

Mexico Banking Flash

Bank deposits: slight increase in growth

In November 2012, the annual nominal growth rate of traditional bank deposits (demand + time) was 8.8%. This was higher than the level in the preceding month (7.2%) but lower than the same month in 2011 (12.4%).

- Demand deposits: the growth rate slowed from September to November**

In November 2012, the annual nominal growth rate of demand deposits was 9.1%. Growth was higher than in the preceding month (7.1%), but lower than the same month in 2011 (17.2%). It should be mentioned that the growth rate in demand deposits in September 2012 fell into single digits. The slowdown in the growth was significant, from nominal annual growth of 13.5% in August to 8.1% in September. This slower pace of bank deposits from September to November 2012 is largely explained by a larger share of deposits being channeled into time savings. We can appreciate the extent of this by comparing November 2011, when 97% of the increase in traditional bank savings was in demand deposits, to November 2012, when only 51% of the increase in traditional bank savings was in demand deposits.

- Time deposits: the growth rate increased from April to November**

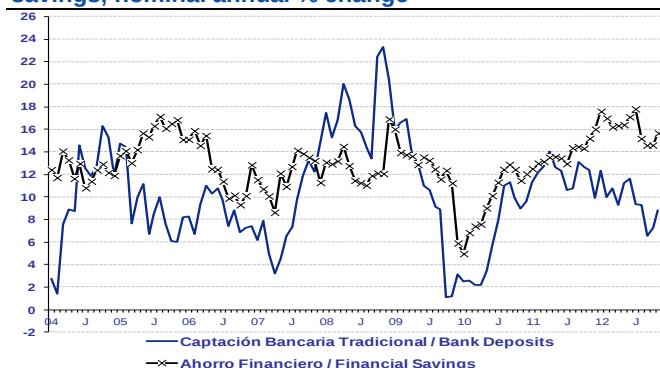
In November, the annual nominal growth rate of time deposits was 8.4%. This rate was higher than for the preceding month (7.4%) and for the same month in 2011 (6.3%). In April 2012, the month-on-month increase in such savings was 2%; this increased to 8.4% in November. As stated above, since September 2012, a larger share of savings has been channeled into time deposits.

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

The nominal annual rate of growth of financial savings (FS) in November 2012 was 15.7%. This rate was higher than for the preceding month (14.6%) and for the same month of 2011 (15.2%). Financial savings include all types of banking and non-banking savings instruments. In November, the contributions to growth of the 4 components were as follows: 1) public-sector securities contributed 11.7 percentage points (pp) of the 15.7 pp growth; 2) deposit institutions, 3.3 pp (commercial banks, 2.5 pp; development banks, 0.6 pp; overseas agencies of commercial banks, 0.1 pp; and savings and loan companies (SAPs) made a minimal contribution of 0.05%); 3) the retirement savings system outside Siefors, 0.6 pp; and 4) private-sector debt made no contribution (0.0 pp.)

Chart 1

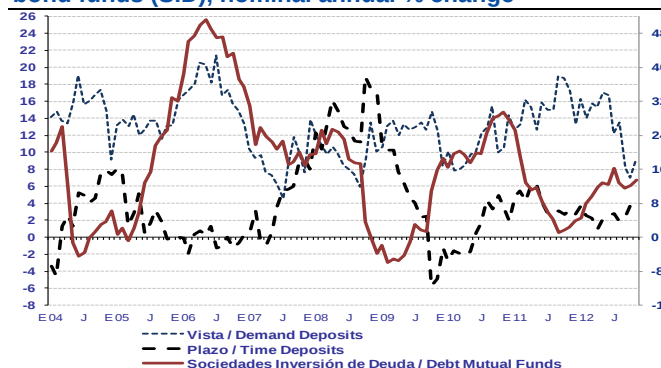
Traditional savings in commercial banking and financial savings, nominal annual % change



