

Spain | Household and corporate deposits rose sharply in June

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Aggregate deposits taken by Spanish credit institutions increased by almost EUR9bn

This rise was accounted for by the fine performance by deposits from national other resident sectors (ORS, +EUR5bn), Monetary Financial Institutions (MFIs, +EUR9bn), and banks from the rest of the world (+EUR3bn), although it was partly offset by the fall in deposits from MFIs from the rest of the EMU (-EUR8bn). For a more detailed breakdown, see Table 1.

Overall, deposits from households and corporates rose by EUR11bn

The key economic agents when it comes to analysing trends for deposits are households and companies resident in Spain. The figures published by the Bank of Spain for June 2015 show that household deposits grew by EUR9bn, whereas those from companies did so by a little over EUR2bn. The aggregate figure for deposits from both segments held practically stable (-EUR0.3bn) when seasonally adjusted. Behind this seasonal behaviour might be factors such as rebates of personal income tax (IRPF) or the receipt of traditional extra salary payments by workers.

In June, deposits from households and companies continued to decrease in YoY terms, registering a rate of -1.8%, which is very similar to the average for the first six months of this year. As in previous months, this performance has been very much determined by companies, deposits from which dropped off sharply, by almost 6% YoY, in contrast to a more moderate pattern shown by households (-0.7% YoY). These developments are in line with expectations and are attributable to the lower relative return on deposits compared to other savings products, the rise in household consumption and corporate investment, and the fall in the savings ratio, all within a context of a brighter economic climate.

Table 1

Total deposits

	Outstanding balance		MoM change Jun-2015		YoY change Jun-2015	
	May-15	Jun-15	(€bn)	%	(€bn)	%
Total deposits (a)+(b)+(c)	2,096	2,105	9	0	-52	-2
Total deposits, Spain (a)	1,774	1,789	15	1	-57	-3
Credit institutions	311	321	9	3	-27	-8
Public administrations	38	39	1	2	-5	-12
Other resident sectors, Spain (1)	1,425	1,429	5	0	-24	-2
NMFIs	388	384	-4	-1	-11	-3
Insurance companies	54	54	-1	-1	2	3
Other public administrations	39	37	-2	-4	3	10
Non-financial corporations and Households (i)+(ii)	943	954	11	1	-18	-2
Non-financial corporations (i)	198	200	2	1	-13	-6
Households (ii)	745	754	9	1	-5	-1
Total eurozone deposits (b)	208	200	-8	-4	18	10
Credit institutions	156	148	-8	-5	14	11
Public administrations	8	6	-2	-20	1	17
Other resident sectors, eurozone (2)	44	46	2	4	3	7
Total deposits, RoW (c)	115	117	2	1	-14	-11
Credit institutions	71	73	3	4	-13	-15
Public administrations	1	1	0	1	1	498
Other resident sectors, RoW	43	42	-1	-2	-2	-5
ECB Other eurozone resident sector deposits (1)+(2)	1,469	1,475	6	0	-21	-1

Source: BBVA Research