

27/05/2022

Loans to Lithuanian households increased in April despite the increase in interest rates

Today, the Bank of Lithuania published the monetary financial institution (MFI) balance sheet and interest rate data for April 2022, which show that:

deposits of Lithuanian residents with credit institutions declined¹ by €572.7 million, or 1.7%, over the month (their annual growth rate² was 3.7%). General government and financial sector³ deposits decreased by €341.2 million and €136.4 million respectively and amounted to €3.2 billion and €886.0 million respectively at the end of April. Non-financial corporation deposits contracted by €187.1 million, or 2%, and their annual growth rate was negative (-4.3%). Household⁴ deposits grew by €92.0 million, or 0.5%, and their annual growth rate was positive (6.7%). At the end of April 2022, non-financial corporation and household deposits amounted to €9.0 billion and €20.0 billion respectively (see Chart 1);

overnight deposits of Lithuania's non-financial corporations with credit institutions decreased by €182.3 million, while those of households increased by €121.5 million over the month, to €8.8 billion and €16.3 billion respectively;

loans granted by credit institutions to Lithuanian residents increased by €400.9 million, or 1.7%, over the month (their annual growth rate stood at 16.2%). Loans to Lithuanian non-financial corporations and households increased by €267.8 million and €121.1 million, or 2.9% and 1.0% respectively in a month (their annual growth rate stood at 18.9% and 11.6% respectively), loans to the financial sector grew by €14.3 million, while those to general government contracted by €2.2 million. At the end of April 2022, loans to these sectors amounted to €9.5 billion, €12.7 billion, €1.7 billion and €337.4 million respectively (see Chart 2);

loans to Lithuanian households for house purchase, consumption and other purposes granted by credit institutions increased by €99.2 million, €12.7 million and €9.2 million over the month, to €10.6 billion, €826.1 million and €1.3 billion respectively (see Chart 3);

interest rates⁵ on new business loans⁶ granted to households by credit institutions went up by 0.18 percentage point to 3.54%. Interest rates on loans for consumption and house purchase grew by 0.13 percentage point and 0.03 percentage point respectively, while those of loans for other purposes declined by 0.40 percentage point. Interest rates on these loans comprised 8.86%, 2.05% and 4.91% respectively in April 2022 (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 annual growth rate is calculated as a percentage change in the base index of transaction-adjusted outstanding amounts over the year.

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

⁴ The household sector consists of households and non-profit institutions serving households.

⁵ Weighted interest rates on new business during the reporting month, in percentages per annum.

⁶ New business covers financial contracts that specify for the first time the interest rate on a loan, and existing loan contracts which were renegotiated. 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)

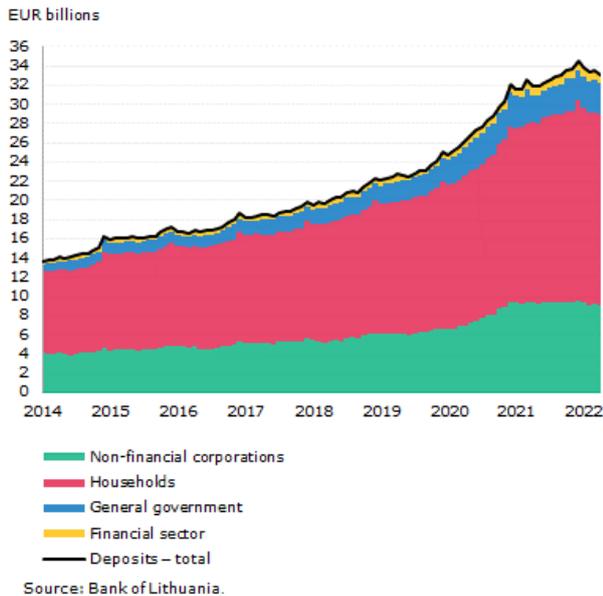


Chart 2. Loans granted by other MFIs to Lithuanian residents, excluding MFIs (outstanding amounts, end-of-period)

