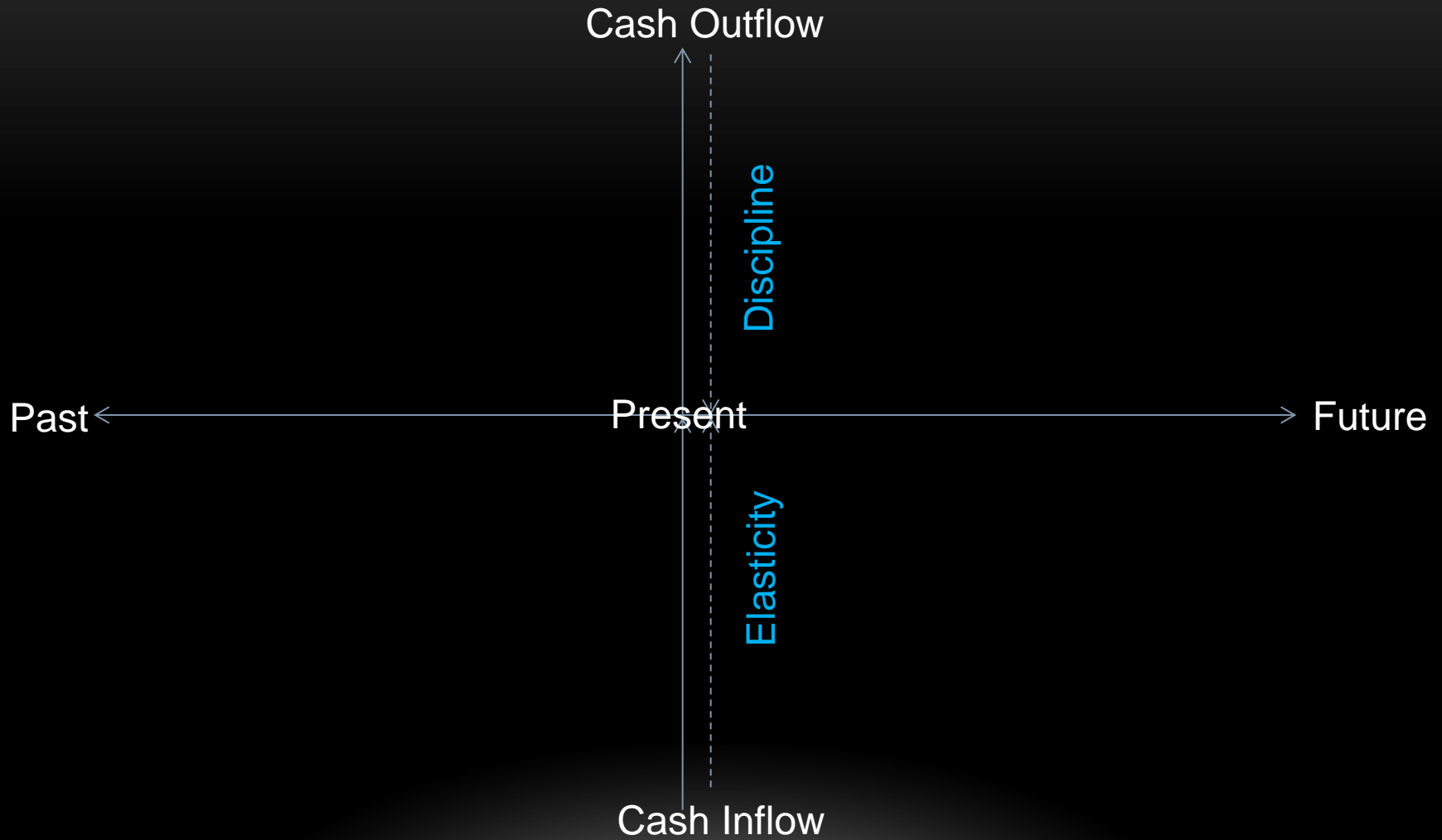


Manipulation of financial system for a value extortion

