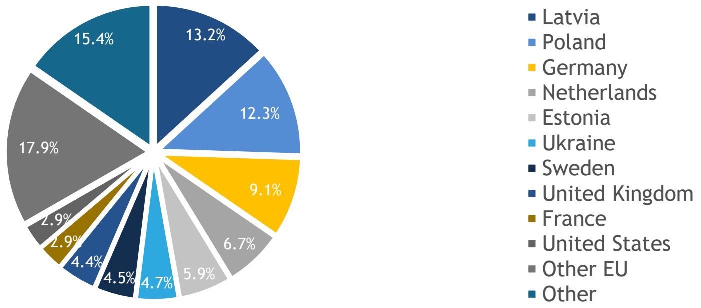
Source(s): Bank of Lithuania (23.06.2026).

Key Sectors in Exports of Services and Share of Services in Total Exports



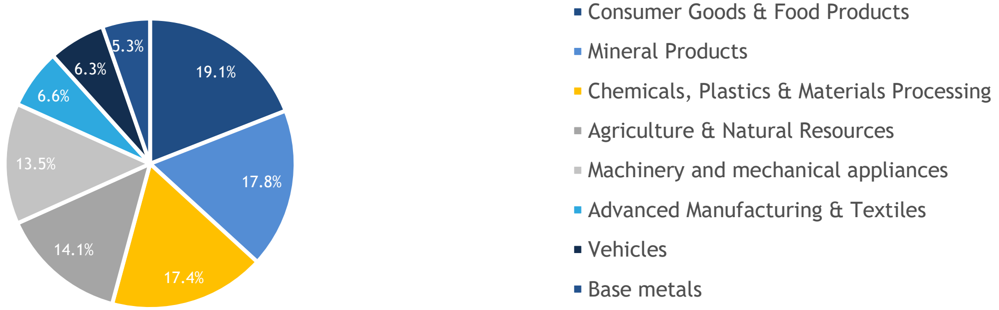
Source(s): Bank of Lithuania (13.07.2026).

Composition of Exports by Country
(Exports of goods %, 1H 2026)



Source(s): Statistics Lithuania (28.08.2026).

Composition of Exports by Sector
(Exports of goods %, 1H 2026)

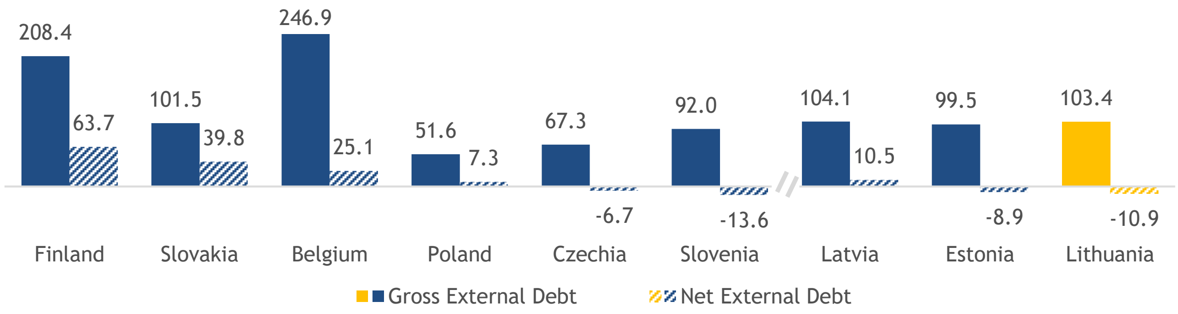


Source(s): Statistics Lithuania (28.08.2026).

Low and Affordable Levels of Public and Private External Debt

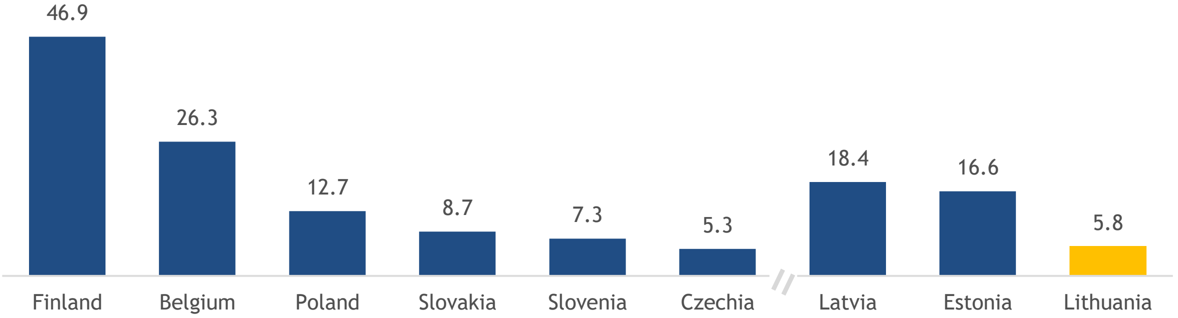
Lithuania's negative net external debt and relatively strong Net International Investment Position highlight the strength of its external balance sheet, supporting investor confidence, resilience to external shocks, and long-term financial sustainability.

Gross and Net External Debt
(% of GDP, 1Q 2026)



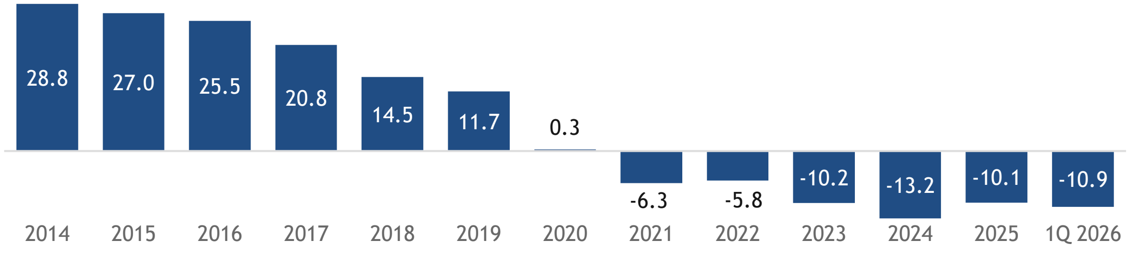
Source(s): ECB Data Portal and Eurostat (22.07.2026).

Debt Service to Export Ratio
(%, 2025)



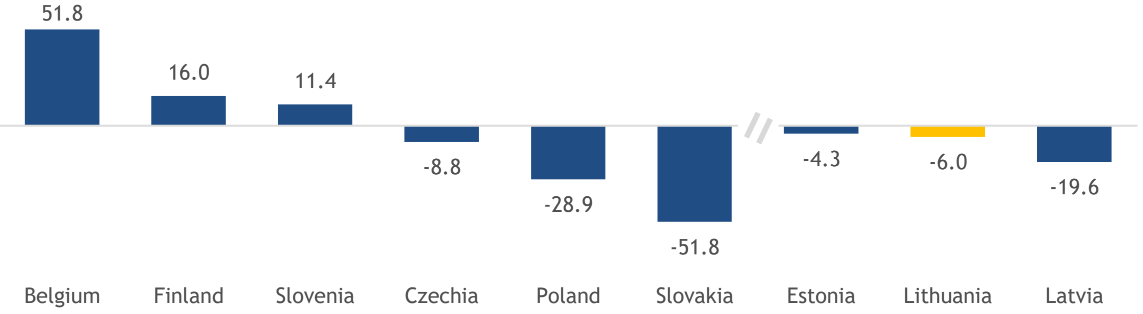
Source(s): Fitch Data Comparator, 23.07.2026.

Gradual External Deleveraging Since 2014
(Net External Debt, % of GDP)



Source(s): Eurostat (TIPSII20, TIPSII30 22.07.2026).

Net International Investment Position
(% of GDP, 1Q 2026)



Source(s): Eurostat (TIPSII40, 22.07.2026).

