

Bank Savings: Monthly Situation Report

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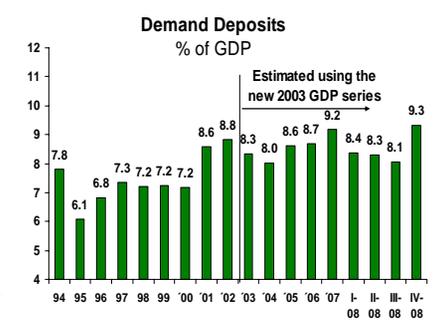
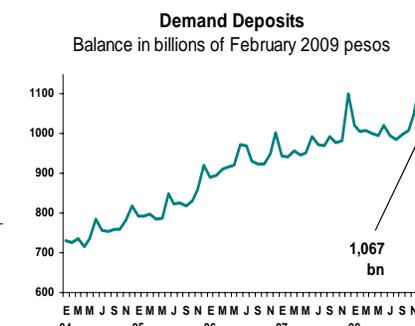
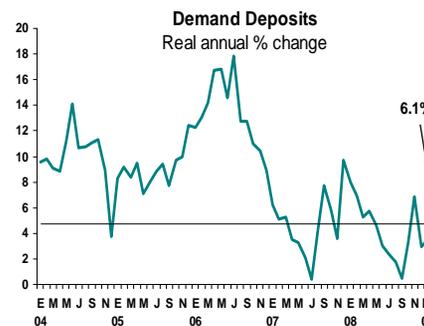
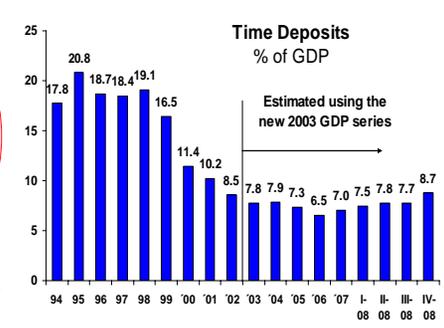
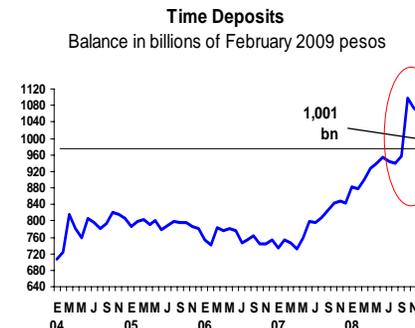
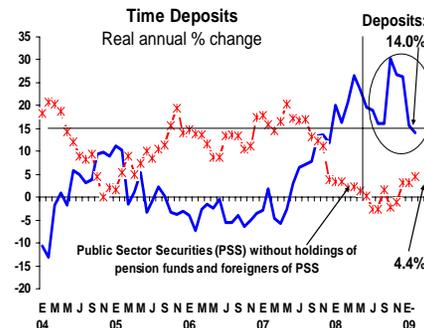
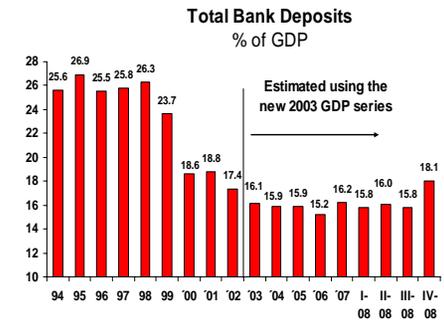
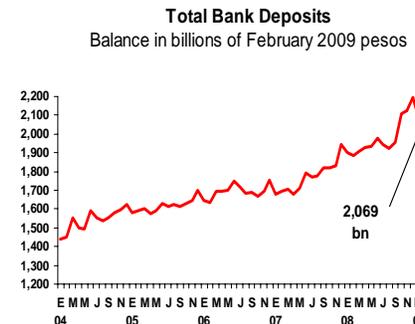
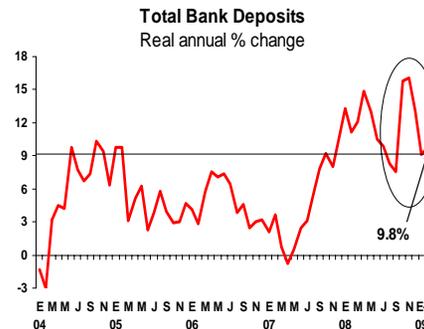
- In February 2009 real annual growth in traditional savings in resident commercial banks was 9.8%
- Growth in fixed-term savings was high (14%) while growth in demand savings was lower (6.1%).
- Financial savings grew by 7.5%, mainly driven by the retirement savings system (RSS), other than Siefores