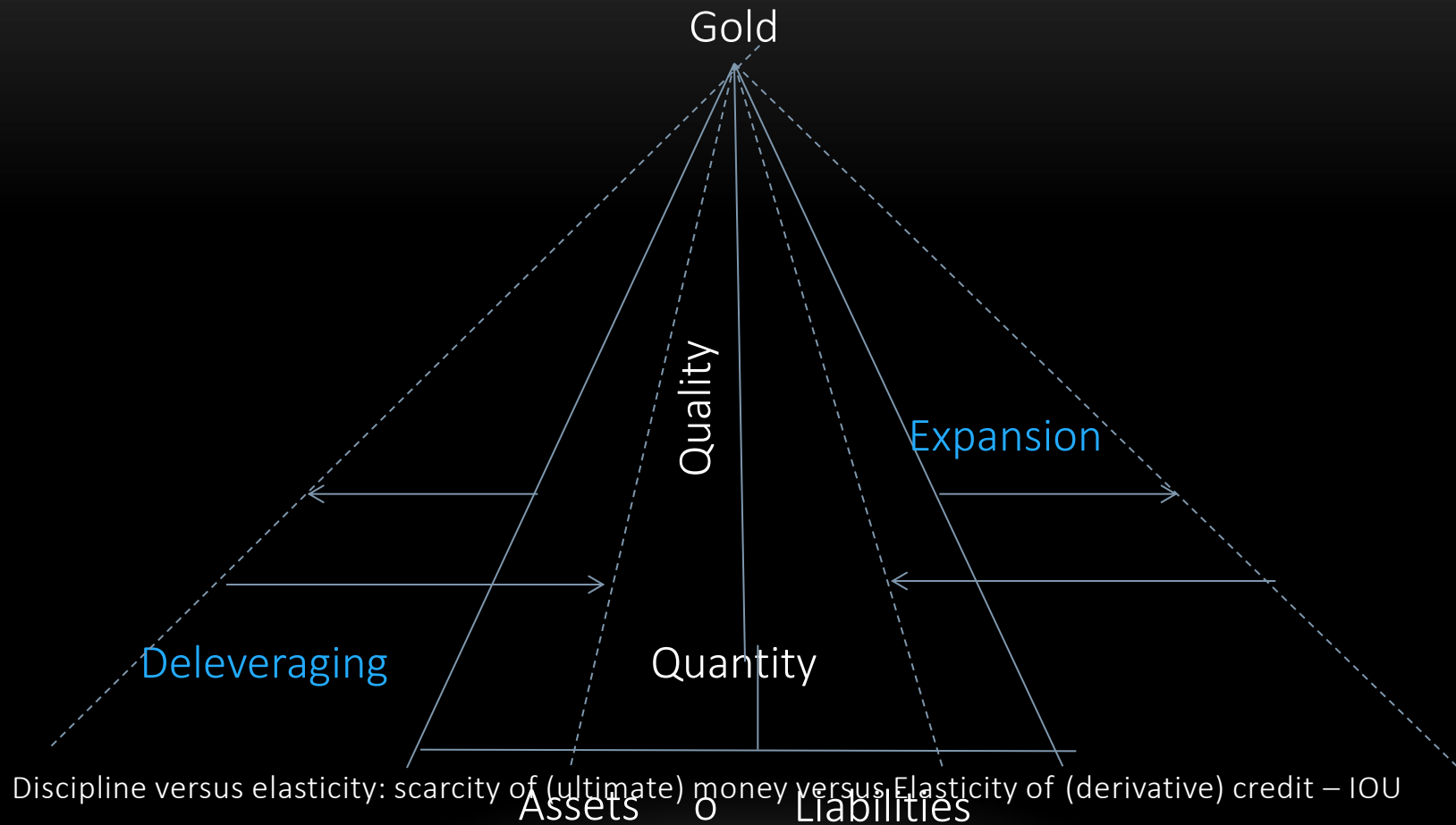
Better Finance for all! 14-12-09 Wiesbaden