Environment and Energy Security

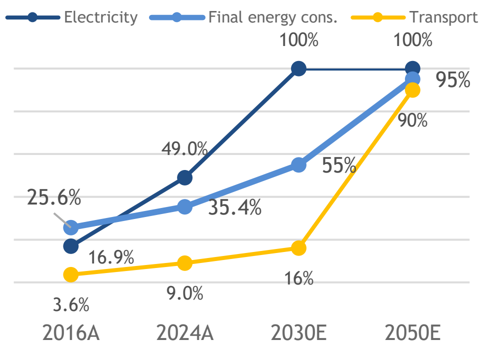
Ambitious Commitments towards Renewables and Energy Security

The National Energy Independence Strategy sets the long-term renewable energy development targets. Lithuania has already met its 2020 target of 23% of Renewable Energy Sources (RES) in final energy consumption and is on track to meet the 55% target by 2030

Key Highlights

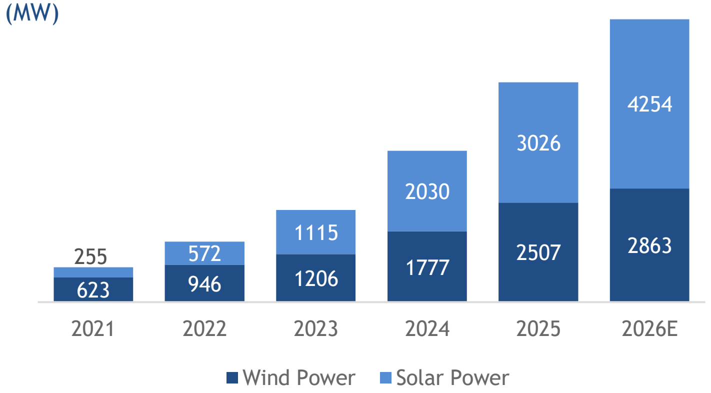
- **Solar power plants** were the fastest growing electricity producers in 2025 as **capacity increased by nearly 50%**
- **Two offshore wind farms,** each with a capacity of 700 MW, are planned for the Baltic Sea by 2035. A developer has already been selected for the first project. However, the project‘s commercial viability is currently being reassessed
- **New applications for biomethane** and renewable hydrogen are being explored for industry and public transport
- **Electric vehicles** are expected to play a role in grid balancing through flexible charging and vehicle-to-grid technology

Share of RES by sector



Note(s): A – Actual, E - Expected
Source(s): Statistics Lithuania, Lithuanian Energy Independence Strategy (05.02.2026)

Wind and Solar Energy Security
(MW)



Policy Pillars defining National Objectives

Policy Pillars

- Circular and climate-neutral Lithuanian economy
- Protected and conserved biodiversity
- Climate change resilient society

Paris Agreement

Reduce between 2021 and 2030

By at least 40%

The amount of greenhouse gas (GHG) emissions, compared to 1990

NCCMA(1) Goals

- By 2030 — To abandon fossil fuels in individual sectors
- By 2050 — To achieve full climate neutrality of the economy

NECAP(2) Targets by 2030

Reduce between 2021 and 2030

Compared to 2011

- By 21% — The overall amount of GHG emissions
- By 11% — GHG emissions in the agricultural sector

Structural Objectives for RES Development

- More green electricity production
- Off-shore wind development in the Baltic Sea
- Foundations for hydrogen energy
- Competitive electricity prices
- Development of electromobility infrastructure
- Focus on energy R&D&I, energy start-ups and open-data
- Consistent promotion of energy prosumers and energy communities

Source(s): Ministry of Energy (01.07.2026).
Note(s): (1) National Climate Change Management Agenda approved in June 2021; (2) National Energy and Climate Action Plan 2021-2030 approved on 2 October 2024.

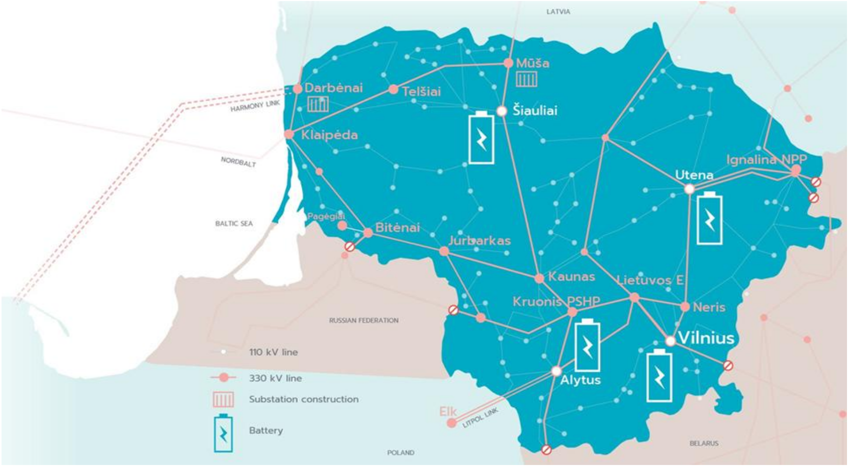
A Stronger National Electricity Supply to Connect with the EU Grid

The successful synchronization of the Continental Europe Synchronous Area in February 2025 has been a key milestone for the Baltic States and for Europe, further strengthening the energy resilience and independence across the region

Electricity Synchronisation

- Estonia, Latvia, and Lithuania have successfully synchronised their electricity systems with the **Continental Europe Synchronous Area** on 9 February 2025.

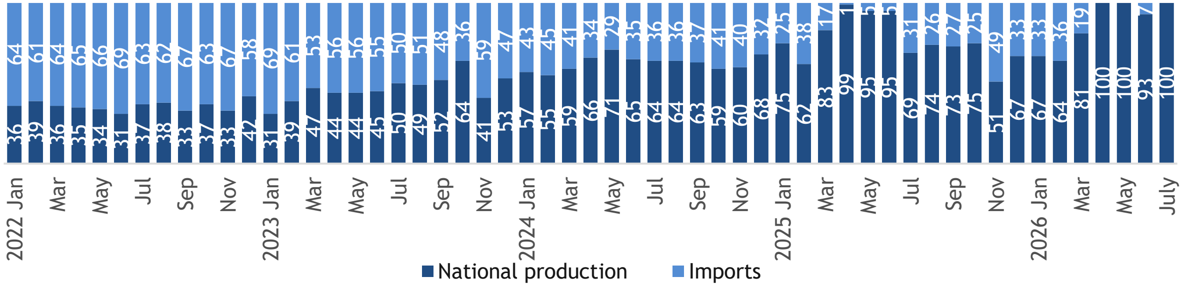
- Since 2024, the Lithuanian electricity system was strengthened by **171 MW energy storage capacity and by the end of 2025, total installed energy storage capacity reached 426 MW**, which provides a primary reserve service, voltage control and synthetic inertia services



Source(s): Ministry of Energy, Litgrid (05.02.2026).

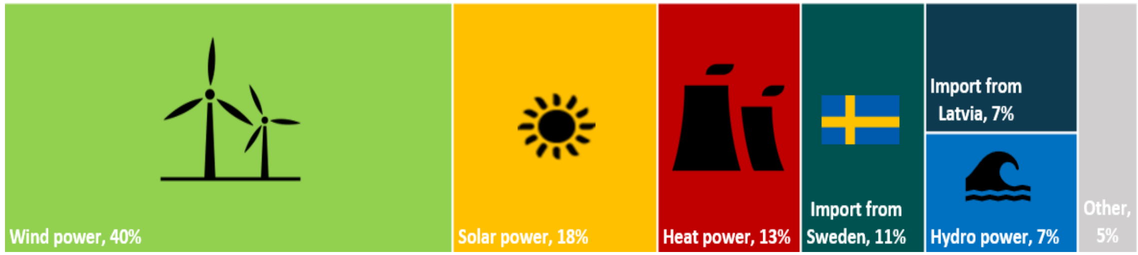
National Electricity Production and Imports

(%)



Source(s): Lithuanian Energy Agency (27.08.2026).

Electricity Supply by Sources, 1H 2026



Source(s): Lithuanian Energy Agency (03.08.2026).

