

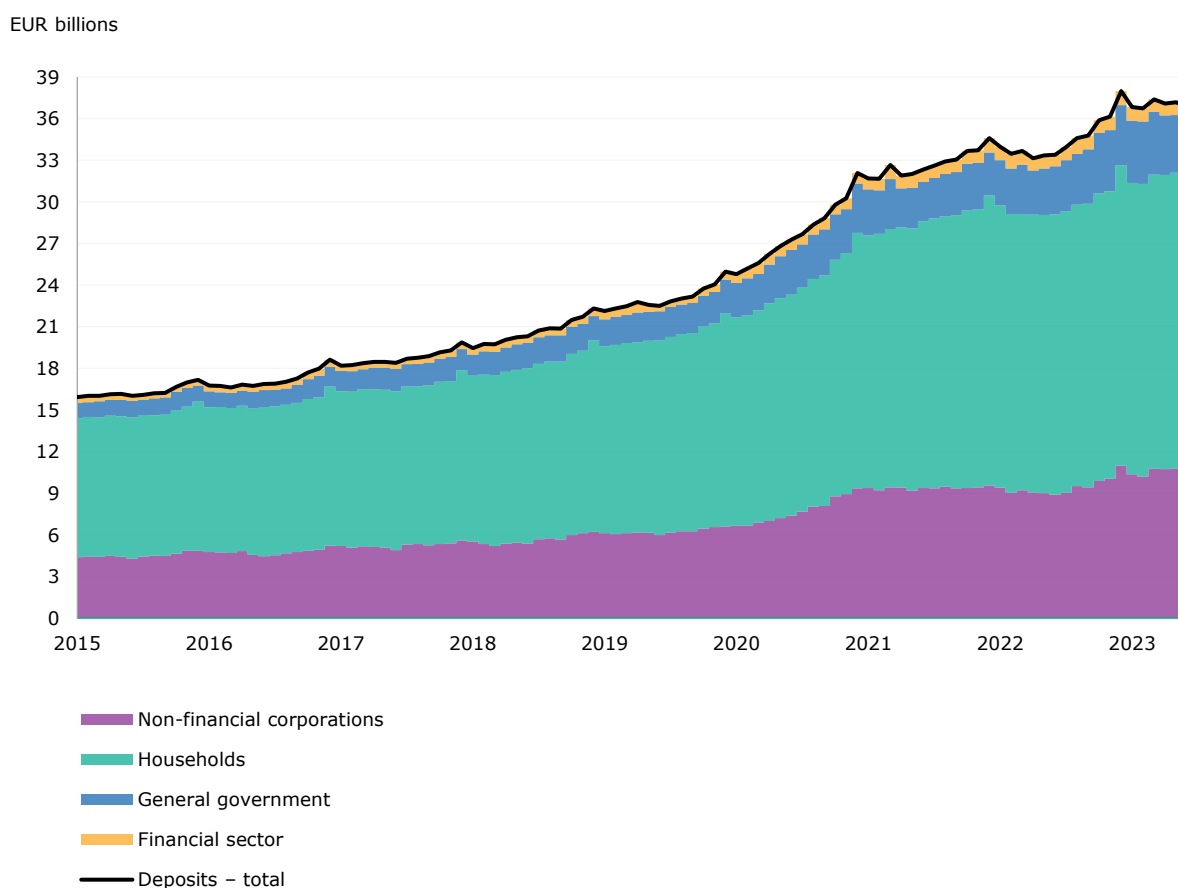
26/07/2023

Household deposits and loans continue to grow in Lithuania

Today, the Bank of Lithuania published the monetary financial institution (MFI) balance sheet and interest rate data for June 2023, which show that:

deposits of Lithuanian residents with credit institutions decreased¹ by €300.6 million, or 0.8% over the month (its annual growth rate² was 10.7%); non-financial corporation deposits fell by €348.3 million, or 3.2%, while household deposits went up by €207.0 million, or 1.0% (their annual growth rates stood at 17.9% and 6.9% respectively). At the end of the month, non-financial corporation and household deposits amounted to €10.4 billion and €21.5 billion respectively. In June, general government and financial sector³ deposits decreased as well: by €104.7 million to €4.1 billion and by €54.6 million to €891.3 million respectively (see Chart 1);

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



Source: Bank of Lithuania.

