

Bank Savings: Monthly Situation Report

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- In July 2009 real annual growth in traditional savings in resident commercial banks was 4.9%
- The growth rate in demand savings increased and in July was higher than fixed-term savings: 7.1% vs. 2.5%.
- The main driving force for financial savings continued to be the retirement savings system (RSS) other than Siefores.

Commercial Banking: traditional savings

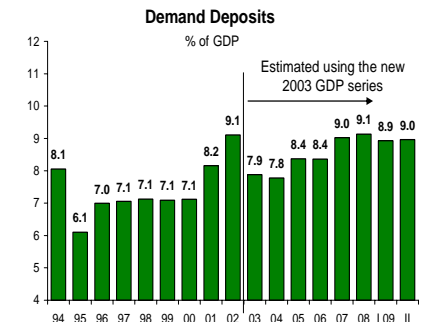
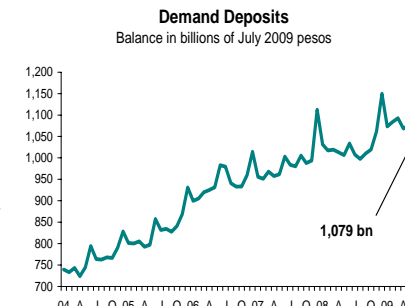
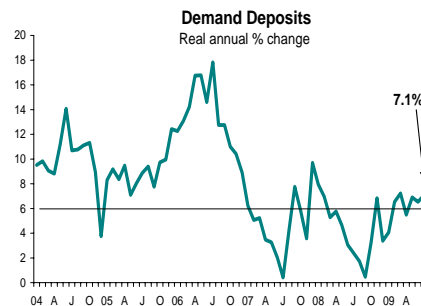
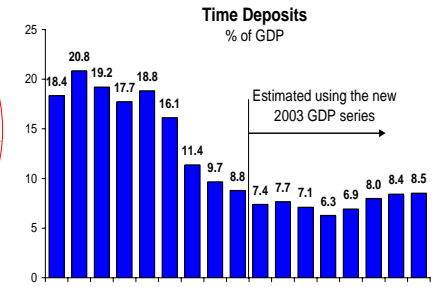
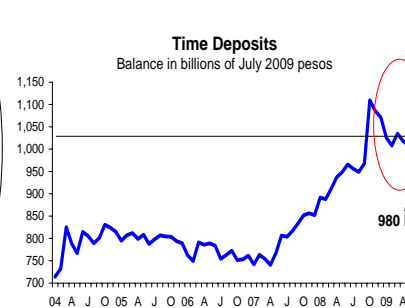
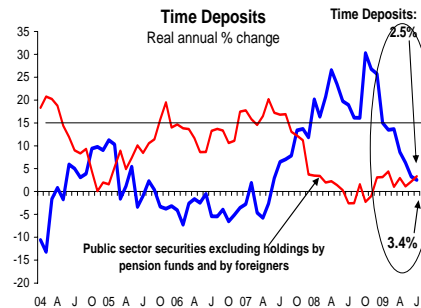
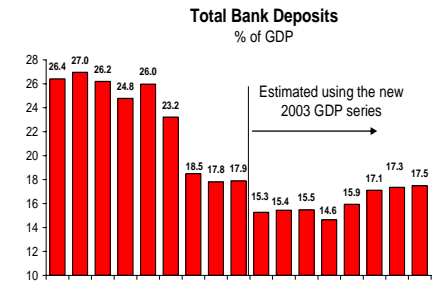
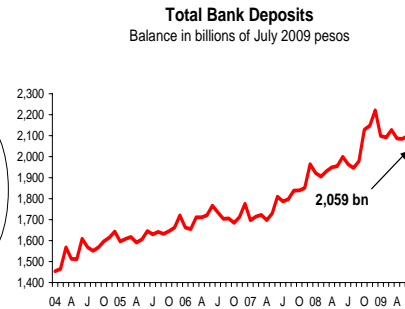
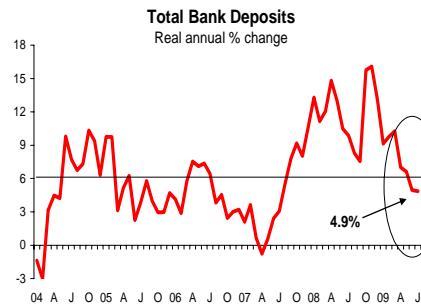
In July 09 real annual growth in traditional bank savings was 4.9%. This rate was lower than for the preceding month (5%) and for the same month of 2008 (9.8%). Since May 09, the growth rate in demand savings increased above fixed-term savings. This means that from that month, the main driving force to bank savings growth was that made in demand instruments.