Giedrius Steponkus, Lithuanian Investors Association

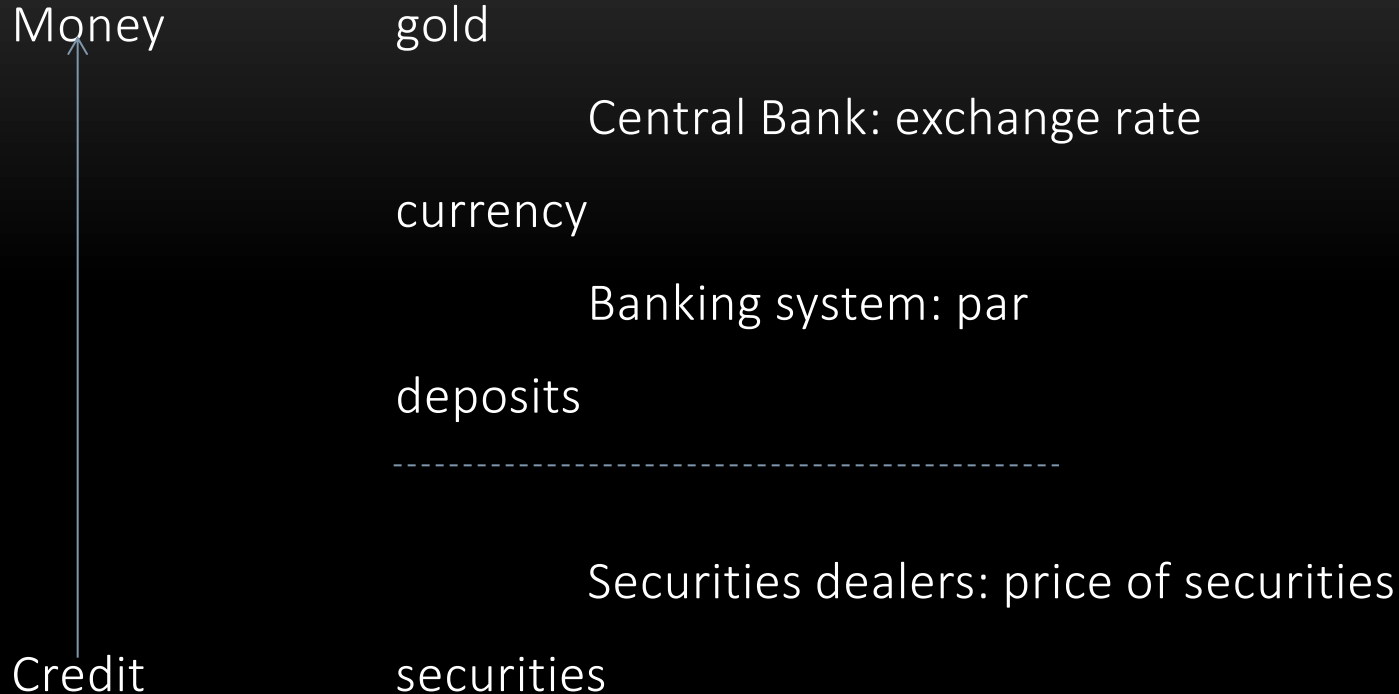
THREE VIEWS ON THE WORLD OF FINANCE



MONEY VIEW: DYNAMICS OF FINANCIAL HIERARCHY



ARTIFICIAL MANAGEMENT OF THE HIERARCHY



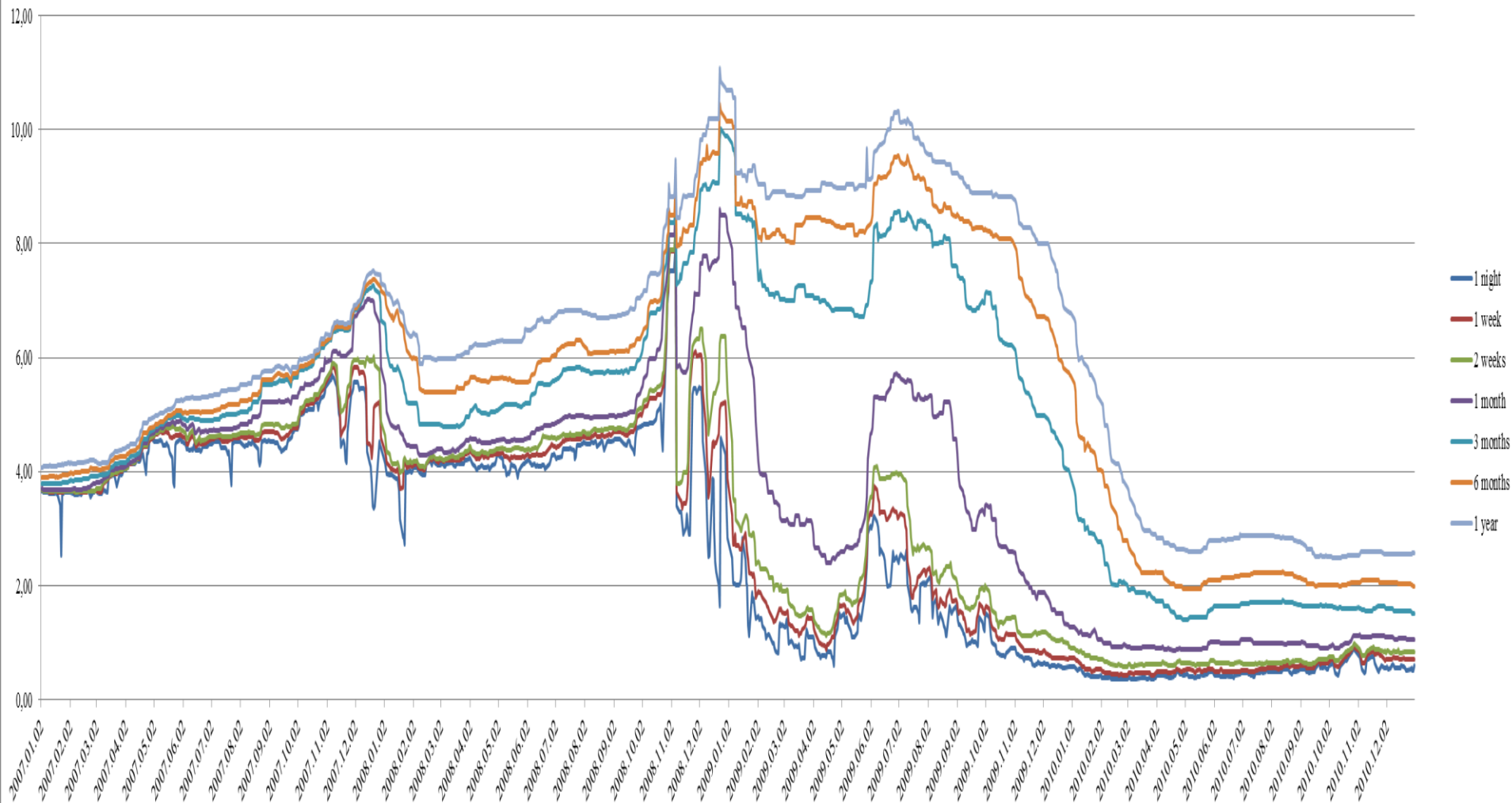
Monetary policy is all about creating artificial hierarchy in order to maintain financial stability.

Counter cyclical policy: then too much discipline then Central Bank to injects more elasticity.

How:

- manipulating overnight interest rates to regulate market interest rate helping banking system to maintain deposits;
- currency exchange "at par";
- deposit facility rates (up to negative);
- open market operations - direct investments into financial instruments.

2007-10 VILIBOR - "VOLCKER SHOCK"