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.

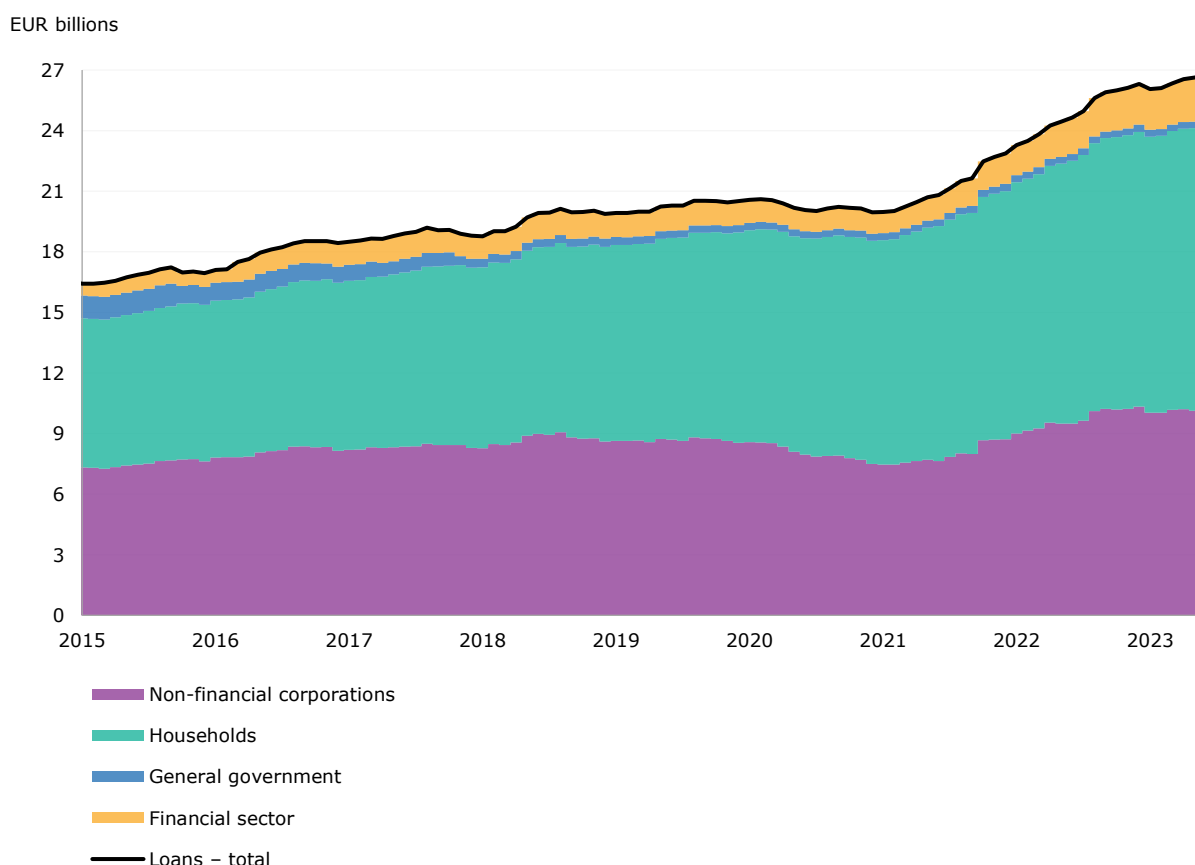
² The annual growth rate is calculated as a percentage change in the base index of transaction-adjusted outstanding amounts over the year.

