

Financial Systems Flash

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Economic Analysis

Financial Systems Unit

In January, household and corporate deposits in Spain increased by EUR5bn (sa)

Although January is typically a month when deposits decline, both household deposits (-EUR3bn) and corporate deposits (+EUR0bn) fell less than expected. Seasonally adjusted, household deposits increased by EUR1bn and corporate deposits by EUR4bn.

- **Total deposits (including all agents and geographies) fell by EUR6bn**

Deposits by national agents and the rest of the world (i.e. non-EMU) fell by EUR9bn each, while EMU deposits increased by EUR11bn, fundamentally due to an increase in deposits by monetary financial institutions, where the performance was very similar to the same month last year.

- **In January, deposits by national agents fell by EUR9bn**

Breaking the figures down by agent, note that deposits by monetary financial institutions rose for the first time since June 2013 (+EUR1bn) and in spite of the decrease in ECB liquidity (-EUR13bn of gross loans). In addition, aggregate public-sector deposits (central government and other public administrations) fell by nearly EUR2bn. Meanwhile, deposits by other resident sectors in Spain declined by nearly EUR8bn, although the distribution by component varied: deposits by asset securitisation funds slid EUR4bn due to continued issuance amortisation and deposits by clearing houses were EUR8bn lower; however, deposits made by collective investment schemes increased by EUR4bn, due to positive investment fund performance, while the household and corporate aggregate shrank by nearly EUR3bn.

- **Aggregate household and corporate deposits, which are the important elements for the analysis of deposit performance, contracted by EUR3bn in January.**

Household deposits fell by nearly EUR3bn, while deposits by corporates remained stable. Both agents performed better than we expected in a month which traditionally sees a decline in deposits. Seasonally adjusted, the aggregate of households and corporates increased by EUR5bn, and by EUR40bn compared with January 2013.

Table 1
Deposits

		Outstanding balance		MoM change Jan-2014		YoY change Jan-2014	
January 2013		Dec-13	Jan-14	(EUR bn)	%	(EUR bn)	%
Bank of Spain	Total deposits (a)+(b)+(c)	2,185	2,179	-6	0	-218	-9
	Total deposits, Spain (a)	1,877	1,868	-8	0	-174	-9
	Credit institutions	383	385	1	0	-131	-25
	Public administrations	34	33	-1	-4	-8	-19
	Other resident sectors, Spain (1)	1,460	1,451	-9	-1	-35	-2
	NMFIs	414	408	-6	-2	-76	-16
	Insurance companies	53	54	1	2	0	1
	Other public administrations	29	29	-1	-2	0	1
	Non-financial corporations (4)	205	205	0	0	17	9
	Households (5)	759	756	-3	0	23	3
	Total eurozone deposits (b)	170	181	11	7	9	5
	Credit institutions	132	142	10	7	5	4
	Public administrations	0	1	1	306	0	-13
	Other resident sectors, eurozone (2)	37	38	1	2	4	11
	Total deposits, RoW (c)	138	130	-9	-6	-53	-29
	Credit institutions	96	88	-8	-8	-44	-33
	Public administrations	0	0	0	83	0	67
	Other resident sectors, RoW (3)	43	41	-1	-3	-9	-17
ECB	Other eurozone resident sector deposits (1)+(2)	1,497	1,489	-8	-1	-31	-2

Source: BBVA Research based on Bank of Spain

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