Commercial Banking: traditional savings

In February 09 real annual growth in traditional savings in banks was 9.8%. This rate of growth was higher than the preceding month (9.1%) and lower than the same month in 2008 (11.1%). The growth in traditional savings was driven by its fixed-term savings component. This rose at high rates in 2008, averaging 21.8% in real terms for that year. The demand savings component was not such an important driving force since this grew more moderately, and in 2008 its average annual real rate was 4.3%. In 2009 growth in fixed-term savings was higher than growth in demand savings.

Fixed-term bank savings

In February 09 real annual growth in commercial bank savings in fixed-term instruments was 14%. Growth registered in the preceding month was higher (15.6%), as occurred in the same month of 2008 (16.4%). As mentioned above, fixed-term savings recorded high growth rates in 2008 and these slowed down substantially in January and February 2009. The slower growth in fixed-term savings is expected to continue in the near future due to the following factors: lower interest rates that are expected to prevail for the rest of 2009, which fosters savings in non-bank instruments; and the forecast public sector deficit, which if financed by issuing internal debt will allow more non-bank instruments (debt investment companies and repos) which compete directly with fixed-term savings.



Source: Banco de México

Demand bank savings

In February 09 real annual growth in demand savings was 6.1%. In the preceding month, growth was lower, at 3.5%, whereas growth registered for the same month of 2008 was higher, at 7%. Component contribution to growth was the following: checks in national currency contributed 3.3 percentage points (pp) of total growth of 6.1 pp; foreign currency checks, 1.7 pp; checking accounts, 1.1 pp.

Bond Holding Companies (HCs)

