

27/07/2022

Despite rising interest rates, loans to Lithuanian households for house purchase increased in June

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

loans granted by credit institutions to Lithuanian residents increased¹ by €218.1 million, or 0.9%, over the month (their annual growth rate² stood at 16.2%). Loans to Lithuanian households³ increased by €141.4 million, or 1.1%, month on month, and those to non-financial corporations by €0.2 million (their annual growth rate stood at 11.8% and 18.1% respectively). Loans to the financial sector⁴ grew by €78.7 million, while those to general government contracted by €2.2 million. At the end of June 2022, loans to these sectors amounted to €13.0 billion, €9.5 billion, €1.8 billion and €333.8 million respectively (see Chart 1);

loans to Lithuanian households for house purchase, consumption and other purposes granted by credit institutions increased by €107.6 million, €17.8 million and €16.0 million over the month, to €10.8 billion, €867.5 million and €1.3 billion respectively (see Chart 2);

deposits of Lithuanian residents with credit institutions rose by €23.3 million, or 0.1%, over the month (their annual growth rate was 3.1%). Household deposits grew by €156.7 million, or 0.8%, and their annual growth rate was positive (5.1%). Non-financial corporation deposits contracted by €123.0 million, or 1.4%, and their annual growth rate was negative (-5.7%). General government deposits went up by €104.1 million, while those of the financial sector decreased by €114.3 million over the month, to €3.4 billion and €835.3 million respectively. At the end of June 2022, non-financial corporation and household deposits amounted to €8.9 billion and €20.2 billion respectively (see Chart 3);

overnight deposits of Lithuanian households with credit institutions increased by €159.5 million, while those of non-financial corporations diminished by €172.8 million month on month, to €16.5 billion and €8.6 billion respectively;

interest rates⁵ on new business of loans⁶ granted to households by credit institutions went up by 0.03 percentage point to 3.69%. Interest rates on loans for house purchase rose by 0.11 percentage point, while those on loans for consumption and other purposes fell by 0.02 percentage point and 0.24 percentage point respectively. In June 2022, interest rates on these loans comprised 2.17%, 8.76% and 5.20% 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 annual growth rate is calculated as a percentage change in the base index of transaction-adjusted outstanding amounts over the year.

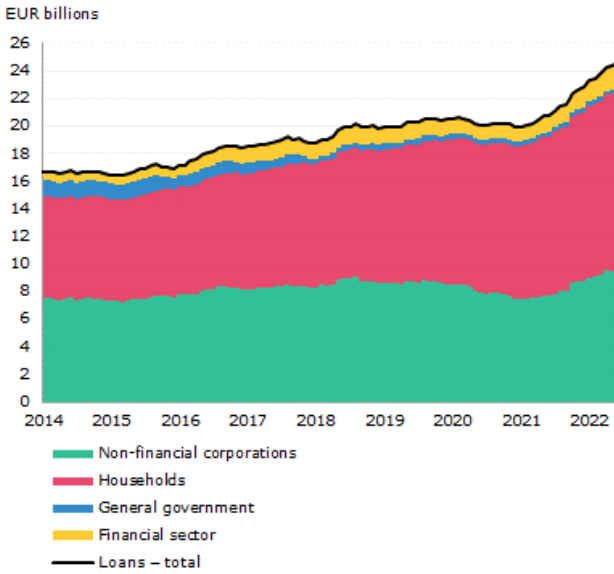
³ The household sector consists of households and non-profit institutions serving households.

⁴ The financial sector consists of Lithuania's investment funds and other financial intermediaries, as well as insurance undertakings and pension funds.

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

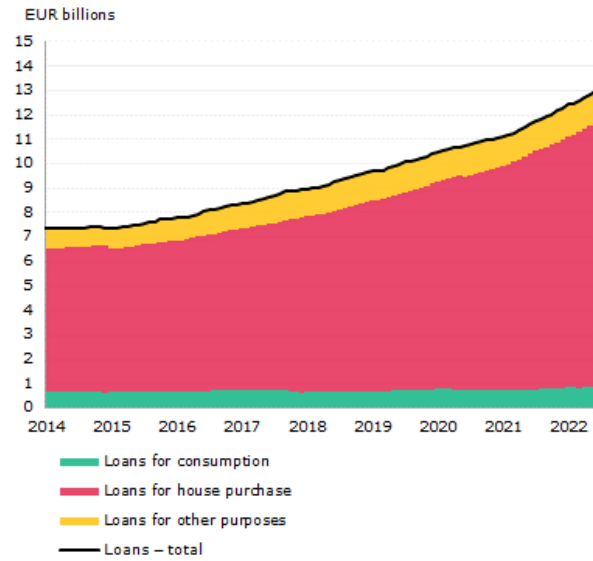
⁶ New business covers financial contracts that specify for the first time the interest rate on a loan, and existing loan contracts which were renegotiated. New business does not cover revolving loans and overdrafts, as well as credit card debt.

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



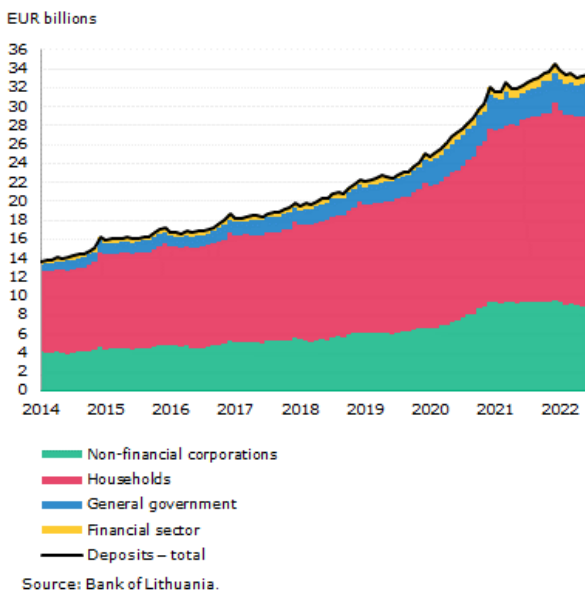
Source: Bank of Lithuania.

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



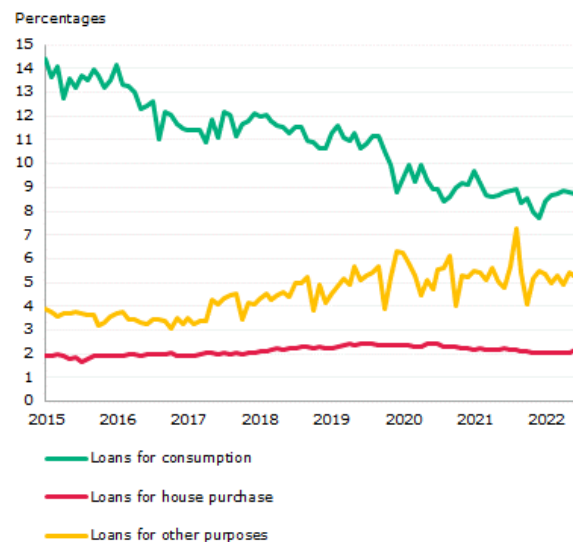
Source: Bank of Lithuania.

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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Data and Statistics Department