Fixed-term bank savings

In July 2009, real annual growth in fixed-term savings was 2.5%. Growth registered in the preceding month was higher (3.3%), as occurred in the same month of 2008 (19%). In 2008, fixed-term grew at high rates due to, among other factors, high prevailing interest rates and losses recorded by bond holding companies (HCs) from October that year. As interest rates continued to fall and HCs recovered from their losses, fixed-term savings again started to grow at more moderate rates.

Demand bank savings

In July 09 real annual growth in demand savings was 7.1%. This rate was higher than for the preceding month (6.5%) and for the same month of 2008 (2.4%). Broken down by its components, growth was as follows: checks in overseas currency contributed 2.7 percentage points (pp) of total growth of 7.1 pp; checking accounts, 2.3 pp; domestic currency checks, 2.1 pp.



Source: Banco de México

Bond Investment Companies

In July 09, bond holding companies (HCs) recorded real annual negative growth of -2.3%. This rate was the higher than the preceding month (-6.4%) and much lower than the same month in 2008 (+12.2%). It should be stressed that at the end of 2008 the HCs recorded major losses. In contrast, since March 09 their business has improved leading to the recorded monthly growth (mom) as shown in the second chart.

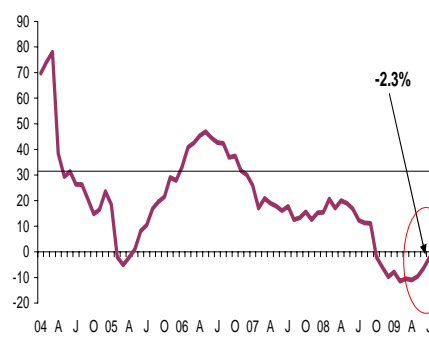
Investment companies specialized in retirement fund management (Siefores):

Siefores also recorded considerable losses in the last quarter of 2008. As interest rates declined, they began to recover from losses and their balances started to grow again. In July 09, their real annual growth was 14.6%, higher than the previous month (13.9%) and the same month in 2008 (1.2%). Siefores growth sources are: 1) obligatory payments companies must cover for workers; 2) return on balance. In 2009, the flow of obligatory contributions declined due to the annual 4.1% contraction in July 09 in formal IMSS employment. This shows that once Siefores totally recover from recorded losses, they will grow again basically driven by the formal employment rate, albeit at a slower rhythm until the latter expands at high rates.

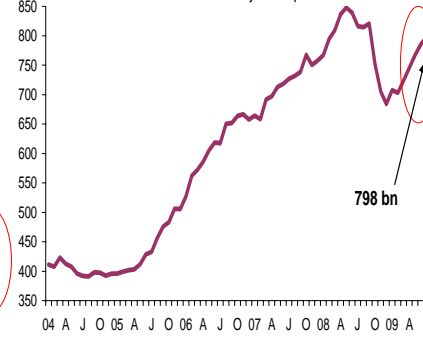
Financial Savings (FS, includes bank and non-bank savings instruments)

FS saw real annual growth of 7.3% in July 09. Growth was similar to the preceding month (7.4%) and higher than the same month in 2008 (6%). Broken down by its components, growth was as follows: RSS other than Siefores accounted for 3.3 pp of the 7.3 of total growth; savings institutions 2.6 pp (Commercial Banks, 1.5 pp; Development Banks, 1 pp; Agencies, 0.1); public sector securities, 2.4 pp, and corporate securities, -0.8%.