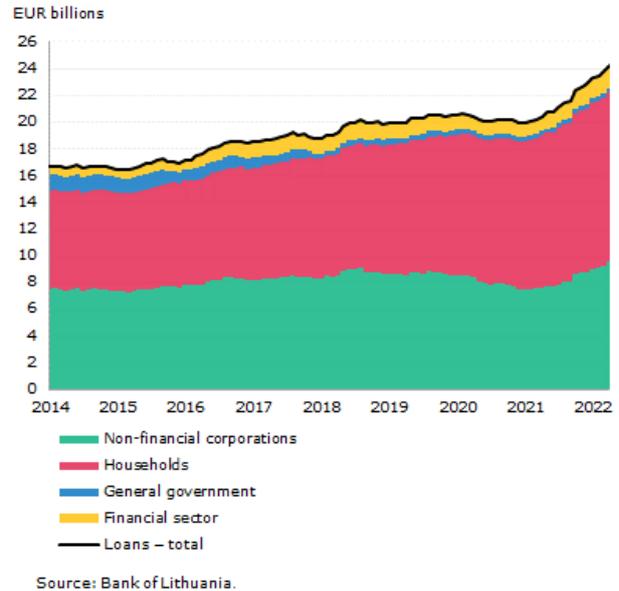


Chart 3. Loans granted by other MFIs to Lithuanian households (outstanding amounts, end-of-period)

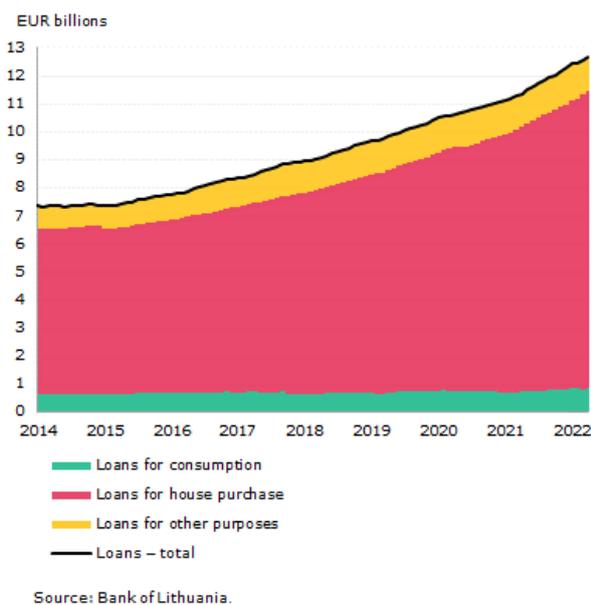
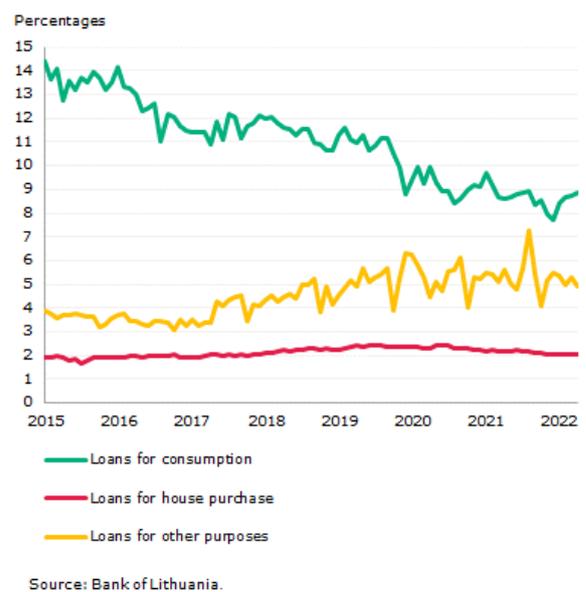


Chart 4. Interest rates on new business loans for households



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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Data and Statistics Department