

26/08/2021

Loans to Lithuanian residents granted by Lithuania's credit institutions continued to increase

Today, the Bank of Lithuania published the monetary financial institution (MFI) balance sheet and interest rate data for July 2021, which show that:

loans granted by credit institutions to Lithuanian residents increased by €307.8 million month on month¹ and by €613.9 million, compared to March 2020 (the onset of the COVID-19 pandemic). Loans to Lithuanian non-financial corporations, households², the financial sector³ and the general government grew by €172.4 million, €118.2 million, €12.9 million and €4.2 million respectively month on month. Compared to March 2020, loans to Lithuanian households and the financial sector grew by €1.2 billion and €85.3 million respectively, while loans to non-financial corporations and the general government contracted by €696.8 million and €16.0 million respectively. At the end of July 2021, loans to these sectors amounted to €11.7 billion, €1.2 billion, €7.8 billion and €338.1 million respectively (see Chart 1);

loans to Lithuanian households for house purchase, consumption and other purposes granted by credit institutions increased by €97.0 million, €14.2 million and €7.0 million over the month, to €9.8 billion, €747.7 million and €1.2 billion respectively (see Chart 2);

deposits of Lithuanian residents with credit institutions grew by €272.2 million over the month and by €7.4 billion, compared to March 2020. Over the month, household, general government and financial sector deposits rose by €216.6 million, €64.8 million and €17.4 million respectively, while non-financial corporation deposits declined by €26.6 million. Household, non-financial corporation, general government and financial sector deposits have increased by €4.4 billion, €2.7 billion, €246.1 million and €79.9 million respectively since March 2020. At the end of July 2021, deposits of these sectors amounted to €19.4 billion, €9.3 billion, €2.9 billion and €892.6 million respectively (see Chart 3);

overnight deposits held by Lithuanian households with credit institutions increased by €253.6 million, while those of non-financial corporations contracted by €27.7 million over the month, to €15.5 billion and €9.1 billion respectively;

interest rates⁴ on new business⁵ loans granted to households by credit institutions went up by 0.09 percentage point over the month, to reach 3.42%. Interest rates on loans for consumption and other purposes rose by 0.08 and 0.93 percentage point respectively, while those on loans for house purchase declined by 0.03 percentage point. In July 2021, interest rates on these loans comprised 8.88%, 5.71% and 2.18% respectively (see Chart 4).

¹ 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.

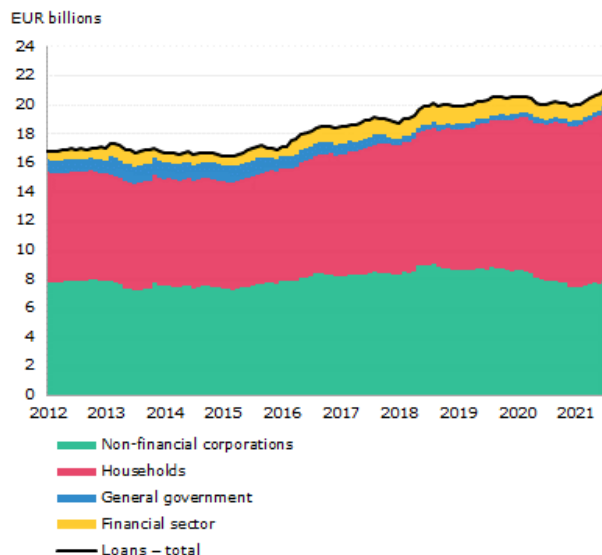
² The household sector consists of households and non-profit institutions serving households.

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

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

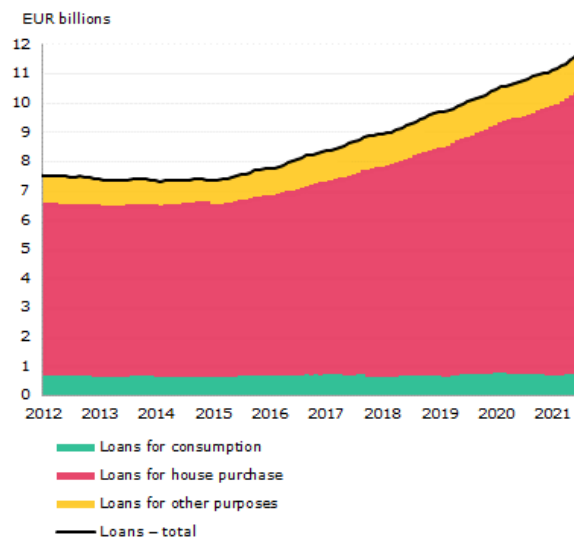
⁵ New business covers financial contracts that specify for the first time the interest rate on a loan, and renegotiations of existing loan contracts. New business does not cover revolving loans and overdrafts, as well as credit card debt.

Chart 1. Loans granted by other MFIs to Lithuanian residents, excluding MFIs (outstanding amounts, end-of-period)



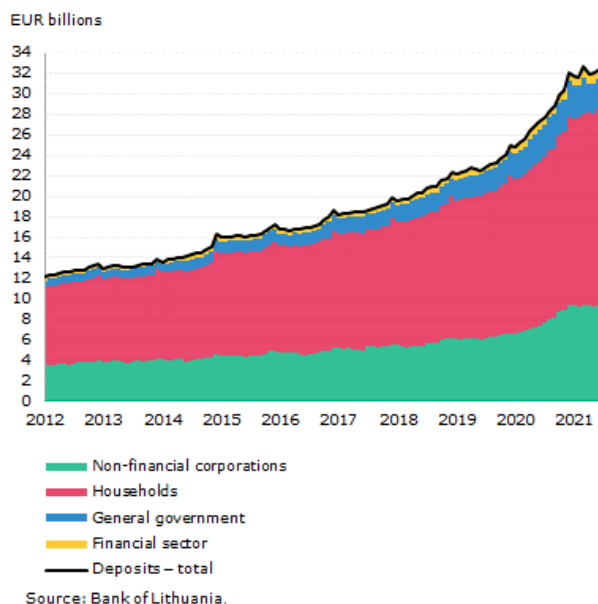
Source: Bank of Lithuania.

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



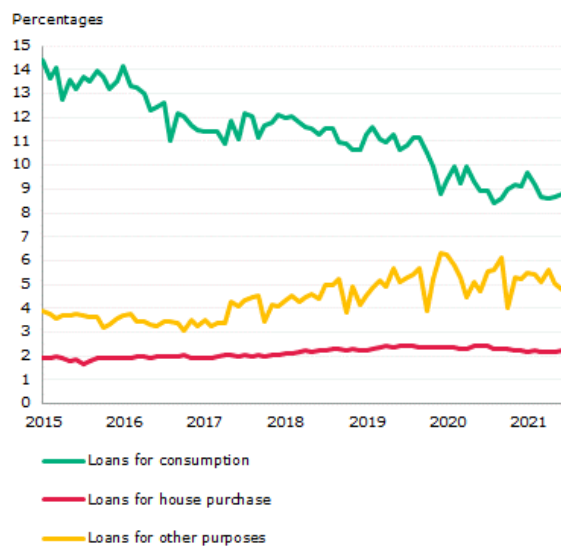
Source: Bank of Lithuania.

Chart 3. Deposits of Lithuanian residents, excluding MFIs, with other MFIs (outstanding amounts, end-of-period)



Source: Bank of Lithuania.

Chart 4. Interest rates on new business loans for households



Source: Bank of Lithuania.

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

Detailed data on MFI interest rates is available on the Bank of Lithuania website under [MFI interest rate statistics](#).

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