Source: BBVA Research with Bank of Mexico data

Chart 2

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

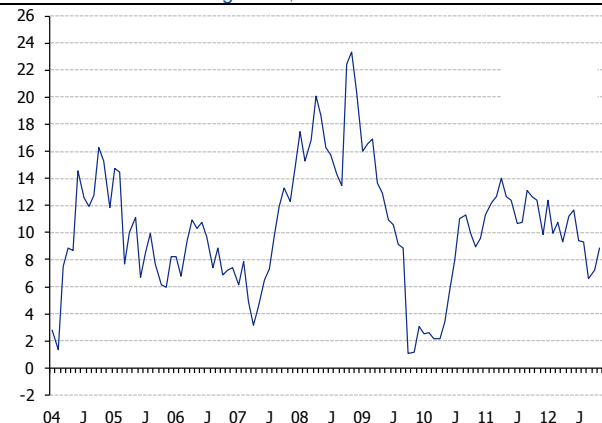


Source: BBVA Research with Bank of Mexico data

Deposits: graphs and statistics

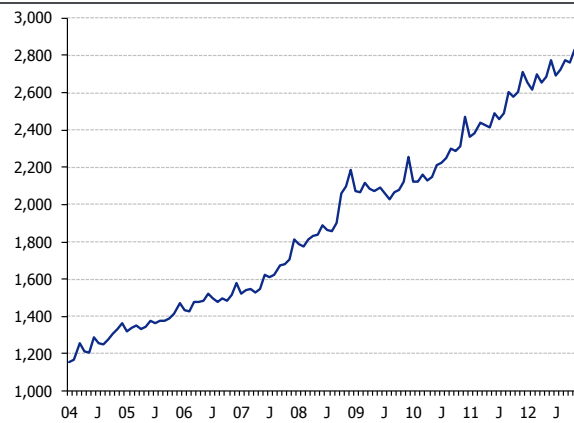
- In November 2012 the annual nominal growth rate of total bank deposits was 8.8%.
- Demand deposits grew at 9.1% and the nominal growth rate of time deposits was lower and of 8.4%
- Financial savings, which include banking and non banking savings instruments, in November also grew at a high rate, which was of 15.7%

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



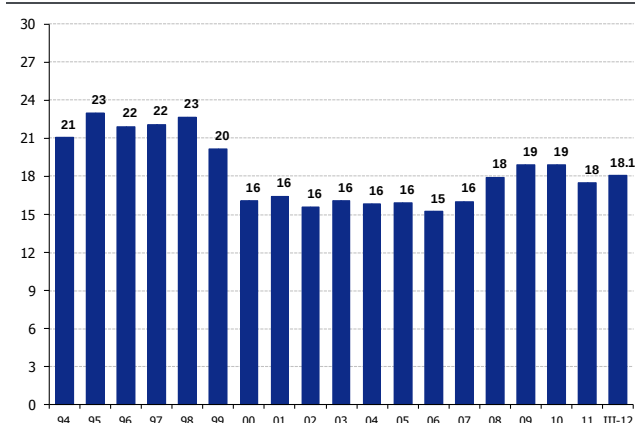
Source: BBVA Research with data of Bank of Mexico

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



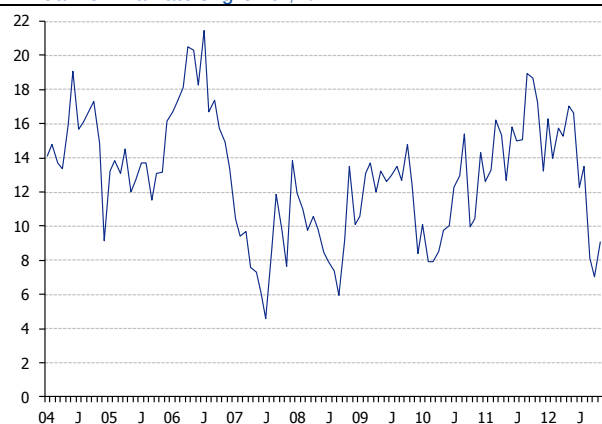
Source: BBVA Research with data of Bank of Mexico

Graph 3
Total Bank Deposits
As ratio of GDP, %



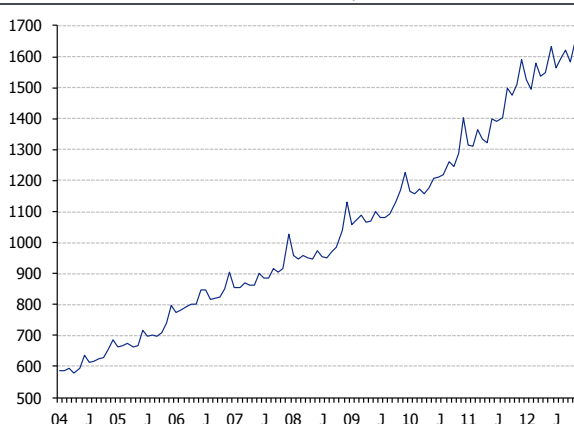
Source: BBVA Research with data of Bank of Mexico and INEGI

