

## Spain | Household and corporate deposits fell in July, in line with forecasts

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### Aggregate deposits taken by Spanish credit institutions have come down by EUR20bn

The fall was accounted for by a decrease in deposits by domestic participants (-EUR30bn), which was to a very large extent brought about by a decline in deposits by credit institutions (-EUR11bn), public administrations (-EUR10bn) and households and companies (-EUR8bn). Deposits by euro area agents rose EUR10bn, while those from the rest of the world held unchanged over the month. For a more in-depth itemisation see Table 1.

### Household and corporate deposits were EUR8bn down, but held stable (-EUR0.5bn) when seasonally adjusted

The agents which are key when examining developments in deposit activity are Spanish-resident households and companies. The figures released by the Bank of Spain for July 2015 show that deposits by households fell EUR3.4bn (slightly worse than predicted), whereas those by companies slipped by EUR4.5bn (less than expected). The aggregate figure for deposits by both segments amounted to a drop of EUR7.9bn, although this continued virtually stable (-EUR0.5bn) when adjusted for seasonal aspects. Behind seasonal behaviour of this kind could be factors such as payments of corporate income tax and household spending associated with the holiday period.

Household and corporate deposits thus continued to slide in July (-EUR15bn, -1.6%) in YoY terms, with a more substantial fall within the corporate segment (-EUR8bn, -4.1%) and a more moderate setback among households (-EUR7bn, -0.9%). This pattern is in line with forecasts and is due to the lower relative return on deposits compared to other savings products, increased household consumption and corporate investment, and the fall in the savings ratio, all in the context of brighter economic circumstances.

Table 1

**Total Deposits Other Monetary Financial Institutions**

	Outstanding balance		MoM change Jul-2015		YoY change Jul-2015	
	Jun-15	Jul-15	(€bn)	%	(€bn)	%
<b>Total deposits (a)+(b)+(c)</b>	<b>2.099</b>	<b>2.079</b>	<b>-20</b>	<b>-1</b>	<b>-70</b>	<b>-3</b>
<b>Total deposits, Spain (a)</b>	<b>1.784</b>	<b>1.754</b>	<b>-30</b>	<b>-2</b>	<b>-79</b>	<b>-4</b>
Credit institutions	321	310	-11	-3	-45	-13
Public administrations	39	31	-8	-21	-3	-8
<b>Other resident sectors, Spain (1)</b>	<b>1.424</b>	<b>1.414</b>	<b>-11</b>	<b>-1</b>	<b>-31</b>	<b>-2</b>
NMFIs	381	379	-3	-1	-15	-4
Insurance companies	53	54	2	3	0	0
Other public administrations	37	35	-2	-5	-1	-2
<b>Non-financial corporations and Households (i)+(ii)</b>	<b>953</b>	<b>945</b>	<b>-8</b>	<b>-1</b>	<b>-15</b>	<b>-2</b>
Non-financial corporations (i)	200	196	-4	-2	-8	-4
Households (ii)	753	750	-3	0	-7	-1
<b>Total eurozone deposits (b)</b>	<b>198</b>	<b>208</b>	<b>10</b>	<b>5</b>	<b>22</b>	<b>12</b>
Credit institutions	146	163	17	11	18	13
Public administrations	6	3	-3	-49	3	679
Other resident sectors, eurozone (2)	46	43	-3	-8	1	2
<b>Total deposits, RoW (c)</b>	<b>117</b>	<b>117</b>	<b>0</b>	<b>0</b>	<b>-13</b>	<b>-10</b>
Credit institutions	73	72	-1	-1	-13	-15
Public administrations	1	1	0	2	1	588
Other resident sectors, RoW	42	43	1	2	-1	-2
<b>ECB Other eurozone resident sector deposits (1)+(2)</b>	<b>1.470</b>	<b>1.456</b>	<b>-14</b>	<b>-1</b>	<b>-30</b>	<b>-2</b>

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