Financial Intermediation in Mexico

Data Summary 2013
Contents

♦ Flow of Funds
♦ Macro Level Institutions
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  • Quantity (simple indicators)
  • Quality (theory-based performance)
♦ Corporate Sector
  • Institutions
  • Quantity
  • Quality
♦ Household Sector
  • Institutions
  • Quantity
  • Quality
Part I: Flow of Funds

- Financial Flows
- Capital Flows
  - Private Capital Flows
- Foreign Direct Investment
  - Net Inflows and Outflows (% of GDP)
  - Net Value (USD)
- International Remittances
Financial Flows (capital flows minus foreign direct investment)

Flow of Funds: % of GDP
Financial Flows: millions of US$

Source: Latin American and Caribbean Macro Watch Output Data

Macro-level Institutions
Corporate Sector
Household Sector
Capital Flows

Capital Flows (capital account balance plus errors and omissions)

Source: Latin American and Caribbean Macro Watch Output Data
Private Capital Flows

Total Private Capital Flows (% of GDP)

- Mexico
- United States
- G5 Average

Source: World Bank DataBank
Foreign Direct Investment

Mexico

Flow of Funds

- Macro-level Institutions
- Corporate Sector
- Household Sector

Foreign Direct Investment: Net Inflows and Outflows (% of GDP)

- Foreign direct investment, net inflows (% of GDP)
- Foreign direct investment, net outflows (% of GDP)

Source: World Bank DataBank
Foreign Direct Investment

Flow of Funds
- Macro-level Institutions
- Corporate Sector
- Household Sector

Net Foreign Direct Investment (BoP, current US$)

Source: World Bank DataBank
Foreign Direct Investment

Flow of Funds
- Macro-level Institutions
- Corporate Sector
- Household Sector

Foreign Direct Investment, Net Inflows (% of GDP)

Source: World Bank DataBank
Foreign Direct Investment, Net Outflows (% of GDP)

- **Mexico**: Red line
- **United States**: Green line
- **G5 Average**: Blue line

Source: World Bank DataBank
Mexico

International Remittances

Flow of Funds
- Macro-level Institutions
- Corporate Sector
- Household Sector

Migrant Remittance Inflows (millions of US$)

*outflow data not available

Source: World Bank, Migration and Remittances Data
Part II: Macro Level Institutions

- Financial Development Index
- Financial Liberation Index
- Banking Sector
  - Bank Entry Requirements
  - Bank Entry Openness and Discrimination
  - Capital Accounts Restrictions
  - Banking System Economic Outlook 2013
  - Banking Industry Country Risk Assessment (BICRA) Score
- Macro Indicators
  - Gross National Savings
  - Government Savings
  - Gross Capital Formation
  - M2 as a % of GDP
  - Domestic Credit to Private Sector
The Financial Development Index consists of seven pillars: institutional environment; business environment; financial stability; banking financial services; non-banking financial services; financial markets; and financial access. The lower the score, the better financial development.

Financial Liberalization Index

Flow of Funds  Macro-level Institutions  Corporate Sector  Household Sector

Financial Liberalization Index (scale: 0 to 18)