Graph 4
Demand Deposits
Annual nominal rate of growth, %



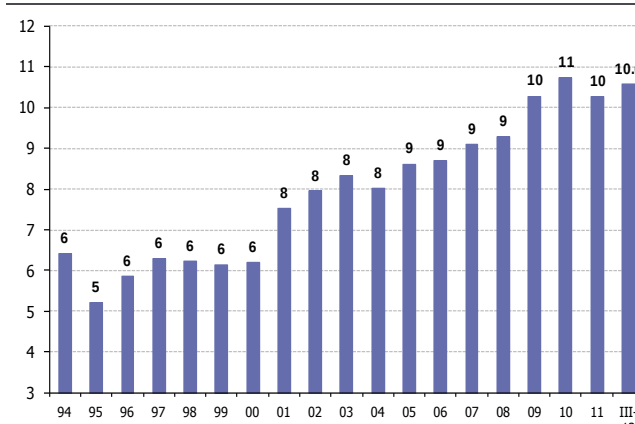
Source: BBVA Research with data of Bank of Mexico

Graph 5
Demand Deposits
Balance in current billions of Mexican pesos



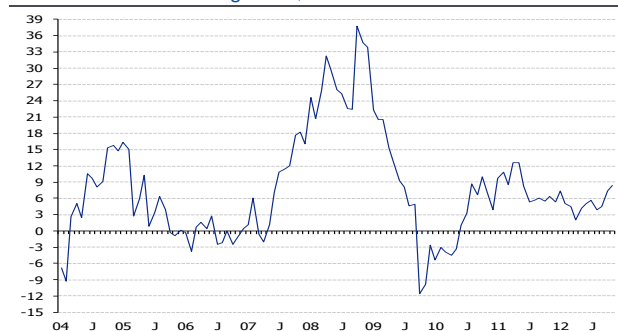
Source: BBVA Research with data of Bank of Mexico

Graph 6
Demand Deposits
As ratio of GDP, %



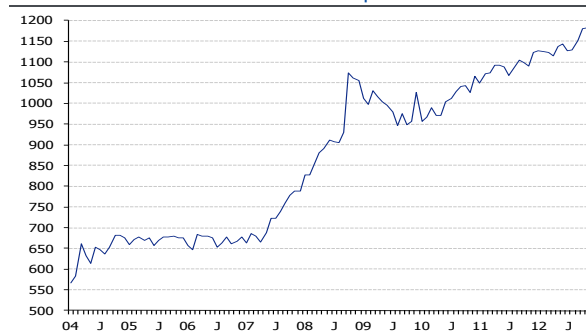
Source: BBVA Research with data of Bank of Mexico and INEGI

Graph 7
Time Deposits
Annual nominal rate of growth, %



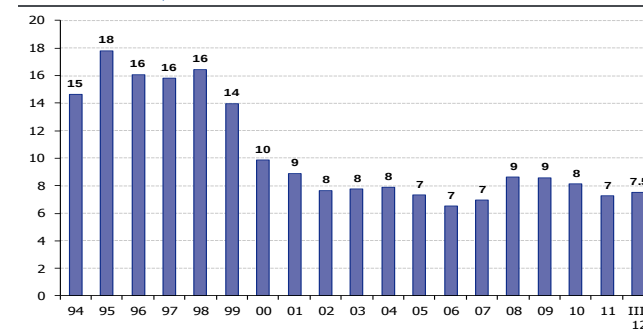
Source: BBVA Research with data of Bank of Mexico

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, %



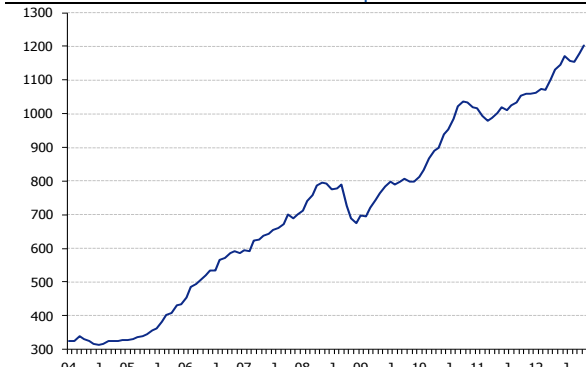
Source: BBVA Research with data of Bank of Mexico and INEGI

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



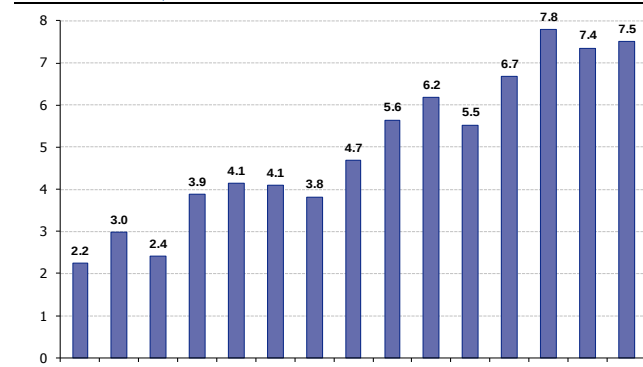
Source: BBVA Research with data of Bank of Mexico