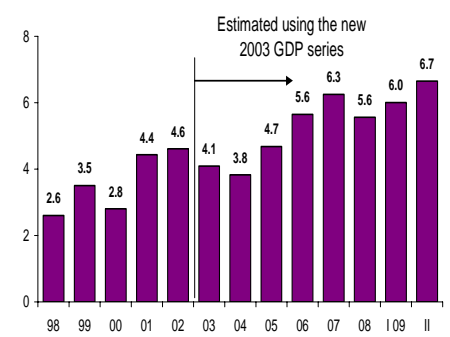
Debt Mutual Funds
Real annual % change



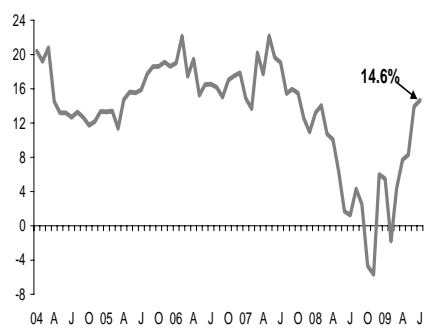
Debt Mutual Funds
Balance in billions of July 2009 pesos



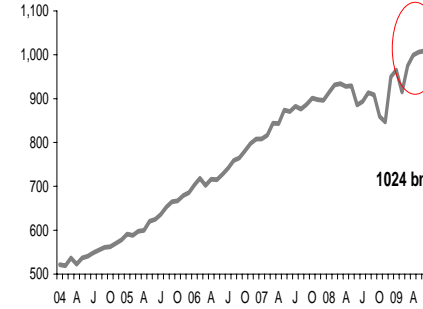
Debt Mutual Funds
% of GDP



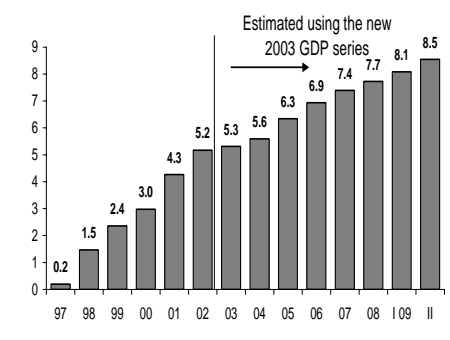
Pension Funds
Real annual % change



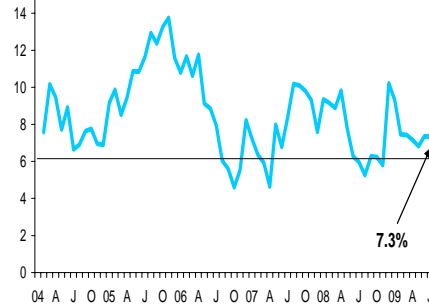
Pension Funds
Balance in billions of July 2009 pesos



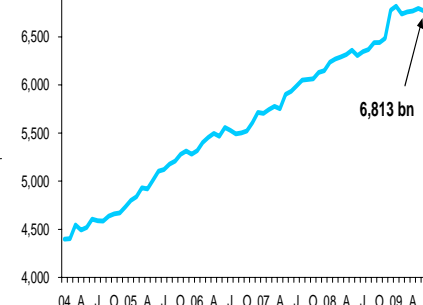
Pension Funds
% of GDP



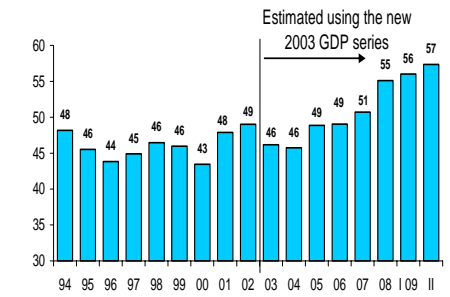
Financial Savings = M4a - Holdings of Currency by NonBanking Private Sector
Real annual % change



