

Mexico Banking Flash

Bank deposits: slow start to 2014

In January 2014 the nominal annual growth rate of traditional bank deposits (demand + term) was 7.5%. This growth matched that of the previous month, and was slightly lower than the same month in 2013 (7.6%). The average nominal annual growth rate for 2013 was 7.8%.

- **Demand deposits: growth rate steepens**

In January 2014 the nominal annual growth rate of demand bank deposits was 14.6%. This was higher than the previous month (11.0%) and less than the same month of 2013 (7.9%). Worth highlighting is its average nominal annual growth for 2013, coming in at 9.3%. That is, demand deposit performance is poised to be better than last year.

- **Term deposits: weak start of the year**

In January 2014 the nominal annual growth rate of term deposits was -2.2%. This rate was lower than the previous month (2.4%) and less than the same month of 2013 (7.3%). Nominal annual growth rate in January 2014 is the lowest recorded since June 2010. Thus, term deposit performance is looking weak at the beginning of this year.

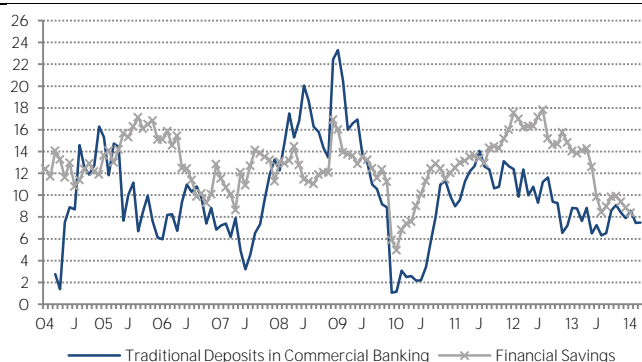
- **Debt Mutual Funds: moderate growth**

In January 2014 the nominal annual growth rate of the balance of securities held by debt mutual funds was 4.2%. This growth was lower than the preceding month (4.4%) and less than the same month of 2013 (16.8%). The average nominal annual growth rate in 2013 was 12.8%. Thus, debt mutual funds' balances show a moderate rate of growth since November 2013.

- **Financial Savings (FS): slight slowdown**

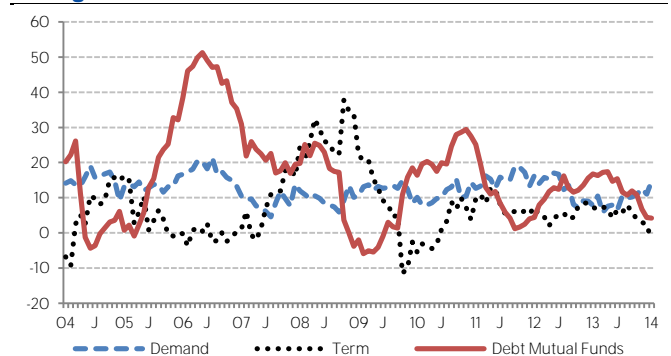
The nominal annual growth rate of Financial Savings (FS) in January 2014 was 8.4%. This rate was lower than the preceding month (8.8%) and less than the same month in 2013 (14.0%). Average nominal annual growth rate in 2013 was 11.2%. Thus, FS begins the year with a small reduction in its growth rate. It should be mentioned that FS includes all savings instruments, whether banking or non-banking.

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 Fixed-term Deposits in Commercial Banking and Debt Mutual Funds, nominal annual % change

