

Mexico Banking Flash

Bank deposits: growth in their components reduced

In September 2012, the annual nominal growth rate of traditional bank savings (demand + fixed term) was 6.6%. This rate was lower than for the preceding month (9.3%) and for the same month of 2011 (13.1%).

- **Demand deposits: the most dynamic component of bank deposits**

In September 2012, the annual nominal growth in demand deposits was 8.1%, higher than in the preceding month (13.5%) and lower than in the same month of 2011 (18.9%). From August to September 2011, the monthly growth rate for demand deposits was extremely high, leading to a substantial increase in the amounts of demand deposits in that month. Insofar as the subsequent monthly growth rates slowed, this prompted lower growth in annual growth rates. Twelve months after the high monthly increase posted by demand deposits in September 2011, the arithmetic effect of this growth ended, and the annual growth rate fell significantly to 8.1%, as happened in September 2012.

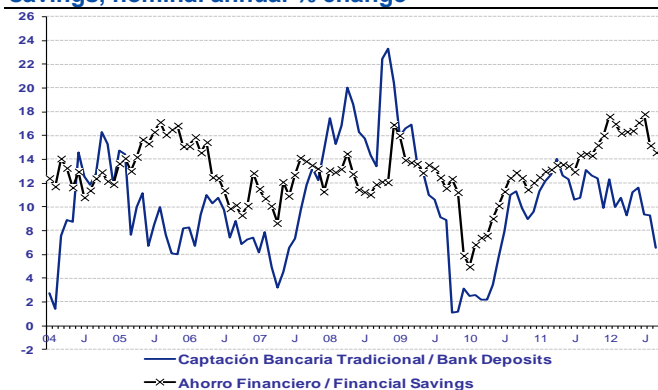
- **Fixed-term deposits: the growth rate has slowed**

In September, nominal annual growth in fixed-term deposits was 4.4%, higher than the previous month (3.8%) and lower than the same month of 2011 (6.1%). In 2012, growth in fixed-term deposits fell, given that in the first nine months of 2011, the average annual nominal annual growth rate was 8.8%, and in the same period of 2012 it fell to 4.7%.

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

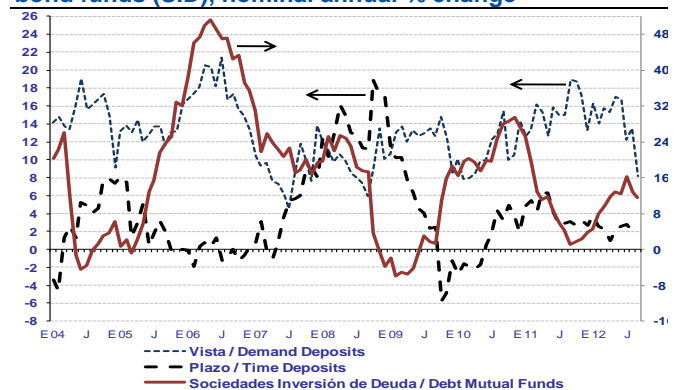
The nominal annual rate of growth of financial savings (FS) in September 2012 was 14.6%. This rate was lower than in the preceding month (15.2%) and higher than the same month of 2011 (14.5%). Financial savings include all types of banking and non-banking savings instruments. In September the contribution to their growth by their 4 components was as follows: 1) public-sector securities contributed 11.3 percentage points (pp) of the 14.6 pp growth; 2) deposit institutions, 2 pp (commercial banks, 1.9 pp; development banks, 0.2 pp; overseas agencies of commercial banks posted a minimum negative contribution which was offset by the positive minimum contribution from savings and loan companies (SAPs); 3) the retirement savings system outside Siefores, 0.7 pp; and 4) private-sector debt, 0.5 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

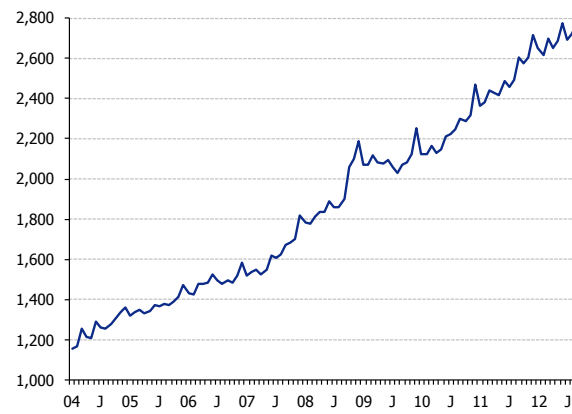
- In September 2012 the annual nominal growth rate of total bank deposits was 6.6%.
- Demand deposits grew at 8.1% and the nominal growth rate of time deposits was smaller and of 4.4%
- Financial savings, which include banking and non banking savings instruments, in September also grew at a high rate, which was of 14.6%