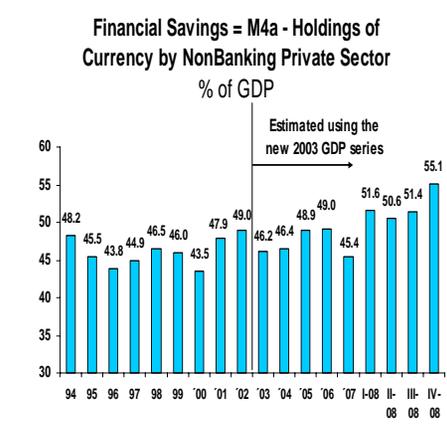
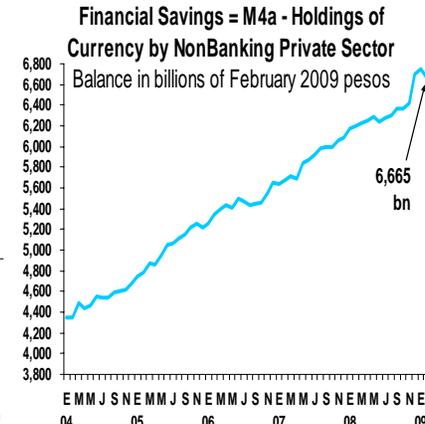
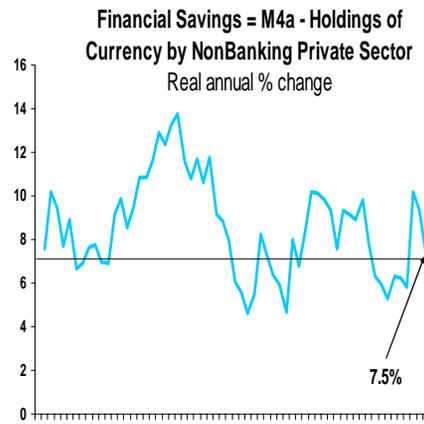
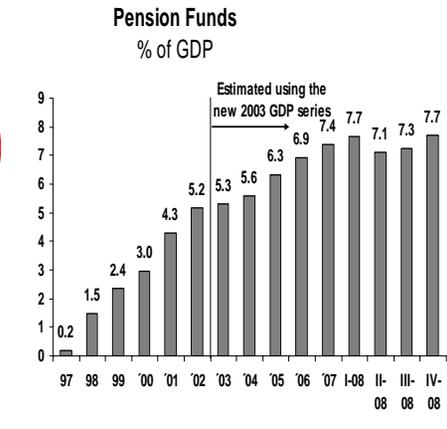
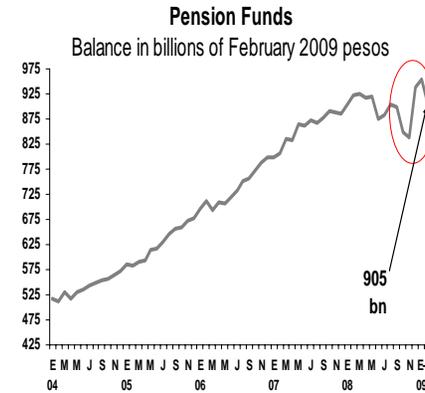
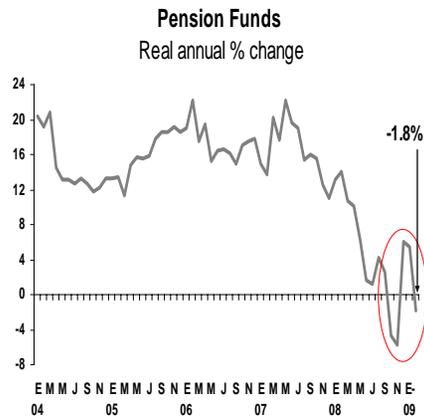
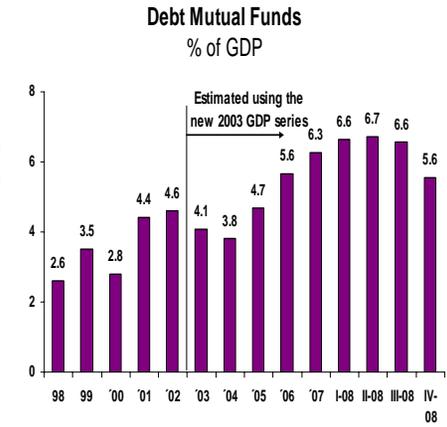
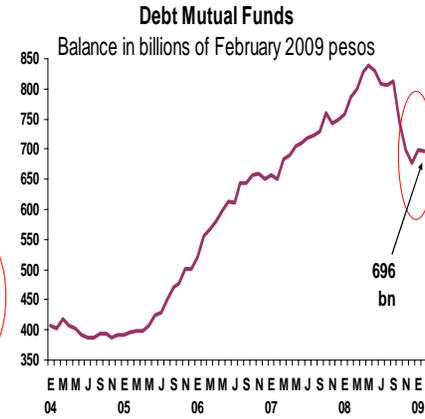
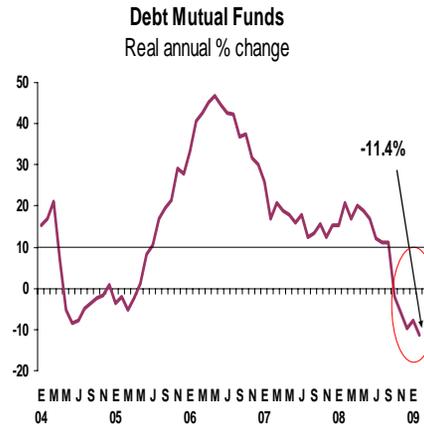
In February 2009 real annual growth in bond HCs was -11.4%. During the previous month the fall was less (-7.8%). Growth registered for the same month of 2008 was high, at 20.7%. Bond HCs were affected by the capital losses recorded particularly in the last three months of 2008. In January and February 2009 the Central Bank cut its target interest rate to a limited extent. In March and April it cut it more aggressively. These rate cuts will allow the bond HCs to recover the capital losses that they recorded at the end of 2008, which will result in a greater growth rate for them in 2009.

