

FINANCIAL SYSTEMS

In December, household and company deposits grew by EUR6bn

Financial Systems Unit

Total deposits in Spanish credit institutions fell by EUR48bn

In the last month of the year, total deposits in Spain, including all agents and geographies, fell by EUR48bn, fundamentally as a result of the adjustment in deposits held in national credit institutions (-EUR14bn, including the return of liquidity at the European Central Bank), of the EMU (-EUR9bn) and the rest of the world (-EUR19bn). For a fuller breakdown, see Table 1.

In line with expectations, in December household and company deposits grew (EUR6bn)

The relevant agents to bear in mind when analysing changes in deposits are households and companies based in Spain. Provisional data published by the Bank of Spain for the final month of the year show that households increased their deposits by EUR4.6bn and companies by EUR1.1bn, both in line with expectations. After seasonal adjustments, household deposits fell slightly, by EUR 0.8bn, while those of companies dropped by EUR0.9bn.

Throughout 2014, growth in household deposits and companies has gradually slowed, showing slightly negative YoY rates of growth for the last quarter (in December: 0.73%). The causes of this change are the reduction in the relative profitability of deposits compared to other savings products, increased household consumption, the fall in the savings rate and companies' investment decisions, which have been favoured by the improvement in the economic environment.

Table 1
 Total deposits from Other Financial Monetary Institutions

	Outstanding balance		MoM change November-2014		YoY change November-2014	
	Nov-14	Dec-14	(€bn)	%	(€bn)	%
Total deposits (a)+(b)+(c)	2.158	2.110	-48	-2	-75	-3
Total deposits, Spain (a)	1.800	1.788	-11	-1	-88	-5
Credit institutions	326	312	-14	-4	-71	-18
Public administrations	44	43	-2	-4	8	24
Other resident sectors, Spain (1)	1.429	1.434	4	0	-25	-2
NMFIs	390	394	4	1	-20	-5
Insurance companies	53	51	-3	-5	-2	-4
Other public administrations	36	33	-3	-7	4	14
Non-financial corporations and Households (i)+(ii)	950	956	6	1	-7	-1
Non-financial corporations (i)	203	204	1	1	-1	-1
Households (ii)	748	752	5	1	-6	-1
Total eurozone deposits (b)	223	206	-17	-8	37	22
Credit institutions	172	163	-9	-5	30	23
Public administrations	5	4	-1	-24	4	s.s.
Other resident sectors, eurozone (2)	47	40	-7	-14	3	7
Total deposits, RoW (c)	135	115	-20	-15	-24	-17
Credit institutions	87	68	-19	-22	-28	-29
Public administrations	0	0	0	-8	0	172
Other resident sectors, RoW	47	47	0	-1	4	10
ECB Other eurozone resident sector deposits (1)+(2)	1.476	1.474	-2	0	-23	-2

Source : BBVA Research based on Bank of Spain

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