A Determined Strategy to Secure Oil and Gas Supply Away from Russia

Lithuania has fully secured its oil and gas supply away from Russia, halting all Russian gas imports in 2022 and advancing in key infrastructure projects, such as the Latvia-Lithuania inter-connection (ELLI), strengthening its energy independence and regional security

Key Highlights

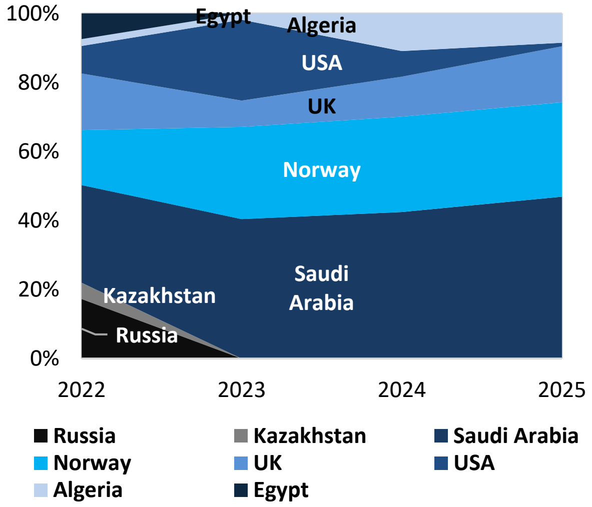
- The annual regasification capacity of the Klaipeda LNG terminal is at 39 TWh, which is ample for Lithuania's needs of 20-24 TWh
- In 2025, LNG imports were 30.5 TWh and crude oil imports amounted to 9,388 thousand tons
- Gas imports from Russia de facto were stopped on 2 April 2022 and the Parliament made this decision de jure in June 2022

Source(s): Statistics Lithuania, Ministry of Energy (05.02.2026).

- Gas Interconnection Poland-Lithuania (GIPL) is a natural gas infrastructure that connects Polish and Lithuanian as well as Baltic and Finnish natural gas transmission systems with the EU system. On 1 May 2022, GIPL started commercial operations. The maximum capacity to transport gas from Lithuania to Poland increased to 21 TWh/y and gas transportation capacity from Poland to Lithuania increased to 27 TWh/y
- Enhancement of Latvia–Lithuania inter-connection (ELLI) was completed in 2023. Project implementation doubled gas transmission capacities between two countries and provide better conditions for the use of Inčukalns Underground Gas Storage

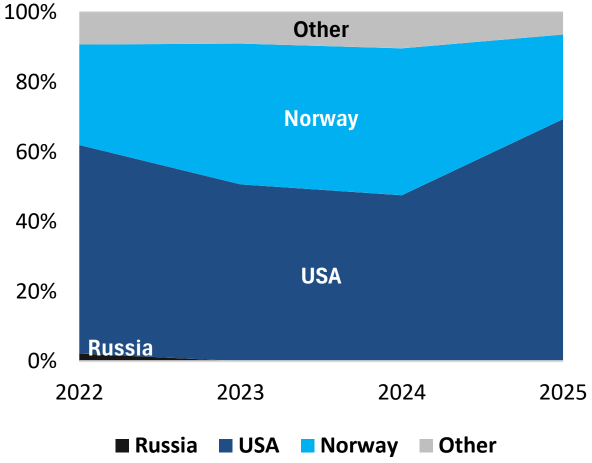
Crude Oil Imports

(Share of total)



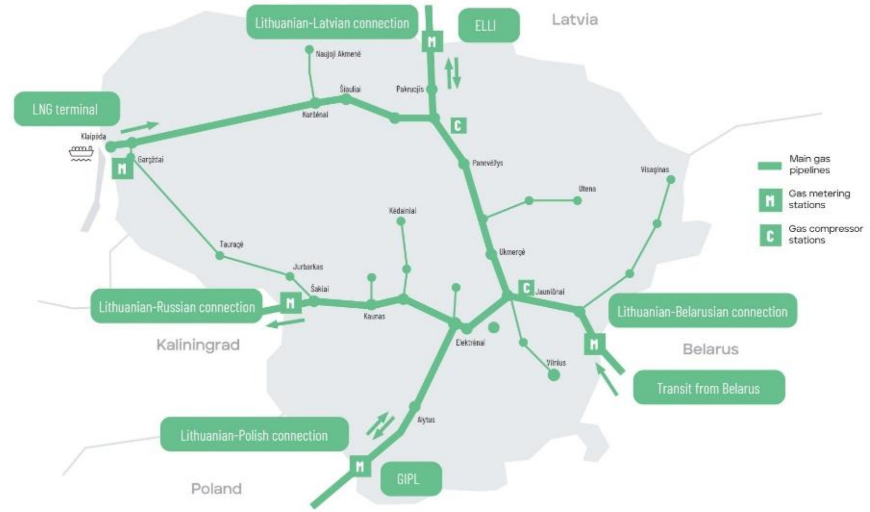
LNG Imports

(Share of total)



Source(s): Statistics Lithuania, Lithuanian Energy Agency (19.03.2026).

Gas Network in Lithuania



Source(s): Ministry of Energy, Amber Grid (18.03.2026).

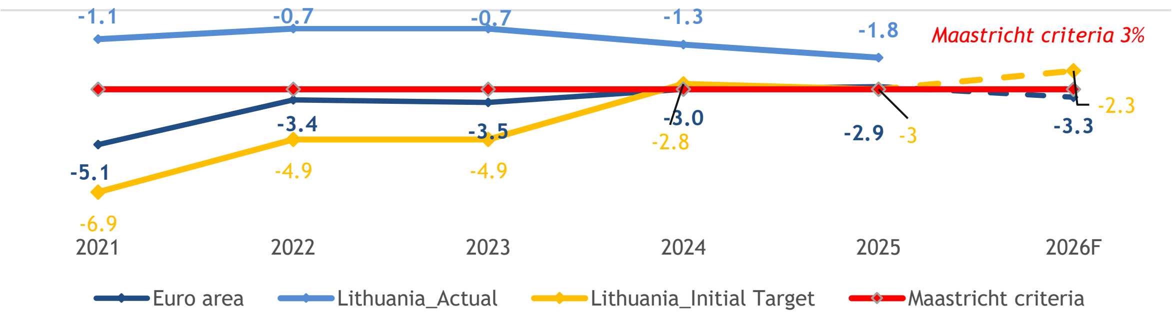
Fiscal Discipline

General Government Revenue and Expenditure

Lithuania's General Government (GG) balance has consistently remained above the Euro area average, reflecting successful fiscal consolidation efforts that have strengthened its public finances and enhanced its ability to withstand economic shocks

General Government (GG) Balance, ESA 2010

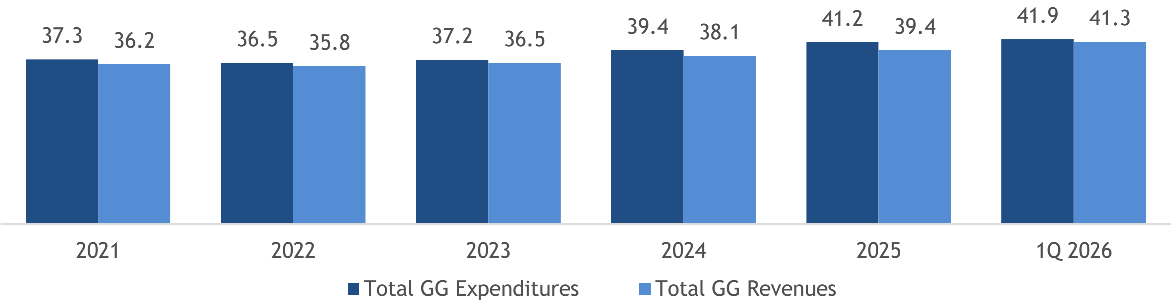
(% of GDP)



Source(s): Eurostat, European Commission's Spring 2026 Economic Forecast, Ministry of Finance (23.07.2026)