Bond HCs specialized in retirement fund management (Siefors):

In February 2009, growth in retirement funds was -1.8%. Growth registered in the preceding month was positive (5.5%), as occurred in the same month of 2008 (14%). The slump in Siefors in February 2009 was due to the increase that some long-term interest rates recorded that month.

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

In February 09, real annual growth in FS was 7.5%, which was lower than the previous month (9.3%) and the same month in 2008 (9.3%). Component contribution to growth was the following. Retirement funds other than Siefors contributed 3.8 pp of the 7.5 of total growth; savings institutions 3.7 pp (Commercial Banks, 3 pp; Development Banks, 0.6 pp; Agencies, 0.1); public sector securities, 0.2 pp, and corporate securities, -0.2%.



Source: Banco de México

FINANCIAL SAVINGS BY COMPONENTS

Balance end of period in billions of February 2009 pesos

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	J 07	F	M	A	M	J	J	A	S	O	N	D	J 08	F	M	A	M	J	J	A	S	O	N	D	J 09	F
M4 a	3,357	3,578	3,705	4,117	4,315	4,710	5,040	5,612	6,085	6,542	6,047	6,078	6,119	6,085	6,236	6,273	6,328	6,387	6,391	6,392	6,473	6,542	6,602	6,631	6,642	6,661	6,713	6,652	6,699	6,718	6,784	6,804	6,856	7,198	7,225	7,140
- Bills & currency holdings in nonbanking priv	204	258	262	275	303	331	360	388	433	460	405	396	404	396	398	404	403	403	399	395	411	460	433	429	420	414	421	415	421	419	416	434	441	497	481	475
= Financial Savings	3,153	3,320	3,442	3,842	4,012	4,379	4,681	5,223	5,653	6,082	5,641	5,682	5,715	5,689	5,838	5,869	5,925	5,984	5,992	5,997	6,062	6,082	6,169	6,202	6,222	6,248	6,292	6,238	6,278	6,298	6,368	6,371	6,414	6,702	6,744	6,665
I. Deposit Institutions	3,954	2,073	1,803	1,869	1,790	1,895	1,997	2,139	2,143	2,335	2,033	2,054	2,070	2,027	2,052	2,152	2,108	2,132	2,174	2,171	2,196	2,335	2,261	2,243	2,255	2,290	2,276	2,328	2,294	2,257	2,299	2,475	2,525	2,614	2,507	2,470
Developing banks	231	238	243	290	303	315	313	375	314	298	280	284	293	274	251	271	247	261	264	260	274	298	265	261	254	270	252	261	263	238	243	266	296	317	332	300
Commercial banks (domestic)	1,782	1,711	1,473	1,505	1,422	1,529	1,625	1,702	1,756	1,943	1,679	1,696	1,704	1,679	1,711	1,790	1,768	1,778	1,819	1,819	1,830	1,943	1,902	1,885	1,909	1,928	1,934	1,978	1,942	1,925	1,956	2,106	2,124	2,197	2,076	2,069
Demand deposits	489	522	567	689	723	790	819	921	1,003	1,100	945	941	958	947	951	992	973	970	994	977	983	1,100	1,020	1,006	1,008	1,002	996	1,023	997	987	999	1,009	1,050	1,133	1,056	1,067
Time deposits	1,293	1,189	906	816	698	739	806	781	753	843	734	755	746	732	760	798	795	808	824	842	847	843	882	879	901	927	938	955	946	939	957	1,097	1,074	1,064	1,020	1,001
Agencies abroad of commercial banks	152	116	81	68	57	41	47	49	57	77	58	58	57	57	73	74	75	76	74	74	75	77	76	79	74	74	71	71	75	81	84	86	83	82	83	
Savings and loans institutions	7	8	6	7	8	10	12	14	16	17	16	16	16	17	17	17	17	17	17	17	17	17	18	18	18	18	18	18	18	18	18	18	18	18	18	18