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

overnight deposits of Lithuanian non-financial corporations and households with credit institutions contracted by €781.4 million and €111.4 million respectively over the month, or 8.2% and 0.7%. At the end of the month, the outstanding amounts of overnight deposits of these sectors stood at €8.7 billion and €16.1 billion respectively. Deposits with agreed maturity of non-financial corporations and households with credit institutions grew by €439.4 million and €317.3 million respectively over the month, to €1.6 billion and €5.2 billion respectively;

loans granted by credit institutions to Lithuanian residents increased by €112.5 million, or 0.4%, month on month (their annual growth rate was 8.8%). Loans to Lithuanian households rose by €113.8 million, or 0.8%, month on month, and those to non-financial corporations dropped by €3.3 million (their annual growth rates stood at 8.8% and 7.2% respectively). Loans to the financial sector decreased by €2.7 million and those to general government increased by €4.6 million. At the end of June 2023, loans to these sectors amounted to €14.1 billion, €10.1 billion, €2.2 billion and €334.4 million respectively (see Chart 2);

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

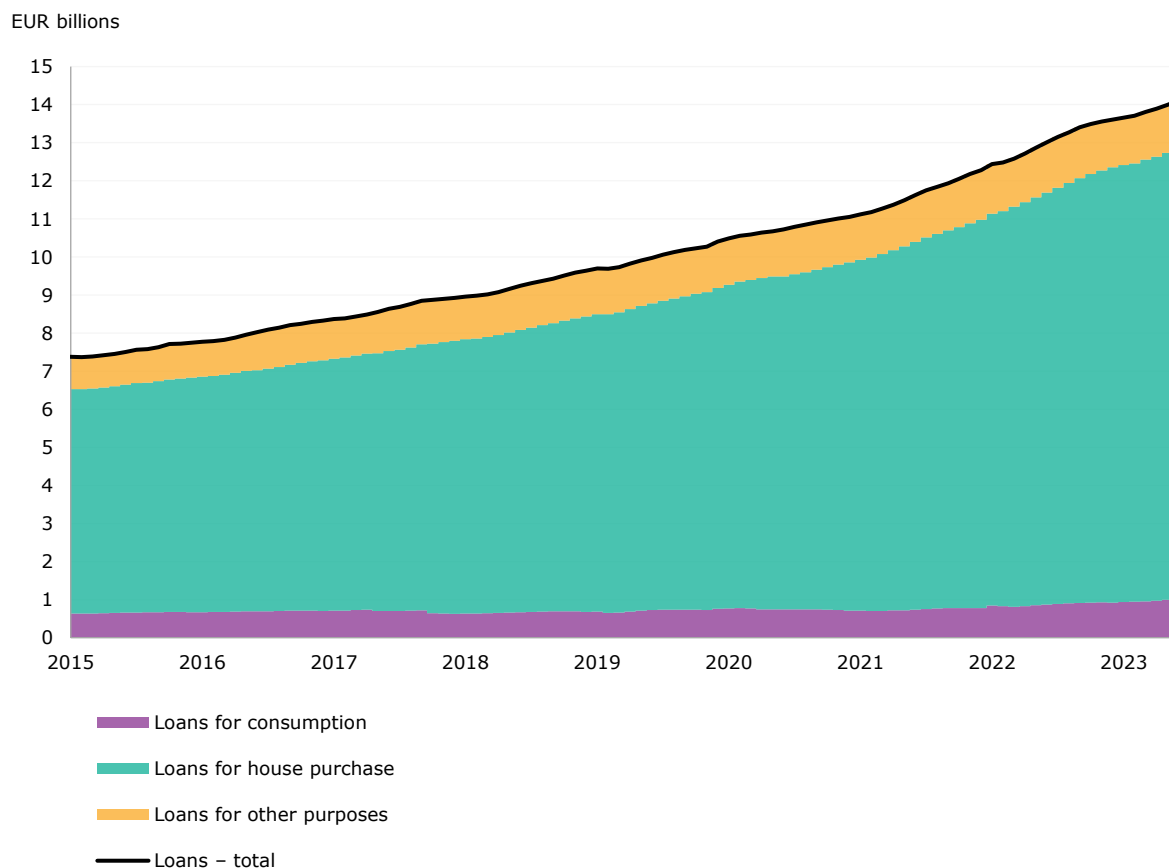


Source: Bank of Lithuania.

loans to Lithuanian households for house purchase, consumption and other purposes granted by credit institutions increased by €81.7 million (0.7%), €17.1 million (1.7%) and €14.9 million (1.2%) respectively over the month, to stand at €11.8 billion, €1.0 billion and €1.3 billion respectively (see Chart 3). The annual growth rates of loans for house purchase

and consumption were 9.3% and 17.5% respectively, while loans for other purposes decreased by 0.7% year on year;