## Bank Entry Regulations

### Flow of Funds
- **Macro-level Institutions**
- **Corporate Sector**
- **Household Sector**

<table>
<thead>
<tr>
<th>Description</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public agency in charge of the approval of banking licenses</td>
<td>The National Banking and Securities Commission (CNBV)</td>
</tr>
<tr>
<td>Minimum Capital Entry Requirement</td>
<td>Varies by nature of banking business</td>
</tr>
<tr>
<td>Information on source of funds for capital</td>
<td>Not required</td>
</tr>
<tr>
<td>Sources of funds to be used as capital verified by authorities</td>
<td>Not required</td>
</tr>
<tr>
<td>Law enforcement authorities</td>
<td>Consulted</td>
</tr>
<tr>
<td>Assets that cannot be used to increase capital</td>
<td>None</td>
</tr>
<tr>
<td>Legal submission required for banking license</td>
<td>Draft by-laws; intended organizational chart; structure of board, market/business strategy; first 3-year financial projections; financial information on shareholders; background/experience of future board directors and senior managers; and the source of funds to be used as capital.</td>
</tr>
<tr>
<td>Maximum percentage of foreign ownership allowed</td>
<td>100%</td>
</tr>
<tr>
<td>In the past 5 years (2006-2010), number of foreign banks applications to enter through the acquisition of a domestic bank</td>
<td>0 applications approved</td>
</tr>
<tr>
<td>Number of months it takes for a new banking license to be issued</td>
<td>5 months</td>
</tr>
</tbody>
</table>

### Banking Openness and Discrimination

<table>
<thead>
<tr>
<th>Flow of Funds</th>
<th>Macro-level Institutions</th>
<th>Corporate Sector</th>
<th>Household Sector</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Degree of Openness*</th>
<th>Degree of Discrimination*</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>All Components</td>
<td>Omit Rejection Rate</td>
</tr>
<tr>
<td>Actual Practice</td>
<td>Commitments</td>
<td>Actual Practice</td>
</tr>
<tr>
<td>Mexico</td>
<td>-</td>
<td>0.416</td>
</tr>
</tbody>
</table>

*Higher values indicate less openness or more discrimination

There is an obvious divergence between actual practice and commitments. Mexico is more open (after omitting the rejection rate) than it committed to be to the WTO. Mexico is more open to domestic entrants than it is to foreign entrants.

Source: WTO “Foreign Banking: Do Countries’ WTO Commitments Match Actual Practices?”
Mexico

Capital Account Restrictions

- 1990s - Liberalizations: many restrictions removed to prepare entry in the OECD.

- March 2012 - Mexico limits its automotive exports to Brazil, prompting Argentina to threaten to revoke its own trade agreement with Mexico in an effort to gain further concessions.

- January 2003 - Economic Complementation Agreement No. 55, known as ACE 55, went into effect. ACE 55 was negotiated between Mexico and the countries of MERCOSUR (Argentina, Brazil, Paraguay and Uruguay) in 2002 to reduce tariffs on vehicles and auto parts in an effort to assist trade in these goods between the five countries. ACE 55 is part of a greater framework agreement initiative between Mexico and the MERCOSUR countries called that aims to improve trade and economic ties between all involved parties. The automotive industry agreement represents a leap in the direction of enhancing trade relations with its major Latin American counterparts-- since ACE 55 went into effect, trade between Mexico and MERCOSUR has more than doubled.

• Total credit of the banking system: from April 2010 to September 2012 has registered 30 consecutive months of growth.

• Economic Census figures indicate that in the construction and the transportation sectors, 53.3% and 40.8% of the companies obtained credit from banks and other sources, respectively, in 2008.

• In the other sectors, the percentage of companies with credit or financing was less than 30%.

• Mexico in recent years has grown significantly the number of bank clients, in particular, and the number of persons that use financial services, in general.

Source: BBVA Research Banking Outlook Mexico, November 2012
Banking Industry Country Risk Assessment

Mexico

Flow of Funds

* Macro-level Institutions

Corporate Sector

Household Sector

BICRA score* in January 2013

- Mexico
- United States
- G5 Average

*Lower score denotes less risk

Source: S&P's BICRA Assessment January 2013
Gross National Savings

Flow of Funds

*Macro-level Institutions*  Corporate Sector  Household Sector

Gross National Savings (% of GDP)

Source: World Bank DataBank
Government Savings

Flow of Funds • Macro-level Institutions • Corporate Sector • Household Sector

Government Savings (% of GDP)

Source: OECD

Mexico

United States

G5 Average

% of GDP

2003 2004 2005 2006 2007 2008 2009 2010 2011
Gross Capital Formation

Flow of Funds
- Macro-level Institutions
- Corporate Sector
- Household Sector

Gross Capital Formation (% of GDP)

