

Mexico Banking Flash

Bank deposits: uneven behaviour by components

In February 2014 the nominal YoY growth rate of traditional bank deposits (demand + term) was 7.6%. This growth rate was very similar to the month before (7.5%) and less than the same month in 2013 (8.8%). Average nominal YoY growth in January and February was 7.6%, below the average recorded in the same months in 2013 (8.2%). That is, bank deposits continued their slow start to the year, as a result of uneven behaviour by their components.

- **Demand deposits: favourable performance in the first months of the year**

In February 2014 the nominal annual growth of demand deposits was 13.1%. This was less than the month before (14.6%) and higher than that reported in the same month of 2013 (10.5%). Average nominal YoY growth in January and February was 13.9%, above the average recorded over the same months in 2013 (9.2%). Demand deposits performance has maintained a growth rate of above 10% since September 2013.

- **Term deposits: slow recovery**

In February 2014 the nominal annual growth rate of term deposits was 0.2%. This rate was higher than the month before (-2.3%), although well below the same month in 2013 (6.6%). Average nominal YoY growth rate in January and February was -1.0%, considerably below the average recorded for the same months in 2013 (7.0%). Term deposits performance has gone down since August 2013, when it reported a growth rate of 7.9%.

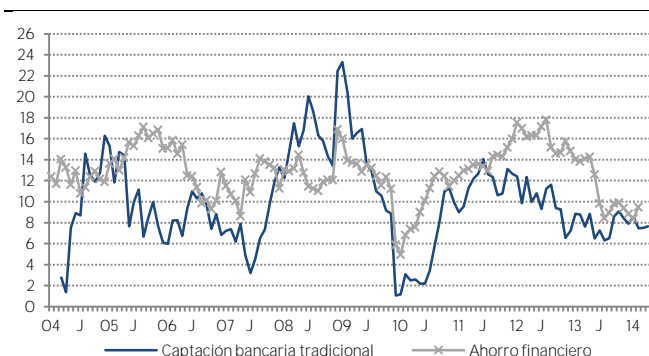
- **Debt mutual funds: moderate growth continues**

In February 2014 the nominal YoY growth rate of the balance of securities held by debt mutual funds was 5.0%. This growth was higher than the month before (4.2%), although well below that reported in the same month in 2013 (16.3%). Average nominal YoY growth rate for January and February was 4.6%, considerably below the average recorded for the same months in 2013 (16.5%). Thus, debt funds' balance continued with its trend of under 10% growth rate, which began in November 2013.

- **Financial Savings (FS): the slow start to the year continues**

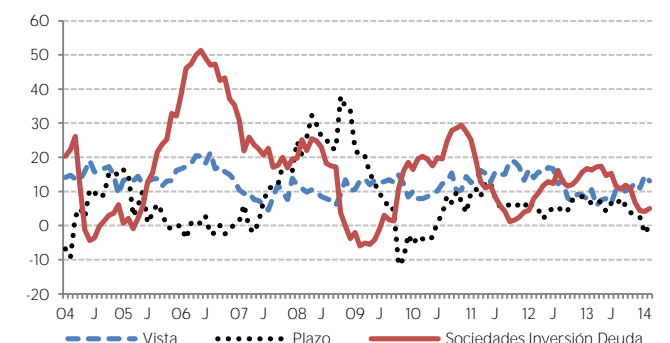
Nominal annual growth rate of Financial Savings (FS) in February 2014 was 9.5%. This rate was higher than that of the month before (8.4%) but lower than the same month in 2013 (13.8%). Average nominal YoY growth rate in January and February was 8.9%, below the average recorded in the same months in 2013 (13.9%). With this, FS continued its slow ramp up in 2014. FS includes all savings instruments, whether banking or non-banking.