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



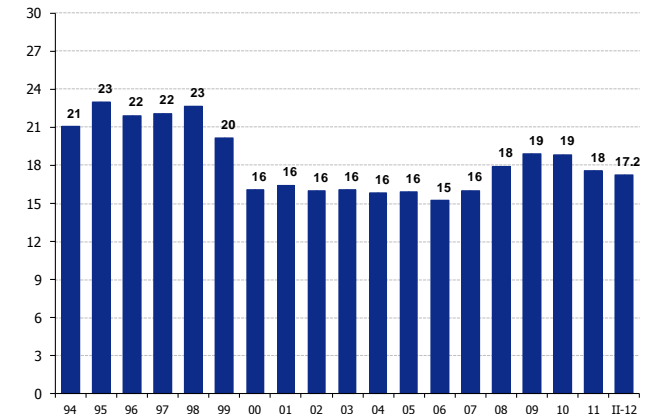
Source: BBVA Research with data of Bank of Mexico

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



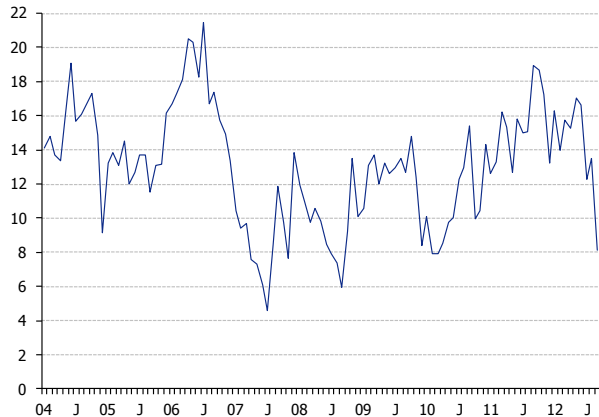
Source: BBVA Research with data of Bank of Mexico

Graph 3
Total Bank Deposits
As ratio of GDP, %



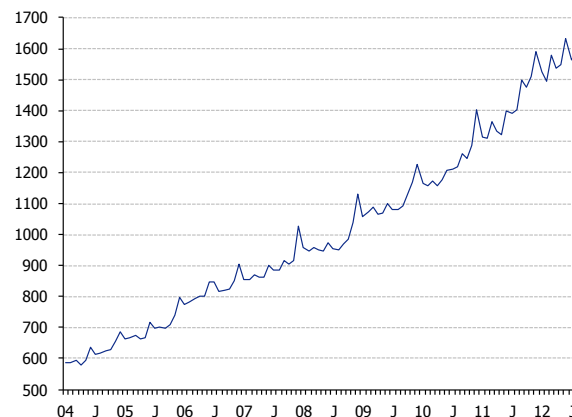
Source: BBVA Research with data of Bank of Mexico and INEGI

Graph 4
Demand Deposits
Annual nominal rate of growth, %



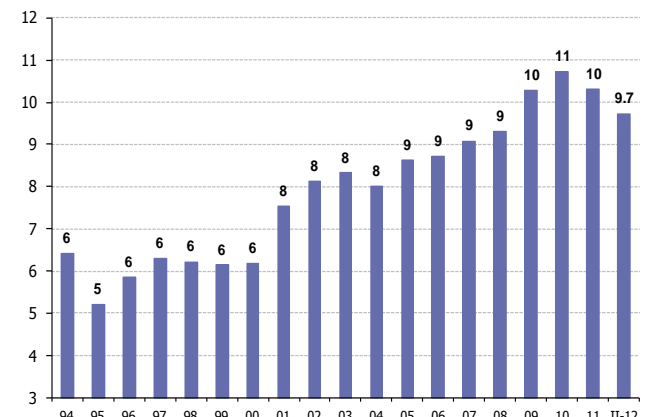
Source: BBVA Research with data of Bank of Mexico

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, %



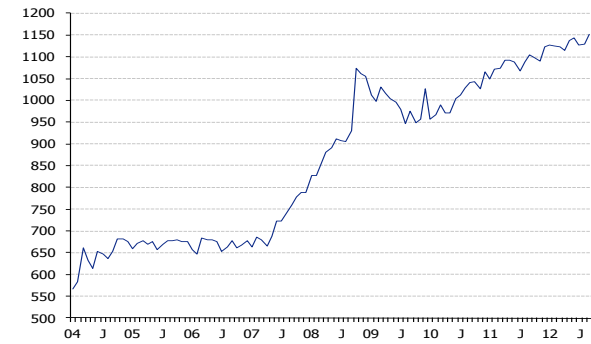
Source: BBVA Research with data of Bank of Mexico and INEGI

Graph 7
Time Deposits
Annual nominal rate of growth, %



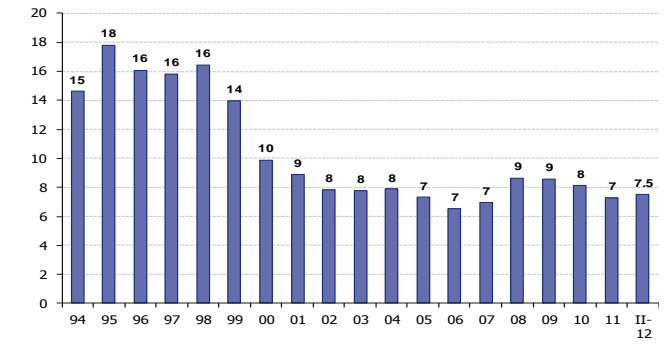
Source: BBVA Research with data of Bank of Mexico