Variations over years from 1970 to 2009, showing
- Mexico
- United States
- G5 Average

Source: World Bank Databank
Mexico

M2 as a % of GDP

Flow of Funds  Macro-level Institutions  Corporate Sector  Household Sector

M2 (% of GDP)

Source: World Bank DataBank
Part III: Corporate Sector

- Corporate Regulation
  - Corporate Governance
  - Ease of Doing Business Index
  - Start-up Costs
  - Start-Up Environment Summary
  - Accounting Quality
- Stock Market Capitalization
- Large Firms
  - Marginal Product of Capital Dispersion
  - Tobin’s Q Dispersion
- Small Firms Financing
### Corporate Governance

**Mexico**

<table>
<thead>
<tr>
<th>Flow of Funds</th>
<th>Macro-level Institutions</th>
<th>Corporate Sector</th>
<th>Household Sector</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic Freedom Score (out of 100)</td>
<td>67</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ranking (in 2013 index)</td>
<td>50th</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trend</td>
<td>Its score is 1.7 points better than last year, reflecting notable improvements in investment freedom, trade freedom and monetary freedom.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Country Comparisons**

<p>| | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Country</td>
<td>World Average</td>
<td>Regional Average</td>
<td>Free Economies</td>
<td></td>
</tr>
<tr>
<td></td>
<td>67.0</td>
<td>74.1</td>
<td>84.5</td>
<td>59.6</td>
</tr>
</tbody>
</table>

Source: The Heritage Foundation
Ranked 53 out of 183 countries in 2012.

Sources: World Bank Data Bank and Global Finance Magazine Online
Start-Up Costs

Cost of Business Start-up Procedures
(% GNI per capita)

Source: World Bank DataBank
## Start-up Environment Summary

### Flow of Funds

<table>
<thead>
<tr>
<th>Category</th>
<th>Mexico</th>
<th>2012 Report</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Starting a Business</strong> (rank)</td>
<td>36</td>
<td></td>
</tr>
<tr>
<td>Procedures (number)</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td>Time (days)</td>
<td>9</td>
<td></td>
</tr>
<tr>
<td>Cost (% of income per capita)</td>
<td>10.1</td>
<td></td>
</tr>
<tr>
<td>Minimum capital (% of income per capita)</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td><strong>Dealing with construction permits</strong> (rank)</td>
<td>36</td>
<td></td>
</tr>
<tr>
<td>Procedures (number)</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>Time (days)</td>
<td>69</td>
<td></td>
</tr>
<tr>
<td>Cost (% of income per capita)</td>
<td>322.7</td>
<td></td>
</tr>
<tr>
<td><strong>Getting electricity</strong> (rank)</td>
<td>130</td>
<td></td>
</tr>
<tr>
<td>Procedures (number)</td>
<td>7</td>
<td></td>
</tr>
<tr>
<td>Time (days)</td>
<td>95</td>
<td></td>
</tr>
<tr>
<td>Cost (% of income per capita)</td>
<td>382.8</td>
<td></td>
</tr>
</tbody>
</table>

### Macro-level Institutions

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<tr>
<td><strong>Starting a Business</strong> (rank)</td>
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<tr>
<td>Getting credit (rank)</td>
<td>40</td>
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<td></td>
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</table>

### Notes

- *Starting a Business* (rank)
- Getting credit (rank)
- Protecting investors (rank)
- Extent of disclosure index (0-10)
- Extent of director liability index (0-10)
- Ease of shareholder suits index (0-10)
- Strength of investor protection index (0-10)
- Procedures (number)
- Time (days)
- Cost (% of income per capita)
- Minimum capital (% of income per capita)
- Dealing with construction permits (rank)
- Registering property (rank)
- Paying taxes (rank)
- Total tax rate (% of profit)
- Resolving insolvency (rank)

*denotes reform making it easier to do business

Source: [www.doingbusiness.org](http://www.doingbusiness.org) 2012 report
Accounting Quality

