

# Financial Systems Flash

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Economic Analysis

Financial Systems Unit

## Deposits held by households and Spanish businesses decline €3bn in September for seasonal reasons

The fall in September of €3bn is divided fairly evenly between households (down €1.7bn) and businesses (down €1.1bn) resident in Spain. While the figure for businesses is in line with expectations, the fall in the case of households is greater than predicted. However, in seasonally adjusted terms deposits held by households and businesses have risen by €1.5bn.

- **Total deposits (including all agents and geographical areas) have dropped by €8bn.** The fall this month is due to the drop in domestic deposits (down €11bn). In contrast, deposits by international agents (from the Eurozone and the rest of the world) have increased by nearly €3bn.
- **For the first time since June there has been a rise in the deposits held by international agents.** This increase is due to the rise in repos with the Eurozone and the rest of the world.
- **Data for September reveal a decrease of €11bn in deposits held by domestic agents.** A breakdown of this figure reveals a wide variation. The public sector has increased its deposits by €6bn, but those of credit institutions have fallen by €10bn and other resident sectors (ORS) by €7bn. The fall in credit institutions of 50% is due to less use of ECB liquidity (gross loans down by €5bn). In addition, the deposits held by ORS have fallen due to a decline in deposits held by households and businesses and a fall of €4bn in deposits by non-monetary financial institutions, given the negative behavior of asset securitization funds.
- **Deposits by businesses have fallen in line with expectations, while those by households have grown in seasonally-adjusted terms.**
  - Seasonally adjusted, the fall in business deposits is much less marked (down €0.1bn), while that of households increases by €1.6bn. Expenses associated with the end of the holiday period and the new school year tend to reduce deposits in September.
  - In the last 12 months deposits by households and businesses have increased by €62bn (7.0% year-on-year).

Table 1  
**Deposits**

September 2013		Outstanding balance		Month-on-month change September 2013		Year-on-year change September 2013	
		Aug-13	Sep-13	(bn€)	%	(bn€)	%
<b>Bank of Spain</b>	<b>Total Deposits (a)+(b)+(c)</b>	2,271	2,263	-8	0	-236	-9
	<b>Total deposits, Spain (a)</b>	1,954	1,943	-11	-1	-188	-9
	Credit institutions	442	432	-10	-2	-177	-29
	Public administrations	43	50	7	16	1	3
	Other resident sectors, Spain (1)	1,469	1,461	-8	-1	-13	-1
	NMFIs	432	427	-4	-1	-83	-16
	Insurance companies	54	54	0	1	4	8
	Other public administrations	30	29	-1	-2	4	15
	<b>Non-financial companies (4)</b>	199	198	-1	-1	18	10
	<b>Households (5)</b>	754	753	-2	0	45	6
	<b>Total deposits, euro zone (b)</b>	176	178	2	1	2	1
	Credit institutions	140	140	0	0	-3	-2
	Public administrations	1	0	0	-66	-2	-91
	Other resident sectors, euro zone (2)	36	38	2	6	7	23
	<b>Total deposits, rest of the world (c)</b>	141	142	1	0	-50	-26
Credit institutions	96	95	-1	-1	-37	-28	
Public administrations	0	0	0	-4	0	42	
Other resident sectors, RoW (3)	44	46	2	4	-13	-23	
<b>BBVA</b>	<b>Promissory notes - households and businesses (6)</b>	n.a.*	n.a.*	n.a.*	n.a.*	n.a.*	n.a.*
<b>ECB</b>	<b>Euro zone ORS Deposits (1)+(2)</b>	1,505	1,500	-6	0	-5	0
<b>Memorandum item:</b>							
<b>Deposits and promissory notes - households and businesses (4)+(5)+(6)</b>		n.a.*	n.a.*	n.a.*	n.a.*	n.a.*	n.a.*

\* Updated information on promissory notes through June 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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