

Mexico Banking Flash

Bank deposits: better performance in April than in March

In April 2013 the annual nominal growth rate of traditional bank deposits (demand + time) was 7.3%. This rate was higher than in the preceding month (6.5%) and lower than in the same month in 2012 (9.3%). These figures indicate that traditional bank deposits have been slowing for some time. For example, the average annual nominal growth rate of these deposits in the first half of 2012 was 10.9%; in the second half of the year this slowed to 8.3%; and from January to April 2013 the average growth was 7.6%.

- **Demand deposits: slowdown in 2013 on 2012**

In April 2013 the annual nominal growth rate of demand deposits was 7.6%. Growth was higher than in the preceding month (5.8%) and lower than in the same month in 2012 (15.3%). The average annual nominal growth rate for the first four months of 2013 was 7.9%, the lowest average rate of growth for demand deposits for the first four months of the year since at least 2004.

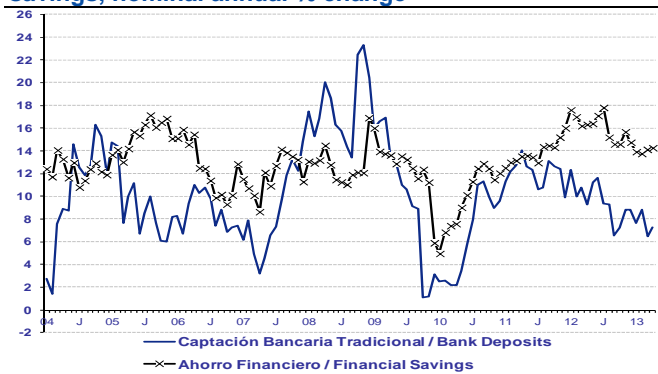
- **Time deposits: So far in 2013 they have performed better than in 2012**

In April 2013 the annual nominal growth rate of time deposits was 6.8%. This rate was lower than in the preceding month (7.4%) and higher than in the same month of 2012 (2%). Unlike demand deposits, time deposits performed better in the first four months of 2013, with an average annual nominal growth rate of 7%, while the average in 2012 for the same period was 4.7%.

- **Financial Savings (FS): their main source of growth are public-sector securities**

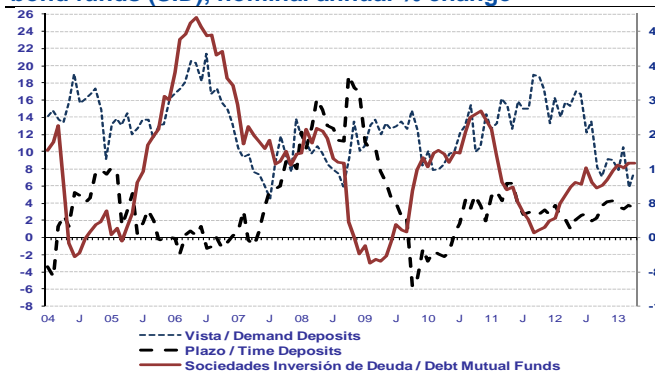
The nominal annual rate of growth of financial savings in April 2013 was 14.3%. This rate of growth was higher than the preceding month (14.1%) and lower than the same month in 2012 (16.3%). The average rate of growth in financial savings from January to April 2013 was 14% and in 2012 the figure was 16.8%. Financial savings include all types of banking and non-banking savings instruments. In April the contribution to their growth from their 4 components was as follows: 1) public-sector securities contributed 11 percentage points (pp) of the 14.3 pp growth in financial savings; 2) deposit institutions, 2.3 pp (commercial banks, 2 pp; development banks, 0.4 pp; overseas agencies of commercial banks posted a negative contribution of -0.1 pp, while the contribution from savings and loan companies (SAPs) was zero); 3) the retirement savings system outside Siefores, 0.6 pp; and 4) private-sector debt, 0.3 pp.