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



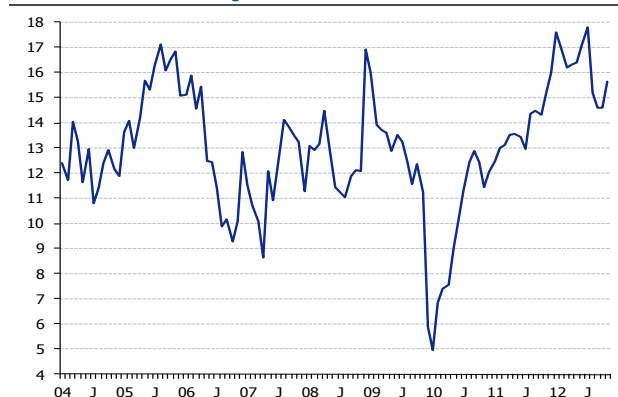
Source: BBVA Research with data of Bank of Mexico

Graph 12
Debt Mutual Funds
As ratio of GDP, %



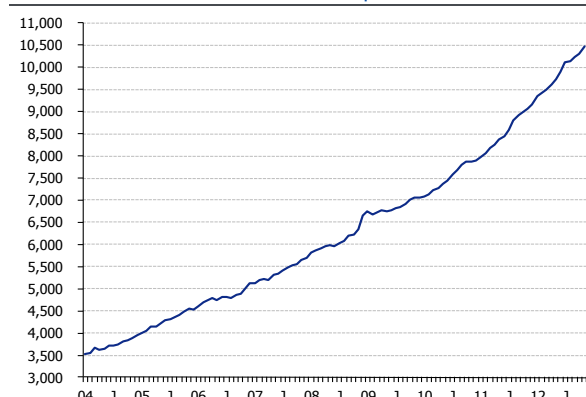
Source: BBVA Research with data of Bank of Mexico and INEGI

Graph 13
Financial Savings
Annual nominal rate of growth, %



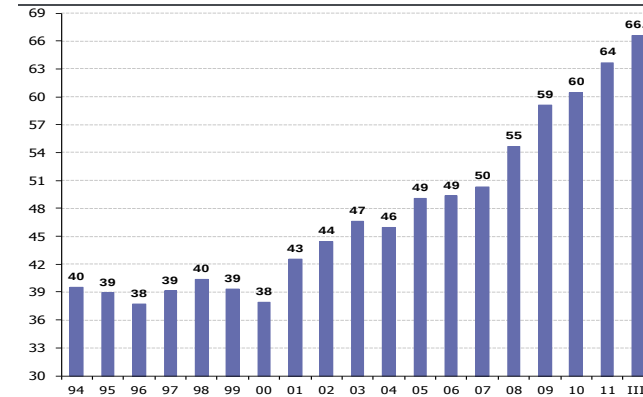
Source: BBVA Research with data of Bank of Mexico