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, %



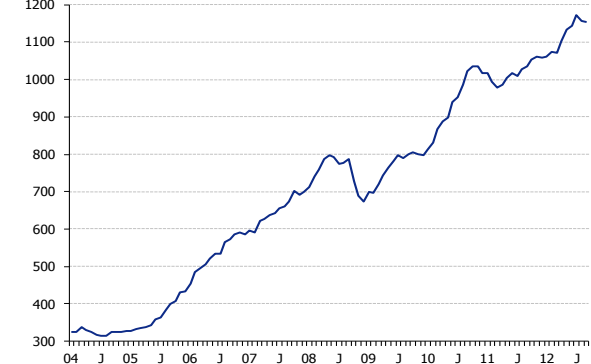
Source: BBVA Research with data of Bank of Mexico and INEGI

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



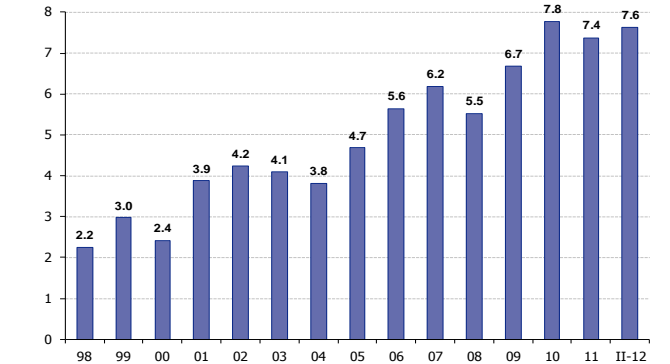
Source: BBVA Research with data of Bank of Mexico

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



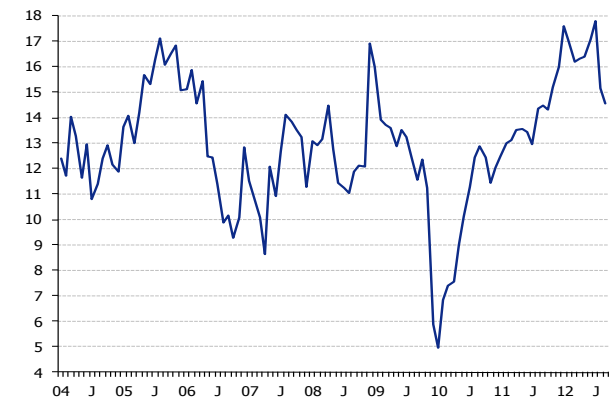
Source: BBVA Research with data of Bank of Mexico

Graph 12
Debt Mutual Funds
As ratio of GDP, %



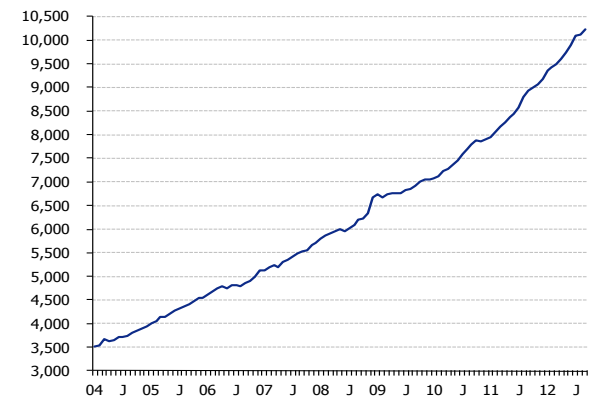
Source: BBVA Research with data of Bank of Mexico and INEGI

Graph 13
Financial Savings
Annual nominal rate of growth, %



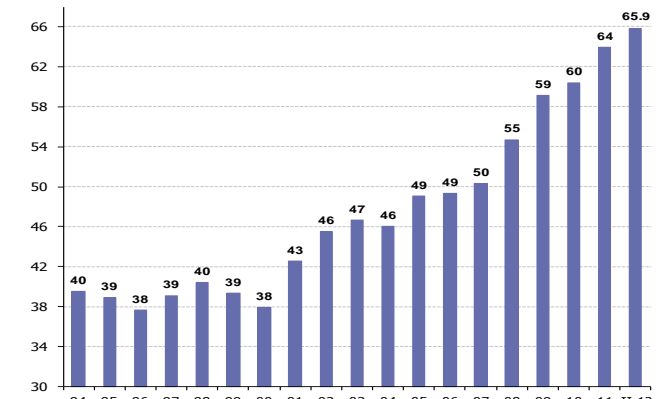
Source: BBVA Research with data of Bank of Mexico

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