Chart 1
Traditional deposits in commercial banking and financial savings, nominal annual % change



Source: BBVA Research with Bank of Mexico data

Chart 2
Demand and time deposits in commercial banking and bond funds (SID), nominal annual % change

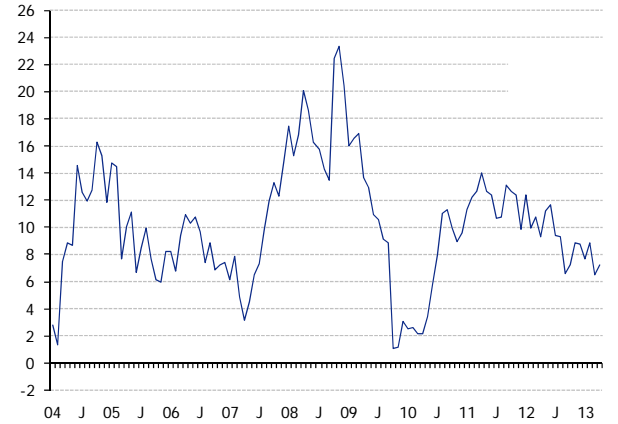


Source: BBVA Research with Bank of Mexico data

Deposits: graphs and statistics

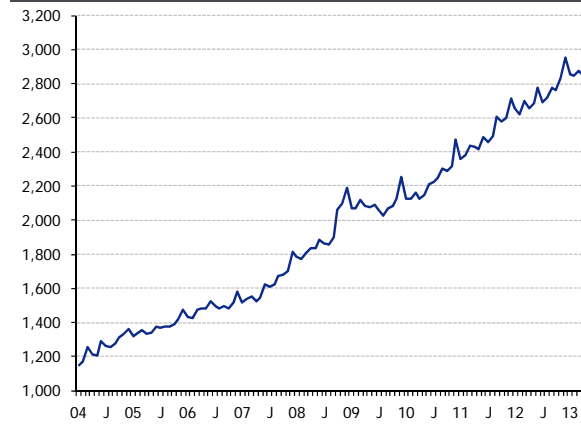
- In April 2013 the annual nominal growth rate of total bank deposits was 7.3%.
- Demand deposits grew at 7.6% and the nominal growth rate of time deposits was lower and of 6.8%
- Financial savings, which include banking and non banking savings instruments, in March also grew at a high rate, which was of 14.3%

Graph 1
Total Bank Deposits (Time + Demand Deposits)
Annual nominal rate of growth, %



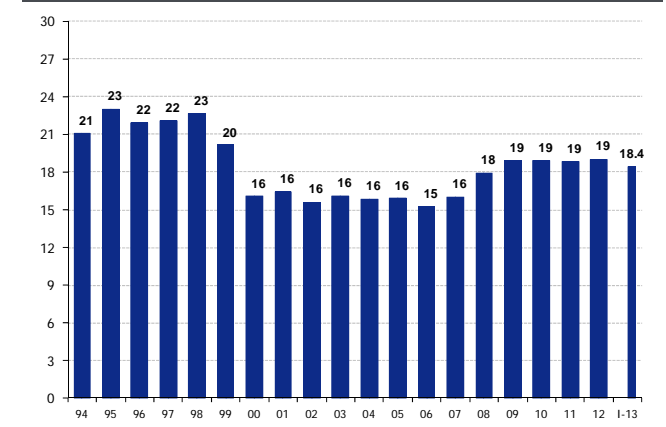
Source: BBVA Research with data of Bank of Mexico

Graph 2
Total Bank Deposits
Balance in current billions of Mexican pesos



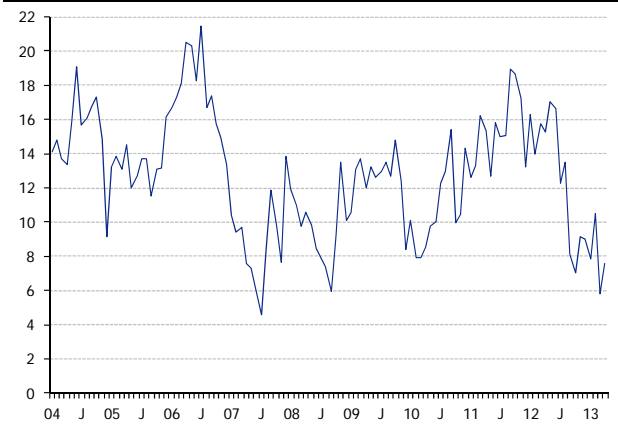
Source: BBVA Research with data of Bank of Mexico