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

FINANCIAL SAVINGS BY COMPONENTS

Balance end of period in billions of November 2012 Mexican pesos

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	J 11	F	M	A	M	J	J	A	S	O	N	D	J 12	F	M	A	M	J	J	A	S	O	N
M4 a	3,902	4,164	4,312	4,813	5,026	5,494	5,853	6,504	7,067	7,574	8,303	8,504	9,122	10,163	9,108	9,172	9,276	9,369	9,555	9,636	9,738	9,944	10,063	10,082	10,050	10,163	10,255	10,299	10,383	10,529	10,710	10,827	10,978	10,965	11,002	11,034	11,145
- Bills & currency holdings	236	298	303	317	350	382	415	449	500	531	574	602	643	688	615	605	595	599	603	601	605	597	603	607	614	688	656	650	658	664	677	687	674	669	656	654	670
= Financial Savings	3,666	3,866	4,009	4,496	4,676	5,112	5,438	6,056	6,567	7,043	7,729	7,902	8,479	9,475	8,493	8,567	8,682	8,770	8,952	9,035	9,133	9,347	9,460	9,475	9,436	9,475	9,599	9,648	9,725	9,865	10,033	10,140	10,304	10,296	10,346	10,380	10,475
I. Deposit Institutions	2,509	2,395	2,084	2,160	2,069	2,190	2,308	2,474	2,479	2,701	3,024	3,041	3,183	3,373	3,036	3,049	3,151	3,130	3,133	3,226	3,173	3,249	3,358	3,297	3,266	3,373	3,312	3,277	3,366	3,332	3,378	3,456	3,341	3,364	3,389	3,388	3,435
Development banks	267	275	281	335	350	364	362	433	362	344	366	380	385	402	374	368	385	386	380	397	387	430	415	412	390	402	417	426	432	438	449	448	419	421	416	438	431
Commercial banks (domestic)	2,058	1,976	1,701	1,738	1,642	1,765	1,877	1,965	2,028	2,244	2,537	2,525	2,650	2,804	2,522	2,533	2,587	2,577	2,583	2,660	2,618	2,648	2,760	2,713	2,711	2,804	2,723	2,681	2,763	2,723	2,767	2,845	2,743	2,767	2,808	2,781	2,832
Demand deposits	565	603	655	796	835	912	946	1,064	1,158	1,271	1,314	1,375	1,506	1,643	1,402	1,393	1,447	1,416	1,416	1,497	1,483	1,491	1,590	1,556	1,575	1,643	1,567	1,529	1,615	1,579	1,596	1,674	1,594	1,619	1,641	1,592	1,649
Time deposits	1,493	1,373	1,046	942	806	854	931	902	870	973	1,223	1,150	1,144	1,161	1,120	1,139	1,140	1,160	1,167	1,163	1,136	1,157	1,170	1,157	1,137	1,161	1,156	1,152	1,149	1,144	1,171	1,172	1,149	1,149	1,166	1,189	1,183
Agencies abroad of commercial banks	175	134	94	78	66	47	54	56	66	89	97	83	91	107	82	90	120	109	111	110	108	112	122	112	104	107	111	109	110	109	101	100	116	113	102	106	109
Savings and loans institutions	9	11	9	10	11	13	16	19	22	24	25	53	58	60	58	59	59	58	59	60	60	60	60	60	60	60	60	60	61	61	62	62	63	63	63	63	62
II. Securities issued by the public sector	761	1,056	1,416	1,768	1,974	2,183	2,321	2,714	3,129	3,325	3,416	3,576	3,966	4,687	4,117	4,186	4,192	4,278	4,425	4,417	4,556	4,692	4,685	4,759	4,737	4,687	4,864	4,930	4,914	5,089	5,184	5,229	5,493	5,466	5,492	5,538	5,607
Federal government securities	702	977	1,154	1,134	1,258	1,356	1,241	1,410	1,928	2,206	2,405	2,560	2,844	3,463	2,951	2,991	3,035	3,071	3,209	3,205	3,335	3,458	3,482	3,486	3,512	3,463	3,598	3,647	3,616	3,781	3,885	3,941	4,157	4,177	4,219	4,229	4,311
Central bank bonds	0	0	35	231	242	220	273	313	111	15	1	1	1	0	1	1	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
IPAB bonds (Bank savers protection institute)	0	0	118	238	317	382	527	618	648	701	608	585	618	658	650	669	629	666	674	670	676	678	655	702	659	658	687	693	716	718	707	695	750	718	701	724	697