Figure 1
Traditional Deposits in Commercial Banking and Financial Savings, nominal annual % change



Source: BBVA Research with Bank of Mexico data

Figure 2
Demand and Fixed-Term Deposits in Commercial Banking and Debt Mutual Funds, nominal annual % change

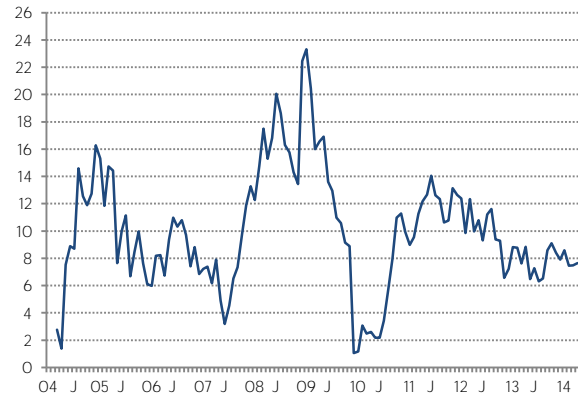


Source: BBVA Research with Bank of Mexico data

Deposits: figures and statistics

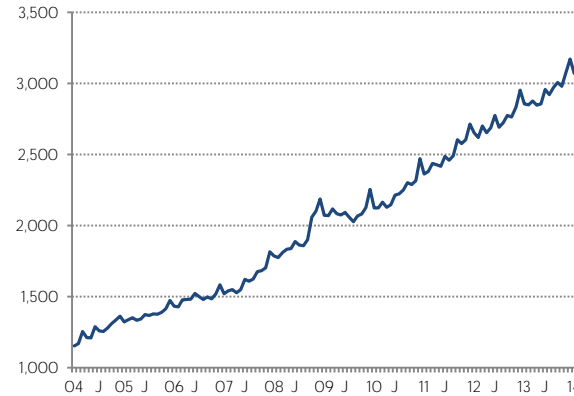
- In February 2014 the nominal YoY growth rate of traditional deposits (demand + term) in commercial banking was 7.6%.
- In that month demand deposits grew at a nominal YoY rate of 13.1% while term deposits increased by 0.2%.
- Financial Savings, which includes all banking and non-banking savings instruments, grew a nominal 9.5% YoY.

Figure 1
Traditional Deposits (demand + fixed term)
Nominal annual % change



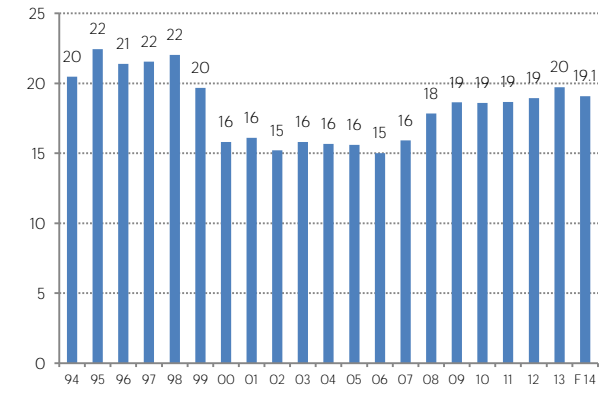
Source: BBVA Research with data from Bank of Mexico

Figure 2
Traditional Deposits in Commercial Banking
Balance in billions of current pesos



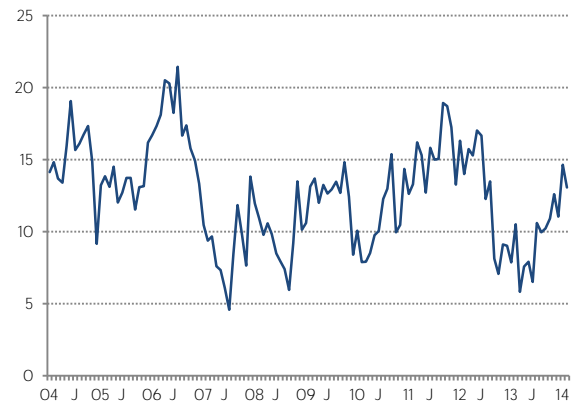
Source: BBVA Research with data from Bank of Mexico

