

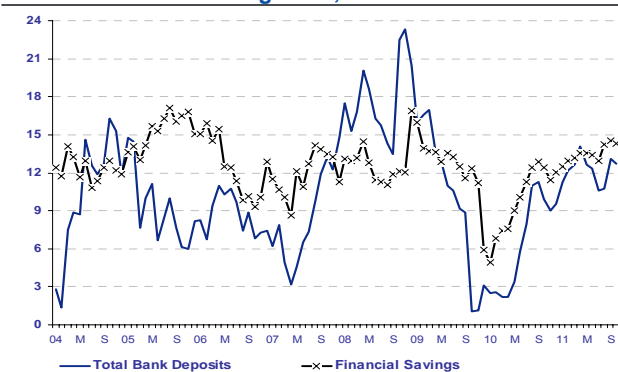
# Banking Flash

Mexico

## Bank deposits: demand deposits accumulate 17 months of two digit rate of growth and it is the main impulse of total bank deposits

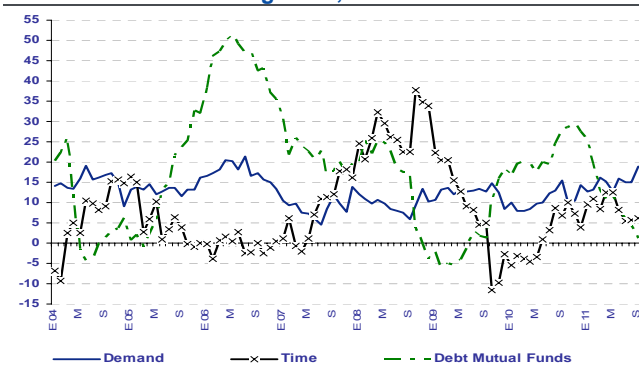
- Demand deposits is the component of total bank deposits that in October grew at the highest nominal annual rate: 18.7%. Its dynamic behavior is a consequence of GDP growth, lower inflation rate and the relative lower level of interest rates. The last two elements reduce opportunity costs of holding liquid funds. October's growth rate was similar to the one of the previous month (18.9%) and it was greater than the one of the same month of 2010 (10.0%).
- Time deposits grew at a moderate annual nominal rate of 5.7%. This rate of growth could be the consequence of a higher proportion of funds that have been channeled to demand deposits rather than to time deposits. This growth rate was lower than the one of the previous month (6.1%) and it was also lower than the one of the same month in 2010 (9.9%).
- In October 2011 total bank deposits (demand and time deposits ) continued its growth trend and registered a nominal annual rate of growth of 12.7%. This rate was lower than the one of the previous month (13.1%) and higher than the one of the same month of 2010 (9.9%).
- In September, latest available data, debt mutual funds (DMF) grew 1.2%. DMF have become an important savings instrument: its outstanding balance in January 2003 represented 44.6% of time deposits balance, and in September 2011 this proportion increased to 93.6%.
- Financial Savings (FS) includes all sorts of savings instruments, banking and non banking, such as debt issued by the private and public sectors. In October the nominal annual rate of growth of FS was 14.3%, and it was similar to the one of the previous month (14.5%) and it was also higher than the growth rate of the same month of 2010 (12.4%). Note that since June 2009 FS growth rate has been greater than the one of total bank deposits. This means that a higher proportion of resources have been channeled to non banking savings instruments.
- GDP and employment growth will be fundamental impulse factors that will induce the growth of the different savings instruments.

Graph 1  
Total Bank Deposits and Financial Savings  
Annual nominal rate of growth, %



Source: BBVA Research with data of Bank of Mexico

Graph 2  
Bank Demand and Time Deposits and Debt Mutual Funds  
Annual nominal rate of growth, %



Source: BBVA Research with data of Bank of Mexico

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# Banking Flash

## Mexico

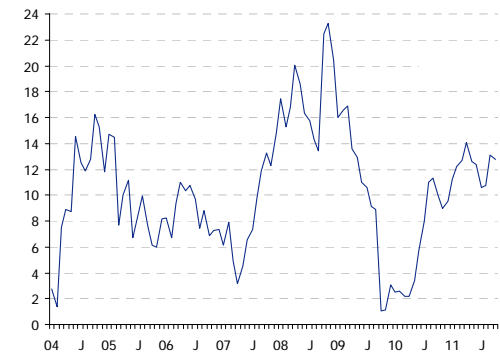
December 5, 2011  
Economic Research

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### Credit: graphs and statistics