Other public sector bonds	59	79	110	166	157	225	279	373	442	404	402	430	502	566	515	525	527	540	543	542	546	556	548	570	566	566	579	590	582	590	591	593	587	571	571	585	599
III. Debt securities issued by private firms	119	100	142	147	199	254	282	285	318	368	357	344	356	396	362	363	360	372	382	379	383	388	389	399	407	396	401	421	416	411	209	418	425	427	418	419	393
IV. Pension funds outside Mutual Pension Funds	277	316	367	421	434	485	527	583	641	649	931	941	974	1,019	978	969	979	990	1,011	1,013	1,020	1,018	1,028	1,021	1,026	1,019	1,023	1,020	1,028	1,034	1,053	1,038	1,045	1,039	1,048	1,034	1,040
Financial Savings = I + II + III + IV	3,666	3,866	4,009	4,496	4,676	5,112	5,438	6,056	6,567	7,043	7,729	7,902	8,479	9,475	8,493	8,567	8,682	8,770	8,952	9,035	9,133	9,347	9,460	9,475	9,436	9,475	9,599	9,648	9,725	9,865	9,823	10,140	10,304	10,296	10,346	10,380	10,475
Instruments included in Financial Savings																																					
Mutual Pension Funds (MPF)	115	197	272	396	489	582	660	783	923	1,024	1,085	1,262	1,464	1,596	1,453	1,443	1,459	1,499	1,545	1,527	1,572	1,601	1,577	1,599	1,602	1,596	1,639	1,634	1,658	1,694	1,708	1,754	1,810	1,795	1,829	1,824	1,828
Holdings of public sector securities by foreigners	45	18	15	27	26	36	108	151	186	281	323	365	682	1,069	731	778	801	855	931	891	990	1,055	1,005	1,039	1,041	1,069	1,166	1,212	1,242	1,307	1,319	1,364	1,460	1,492	1,564	1,589	1,635
Debt Mutual Funds	202	289	253	405	431	443	447	571	743	856	772	883	1,079	1,081	1,073	1,045	1,026	1,035	1,060	1,076	1,062	1,078	1,083	1,096	1,091	1,081	1,077	1,086	1,084	1,119	1,152	1,159	1,181	1,162	1,154	1,180	1,203
Total Mutual Funds: Debt + Variable Income	241	339	301	464	483	521	542	673	895	1,050	910	1,057	1,310	1,322	1,305	1,285	1,272	1,281	1,307	1,327	1,311	1,327	1,324	1,347	1,340	1,322	1,318	1,330	1,333	1,367	1,400	1,411	1,433	1,415	1,418	1,450	1,480
Financial Savings without Total Pension Funds	3,274	3,354	3,369	3,680	3,753	4,045	4,250	4,690	5,004	5,370	5,713	5,699	6,041	6,860	6,061	6,155	6,244	6,281	6,396	6,495	6,540	6,728	6,855	6,856	6,807	6,860	6,937	6,995	7,039	7,137	7,273	7,348	7,450	7,462	7,470	7,521	7,608
Total Pension Funds (MPF + non-MPF)	392	513	640	816	923	1,067	1,187	1,366	1,563	1,673	2,016	2,203	2,438	2,615	2,432	2,412	2,438	2,489	2,556	2,540	2,593	2,619	2,605	2,620	2,629	2,615	2,662	2,654	2,687	2,728	2,550	2,792	2,854	2,833	2,877	2,859	2,867
Real annual % change																																					
M4 a	5.4	6.7	3.5	11.6	4.4	9.3	6.5	11.1	8.6	7.2	9.6	2.4	7.3	11.4	8.3	8.9	9.5	9.7	9.7	9.6	8.8	10.2	10.7	10.5	11.0	11.4	12.6	12.3	11.9	12.4	12.1	12.4	12.7	10.3	9.3	9.4	10.9
- Bills & currency holdings	3.8	26.1	1.7	4.7	10.4	9.2	8.6	8.0	11.4	6.4	7.9	4.9	6.9	7.0	6.7	7.0	5.2	7.3	5.5	5.6	4.3	4.6	7.3	6.7	7.0	7.0	6.8	7.4	10.7	10.9	12.2	14.3	11.4	11.4	8.7	7.9	9.2
= Financial Savings	5.5	5.5	3.7	12.2	4.0	9.3	6.4	11.4	8.4	7.2	9.7	2.2	7.3	11.7	8.4	9.1	9.8	9.8	10.0	9.8	9.1	10.6	11.0	10.8	11.3	11.7	13.0	12.6	12.0	12.5	12.1	12.2	12.8	10.2	9.4	9.5	11.0
I. Deposit Institutions	3.3	-4.5	-13.0	3.7	-4.2	5.9	5.4	7.2	0.2	9.0	12.0	0.5	4.7	6.0	6.1	7.4	10.5	10.6	9.1	8.4	6.0	7.5	10.8	9.4	8.2	6.0	9.1	7.5	6.8	6.4	7.8	7.1	5.3	3.5	0.9	2.8	5.2
Development banks	8.7	2.9	2.2	19.2	4.5	4.1	-0.7	19.8	-16.4	-5.1	6.4	4.1	1.1	4.6	0.6	0.5	8.9	10.5	7.0																		