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



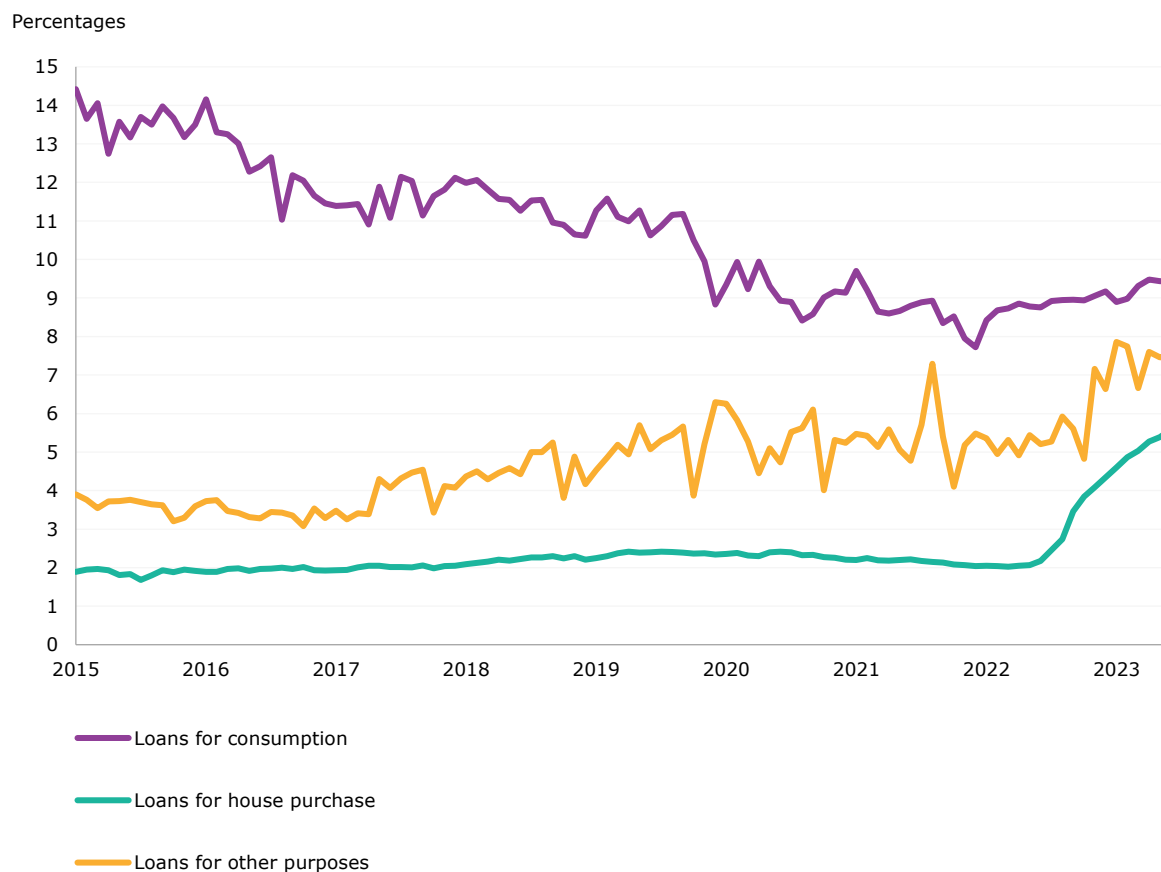
Source: Bank of Lithuania.

interest rates⁴ on new business of loans⁵ granted to households by credit institutions went up by 0.06 percentage points to 6.60%. Interest rates on loans for house purchase rose by 0.19 percentage points, while those on loans for consumption remained unchanged, and interest rates on loans for other purposes fell by 0.04 percentage points. In June 2023, interest rates on these loans comprised 5.58%, 9.43% and 7.5% respectively (see Chart 4);

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 or the deposit rate, and contracts for existing loans or deposits, which were renegotiated. New business does not cover revolving loans and overdrafts, as well as credit card debt. New business deposits do not cover automatic renegotiations of existing deposit contracts.