Flow of Funds  ◆ Macro-level Institutions  ◆ Corporate Sector  ◆ Household Sector

Rules for listed filings

- The National Banking and Securities Commission in Mexico (CNBV), together with the Mexican board for Research and Development of Financial Reporting Standards (CINIF) announced in November 2008 the plan to adopt IFRS for listed entities, effective January 2009, amending the reporting rules for listed entities in Mexico except for financial institutions. The obligation is to adopt IFRS as issued by the IASB starting for periods ending on 31 December 2012. Such financial statements must be audited in accordance with the International Auditing Standards. Listed trusts and structured equity securities (CKDS) are also required to adopt IFRS. The mandatory adoption date for the CKDS entities is no later than 31 December, 2013 and for the trusts is 31 December, 2012. Financial listed issuers are still required to report using the accounting standards pronounced by the competent Mexican authorities, that is, specific rules issued by the CNBV. Currently there is no plan requiring private companies to adopt IFRS, and therefore they continue reporting under Mexican Financial Reporting Standards (Mexican FRS). However, private companies could voluntarily decide to adopt IFRS.

- Subsidiaries of foreign companies or foreign companies listed on local exchanges are subject to different rules: The CNBV also allows foreign listed issuers, except for financial institutions, to report under US GAAP or the local standards of the relevant entity (if they are different), but it is necessary to include a document where the differences between these local standards and IFRS are detailed without quantifying the impact. In addition, when local standards (different from US GAAP) are followed, a reconciliation of the relevant differences between these local GAAP and IFRS quantifying the impacts should be included. Foreign financial institutions could prepare information under IFRS or other GAAP. However, a reconciliation and a document explaining the differences between IFRS or local GAAP used and the accounting standards pronounced by the CNBV should be included. Therefore, the adoption of IFRS becomes far more practical and less costly.

Rules for statutory filings: IFRS is permitted, and all statutory accounts must be prepared under local Mexican FRS or IFRS. IFRS for SMEs is not permitted.

IFRS conversion plans: The CINIF is in the process of converging all Mexican FRS by 2012 for all private entities. However, there are some delays in the original plan that could result in moving the targeted date.

Source: “IFRS Adoption by Country,” 2012
Stock Market Capitalization (% of GDP)

Source: World Bank DataBank
## Large Firms

<table>
<thead>
<tr>
<th>Firm</th>
<th>Industry Type</th>
<th>Sales</th>
<th>Profits</th>
<th>Assets</th>
<th>Market Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>America Movil</td>
<td>Telecommunications</td>
<td>$47.7B</td>
<td>$5.9B</td>
<td>$67.9B</td>
<td>$93.4B</td>
</tr>
<tr>
<td>Femsa</td>
<td>Beverages</td>
<td>$14.6B</td>
<td>$1.1B</td>
<td>$19.7B</td>
<td>$25.4B</td>
</tr>
<tr>
<td>Grupo Mexico</td>
<td>Diversified Metals &amp; Mining</td>
<td>$9.4B</td>
<td>$2.1B</td>
<td>$15.3B</td>
<td>$25.2B</td>
</tr>
<tr>
<td>Grupo Modelo</td>
<td>Beverages</td>
<td>$6.5B</td>
<td>$0.9B</td>
<td>$9.1B</td>
<td>$22.6B</td>
</tr>
<tr>
<td>Grupo Elektra</td>
<td>Computer &amp; Electronics Retail</td>
<td>$3.7B</td>
<td>$2.1B</td>
<td>$12.7B</td>
<td>$21.7B</td>
</tr>
</tbody>
</table>

Marginal Product of Capital Dispersion

Flow of Funds  ▲ Macro-level Institutions  ▲ Corporate Sector  ▲ Household Sector

Marginal Productivity of Capital (%)