Financial Savings = M4a - Holdings of Currency by NonBanking Private Sector
Balance in billions of July 2009 pesos



Financial Savings = M4a - Holdings of Currency by NonBanking Private Sector
% of GDP



Source: Banco de México

FINANCIAL SAVINGS BY COMPONENTS																													
Balance end of period in billions of July 2009 pesos																													
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	J 08	F	M	A	M	J	J	A	S	O	N	D	J 09	F	M	A	M	J	J
M4 a	3,394	3,617	3,745	4,162	4,362	4,762	5,096	5,673	6,152	6,613	6,674	6,703	6,715	6,734	6,786	6,725	6,772	6,791	6,858	6,879	6,930	7,279	7,304	7,218	7,231	7,241	7,271	7,239	7,288
- Bills & currency holdings	207	261	265	278	307	335	363	393	437	465	437	433	424	418	426	419	426	424	420	438	446	502	486	480	474	471	476	470	475
= Financial Savings	3,187	3,356	3,480	3,884	4,056	4,427	4,732	5,280	5,714	6,148	6,237	6,270	6,290	6,316	6,361	6,306	6,347	6,367	6,437	6,440	6,484	6,777	6,818	6,738	6,758	6,769	6,795	6,770	6,813
I. Deposit Institutions	3,997	2,095	1,823	1,890	1,810	1,916	2,019	2,163	2,167	2,361	2,286	2,267	2,280	2,315	2,300	2,353	2,319	2,282	2,324	2,502	2,552	2,644	2,535	2,497	2,541	2,491	2,486	2,518	2,481
Development banks	234	241	246	293	306	319	317	379	317	301	268	264	257	273	255	264	266	241	246	269	300	320	335	304	312	306	307	328	328
Commercial banks (domestic)	1,801	1,730	1,489	1,521	1,437	1,545	1,643	1,720	1,776	1,964	1,923	1,905	1,930	1,950	1,955	2,000	1,963	1,946	1,978	2,129	2,148	2,221	2,099	2,092	2,128	2,086	2,085	2,099	2,059
Demand deposits	494	528	573	696	731	798	828	931	1,014	1,112	1,031	1,017	1,019	1,013	1,006	1,034	1,008	997	1,010	1,020	1,062	1,150	1,073	1,084	1,093	1,068	1,076	1,101	1,079
Time deposits	1,307	1,202	916	825	706	747	815	789	762	852	891	888	911	937	949	966	956	949	968	1,109	1,086	1,071	1,025	1,008	1,035	1,018	1,009	997	980
Agencies abroad of commercial banks	153	117	82	68	58	41	47	49	58	78	77	80	75	75	72	71	71	76	82	85	87	85	83	84	83	81	76	74	76
Savings and loans institutions	7	8	6	7	8	10	12	14	16	17	18	18	18	18	18	18	19	19	19	18	18	18	18	18	18	18	18	18	18
II. Securities issued by the public sector	644	896	1,209	1,490	1,688	1,861	2,001	2,350	2,696	2,883	3,037	3,088	3,082	3,053	3,094	2,973	3,033	3,100	3,122	2,981	2,979	2,973	3,131	3,100	3,073	3,141	3,180	3,126	3,183
Federal government securities	615	855	1,010	993	1,101	1,187	1,086	1,235	1,688	1,931	2,022	2,052	2,063	2,072	2,075	1,990	2,030	2,102	2,116	2,044	2,117	2,106	2,268	2,236	2,251	2,287	2,337	2,286	2,338