General Government Revenue and Expenditure

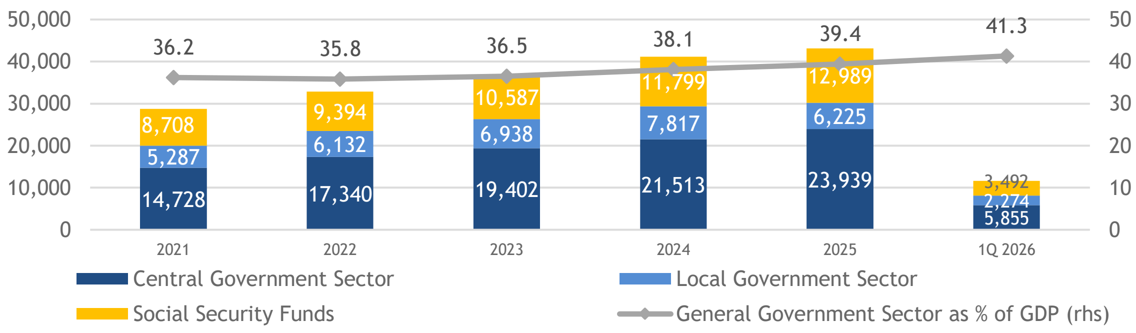
(% of GDP)



Source(s): Eurostat, Statistics Lithuania (23.07.2026)

Government Revenue Breakdown

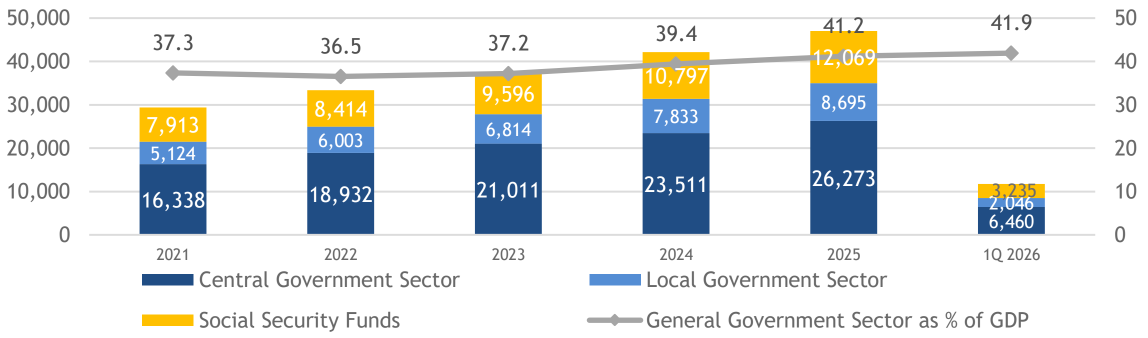
(EUR million, % of GDP)



Source(s): Statistics Lithuania (23.07.2026)

Government Expenditure Breakdown

(EUR million, % of GDP)



Source(s): Statistics Lithuania (23.07.2026)

Budget Execution and Medium-Term Fiscal Priorities

GG Budget 2026 reflects a commitment to fiscal discipline while prioritising investments in social security, defense, education and health care

Overview

2025

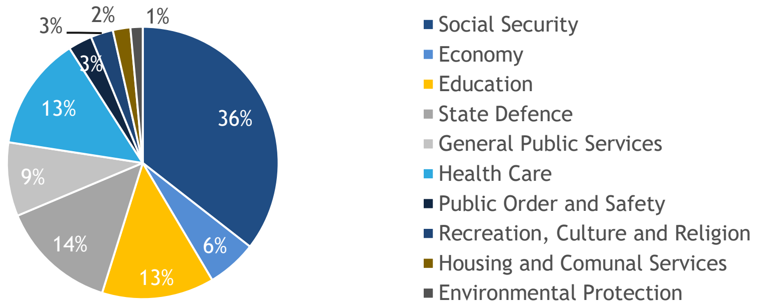
- **GG[(1)] deficit was 1.8% of GDP in 2025 versus the originally budgeted 3% of GDP**
- Reflects the new Government's greater focus on defence funding, improvement of the country's security, road infrastructure and informal education

Effective from 2026

- The Parliament adopted a new **tax reform package to finance additional defense spending and enhance progressivity**
- The laws adopted aim at simplifying and aligning rates across tax bases, broadening the taxpayer base and shifting more burden onto higher incomes and wealth
- **Law on Budget 2026-2028** was approved by the Parliament on 11 December 2025
- **The GG deficit is projected to be 2.3%, 2.8%, and 2.6%, of GDP in 2026, 2027 and 2028, respectively**

Source(s): Ministry of Finance, Annual Progress Report 2026 (02.07.2026).
Note(s): (1) General Government consolidates the State budget, budgets of 60 municipalities, Social Security Funds and other extra-budgetary funds

2026F GG Budget Expenditure by Activity Areas



Source(s): Ministry of Finance (Budget Project, 24.10.2025).

Projected Increase in Revenue and Expenditure in 2026[(1)]

	Revenue		Expenditure	
Budgets	**by EUR mn**	**change in %**	**by EUR mn**	**change in %**
State Budget (incl. EU Funds)	3,019.5	16.8	4,363.1	18.9
State Social Insurance Fund	1,617.1	18.7	880.0	11.1
Compulsory Health Insurance Fund	369.5	9.4	369.5	9.4
Municipal Budgets	696.9	10.4	696.9	10.4
Total	**5,703.0**		**6,309.5**	

Source(s): Ministry of Finance (24.10.2025).
Note(s): (1) The increase was calculated compared to approved Budget 2025.

EU Funds Support Lithuania's Growth and Reform Agenda

Total EU budget contributions to Lithuania are expected to reach EUR 15.6 bn for the period 2021-2027, an increase of 23.8% compared to the 2014-2020 period, reflecting the EU's strong support for the country's strategic priorities

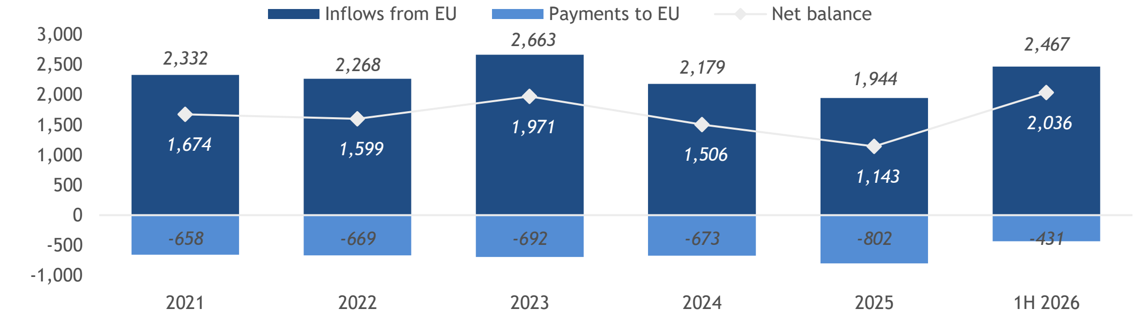
Key Highlights

- Lithuania is a major beneficiary of EU Cohesion Policy funding for 2021–2027. Under the Investment Programme (IP), a total of EUR 6.6 bn has been allocated, including EUR 6.0 bn in EU funding and EUR 0.6 bn in national co-financing.
- In 2026, IP was amended to establish seven new priorities worth EUR 543 mn of EU funding, aimed at strengthening national security, resilience, civil preparedness, military mobility, critical infrastructure protection, and social housing development.
- Lithuania's Recovery and Resilience Plan "New Generation Lithuania" is financed through the Recovery and Resilience Facility (RRF), with EUR 2.3 bn in grants and EUR 1.55 bn in loans.
- Lithuania has received EUR 2.84 bn (74%) of its allocated RRF funding. The final payment request is scheduled to be submitted in September 2026, with EUR 995 mn expected to be disbursed.
- Lithuania also benefits from funding under the EU Multiannual Financial Framework (MFF), including the Common Agricultural Policy, the European Maritime, Fisheries and Aquaculture Fund, and other EU programmes.

Source(s): Ministry of Finance (11.08.2026).
Note(s): Numbers have been rounded.