Graph 3
Total Bank Deposits
As ratio of GDP, %



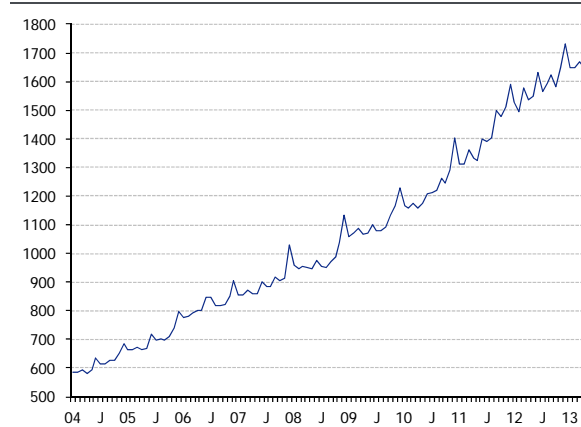
Source: BBVA Research with data of Bank of Mexico and INEGI

Graph 4
Demand Deposits
Annual nominal rate of growth, %



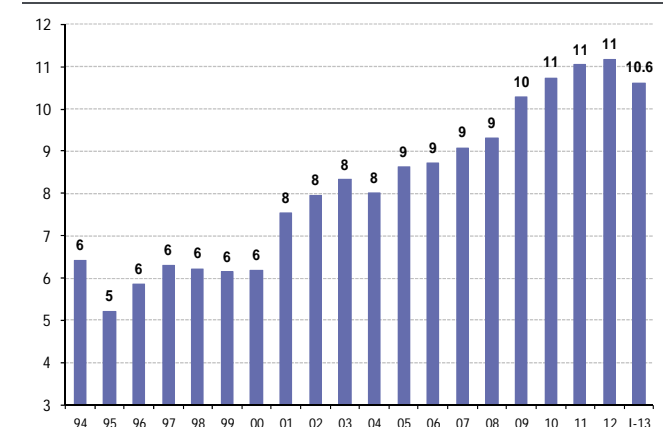
Source: BBVA Research with data of Bank of Mexico

Graph 5
Demand Deposits
Balance in current billions of Mexican pesos



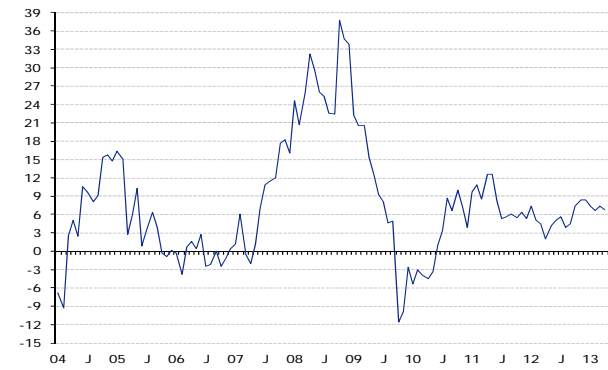
Source: BBVA Research with data of Bank of Mexico

Graph 6
Demand Deposits
As ratio of GDP, %



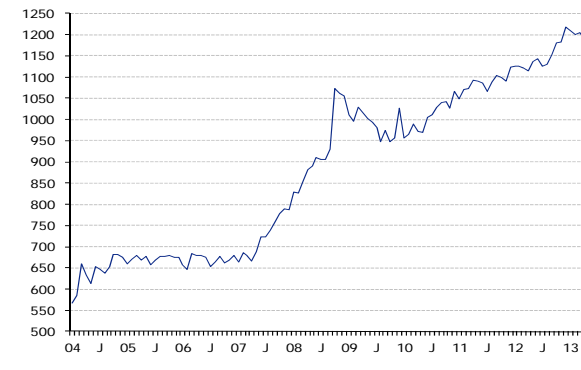
Source: BBVA Research with data of Bank of Mexico and INEGI

Graph 7
Time Deposits
 Annual nominal rate of growth, %



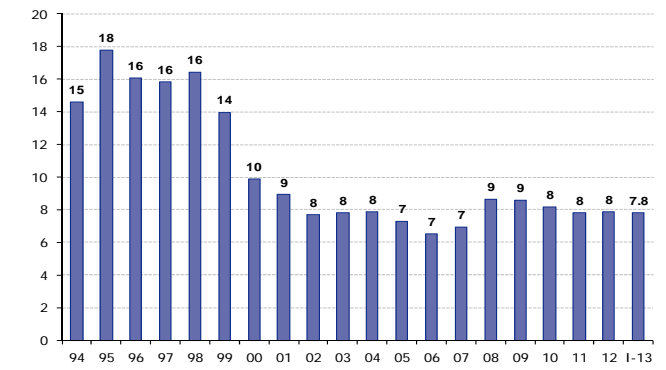
Source: BBVA Research with data of Bank of Mexico

