

Financial Systems Flash

Madrid, June 27, 2013
Economic Analysis

Financial Systems Unit

Household and business deposits rose by €8bn in May

Deposits held by households and businesses, the most stable and relevant component, increased by €8bn in May. However, total deposits (held by all agents in all geographical areas) fell €41bn during that month. By geographical areas, the distribution was as follows: residents in Spain -€27bn, rest of EMU deposits -€8bn and rest of the world -€6bn. The fall observed in residents in Spain is focused on the most volatile agents.

- **The breakdown by agent of deposits received by Spanish credit institutions in May was released today**

The Bank of Spain published Chapter 8 of its Statistical Bulletin, which includes the financial statements harmonized at Eurozone level that are used by the ECB for its series, but with more detail.

- **In May deposits of domestic agents fell by €27 billion, but as usual the breakdown revealed notable differences:**

credit institutions fell by €33bn; non-monetary financial institutions (NMFIs) by €12 billion (due to a fall of €12bn in deposits held by securitization companies); public administrations increased by €10bn and households and businesses were up €8bn. It is important to remember that the deposits of credit institutions, NMFI and public administrations are more volatile than the rest, and their changes may respond to factors such as short-term cash requirements.

- **Deposits held by domestic businesses and households rose €8bn this month: €1 billion in households and €7 billion in businesses**

- Part of the increase is due to seasonal factors. Seasonally adjusted, there would have been a total increase of €4 billion, €1.7 billion in businesses and €2.2 billion in households. Compared to May 2012, there has been an increase of €12 billion in businesses and €28 billion in households.
- Another reason for this increase may be the transfer of resources from promissory notes towards deposits. Since March, it is not available the detail of outstanding amounts and issued volumes of promissory notes released by AIAF (on which our estimates are based), therefore we do not include our estimate for promissory notes held by households and businesses.

Table 1
Deposits

	May 2013	Outstanding balance		Month-on-month change May 2013		Year-on-year change May 2013	
		Apr-13	May-13	(€bn)	%	(€bn)	%
Bank of Spain	Total Deposits (a)+(b)+(c)	2,389	2,348	-41	-2	-238	-9
	Total deposits, Spain (a)	2,014	1,987	-27	-1	-167	-8
	Credit institutions	487	454	-33	-7	-103	-18
	Public administrations	49	58	10	20	5	8
	Other resident sectors, Spain (1)	1,479	1,475	-4	0	-69	-4
	NMFIs	467	455	-12	-3	-114	-20
	Insurance companies	53	53	-1	-2	1	3
	Other public administrations	29	30	1	2	4	14
	Non-financial companies (4)	192	199	7	4	12	7
	Households (5)	737	738	1	0	28	4
	Total deposits, euro zone (b)	184	176	-8	-4	-38	-18
	Credit institutions	144	139	-6	-4	-25	-15
	Public administrations	0	0	0	-20	-2	-89
	Other resident sectors, euro zone (2)	40	37	-2	-6	-11	-22
Total deposits, rest of the world (c)	191	185	-6	-3	-33	-15	
Credit institutions	144	138	-5	-4	-4	-3	
Public administrations	0	0	0	-8	0	-64	
Other resident sectors, RoW (3)	47	46	-1	-2	-28	-38	
BBVA	Promissory notes - households and businesses (6)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
ECB	Euro zone ORS Deposits (1)+(2)	1,518	1,512	-6	0	-4	0
Memorandum item:							
Deposits and promissory notes - households and businesses (4)+(5)+(6)							
		n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

Source: BBVA Research based on Bank of Spain data

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