Central bank bonds	0	0	31	202	212	193	239	274	97	13	13	6	6	4	4	3	3	2	2	1	1	1	1	1	1	1	1	1	1
IPAB bonds (Bank savers protection institute)	0	0	103	209	277	335	462	541	567	613	667	689	673	637	673	638	660	656	663	600	528	532	529	529	490	511	498	493	497
Other public sector bonds	30	41	65	87	98	147	214	300	344	326	336	341	339	340	342	342	340	341	340	335	333	334	332	334	332	342	345	346	348
III. Debt securities issued by private firms	105	87	125	134	176	224	249	255	288	332	336	340	344	356	356	372	379	376	378	349	342	338	338	331	328	318	308	313	328
IV. Pension funds outside Mutual Pension Funds	242	277	322	368	380	424	461	511	561	569	574	571	582	589	607	604	611	606	611	606	608	818	811	807	812	816	818	810	817
Financial Savings = I + II + III + IV	4,988	3,355	3,479	3,883	4,054	4,425	4,730	5,278	5,711	6,145	6,233	6,267	6,287	6,313	6,357	6,302	6,343	6,364	6,434	6,437	6,481	6,773	6,814	6,735	6,754	6,766	6,792	6,767	6,810
Instruments included in Financial Savings																													
Mutual Pension Funds (MPF)	101	172	238	346	428	510	578	685	808	896	915	931	934	928	929	885	894	913	909	859	847	950	965	915	975	999	1,006	1,009	1,024
Holdings of public sector securities by foreigners	40	16	13	24	23	31	95	132	163	246	289	311	313	305	303	292	337	355	342	301	283	271	290	269	270	270	284	271	278
Debt Mutual Funds	179	256	224	359	381	392	396	506	658	758	767	794	809	837	848	839	816	814	821	752	705	684	707	703	724	745	767	785	798
Total Mutual Funds: Debt + Variable Income	214	300	267	411	428	461	480	596	792	930	932	952	972	993	1,007	997	965	962	961	876	825	806	821	813	836	863	891	910	928
Financial Savings without Total Pension Funds	2,844	2,907	2,920	3,170	3,247	3,493	3,693	4,084	4,346	4,683	4,748	4,768	4,774	4,799	4,825	4,816	4,842	4,848	4,918	4,975	5,030	5,009	5,042	5,016	4,970	4,954	4,971	4,951	4,971
Total Pension Funds (MPF + non-MPF)	2,144	448	559	713	807	932	1,037	1,193	1,366	1,461	1,485	1,499	1,512	1,514	1,532	1,486	1,501	1,516	1,516	1,462	1,451	1,764	1,773	1,719	1,784	1,812	1,821	1,816	1,839
Real annual % change																													
M4 a	5.4	6.6	3.6	11.1	4.8	9.2	7.0	11.3	8.4	7.5	9.2	9.1	8.6	9.5	7.7	6.0	5.9	5.2	6.1	6.5	5.9	10.1	9.4	7.7	7.7	7.5	7.1	7.6	7.6
- Bills & currency holdings	3.8	26.1	1.7	4.7	10.4	9.2	8.6	8.0	11.4	6.4	6.7	8.2	3.9	4.4	5.7	2.6	4.4	4.1	4.2	9.8	7.3	7.9	11.2	10.9	11.7	12.7	11.9	12.0	11.6