Figure 3
Traditional Deposits in Commercial Banking
% of GDP



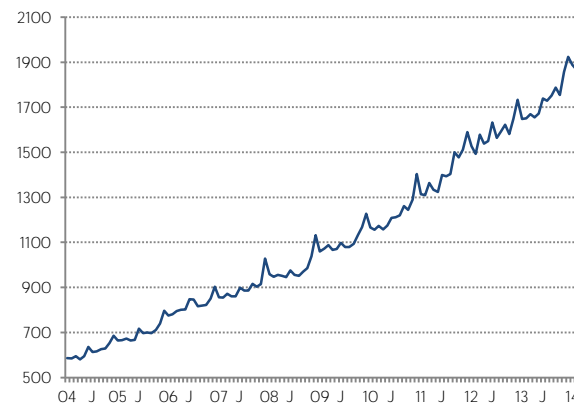
Source: BBVA Research with data from Bank of Mexico & INEGI

Figure 4
Demand Deposits
Nominal annual % change



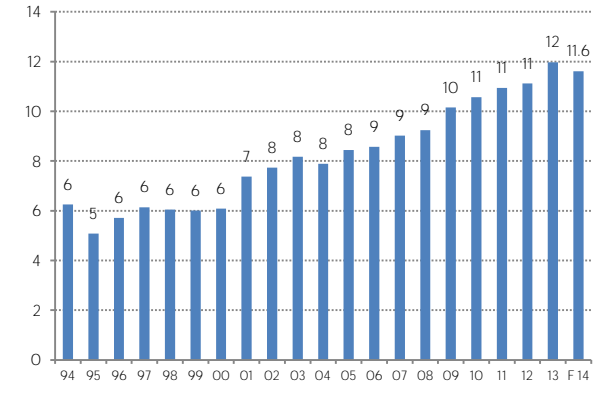
Source: BBVA Research with data from Bank of Mexico

Figure 5
Demand Deposits
Balance in billions of current pesos



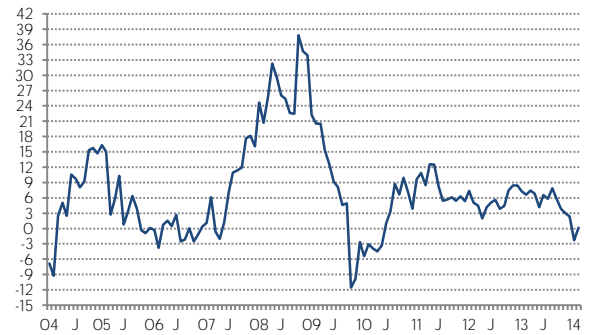
Source: BBVA Research with data from Bank of Mexico

Figure 6
Demand Deposits
% of GDP



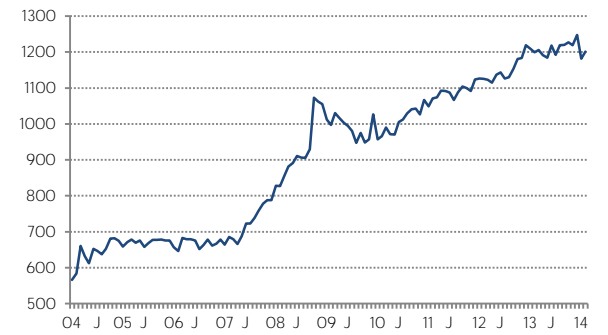
Source: BBVA Research with data from Bank of Mexico & INEGI

Figure 7
Term deposits
Nominal annual % change



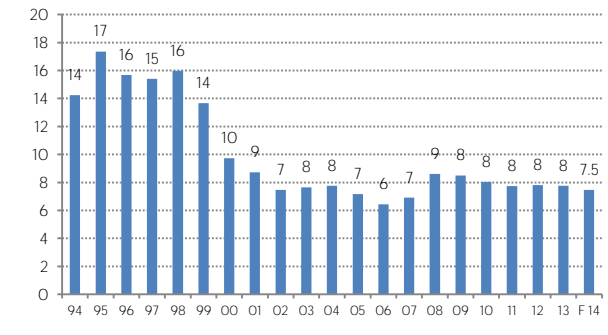
Source: BBVA Research with data from Bank of Mexico