VILIBOR MARKET 2008-2009: NOT FUNCTIONING

Data	1 diena		2 - 7 dienos		8 dienos - 1 mėnuo		1 - 3 mėnesiai		3 - 6 mėnesiai		Virš 6 mėnesių		Neapibrėžto termino		iš viso	
	min. LT	%, mėn. vidurkis	min. LT	%, mėn. vidurkis	min. LT	%, mėn. vidurkis	min. LT	%, mėn. vidurkis	min. LT	%, mėn. vidurkis	min. LT	%, mėn. vidurkis	min. LT	%, mėn. vidurkis	min. LT	%, mėn. vidurkis
Tarp bankų rezidentų sudaryti sandoriai																
2008 04	2 398,0	3,86	660,1	3,90	64,0	4,11	15,0	4,80	-	-	-	-	-	-	3 137,1	3,88
05	1 579,5	3,71	680,0	3,85	301,0	4,00	-	-	-	-	-	-	-	-	2 560,5	3,78
06	2 483,6	3,96	1 220,3	4,00	312,0	4,15	11,0	5,50	-	-	-	-	-	-	4 026,9	3,99
07	2 140,1	4,16	674,3	4,19	282,0	4,35	75,0	5,66	30,0	5,50	30,0	6,75	-	-	3 231,4	4,25
08	1 556,1	4,32	505,7	4,44	9,0	4,64	20,0	5,60	-	-	-	-	-	-	2 090,8	4,36
09	1 672,8	4,37	396,0	4,54	69,0	4,44	4,0	5,20	-	-	-	-	-	-	2 141,8	4,41
10	3 022,3	4,92	465,0	5,10	165,0	5,46	2,0	5,75	-	-	-	-	-	-	3 654,3	4,97
11	1 172,4	4,02	262,0	5,61	24,0	5,54	-	-	-	-	-	-	-	-	1 458,4	4,33
12	1 750,7	3,21	473,9	3,40	141,0	6,54	13,0	7,54	5,0	10,00	-	-	-	-	2 383,6	3,48
2009 01	1 680,7	1,96	391,9	1,82	60,6	2,93	-	-	-	-	-	-	-	-	2 133,2	1,97
02	1 238,8	1,02	135,2	1,11	144,3	1,66	-	-	-	-	-	-	-	-	1 518,3	1,09
03	1 726,8	0,94	259,3	0,66	95,8	0,84	-	-	-	-	-	-	-	-	2 081,9	0,90
04	2 566,7	0,93	224,0	0,60	126,5	0,56	-	-	-	-	-	-	-	-	2 917,2	0,89

