

27/08/2020

## Deposits of Lithuanian residents continued to grow at a rapid pace, while loans to residents decreased

Today, the Bank of Lithuania published the monetary financial institution (MFI) balance sheet and interest rate data for July 2020, which show that:

**deposits of Lithuanian residents with credit institutions** rose<sup>1</sup> by €404.7 million over the month (€4.9 billion year on year, to €27.6 billion at the end of the month). Over the month, non-financial corporation and household<sup>2</sup> deposits increased by €287.9 million and €222.9 million respectively, while general government and financial sector<sup>3</sup> deposits reduced by €104.5 million and €1.5 million respectively. Deposits from these sectors at the end of the month amounted to €7.7 billion, €16.1 billion, €3.1 billion and €722.1 million respectively (see Chart 1);

**overnight deposits of Lithuanian non-financial corporations and households with credit institutions** grew by €307.0 million and €232.4 million respectively over the month, to €7.4 billion and €12.3 billion respectively;

**loans granted by credit institutions to Lithuanian residents** decreased by €41.3 million over the month, while over the last five months – by €545.4 million (to €19.9 billion at the end of the month). Loans to Lithuanian non-financial corporations and the general government sector fell by €101.4 million and €0.8 million respectively, while loans to households and the financial sector increased by €59.9 million and €1.0 million respectively. At the end of the month, loans to these sectors amounted to €7.8 billion, €331.3 million, €10.8 billion and €1.0 billion respectively (see Chart 2);

**loans for house purchase and other purposes granted by credit institutions to Lithuanian households** grew by €56.1 million and €4.5 million respectively, while loans for consumption decreased by €0.8 million – to €8.8 billion, €1.2 billion and €742.7 million respectively (see Chart 3);

**interest rates<sup>4</sup> on new business<sup>5</sup> loans granted to households by credit institutions** fell by 0.10 percentage point over the month (to 3.76%). Interest rates on loans for consumption and house purchase declined by 0.04 and 0.01 percentage point respectively, while interest rates on loans for other purposes increased by 0.78 percentage point. In July 2020, interest rates on these loans stood at 8.89%, 2.40% and 5.52% respectively (see Chart 4).

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<sup>1</sup> Unless otherwise specified, monthly changes in euro are presented as transactions, i.e. they are calculated by taking the difference between end-of-month outstanding amounts and then removing the effects of revaluation adjustments, exchange rate adjustments, loan write-offs and reclassifications.

<sup>2</sup> The household sector consists of households and non-profit institutions serving households.

<sup>3</sup> The financial sector consists of Lithuania's investment funds and other financial intermediaries, as well as insurance undertakings and pension funds.

<sup>4</sup> Weighted interest rates on new business during the reporting month, in percentages per annum.

<sup>5</sup> New business covers financial contracts that specify for the first time the interest rate on a loan, and renegotiations of existing loan contracts. New business does not cover revolving loans and overdrafts, as well as credit card debt.

Chart 1. Deposits of Lithuanian residents, excluding MFIs, with other MFIs (outstanding amounts, end-of-period)

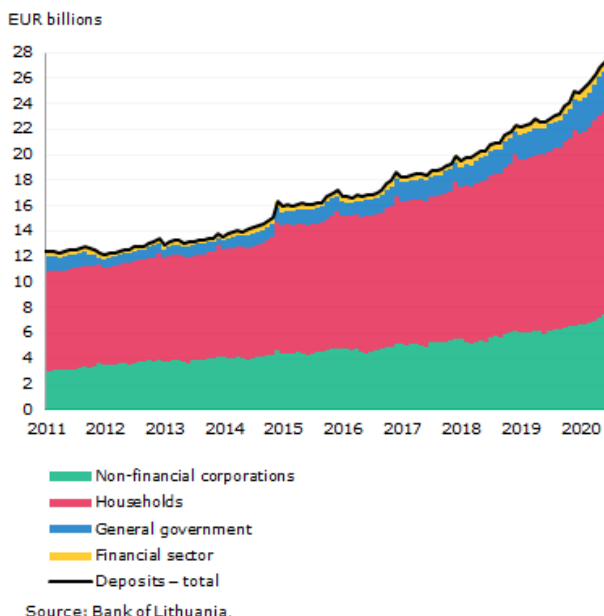


Chart 2. Loans granted by other MFIs to Lithuanian residents, excluding MFIs (outstanding amounts, end-of-period)