Figure 8
Term deposits
Balance in billions of current pesos



Source: BBVA Research with data from Bank of Mexico

Figure 9
Term deposits
% of GDP



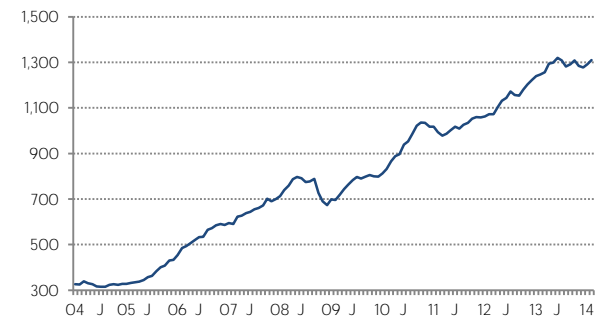
Source: BBVA Research with data from Bank of Mexico & INEGI

Figure 10
Debt Mutual Funds
Nominal annual % change



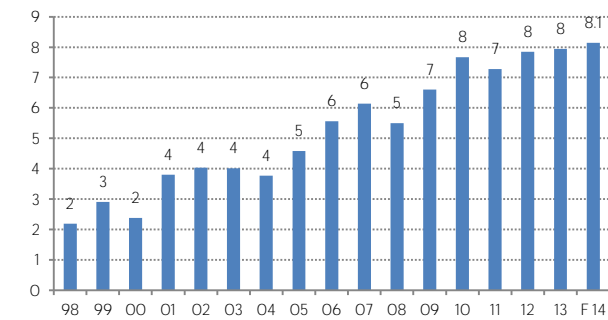
Source: BBVA Research with data from Bank of Mexico

Figure 11
Debt Mutual Funds
Balance in billions of current pesos



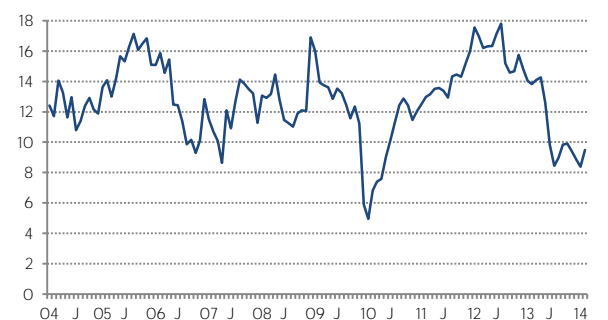
Source: BBVA Research with data from Bank of Mexico

Figure 12
Debt Mutual Funds
% of GDP



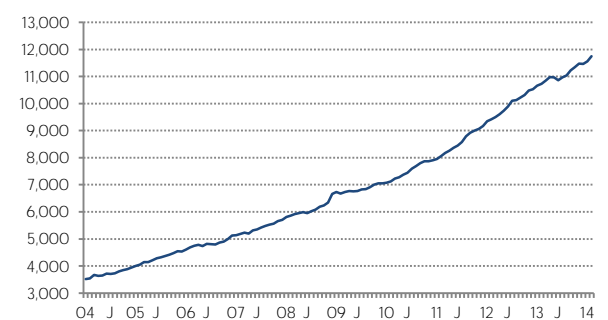
Source: BBVA Research with data from Bank of Mexico & INEGI

Figure 13
Financial Savings: M4a - notes and coins
Nominal annual % change



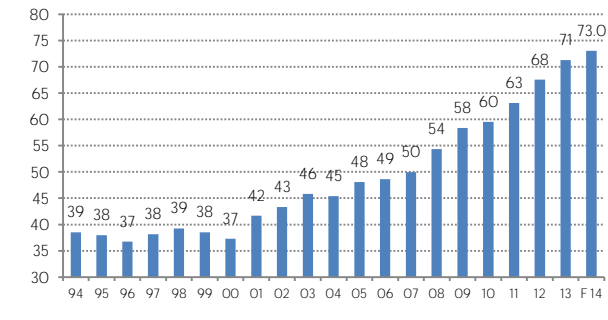
Source: BBVA Research with data from Bank of Mexico

Figure 14
Financial Savings: M4a - notes and coins
Balance in billions of current pesos



Source: BBVA Research with data from Bank of Mexico

Figure 15
Financial Savings: M4a - notes and coins
% of GDP



Source: BBVA Research with data from Bank of Mexico & INEGI