The Central Bank of the Republic of Lithuania

THE MAJOR SWEDISH BANKS' COUNTERPARTY EXPOSURES THROUGH SECURITIES HOLDINGS

SEK billion

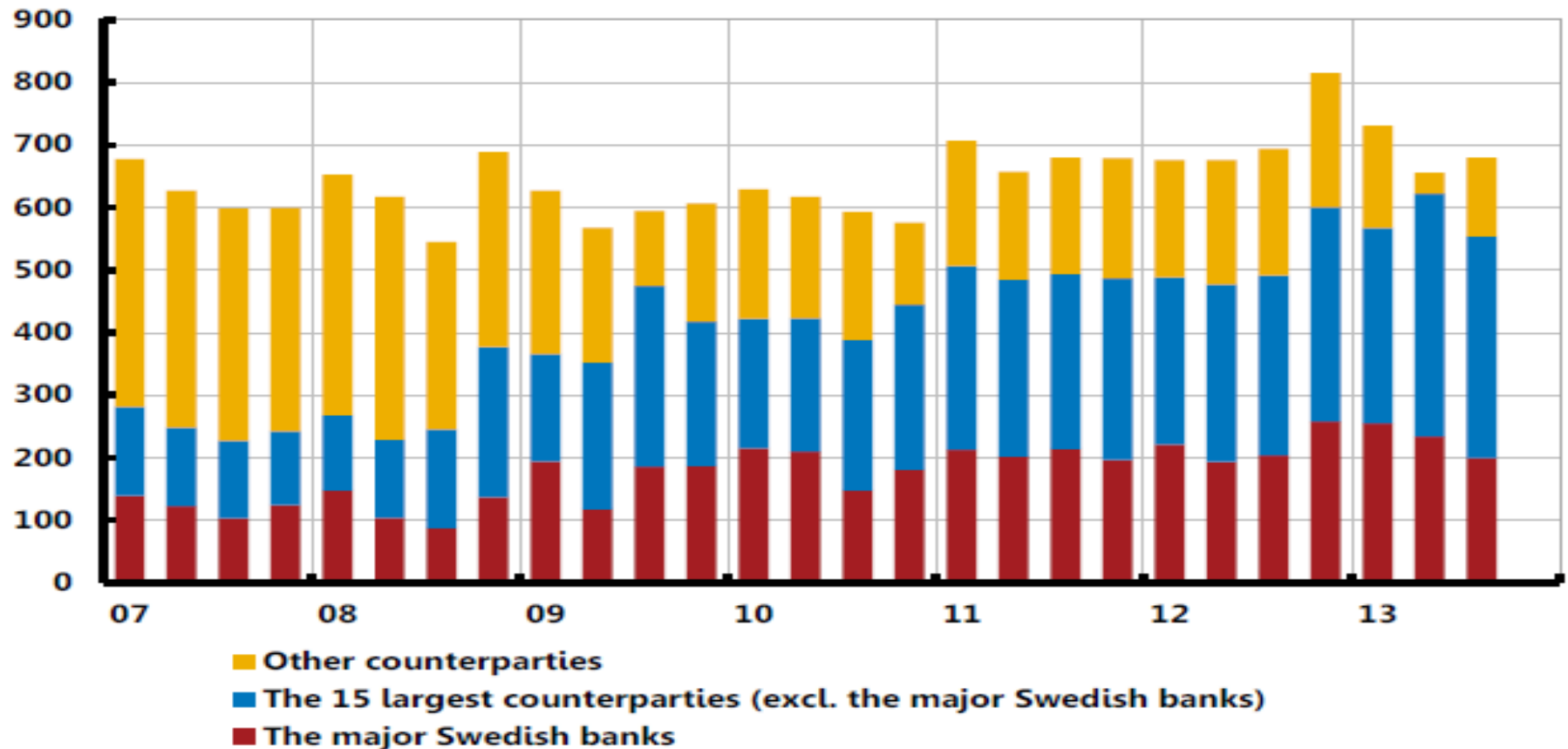


Chart 4:12

Source: The Riksbank

RECESSION IN THE BALTICS CAUSED BY LIQUIDITY MANIPULATION INITIATED BY BANKING CARTEL

- Manipulation elasticity and discipline in financial system are the main reasons behind the credit crunch and stagnation in the Baltic countries.
- “Liquidity constrain” and grab of assets.
- Why these guys behind the scandic cartel are not so smart?

A REPLICA OF “VOLCKER SHOCK” IN THE BALTICS

Journalist Naomi Klein in her book *The Shock Doctrine*,

"In developing countries carrying heavy debt loads, the Volcker Shock was like a giant Taser gun fired from Washington, sending the developing world into convulsions. Soaring interest rates meant higher interest payments on foreign debts, and often the higher payments could only be met by taking on more loans... It was after the Volcker Shock that Brazil's debt exploded, doubling from \$50 billion to \$100 billion in six years. Many African countries, having borrowed heavily in the seventies, found themselves in similar straits: Nigeria's debt in the same short time period went from \$9 billion to \$29 billion."

AN EXPERT'S VIEW ON DEVALUATION

"It's like peeing in your pants. It feels good, but only for a very short time,"
Annika Falkengren SEB president



GALLUP: HONESTY /ETHICS RANKS BY PROFESSIONS

Dec. 5-8, 2013

■ % Very high/High



Right behind
auto
mechanics...

GALLUP HONESTY/ ETHICS RANKS BY INDUSTRY

The industry ranking doesn't look all that great either...

Aug. 7-11, 2013

% Positive minus % negative (in percentage points)



LAW CODE OF HAMMURABI PARAGRAPH 48 (1792-1750 B.C.)

“If any one owe a debt for a loan, and a storm prostrates the grain, or the harvest fail, or the grain does not grow for a lack of water, in that year he need not give his creditor any grain, he washes his debt-table in water and pays no rent for this year” Law code of Hammurabi paragraph 48 (1792-1750 B.C.)



TO BE CONTINUED...

Thank you!

VELAZQUEZ-LAS-MENINAS 1657



PICASSO-LAS-MENINAS 1957