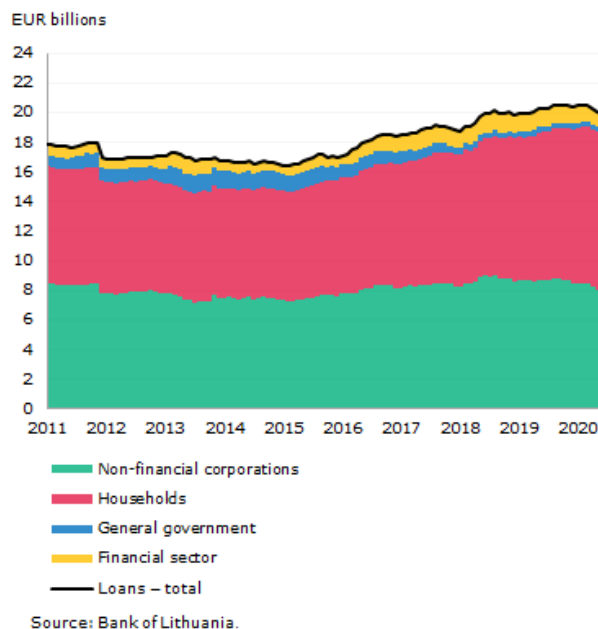


Chart 3. Loans granted by other MFIs to Lithuanian households (outstanding amounts, end-of-period)

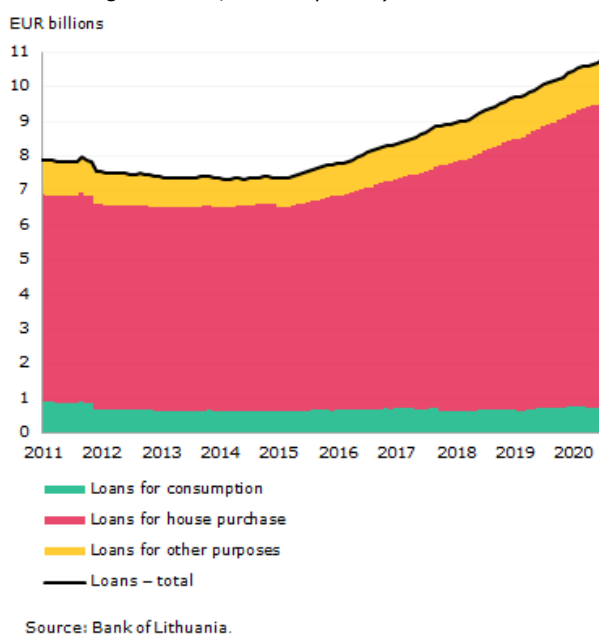
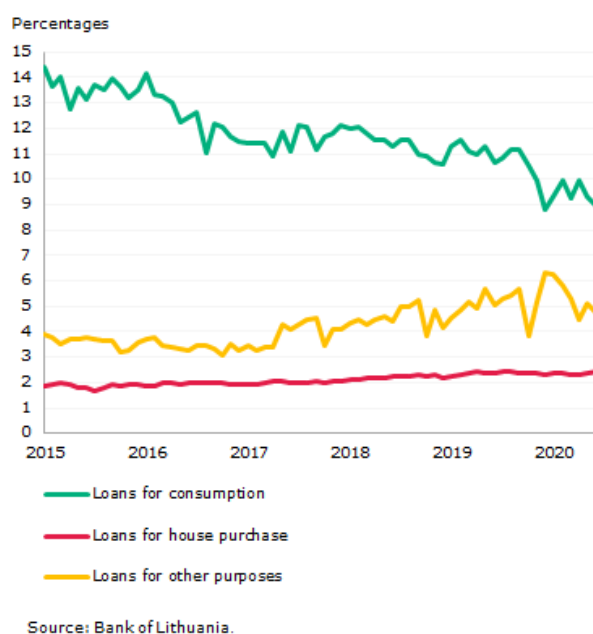


Chart 4. Interest rates on new business loans for households (percentages per annum)



Detailed data on MFI assets and liabilities is available on the Bank of Lithuania website under [MFI balance sheet and monetary statistics](#).

More information on MFI interest rates can be found on the Bank of Lithuania website under [MFI interest rate statistics](#).