Net Balance of Payments from EU

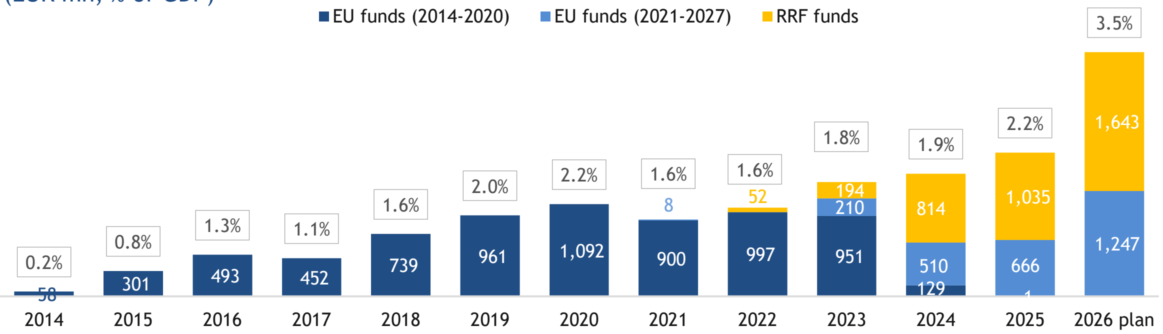
(EUR mn)



Source(s): Ministry of Finance (14.07.2026).
Note(s): Numbers have been rounded and include payments under all programmes with EU.

Payments of EU Funds to Beneficiaries under Selected Programmes

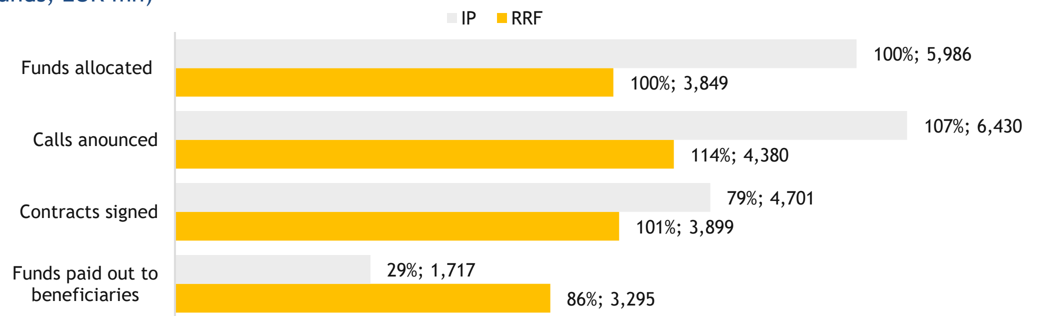
(EUR mn, % of GDP)



Source(s): Ministry of Finance (11.08.2026), Eurostat.
Note(s): Numbers have been rounded.

State of Implementation: IP and RRF Funds up to 31 July, 2026

(EU funds, EUR mn)



Source(s): Ministry of Finance (11.08.2026).
Note(s): Numbers have been rounded.

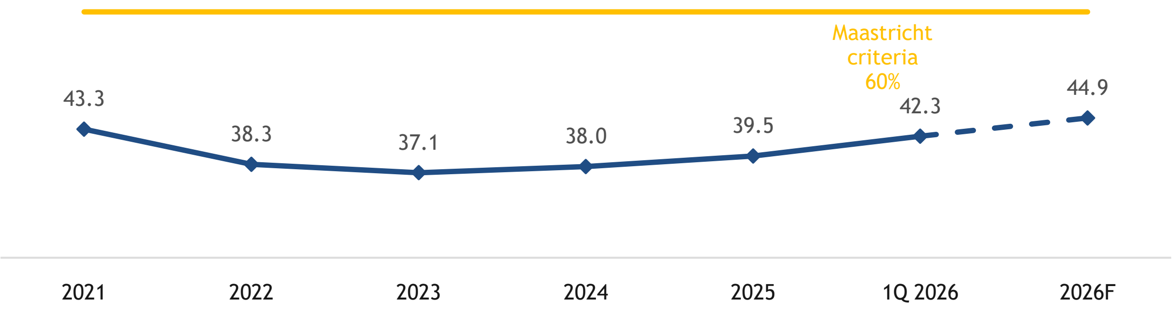
Public Debt Management

Relatively Modest Borrowing Needs Result in Stable Debt Level

As a result of ongoing fiscal consolidation efforts, debt and debt affordability metrics have remained well-placed. As of 31 March 2026, Lithuania’s public debt was well below both the Maastricht criteria and the eurozone average, standing at just 42.3% of GDP.

General Government Debt, ESA 2010

(% of GDP)



Source(s): Eurostat, Ministry of Finance, Statistics Lithuania (22.07.2026).

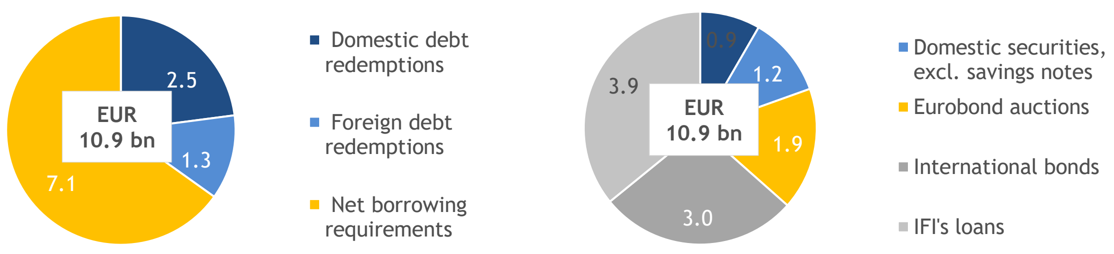
Moderate Government Debt Burden

- As of 31 March 2026, Lithuania’s **gross external debt was 103.4% of GDP** and net external debt amounted to **-10.9% of GDP**
- As of 31 March 2026, **General Government debt was approximately EUR 36.3 bn**, amounting to 42.3% of GDP
- Government **annual borrowing needs are expected to be at EUR 9.1 bn** on average in 2026-2028
- As of 31 March 2026, **effective interest rate on General Government debt portfolio remains low at 2.5%**
- Two Eurobond benchmarks with maturities **of 5 and 15 years, totalling EUR 2.0 billion**, and one **EUR 1.0 bn** Eurobond benchmark with maturity **of 7.5 year** were issued in mid-January 2026 and mid-May 2026, respectively

Source(s): Eurostat, Statistics Lithuania, Ministry of Finance (22.07.2026).

Borrowing Needs and Government Debt Financing

(EUR bn, 2026F)

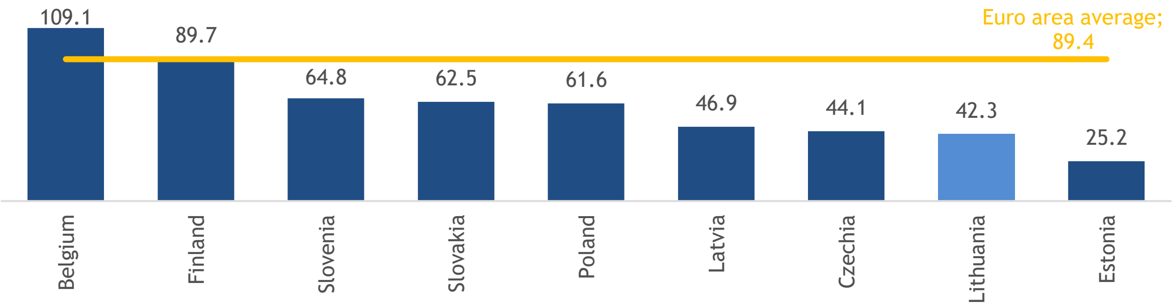


Source(s): Ministry of Finance (10.07.2026).

Note(s): Numbers have been rounded.