Source: “Comparing equilibrium real interest rates: different approaches to measure Brazilian rates” (MarceloKfoury Muinhos, Márcio I. Nakane)
Tobin’s Q is the ratio between the market value and replacement value of the same physical asset. \( Tobin's \ q = \frac{Value \ of \ Stock \ Market}{Corporate \ Net \ Worth} \)

Source: Corporate Valuation around the World: The Effects of Governance, Growth, and Openness, Choong Tze Chua, Cheol S. Eun, Sandy Lai,
Small Firms Financing in 2010

- Percent of firms identifying access to finance as a major constraint
- Proportion of working capital financed by supplier credit (%)
- Proportion of working capital financed by banks (%)
- Percent of firms using banks to finance working capital
- Proportion of investments financed by equity or stock sales (%)
- Proportion of investments financed by supplier credit (%)
- Proportion of investments financed by banks (%)
- Proportion of investments financed internally (%)
- Percent of firms using banks to finance investments
- Percent of firms not needing a loan
- Proportion of loans requiring collateral (%)
- Percent of firms with a bank loan/line of credit
- Percent of firms with a checking or savings account

Source: Enterprise Surveys
Part IV: Household Sector

- Consumer Laws and Regulations
- Consumer Quantity Indicators
  - Financial Access
  - Quantity Indicators
- Consumer Performance Indicators
- Cash-flows
  - Savings and Loans
  - B/S Market
Consumer Laws and Regulations

- Regulations Index and Rankings
- Legal Rights Index
- Consumer Rights Protections
- Real Estate Loan Regulations

Flow of Funds  Macroe-level Institutions  Corporate Sector  Household Sector

Mexico

CFSP
Mexico

Regulations Index and Ranking

Flow of Funds  Macroeconomic Institutions  Corporate Sector  Household Sector

Mexico Regulations Ratings

Source: Free the World 2012 Report
## Mexico

### Consumer Rights Protections

**Flow of Funds**
- **Macro-level Institutions**
- **Corporate Sector**
- **Household Sector**

#### Access to adequate information to make informed choices:
- Mandatory labeling standards: yes
- Prohibition of deceptive/misleading advertising: yes

#### Promotion and protection of consumers' economic interests:
- Regulations for warranties against defects: no
- Control prices for essential goods/services: yes
- Return/exchange policy on newly purchased products or services: no
- Regulate weights and measures: yes
- Anti-competitive behavior restrictions and monopoly protection: no
- Prohibit unfair contract terms and conditions: yes
- Prohibit unethical marketing practices: no
- Prohibit unfair contract terms and conditions: yes
- Anti-competitive behavior restrictions and monopoly protection: no
- Prohibit unethical marketing practices: no

#### Availability of effective consumer redress and access to justice:
- A government body to intervene individual cases: yes
- NGO-led complaints handling: no
- Simplified and cheap consumer claim procedures: no
- Consumer organizations acting on behalf of consumers: yes
- Formal courts to settle consumer complaints: no
- Industry-led alternative dispute resolution: no

#### Consumer education promoted:
- Government mechanism to monitor consumer use of rights: no
- Consumer education in higher education: no
- Programs to generate awareness of rights by government: yes
- Other forms of consumer education: no
- Incorporation of consumer education in school: yes

### Promotion of sustainable consumption patterns
- Incentivize producers/suppliers to be ethical and socially responsible: no
- Legal measures to enable/encourage consumers to choose socially responsible products: no
- Warnings/instructions on environmental effects of hazardous product disposal: yes
- Programs to prevent environmental degradation: yes
- Programs targeted to consumers to promote sustainable lifestyle: yes

### Opportunity for consumer organizations to present views in decision-making:
- Involvement of consumer organizations in development of consumer protection laws: no
- Draft laws/policies made available for public consultation: yes
- Implementation of joint programs with consumer organization: no
- Involvement of consumer organizations in conducting market surveillance: no