II. Securities issued by the public sector	637	886	1,196	1,474	1,670	1,841	1,980	2,324	2,666	2,852	2,767	2,787	2,825	2,820	2,932	2,867	2,952	2,987	2,952	2,957	2,977	2,852	3,004	3,054	3,048	3,020	3,060	2,941	3,000	3,067	3,088	2,949	2,947	2,941	3,097	3,066
Federal government securities	608	846	999	982	1,089	1,174	1,075	1,221	1,669	1,910	1,715	1,780	1,827	1,818	1,925	1,868	1,931	1,968	1,977	1,974	2,006	1,910	2,001	2,029	2,041	2,049	2,052	1,968	2,008	2,079	2,094	2,022	2,094	2,083	2,244	2,212
Central bank bonds	0	0	30	200	210	191	237	271	96	13	102	84	85	88	94	72	67	65	15	14	14	13	12	6	6	4	4	3	3	2	2	1	1	1	1	1
IPAB bonds (Bank savers protection institute)	0	0	102	206	274	331	457	536	561	607	614	588	577	575	572	580	605	621	629	652	642	607	659	682	666	630	666	631	653	649	656	594	522	527	523	523
Other public sector bonds	29	40	65	86	97	146	211	297	340	323	335	336	339	339	341	348	348	333	331	318	315	323	332	337	336	336	338	337	337	337	332	329	330	323	331	
III. Debt securities issued by private firms	103	86	124	133	174	222	246	252	285	328	278	279	281	290	289	285	295	299	295	300	319	328	332	337	340	352	352	368	375	372	374	345	339	334	334	327
IV. Pension funds outside Mutual Pension Funds	240	274	318	364	376	420	457	505	555	562	561	558	536	549	562	561	566	563	567	565	567	562	568	565	575	583	600	597	604	599	604	599	601	809	802	798
Financial Savings = I + II + III + IV	4,934	3,319	3,441	3,841	4,010	4,377	4,679	5,221	5,649	6,078	5,638	5,679	5,712	5,686	5,835	5,865	5,921	5,980	5,988	5,993	6,059	6,078	6,166	6,199	6,219	6,244	6,289	6,234	6,274	6,295	6,364	6,367	6,411	6,699	6,741	6,662
Instruments included in Financial Savings																																				
Mutual Pension Funds	100	170	236	343	423	504	572	678	799	886	799	808	835	834	864	861	873	866	877	892	888	886	905	921	924	918	919	876	884	904	899	850	838	939	954	905
Holdings of public sector securities by foreigners	39	16	13	24	23	31	94	131	161	244	172	172	175	171	198	185	193	201	214	219	245	244	286	307	310	302	300	289	333	351	339	298	280	269	287	266
Debt mutual Funds	177	253	222	355	377	388	391	500	651	750	657	651	684	689	705	710	719	724	730	759	742	750	759	786	801	828	839	830	807	806	812	744	698	677	700	696
Total Mutual Funds: Debt + Variable Income	211	297	264	407	423	456	475	590	784	920	797	798	843	854	890	900	911	913	914	935	914	920	922	942	961	982	997	986	955	951	951	867	816	798	813	804
Financial Savings without Total Pension Funds	2,813	2,876	2,889	3,135	3,212	3,455	3,653	4,040	4,299	4,633	4,281	4,316	4,344	4,307	4,411	4,447	4,485	4,554	4,547	4,540	4,607	4,633	4,696	4,716	4,723	4,747	4,773	4,764	4,790	4,796	4,864	4,922	4,976	4,954	4,987	4,962
Total Pension Funds (Mutual Pension Funds + pens)	2,121	443	553	705	798	922	1,026	1,180	1,351	1,445	1,357	1,363	1,368	1,379	1,423	1,418	1,436	1,426	1,441	1,453	1,452	1,445	1,469	1,483	1,496	1,497	1,516	1,470	1,485	1,499	1,500	1,446	1,435	1,745	1,753	1,700

