

Financial Systems Flash

Madrid,
September 26, 2013
Economic Analysis

Financial Systems Unit

Household and business deposits rose by €9 billion in August

The increase observed in August (€+9bn) was greater than expected due to unexpected deposits by companies possibly attributable to an increase in corporate saving.

- **Total deposits (including all agents) dropped by €13bn.** In geographical terms, this decrease was distributed evenly: Spain residents, €-4bn; Euro zone residents, €-4bn; and residents in the rest of the world outside of the EMU, €-5bn.
- **The trend in the deposit levels of international agents remained erratic.** Deposits held by credit institutions constituted the main component of deposits held by international agents, and explained the downward trend over the last year. Credit entities accounted for 76%, or over €6bn, of the €9bn decline observed during August.
- **Data for August revealed a decrease of €4bn in deposits held by domestic agents.** The behavior of the agents was heterogeneous: public administrations saw their deposits reduced by €7bn, credit entities by €11bn, which was partly explained by the decrease in the dependence of ECB liquidity (€-3bn in gross lending); while other resident sectors (ORS) grew by €+14bn. In this last group, in addition to the increase already mentioned with respect to deposits by households and businesses, non-monetary financial institutions increased their deposits by €5bn, as a result of the positive trend in the deposits of Spanish central counterparties.
- **Company deposits increased more than expected while those of households were as expected: €+7.6bn and €+1.9bn, respectively.**
 - For businesses the increase (seasonally adjusted) was €4bn while for households the adjusted increase was €4.9bn.
 - Over the last 12 months, deposits by households and businesses increased by €68bn (7.7% year-on-year), with the August figure close to the all-time high recorded in the summer of 2011.

Table 1
Deposits

August 2013		Outstanding balance		Month-on-month change Aug 2013		Year-on-year change Aug 2013	
		Jul-13	Aug-13	(bn€)	%	(bn€)	%
Bank of Spain	Total Deposits (a)+(b)+(c)	2,284	2,271	-13	-1	-223	-9
	Total deposits, Spain (a)	1,958	1,954	-4	-0	-177	-8
	Credit institutions	453	442	-11	-2	-200	-31
	Public administrations	50	43	-7	-14	12	38
	Other resident sectors, Spain (1)	1,455	1,469	14	1	11	1
	NMFIs	427	432	5	1	-68	-14
	Insurance companies	55	54	-1	-1	4	9
	Other public administrations	29	30	1	2	6	23
	Non-financial companies (4)	192	199	8	4	21	12
	Households (5)	752	754	2	0	48	7
	Total deposits, euro zone (b)	180	176	-4	-2	1	0
	Credit institutions	143	140	-3	-2	-2	-1
	Public administrations	1	1	0	20	0	-35
	Other resident sectors, euro zone (2)	37	36	-1	-3	3	8
Total deposits, rest of the world (c)	145	141	-5	-3	-47	-25	
Credit institutions	100	96	-4	-4	-35	-26	
Public administrations	0	0	0	97	0	21	
Other resident sectors, RoW (3)	45	44	-1	-2	-12	-22	
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)	1,492	1,505	13	1	14	1
Memorandum item:							
Deposits and promissory notes - households and businesses (4)+(5)+(6)		n.a.*	n.a.*	n.a.*	n.a.*	n.d.*	n.a.*

* Updated information on promissory notes through July is still not available, as these AIAF statistics do not have a fixed publication date .
 Source: BBVA Research based on Bank of Spain data

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