## Real Estate Loan Regulations

<table>
<thead>
<tr>
<th>Financial Intermediary</th>
<th>Instrument</th>
<th>Maturity</th>
<th>Down payment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Infonavit</td>
<td>Fixed rate but indexed to the minimum wage</td>
<td>30 years</td>
<td>Savings used as down payment</td>
</tr>
<tr>
<td>Commercial Banks</td>
<td>Fixed, variable, and mixed rates</td>
<td>5 to 20 years</td>
<td>Median of 20%, min. 5%</td>
</tr>
<tr>
<td>Sofoles (non-bank banks)</td>
<td>Fixed and mixed rates</td>
<td>5 to 25 years</td>
<td>Median of 10%, min. 5%</td>
</tr>
</tbody>
</table>

Source: The domestic financial position of the household sector in Mexico; IFC 2007
Quantity Indicators

- Financial Sector Participation: Savings
- Financial Sector Participation: Loans
- Bank Branch Access
- Banking Sector by Share
- Banking Sector by Type of Institution
- Domestic Credit
- Household Credit Composition
- Household Access to Amenities
- Household Access to Technology
- Automobile Ownership
- Mobile Phone Subscriptions
- Tertiary Education
- Pensions
- Life Insurance

Mexico
Financial Sector Participation: Savings

Savings in 2011 (% of population 15+)

- Account at a formal financial institution
- Saved at a financial institution in the past year
- Saved any money in the past year
- Saved using a savings club in the past year
- Has a credit card
- Has a debit card

Source: World Bank Global Findex
# Financial Sector Participation: Loans

**Source of Loans in 2011 (% of population 15+)**

<table>
<thead>
<tr>
<th>Source of Loan</th>
<th>Total</th>
<th>Urban</th>
<th>Rural</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loan in the past year</td>
<td>30</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loan from a financial institution in the past year</td>
<td>8</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loan from a private lender in the past year</td>
<td>3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loan from an employer in the past year</td>
<td>7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loan from family or friends in the past year</td>
<td>15</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loan through store credit in the past year</td>
<td>9</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: World Bank Global Findex
Bank Branch Access

Flow of Funds  Macro-level Institutions  Corporate Sector  Household Sector

Bank Branches (per 1000 adults)

Note: Data includes retail locations of resident commercial banks and other resident banks that function as commercial banks that provide financial services to customers and are physically separated from the main office but not organized as legally separated subsidiaries.

Source: World Bank (International Monetary Fund, Financial Access Survey)
Banking Sector by Share

Largest Banks by Share of Total Banking Assets (% of total)

BBVA Bancomer: 19.5%
Banamex: 19.7%
Banorte: 11.7%
Santander Mexico: 13.7%
HSBC Mexico: 8.6%
Inbursa: 4.6%
Scotiabank Inverlat: 3.7%
Rest: 18.5%

Source: CNBV and CNSF
Banking Sector by Type

Type of Financial Institutions (% share of total assets)

- Commercial banks: 51%
- Pension funds: 14%
- Mutual funds: 12%
- Development banks: 9%
- Insurance companies: 6%
- Surety bonding institutions: 0%
- Brokerage firms: 4%
- Non-bank Financial Institutions: 1%
- Non-regulated sofomes: 2%
- Auxilery credit organizations: 0%
- Social savings and loan institutions: 1%

Source: CNBV and CNSF
Domestic Credit

Domestic Credit Indicators (% of GDP)

- Domestic Credit to Private Sector
- Domestic Credit Provided by Banking Sector

Source: World Bank (International Monetary Fund, Financial Access Survey)
Household Credit Composition

Financial Liabilities 2005 (% of GDP)

- **Consumption - Banks**: 3.3%
- **Consumption - Sofoloes**: 0.4%
- **Consumption - Sofoles**: 0.6%
- **Housing - Banks**: 2.2%
- **Housing - Sofoloes**: 1.4%
- **Housing - Sofoloes**: 5.1%

Sofoloes: Special Purpose Financial Companies
Infonavit: National Employees’ Housing Fund