= Financial Savings	5.5	5.3	3.7	11.6	4.4	9.2	6.9	11.6	8.2	7.6	9.4	9.2	8.9	9.8	7.8	6.3	6.0	5.3	6.3	6.2	5.8	10.2	9.3	7.5	7.4	7.2	6.8	7.4	7.3
I. Deposit Institutions	3.3	-47.6	-13.0	3.7	-4.2	5.9	5.4	7.1	0.2	9.0	11.3	9.2	8.9	13.0	10.9	8.1	8.8	5.9	5.8	14.0	15.0	12.0	10.9	10.1	11.5	7.6	8.1	7.0	7.0
Development banks	8.7	2.9	2.2	19.2	4.5	4.1	-0.7	19.8	-16.4	-5.1	-5.3	-7.9	-13.1	-1.7	0.6	-3.9	6.4	-8.5	-7.8	2.3	8.2	6.4	25.0	14.9	21.3	12.4	20.4	24.3	23.3
Commercial banks (domestic)	3.9	-4.0	-13.9	2.2	-5.5	7.5	6.3	4.7	3.2	10.6	13.3	11.1	12.0	14.8	13.0	10.5	9.8	8.3	7.6	15.8	16.1	13.1	9.1	9.8	10.3	7.0	6.6	5.0	4.9
Demand deposits	0.1	6.9	8.5	21.6	5.0	9.1	3.8	12.4	8.9	9.7	8.0	7.0	5.3	5.8	4.6	3.1	2.4	1.7	0.5	3.2	6.8	3.4	4.1	6.5	7.2	5.5	6.9	6.5	7.1
Time deposits	5.4	-8.1	-23.8	-9.9	-14.4	5.9	9.0	-3.1	-3.5	11.9	20.2	16.4	20.7	26.5	23.5	19.7	19.0	16.1	16.1	30.3	26.8	25.7	15.0	13.5	13.7	8.6	6.3	3.3	2.5
Agencies abroad of commercial banks	-9.9	-23.7	-29.7	-16.9	-15.2	-28.4	13.4	4.4	18.3	34.7	32.3	36.1	29.1	29.6	-2.8	-4.5	-6.2	-1.5	9.2	13.2	14.7	9.0	7.1	5.2	11.5	8.2	6.3	3.2	6.6
Savings and loans institutions	-26.7	13.8	-21.5	11.6	11.7	23.7	20.3	17.3	16.4	8.8	9.9	9.6	7.7	8.0	7.3	6.1	5.7	9.5	8.2	6.9	5.9	4.8	3.1	1.4	1.8	-0.1	-1.0	-1.1	-2.1
II. Securities issued by the public sector	18.2	39.0	35.0	23.3	13.3	10.2	7.5	17.4	14.7	7.0	8.6	9.6	7.9	7.1	4.4	2.6	1.6	2.7	4.6	-0.3	-1.0	3.1	3.1	0.4	-0.3	2.9	2.8	5.1	5.0
Federal government securities	15.3	39.1	18.1	-1.7	10.9	7.8	-8.5	13.6	36.7	14.4	16.6	14.0	11.7	12.7	6.6	5.4	4.0	5.6	5.9	2.4	4.4	9.0	12.2	9.0	9.1	10.4	12.6	14.9	15.1
Central bank bonds	na	na	na	560.1	5.2	-9.2	24.2	14.3	-64.5	-86.9	-87.8	-93.0	-95.6	-95.9	-96.2	-96.0	-96.8	-86.7	-91.1	-90.3	-91.9	-91.8	-82.8	-83.1	-76.3	-75.9	-66.3	-66.2	
IPAB bonds (Bank savers protection institute)	na	na	na	102.3	32.9	20.7	37.9	17.3	4.8	8.1	7.4	16.0	15.4	9.6	16.5	8.9	7.8	4.4	4.2	-8.9	-18.7	-13.2	-20.6	-23.3	-27.2	-19.8	-26.0	-22.8	-24.7
Other public sector bonds	142.3	37.1	60.9	33.6	12.0	50.3	45.3	40.3	14.5	-5.0	-1.0	0.5	-0.1	-0.7	-0.9	-2.8	-3.3	1.3	1.8	4.5	4.6	2.4	-1.0	-2.0	-2.1	0.7	0.8	1.1	2.2
III. Debt securities issued by private firms	14.9	-16.5	43.3	7.5	30.8	27.5	11.0	2.4	13.0	15.4	19.5	20.6	21.2	21.3	22.0	29.1	27.4	24.4	26.5	14.8	6.3	1.9	0.6	-2.9	-4.7	-10.7	-13.7	-16.0	-13.6
IV. Pension funds outside Mutual Pension Funds	-5.4	14.1	16.3	14.5	3.3	11.5	8.8	10.6																					