Real annual % change

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	J 07	F	M	A	M	J	J	A	S	O	N	D	J 08	F	M	A	M	J	J	A	S	O	N	D	J 09	F
M4 a	5.4	6.6	3.6	11.1	4.8	9.2	7.0	11.3	8.4	7.5	7.5	6.6	6.2	4.9	7.9	6.7	8.2	10.1	9.9	9.6	9.1	7.5	9.2	9.1	8.6	9.5	7.7	6.0	5.9	5.2	6.1	6.5	5.9	10.0	9.4	7.7
- Bills and currency holdings in non banking priv	3.8	26.1	1.7	4.7	10.4	9.2	8.6	8.0	11.4	6.4	10.7	10.3	10.6	8.6	7.4	6.0	6.0	9.4	7.3	7.3	5.9	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
= Financial Savings	5.5	5.3	3.7	11.6	4.4	9.2	6.9	11.6	8.2	7.6	7.2	6.4	5.9	4.6	8.0	6.8	8.3	10.2	10.1	9.8	9.3	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
I. Deposit Institutions	3.3	-47.6	-13.0	3.7	-4.2	5.9	5.4	7.1	0.2	9.0	-2.3	-2.0	-3.3	-6.6	-4.0	-2.9	-0.4	3.2	6.1	7.0	6.5	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
Developing banks	8.7	2.9	2.2	19.2	4.5	4.1	-0.7	19.8	-16.4	-5.1	-24.9	-29.5	-24.7	-34.9	-33.0	-32.8	-26.7	-16.9	-10.9	-10.3	-7.3	-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
Commercial banks (domestic)	3.9	-4.0	-13.9	2.2	-5.5	7.5	6.3	4.7	3.2	10.6	2.1	3.6	0.7	-0.8	0.6	2.4	3.1	5.5	7.8	9.2	8.0	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
Demand deposits	0.1	6.9	8.5	21.6	5.0	9.1	3.8	12.4	8.9	9.7	6.2	5.0	5.2	3.4	3.2	2.0	0.4	4.2	7.7	5.8	3.6	9.7	8.0	7.0	5.3	5.8	4.6	3.1	2.4	1.7	0.5	3.2	6.8	2.9	3.5	6.1
Time deposits	5.4	-8.1	-23.8	-9.9	-14.4	5.9	9.0	-3.1	-3.5	11.9	-2.7	2.0	-4.6	-5.7	-2.6	3.0	6.6	7.1	7.9	13.0	13.7	11.9	20.2	16.4	20.7	26.5	23.5	19.7	19.0	16.1	16.1	30.3	26.8	26.3	15.6	14.0
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	18.3	35.6	28.6	31.1	57.9	45.3	52.4	49.0	48.7	29.6	30.3	34.7	32.3	36.1	29.1	29.6	-2.8	-4.5	-6.2	-1.5	9.2	13.2	14.7	7.2	7.0	5.2
Savings and loans institutions	-26.7	13.8	-21.5	11.6	11.7	23.7	20.3	17.3	16.4	8.8	14.4	14.8	15.2	15.8	15.9	15.7	15.5	10.2	10.2	9.9	9.4	8.8	9.9	9.6	7.7	8.0	7.3	6.1	5.7	9.5	8.2	6.9	5.9	3.9	2.5	1.3
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	14.4	12.9	13.7	13.4	18.7	15.8	16.1	16.6	14.6	13.2	12.3	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
Federal government securities	15.3	39.1	18.1	-1.7	10.9	7.8	-8.5	13.6	36.7	14.4	33.8	36.8	40.4	37.5</																						