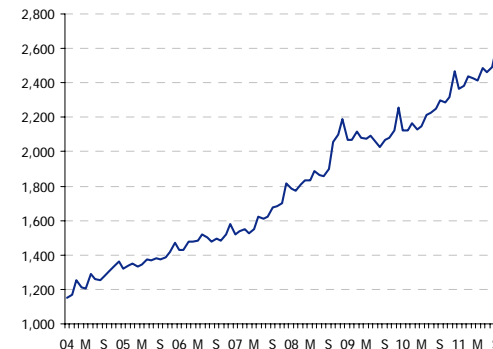
- In October 2011 the annual nominal growth rate of total bank deposits was 12.7%.
- Demand deposits was the category of bank deposits that grew at the highest annual nominal rate in that month, which was 18.7%.
- Financial savings, which include bank and non bank savings, grew 14.3% in October

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



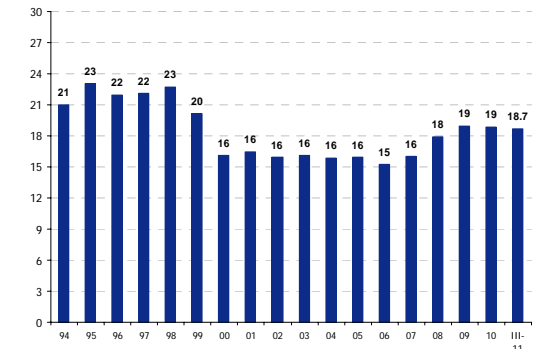
Source: BBVA Research with data of Bank of Mexico

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



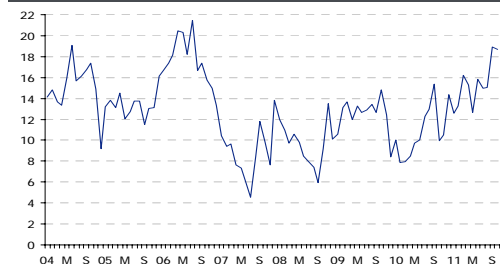
Source: BBVA Research with data of Bank of Mexico

Graph 3  
Total Bank Deposits  
As ratio of GDP, %



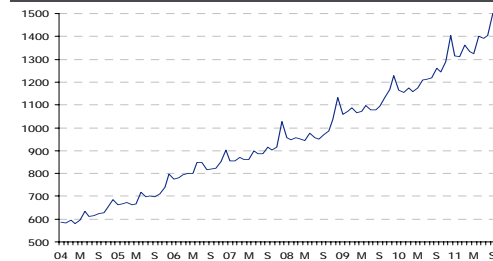
Source: BBVA Research with data of Bank of Mexico and INEGI

Graph 4  
Demand Deposits  
Annual nominal rate of growth, %



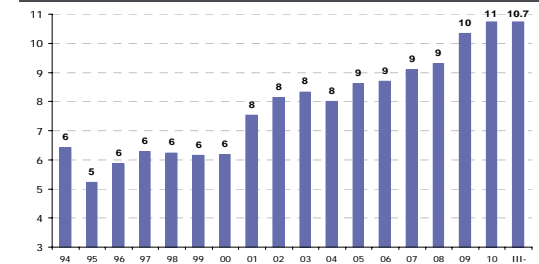
Source: BBVA Research with data of Bank of Mexico

Graph 5  
Demand Deposits  
Balance in current billions of Mexican pesos



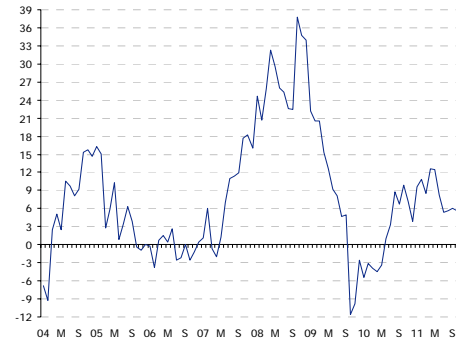
Source: BBVA Research with data of Bank of Mexico

Graph 6  
Demand Deposits  
As ratio of GDP, %



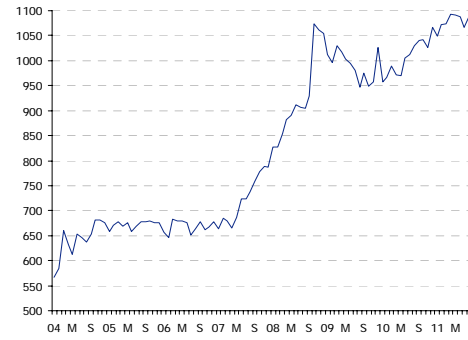
Source: BBVA Research with data of Bank of Mexico and INEGI