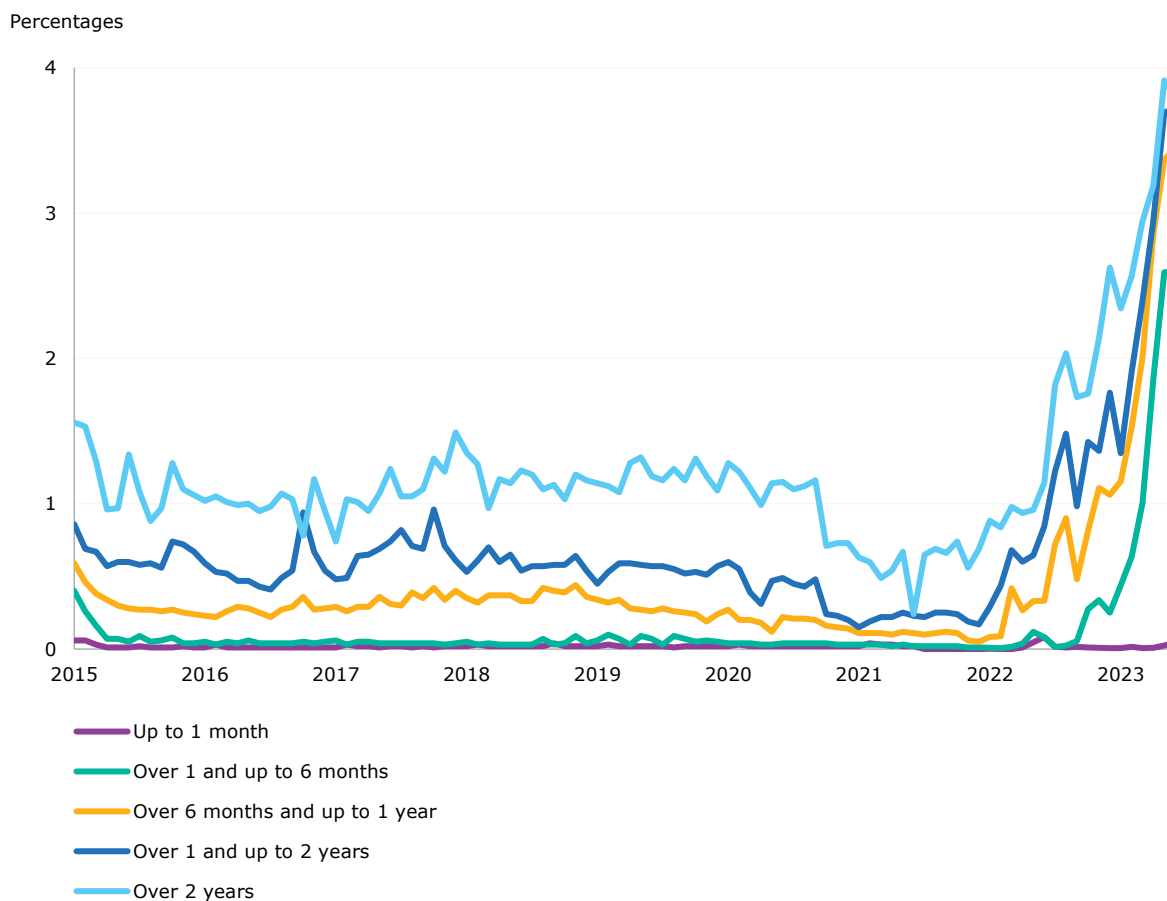
Chart 4. Interest rates on new business loans for households



Source: Bank of Lithuania.

interest rates on new business of deposits with agreed maturity granted to households by credit institutions went up by 0.01 percentage points to 3.26%. Interest rates on deposits of up to one month increased by 0.02 percentage points, those of one to six months remained unchanged and increased by 0.08 and 0.03 percentage points respectively for those of six months to one year and of one to two years, while interest rates on deposits of 2 years went down by 0.12 percentage points. Interest rates on these loans comprised 0.05%, 2.59%, 3.45%, 3.72% and 3.79% respectively in June 2023 (see Chart 5).

Chart 5. Interest rates on new business deposits with agreed maturity of 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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