General Government Debt

(% of GDP, 1Q 2026)



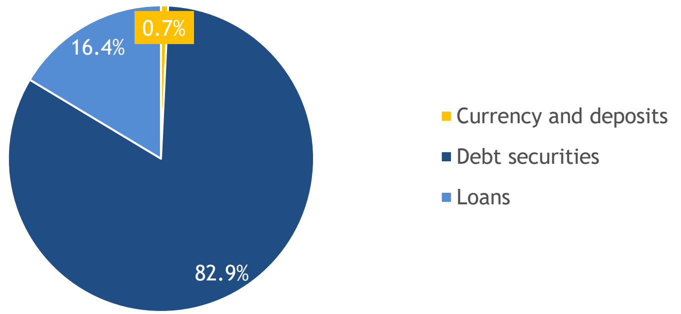
Source(s): Eurostat (22.07.2026).

Efficient Funding and Debt Management

Lithuania's debt affordability is also supported by its debt structure, with a distributed redemption profile which reduces refinancing risk and low interest expenditure which helps preserve fiscal space and buffers

Composition of General Government Debt by Instruments

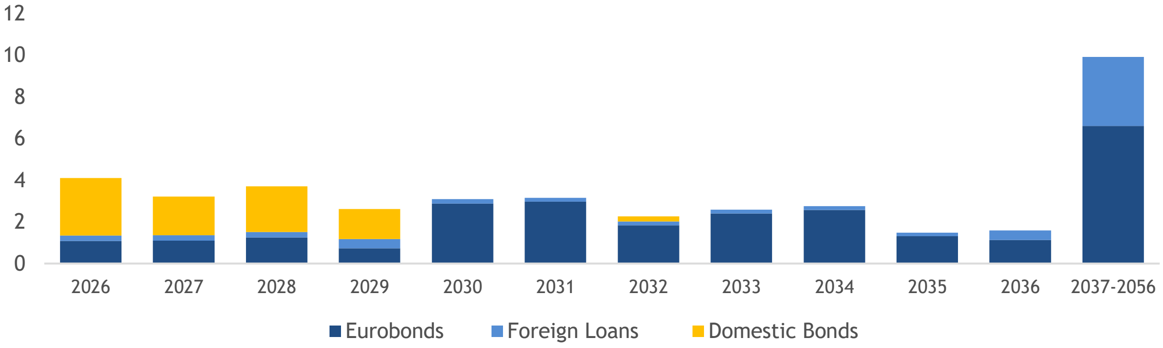
(% of total, 31 March 2027)



Source(s): Statistics Lithuania (17.07.2026).

Debt on Behalf of the State Redemption Profile

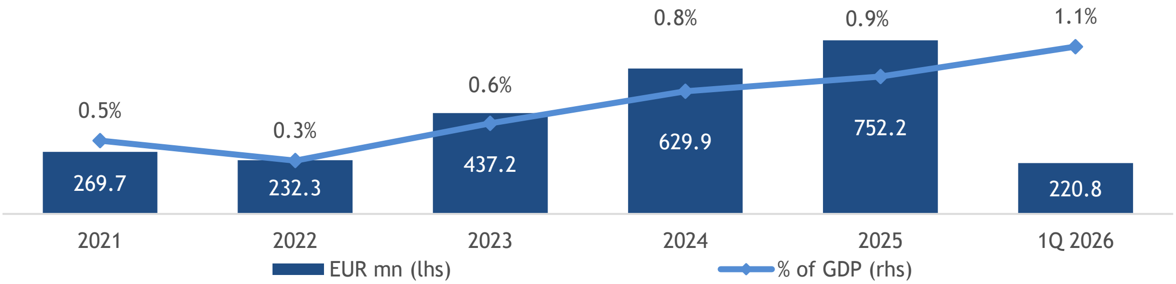
(EUR bn, 31 July 2026)



Source(s): Ministry of Finance (21.08.2026).

Interest Expenditure[1,2] is Still Low

(EUR mn, % of GDP)

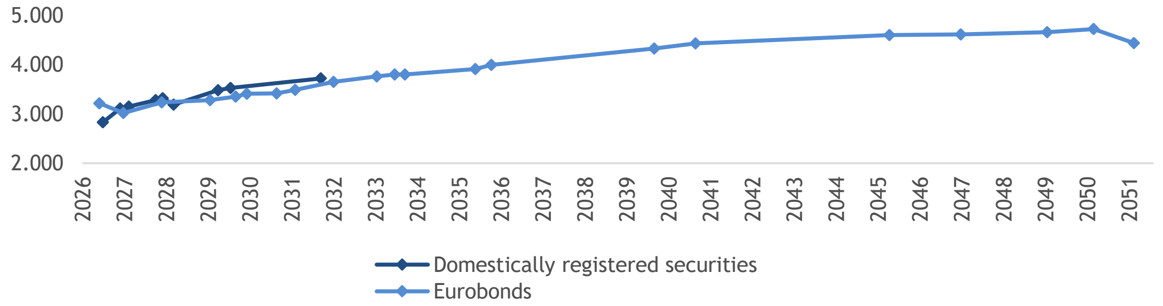


Source(s): Statistics Lithuania (17.07.2026).

Note(s): 1) GG interest expenditure; 2) According to ESA 2010 interest expenditure excluding derivative transactions.

Yield Curves

(%)



Source(s): Ministry of Finance, Bank of Lithuania, Bloomberg.

Note(s): Average bid yields as of 27 August 2026.

Domestic market

Lithuania's domestic market has a strong track record of providing the Government with access to funding in local currency, supported by a diversified investor base and average tenors that contribute to a balanced and resilient debt profile

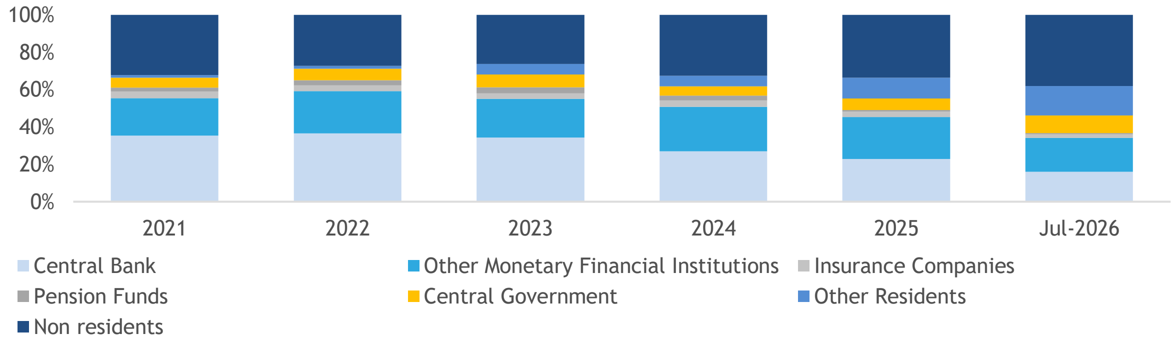
Domestic Market Infrastructure

- **Multi-price auctions** every Monday, settled T+2 (domestically registered issues LITHGB) or T+5 (Eurobond LITHUN taps) organised by Nasdaq Vilnius
- **Seven auction participants** (AS "Citadele Banka", Luminor Bank AS, Erste Group Bank AG, AB SEB bankas, AB Šiaulių bankas, "Swedbank" AS, "Swedbank", AB)
- Since September 2021, the Ministry of Finance is organising **Eurobond tap auctions at Nasdaq Vilnius**
- In October 2024, **defence bonds** (savings notes for both natural and legal persons) with a coupon of 2% were introduced
- Since April 2026 defence bonds were rebranded and currently, 6-month, 1-year, 2-year and 3-year defence bonds are continuously being offered to investors with a coupon determined on the basis of the average State borrowing cost. As of 18 August 2026, **EUR 816 mn** of defence bonds are outstanding

Source(s): Ministry of Finance (21.08.2026).