FINANCIAL SAVINGS BY COMPONENTS

Balance end of period in billions of current pesos

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	J-11	F	M	A	M	J	J	A	S	O	N	D	J-12	F	M	A	M	J	J	A	S	O	N	
M4 a	1,916	2,297	2,591	3,020	3,333	3,789	4,245	4,875	5,511	6,129	7,157	7,593	8,504	9,835	8,531	8,624	8,738	8,825	8,934	9,009	9,148	9,356	9,492	9,574	9,646	9,835	9,995	10,058	10,146	10,256	10,400	10,561	10,769	10,789	10,873	10,960	11,145	
- Bills & currency holdings	116	164	182	199	232	264	301	336	390	430	494	537	599	666	576	569	560	564	564	562	568	561	569	576	589	666	640	635	643	647	657	670	661	658	648	650	670	
= Financial Savings	1,800	2,132	2,409	2,821	3,101	3,525	3,944	4,539	5,122	5,699	6,663	7,056	7,904	9,169	7,956	8,055	8,178	8,261	8,370	8,447	8,580	8,795	8,923	8,998	9,057	9,169	9,355	9,423	9,503	9,609	9,743	9,891	10,108	10,130	10,225	10,310	10,475	
I. Deposit Institutions	1,232	1,322	1,253	1,356	1,373	1,511	1,675	1,855	1,934	2,186	2,608	2,716	2,968	3,265	2,844	2,867	2,969	2,949	2,930	3,017	2,982	3,058	3,168	3,131	3,135	3,265	3,228	3,200	3,290	3,246	3,280	3,371	3,278	3,310	3,349	3,366	3,435	
Development banks	131	152	169	210	232	251	262	325	282	278	315	340	358	389	351	346	363	363	355	371	364	404	392	391	375	389	407	416	422	427	436	437	411	414	411	435	431	
Commercial banks (domestic)	1,010	1,090	1,022	1,090	1,089	1,217	1,361	1,473	1,582	1,816	2,187	2,254	2,470	2,713	2,362	2,381	2,437	2,427	2,416	2,487	2,460	2,492	2,604	2,577	2,603	2,713	2,654	2,618	2,700	2,653	2,686	2,775	2,691	2,723	2,775	2,763	2,832	
Demand deposits	277	333	393	499	554	629	686	797	903	1,028	1,132	1,228	1,404	1,590	1,313	1,310	1,363	1,334	1,324	1,400	1,393	1,403	1,500	1,477	1,512	1,590	1,527	1,493	1,578	1,538	1,549	1,633	1,564	1,593	1,622	1,582	1,649	
Time deposits	733	757	629	591	535	589	675	676	678	788	1,055	1,027	1,066	1,124	1,049	1,071	1,074	1,093	1,092	1,087	1,067	1,088	1,104	1,099	1,091	1,124	1,126	1,125	1,122	1,115	1,137	1,143	1,127	1,130	1,153	1,181	1,183	
Agencies abroad of commercial banks	86	74	56	49	44	33	39	42	52	72	84	74	85	104	76	84	113	103	104	103	102	105	115	106	100	104	108	106	108	106	98	98	114	111	101	106	109	
Savings and loans institutions	5	7	6	7	8	10	12	15	18	20	22	48	55	59	55	55	56	55	56	56	57	57	57	58	58	59	59	60	60	60	60	61	62	62	62	62	62	
II. Securities issued by the public sector	374	582	865	1,195	1,391	1,574	1,759	2,113	2,467	2,694	2,945	3,193	3,697	4,536	3,857	3,936	3,949	4,030	4,138	4,130	4,281	4,415	4,419	4,519	4,547	4,536	4,741	4,815	4,802	4,957	5,033	5,101	5,389	5,378	5,427	5,501	5,607	
Federal government securities	345	539	693	711	834	935	900	1,057	1,504	1,785	2,074	2,285	2,651	3,352	2,764	2,812	2,859	2,893	3,000	2,997	3,133	3,254	3,284	3,310	3,371	3,352	3,507	3,561	3,534	3,683	3,772	3,844	4,077	4,110	4,170	4,201	4,311	
Central bank bonds	0	0	35	230	242	220	273	312	111	15	1	1	1	0	1	1	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
IPAB bonds (Bank savers protection institute)	0	0	71	150	211	264	383	465	507	567	524	522	576	636	609	629	593	627	630	627	635	638	618	667	632	636	669	677	699	699	687	678	736	706	693	719	697	
Other public sector bonds	29	44	66	104	104	155	202	279	345	327	346	384	468	548	482	494	496	509	507	507	513	524	517	542	543	548	564	577	569	575	574	578	575	562	565	581	599	