Graph 8
Time Deposits
 Balance in current billions of Mexican pesos



Source: BBVA Research with data of Bank of Mexico

Graph 9
Time Deposits
 As ratio of GDP, %



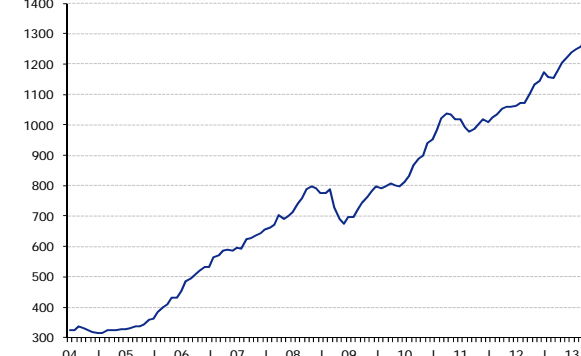
Source: BBVA Research with data of Bank of Mexico and INEGI

Graph 10
Debt Mutual Funds
 Annual nominal rate of growth, %



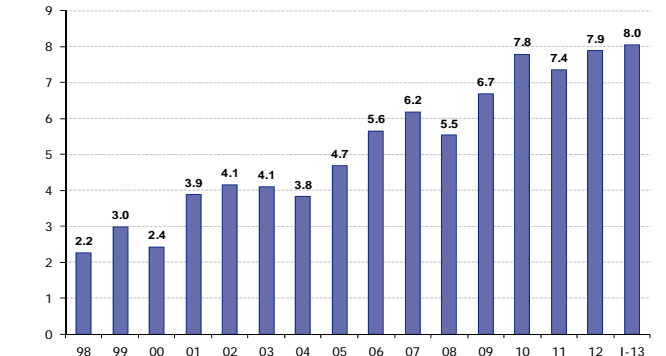
Source: BBVA Research with data of Bank of Mexico

Graph 11
Debt Mutual Funds
 Balance in current billions of Mexican pesos



Source: BBVA Research with data of Bank of Mexico

Graph 12
Debt Mutual Funds
 As ratio of GDP, %



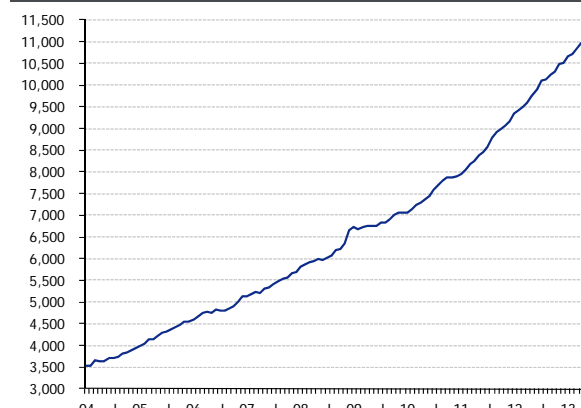
Source: BBVA Research with data of Bank of Mexico and INEGI

Graph 13
Financial Savings
 Annual nominal rate of growth, %



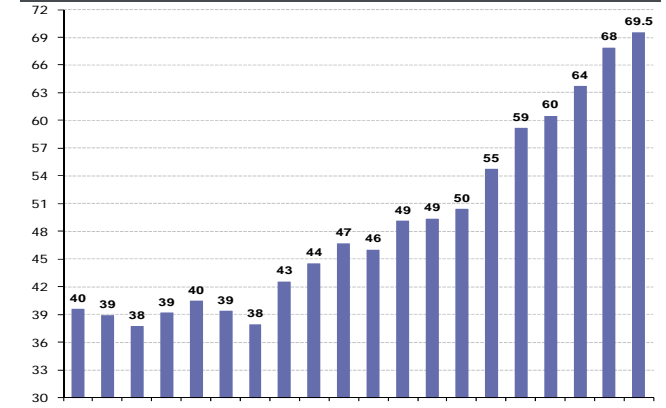
Source: BBVA Research with data of Bank of Mexico

Graph 14
Financial Savings
 Balance in current billions of Mexican pesos



Source: BBVA Research with data of Bank of Mexico

Graph 15
Financial Savings
 As ratio of GDP, %



Source: BBVA Research with data of Bank of Mexico and INEGI