Graph 7  
Time Deposits  
Annual nominal rate of growth, %



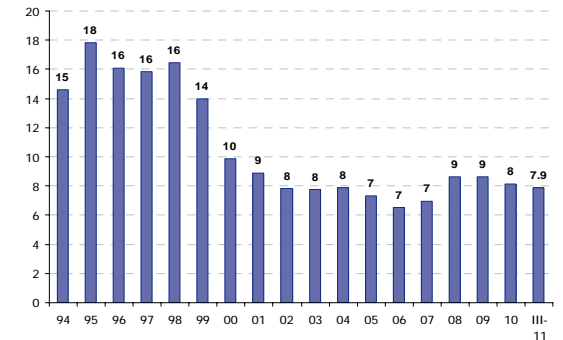
Source: BBVA Research with data of Bank of Mexico

Graph 8  
Time Deposits  
Balance in current billions of Mexican pesos



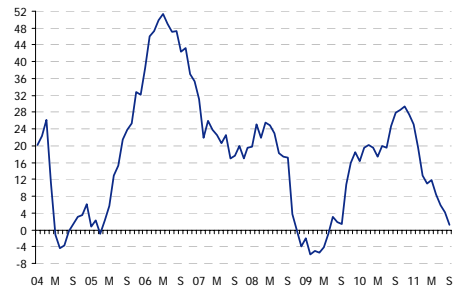
Source: BBVA Research with data of Bank of Mexico

Graph 9  
Time Deposits  
As ratio of GDP, %



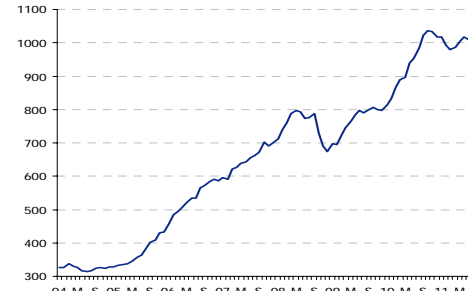
Source: BBVA Research with data of Bank of Mexico and INEGI

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



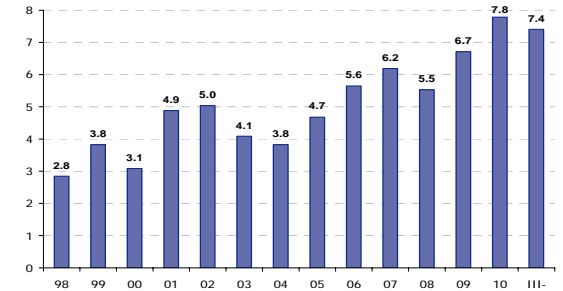
Source: BBVA Research with data of Bank of Mexico

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



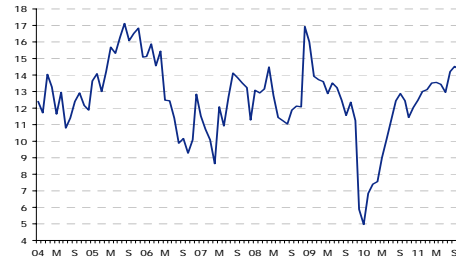
Source: BBVA Research with data of Bank of Mexico

Graph 12  
Debt Mutual Funds  
As ratio of GDP, %



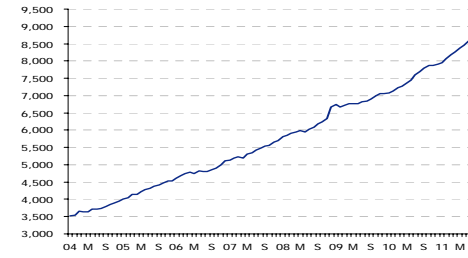
Source: BBVA Research with data of Bank of Mexico and INEGI

Graph 13  
Financial Savings  
Annual nominal rate of growth, %



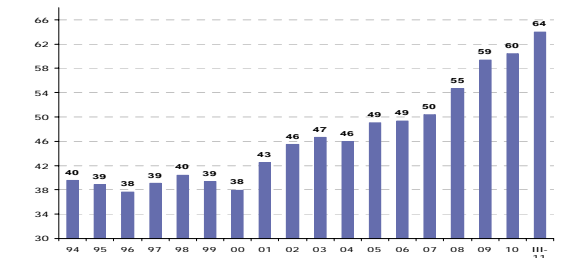
Source: BBVA Research with data of Bank of Mexico

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