III. Debt securities issued by private firms	59	55	85	92	132	175	204	214	248	298	308	307	332	383	339	341	339	350	357	354	360	365	367	379	391	383	390	412	407	400	407	407	417	420	413	416	393	
IV. Pension funds outside Mutual Pension Funds	136	174	221	264	288	334	382	437	500	526	803	840	908	986	916	911	922	932	945	947	959	958	970	969	985	986	997	996	1,005	1,007	1,022	1,012	1,025	1,022	1,035	1,027	1,040	
Financial Savings = I + II + III + IV	1,801	2,133	2,424	2,907	3,184	3,594	4,021	4,619	5,149	5,703	6,664	7,057	7,905	9,170	7,956	8,055	8,179	8,262	8,371	8,448	8,581	8,795	8,924	8,998	9,058	9,170	9,355	9,423	9,503	9,609	9,743	9,892	10,108	10,130	10,225	10,310	10,475	
Instruments Included in Financial Savings																																						
Mutual Pension Funds (MPF)	57	109	164	248	324	402	479	587	720	828	935	1,127	1,365	1,544	1,362	1,356	1,374	1,412	1,444	1,428	1,477	1,506	1,487	1,519	1,538	1,544	1,598	1,595	1,620	1,650	1,658	1,711	1,775	1,766	1,808	1,812	1,828	
Holdings of public sector securities by foreigners	22	10	9	17	18	25	78	113	145	228	279	326	636	1,035	685	731	755	806	871	833	930	992	948	987	999	1,035	1,137	1,183	1,213	1,273	1,281	1,331	1,432	1,468	1,546	1,578	1,635	
Debt Mutual Funds	99	159	152	254	286	305	324	428	579	692	666	789	1,006	1,046	1,005	982	967	975	991	1,006	997	1,014	1,022	1,041	1,047	1,046	1,050	1,060	1,060	1,090	1,119	1,130	1,159	1,143	1,140	1,172	1,203	
Total Mutual Funds: Debt + Variable Income	119	187	181	291	320	359	393	505	698	849	785	944	1,221	1,280	1,223	1,208	1,198	1,207	1,222	1,241	1,232	1,248	1,249	1,279	1,286	1,280	1,285	1,299	1,303	1,332	1,360	1,377	1,406	1,393	1,402	1,441	1,480	
Financial Savings without Total Pension Funds	1,608	1,850	2,025	2,309	2,489	2,789	3,083	3,515	3,903	4,345	4,925	5,089	5,632	6,639	5,678	5,787	5,882	5,917	5,980	6,072	6,144	6,331	6,466	6,510	6,534	6,639	6,761	6,831	6,878	6,952	7,062	7,168	7,308	7,342	7,382	7,471	7,608	
Total Pension Funds (MPF + non-MPF)	193	283	399	598	695	805	938	1,104	1,247	1,358	1,739	1,968	2,274	2,531	2,278	2,268	2,297	2,345	2,390	2,376	2,436	2,464	2,457	2,488	2,524	2,531	2,595	2,592	2,625	2,657	2,681	2,724	2,800	2,788	2,843	2,839	2,867	
Annual nominal rate of growth, %																																						
M4 a	24.0	19.9	12.8	16.5	10.4	13.7	12.1	14.8	13.0	11.2	16.8	6.1	12.0	15.7	12.4	12.8	12.8	13.3	13.3	13.2	12.6	14.0	14.2	14.0	14.9	15.7	17.2	16.6	16.1	16.2	16.4	17.2	17.7	15.3	14.5	14.5	15.5	
- Bills & currency holdings	23.1	41.6	10.9	9.3	16.7	13.5	14.3	11.6	15.9	10.4	15.0	8.6	11.6	11.1	10.7	10.9	8.4	10.9	9.0	9.1	8.0	8.2	10.6	10.1	10.7	11.1	11.1	11.6	14.8	14.7	16.5	19.3	16.3	17.3	13.9	12.9	13.8	
= Financial Savings	24.1	18.5	13.0	17.1	9.9	13.7	11.9	15.1	12.8	11.3	16.9	5.9	12.0	16.0	12.5	13.0	13.1	13.5	13.5	13.6	13.4	12.9	14.3	14.5	14.3	15.2	16.0	17.6	17.0	16.2	16.3	16.4	17.1	17.8	15.2	14.6	14.6	15.7
I. Deposit Institutions	29.0	7.3	-5.2	8.2	1.2	10.1	10.9	10.7	4.3	13.0	19.3	4.2	9.3	10.0	10.1	11.2	13.9	14.3	12.6	12.0	9.7	11.2	14.3	12.9	11.9	10.0	13.5	11.6	10.8	10.1	11.9	11.8	9.9	8.3	5.7	7.5	9.6	
Development banks	23.2	15.6	11.4	24.5	10.4	8.2	4.5	23.8	-13.1	-1.6	13.3	7.8	5.5	8.6	4.4	4.1	12.2	14.2	10.4	7.1	0.7	10.6	15.4	13.8	7.0	8.6	15.9	20.2	16.3	17.5	22.7	18.0	13.2	2.4	5.0	11.3	15.0	
Commercial banks (domestic)	18.7	7.9	-6.2	6.7	-0.1	11.8	11.8	8.2	7.4	14.8	20.4	3.1	9.6	9.9	11.3	12.2	12.7	14.0	12.6	12.3	10.6	10.8	13.1	12.6	12.4	9.9	12.3	10.0	10.8	9.3	11.2	11.6	9.4	9.3	6.6	7.2		