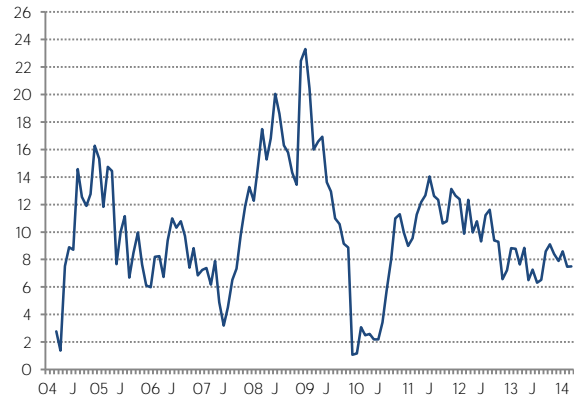


Source: BBVA Research with Bank of Mexico data

Deposits: charts & statistics

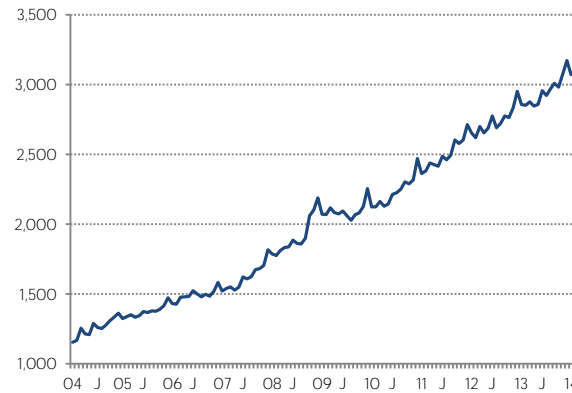
- In January 2014 the nominal annual growth rate of traditional deposits (demand + term) in commercial banking was 7.5%.
- In that month demand deposits grew at a nominal annual growth rate of 14.6% while term deposits shrank by 2.2%.
- Financial Savings, which includes all banking and non-banking saving instruments, grew at a nominal annual growth rate of 8.4%.

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



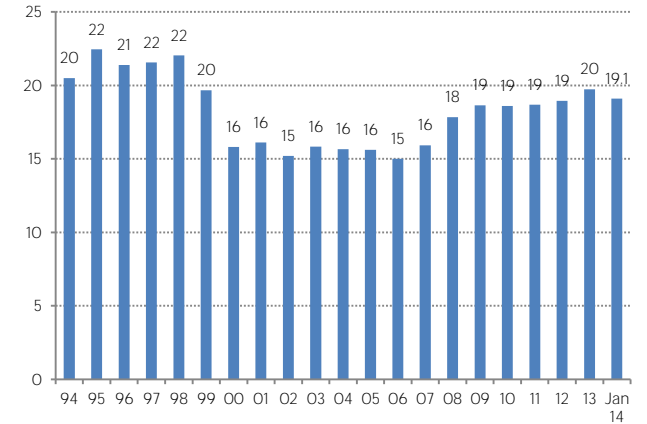
Source: BBVA Research with data from Bank of Mexico

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



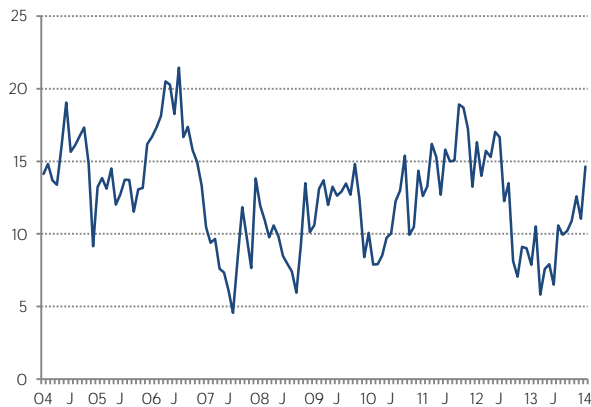
Source: BBVA Research with data from Bank of Mexico

Chart 3
Traditional Deposits in Commercial Banking
% of GDP



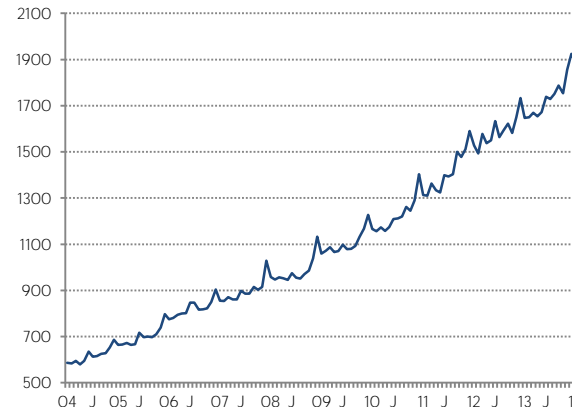
Source: BBVA Research with data from Bank of Mexico & INEGI

Chart 4
Demand Deposits
Nominal annual % change



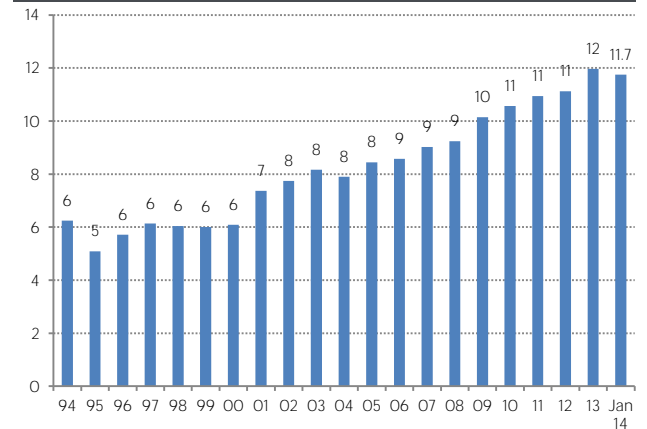
Source: BBVA Research with data from Bank of Mexico