Source: Bank of Mexico
Mexico

Household Amenities

Access to Amenities in 2010 (% of population)

Source: Household Survey, Instituto Nacional de Estadisticas,
Mexico

Access to Technology

Access to Technology (% of Population)

Auto Ownership

Automobile Ownership (per 1000 people)

Source: World Bank DataBank

Flow of Funds  Macro-level Institutions  Corporate Sector  Household Sector

Mexico  United States  G5 Average
Mobile Phone Subscriptions

Mobile Cellular Subscriptions (Per 100 People)

Source: World Bank DataBank

CFSP
In 2012, 17% of Mexicans ages 25-64 had attained tertiary level of education. Compared to the OECD average of 31%, **Mexico ranks 30 of 41 countries**.

In 2011, the average number of years of education received by people ages 25 and older was **8.5 years**.
Pensions

Flow of Funds  Macro-level Institutions  Corporate Sector  Household Sector

Pension Fund Assets (% of GDP)

% of GDP

2003 2004 2005 2006 2007 2008 2009 2010

Source: World Bank Databank
Life Insurance Flow of Funds

- Macro-level Institutions
- Corporate Sector
- Household Sector

**Mexico**

Life Insurance

Life Insurance Premium (USD) and Penetration (% of GDP)

- Premium (billions of USD)
- Penetration (% of GDP)

Source: IMF
Performance Indicators

- Household Income
- Unemployment Rate
- Household Balance Sheet
  - Use of Loans (Flow)
  - Interest Income and Expense
  - Household Wealth
  - Real Assets Composition
Mexico

Household Income

Share of Household Income by Type in 2005 (% of total income)

High income

Middle income

Low income

Source: MXFLS
Unemployment Rate

Source: World Bank DataBank
Savings (flow to)

Flow of Funds  Macro-level Institutions  Corporate Sector  Household Sector

Low Income Households Savings Flow (2005)

Source: MXFLS
Mexico Savings (flow to)

Flow of Funds
- Macro-level Institutions
- Corporate Sector
- Household Sector

Middle Income Households Savings Flow (2005)

- Commercial bank/credit union
- State-owned banks
- Informal lending (relatives, neighbors, friends)

Source: MXFLS
Mexico

Savings (flow to)

Flow of Funds  Macro-level Institutions  Corporate Sector  Household Sector

High Income Households savings Flow (2005)

Source: MXFLS
Use of Loans in 2011 (% of population 15+)

- Outstanding loan for purchasing a home: 3 (Total), 3 (Urban), 2 (Rural)
- Outstanding loan for paying school fees: 9 (Total), 10 (Urban), 9 (Rural)
- Outstanding loan for home construction: 6 (Total), 6 (Urban), 3 (Rural)
- Outstanding loan for health or emergencies: 15 (Total), 14 (Urban), 13 (Rural)
- Outstanding loan for funerals or weddings: 3 (Total), 3 (Urban), 2 (Rural)

Source: World Bank Global FindEx
Use of Loans

Low Income Households Loans Flow by Lending Agent (2005)

Source: MXFLS
Use of Loans

Flow of Funds
- Macro-level Institutions
- Corporate Sector
- Household Sector

Middle Income Households Loans Flow (2005)

- Commerical bank/credit union
- State-owned banks
- Money Lenders
- Informal Borrowing

Source: MXFLS
Loans (flow from)

High Income Households Loans Flow (2005)

- Commercial bank/credit union
- State-owned banks
- Money lenders
- Informal borrowing

Source: MXFLS
Interest Income and Expense (in millions of Mexican pesos)

- Interest Income
- Interest Expense
- Net Interest Income

Source: OECD iLibrary
Household Wealth

Flow of Funds
- Macro-level Institutions
- Corporate Sector
- Household Sector

Wealth per adult (in USD)

Source: Credit Suisse Global Wealth Databook 2011
Real Assets

Real Assets by Type of Asset (in Pesos)

Real Assets by Share (2005)

Source: MXFLS