Holders of LITHGB

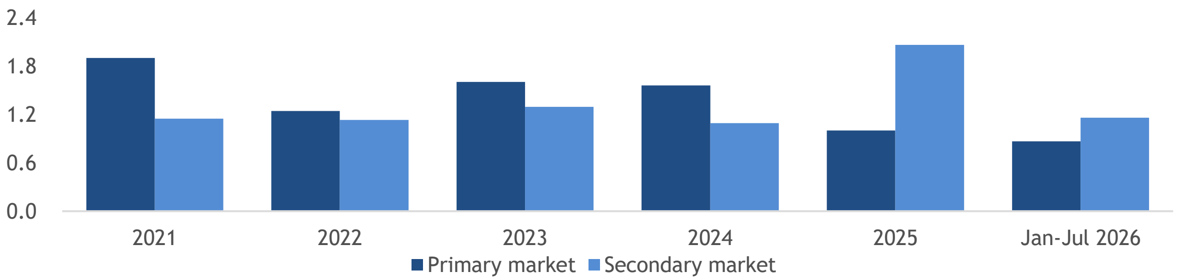
(%, end of period)



Source(s): Bank of Lithuania (27.08.2026).
Note(s): Eurobond taps not included.

LITHGB Turnover in Primary and Secondary Markets

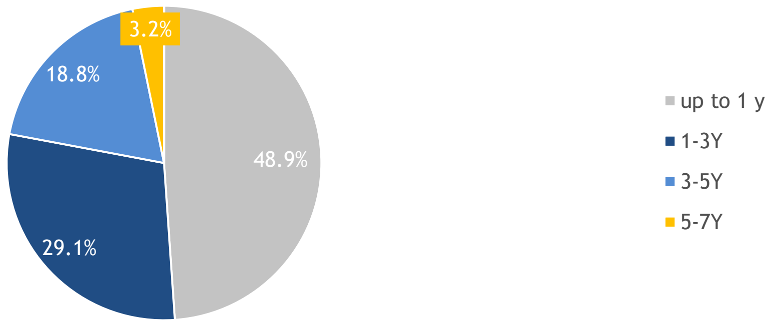
(EUR bn)



Source(s): EMAR data from primary dealers, Ministry of Finance (21.08.2026).
Note(s): Eurobond taps not included.

Domestically Registered Government Securities by Residual Maturity

(31 July 2026)



Source(s): Ministry of Finance (21.08.2026).
Note(s): Eurobond taps not included.

Debt Limits and Other Liabilities

Relevant Figures for 2026

- It is expected that GG budget deficit for 2026 will be 2.3%
- In 2026, the Government's gross borrowing requirement is expected to total up to EUR 10.9 bn compared to EUR 7.0 bn in 2025
- In 2026, debt redemptions are expected to amount to EUR 3.8 bn
- The limit for net change in debt liabilities is set at approx. EUR 7.8 bn for 2026
- In March 2026, Debt Management Guidelines were revised to more accurately reflect current debt levels. Its main tasks remain unchanged: ensuring market liquidity and efficiency, diversifying creditors, promoting transparent borrowing on behalf of the State, and managing key debt-related risks
- In June, Lithuania received its first payment of EUR 956 mn under the SAFE (Security Action for Europe) regulation. This advance payment accounts for 15% of the total EUR 6.375 bn loan allocated to the country

Source(s): Law on Budget 2026–2028, Ministry of Finance, Annual Progress Report 2026 (13.07.2026).

Debt Limits for Borrowing on Behalf of the State

	Limit[1]	As of 31 July 2026[2]
Floating rate debt	10%	0.5%
Residual short-term debt	20%	15.7%
Minimum weighted average residual maturity	≥6 years	8.3 years
Minimum weighted average time to re-fixing	≥5 years	7.1 years

Source(s): Ministry of Finance (28.08.2026).
Note(s): (1) Before the revision of Debt Management Guidelines in March 2026, the limits were, respectively, 10%, 25%, ≥4 years and ≥3.5 years; (2) Numbers have been rounded.

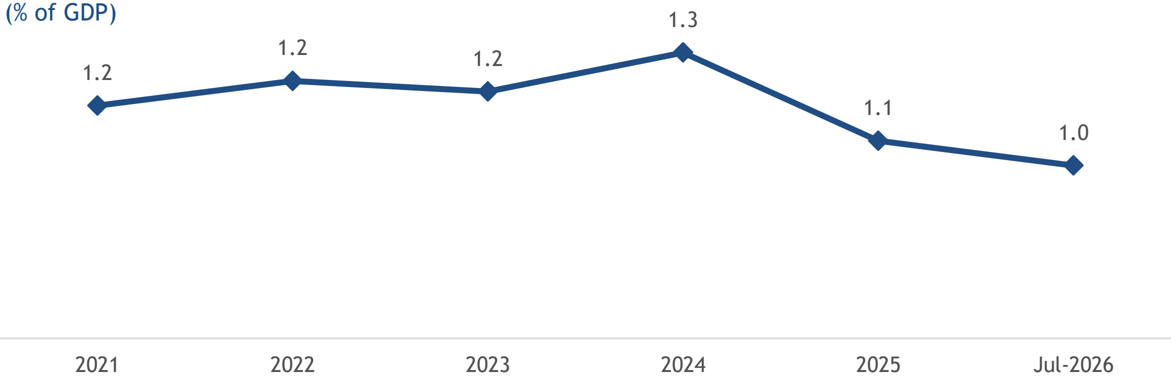
Borrowing from IFIs

IFI	Purpose of Loan	EUR mn
EU	Support to mitigate Unemployment Risks in an Emergency (SURE) due to the COVID-19 outbreak; Financing of the European RRF measures; Financing defence and national security investments	2,974.4
EIB	Co-financing of Lithuanian operational programmes	2,002.2
NIB	Financing additional expenditure due to COVID-19 outbreak; Public Sector Efficiency Project and the Housing Renovation Programme	434.8
CEB	Financing additional expenditure due to COVID-19 outbreak; Public Investment Programmes; Multi-Apartment Building Modernisation Programme	541.9

Source(s): Ministry of Finance.
Note(s): Loans outstanding as of 31 July 2026.

State Guarantees

(% of GDP)



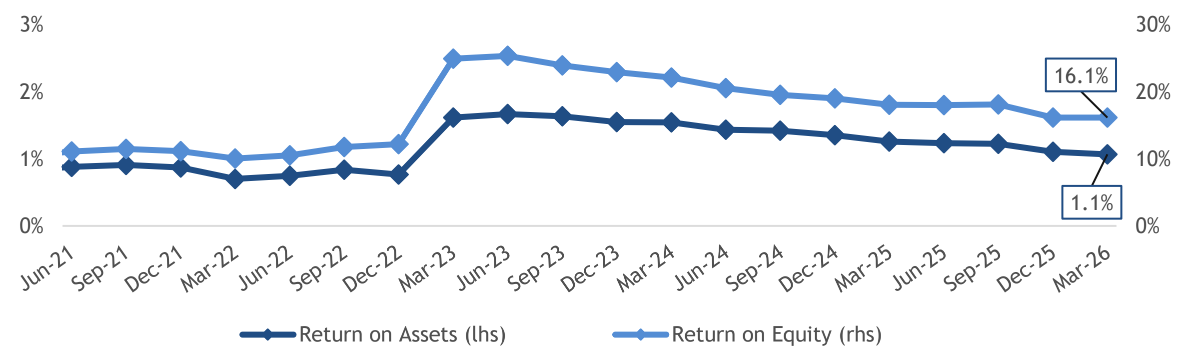
Source(s): Ministry of Finance (28.08.2026).