Chart 5
Demand Deposits
Balance in billions of current pesos



Source: BBVA Research with data from Bank of Mexico

Chart 6
Demand Deposits
% of GDP



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

Chart 7
Term deposits
Nominal annual % change



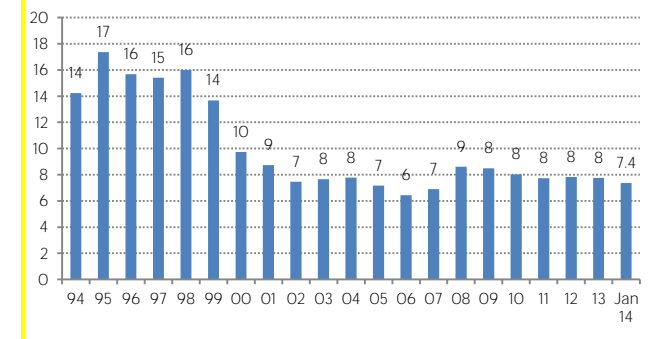
Source: BBVA Research with data from Bank of Mexico

Chart 8
Term deposits
Balance in billions of current pesos



Source: BBVA Research with data from Bank of Mexico

Chart 9
Term deposits
% of GDP



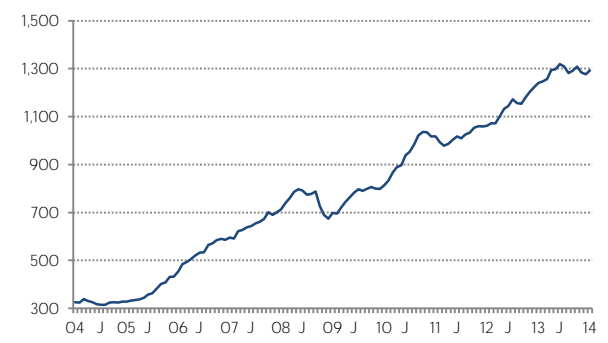
Source: BBVA Research with data from Bank of Mexico & INEGI

Chart 10
Debt Mutual Funds
Nominal annual % change



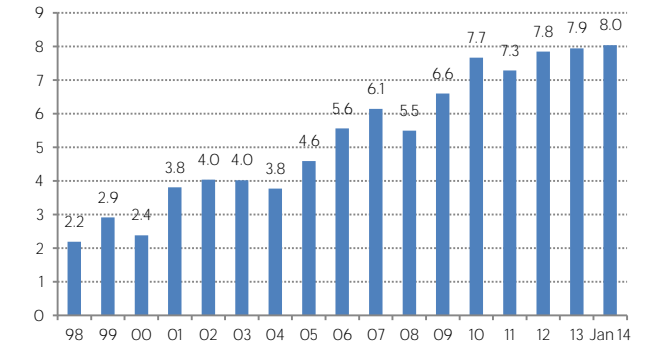
Source: BBVA Research with data from Bank of Mexico

Chart 11
Debt Mutual Funds
Balance in billions of current pesos



Source: BBVA Research with data from Bank of Mexico

Chart 12
Debt Mutual Funds
% of GDP



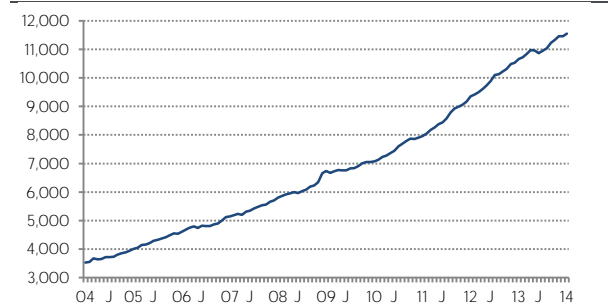
Source: BBVA Research with data from Bank of Mexico & INEGI

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



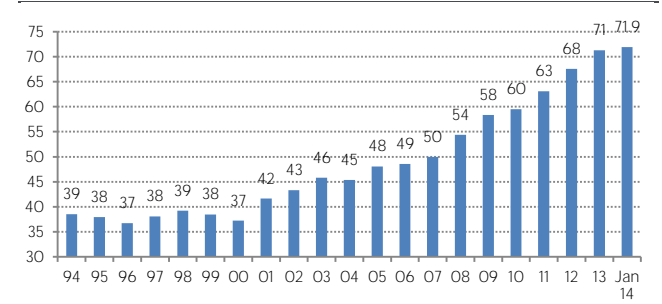
Source: BBVA Research with data from Bank of Mexico

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



Source: BBVA Research with data from Bank of Mexico

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



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