Banking Sector

Sound Banking Sector

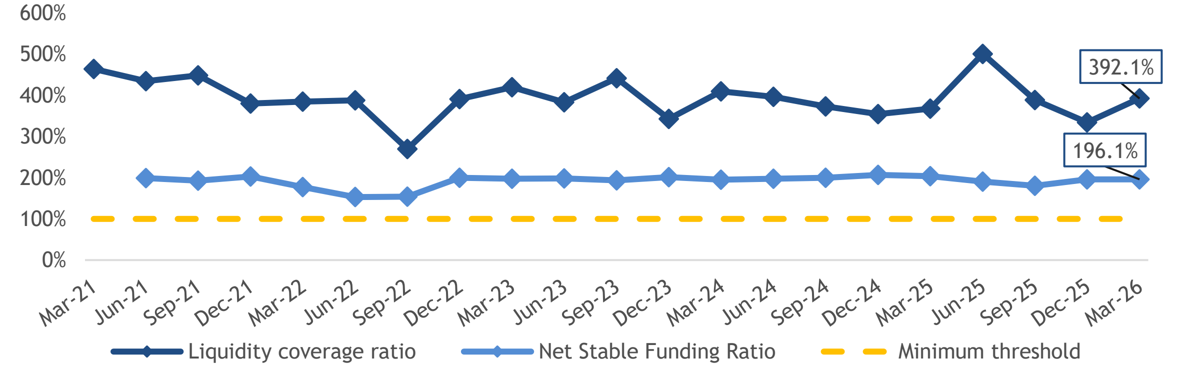
Lithuania's banking system remains stable, profitable and adequately capitalized, with relevant ratios remaining comfortably above minimum thresholds

Profitability Ratios*



Source(s): European Banking Authority (23.06.2026).
*Note: *EBA publishes ratios of the banks directly supervised by the European Central Bank.*

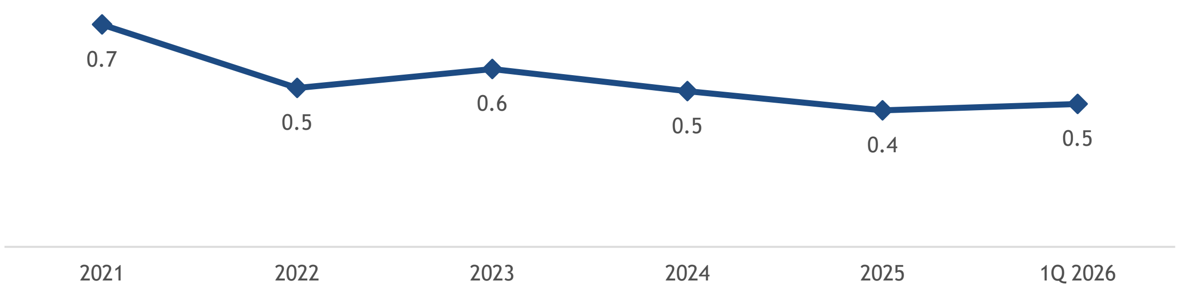
Liquidity Ratios*



Source(s): European Banking Authority (23.06.2026).
*Note: *EBA publishes ratios of the banks directly supervised by the European Central Bank.*

Non-Performing Debt Instruments

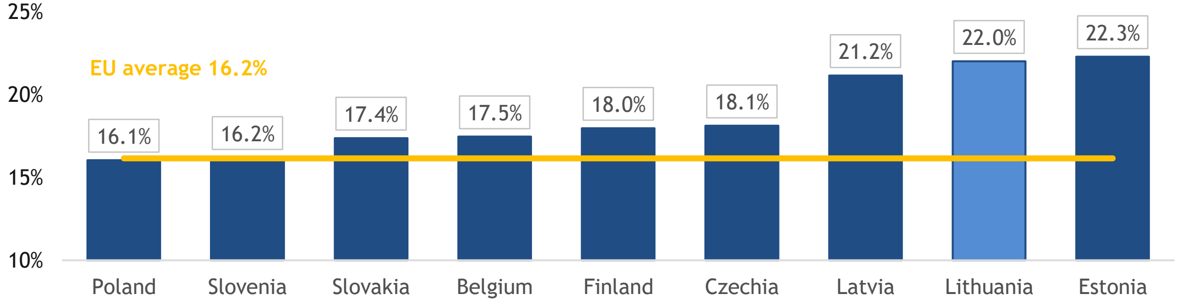
(% of total loans)



Source(s): Bank of Lithuania (22.07.2026).

Banking system CET1 ratio - Peer Comparison*

(%, as of Q1 2026)



Source(s): European Banking Authority (13.07.2026).
*Note: *EBA publishes ratios of the banks directly supervised by the European Central Bank.*

Sound Banking Sector (Cont'd)

Lithuania's banking system further benefits from Nordic Ownership and continued growth of household term deposits

Key Highlights*

14 banks hold a banking or a specialised bank licence in Lithuania, while **6 banks** operate as foreign bank branches accounting for 12.6% of the market

While the banking sector **remains dominated by Nordic-owned banks**, namely SEB bankas, Swedbank AB and the Lithuanian branch of Luminor Bank AS, which together hold **a 46.9% market share**, Revolut Holdings Europe, UAB is rapidly catching up with a market share of 40.4%

Customer deposits were the largest component in bank financing structure: as of 31 March 2026, they accounted for **84% of bank liabilities**

In 1Q 2026, total deposits **increased by €5.7 billion (7.3%) to €84.6 billion**, or, excluding the impact of deposits of non-residents deposits, **went up by nearly €1.4 billion (3.1%)**

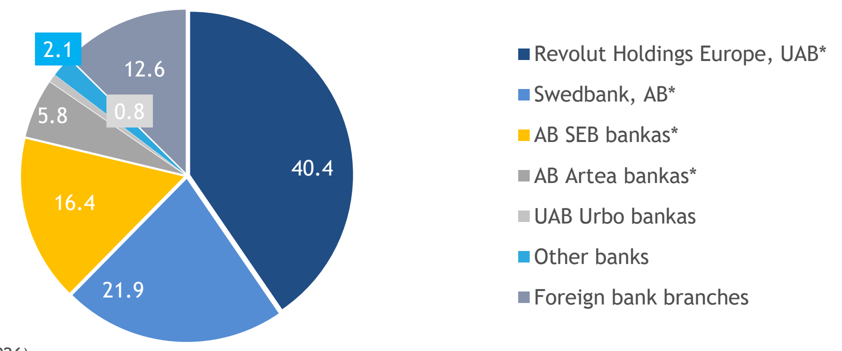
During 1Q 2026, deposits of households (residents) **decreased** due to seasonal factors **by EUR 0.1 bn (0.4%) to EUR 26.8 bn**, while deposits of non-residents increased **by EUR 4.4 bn (12.8%), reaching nearly EUR 38.5 bn**

In Q1 2026, the banks' loan portfolio **grew by EUR 1.5 bn (3.8%), reaching EUR 40.3 bn**. Housing loans accounted for the largest share of this growth. Bank loan quality indicators remained generally strong and did not exceed risk-material levels

Source(s): Bank of Lithuania (23.07.2026).
*Note(s): *Data provided as of the end 1Q 2026*

Banks and Foreign Bank Branches Operating in Lithuania

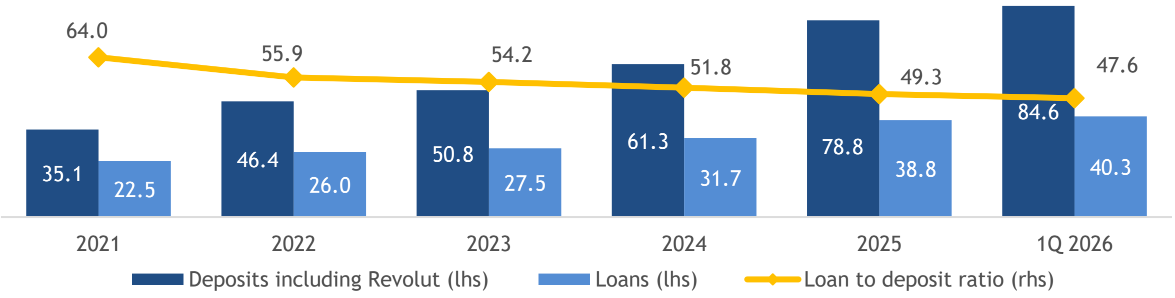
(% of banking system's assets, 31 March 2026)



Source(s): Bank of Lithuania (20.07.2026).
*Note(s): *Banks directly supervised by the ECB.*

Deposits and Loans

(EUR bn, end of period)



Source(s): Bank of Lithuania (23.07.2026).

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