



REPORT ON PUBLIC FINANCES AND PUBLIC DEBT  
Actions and Results as of the Third Quarter of 2012

- *The expansion of the Mexican economy continued during the third quarter of 2012.*
- *The public balance is consistent with the annual objective approved by Congress.*
  - *Budgetary revenues increased 8.3% due to higher oil revenues, non-oil tax revenues, non-tax revenues of the Federal Government and own revenues of public entities under direct budgetary control.*
    - *Total expenditures increased by 6.9% in real terms.*
  - *At the end of September 2012, the net debt of the Federal Public Sector represented 32.2% of GDP while the Historical Balance of the Public Sector Borrowing Requirements was 35.8% of GDP.*

The Report on Public Finances and Public Debt for the Third Quarter of 2012 was published today. The following results are worth highlighting:

- GDP is estimated to have increased by approximately 3.3% in real annual terms during the third quarter of 2012.
- In September of 2012, the number of workers affiliated to IMSS registered an annual increase of 716 thousand 135 jobs (4.7%).
- In August 2012, credit to the private sector increased by 9.9% in real annual terms, with positive growth in all of its components.
- As of the third quarter of 2012, the public deficit was Ps. 175.9 billion, a result consistent with the approved budget deficit for the year. Excluding **PEMEX's investment**, a surplus of Ps. 17.8 billion is observed.
- **The Public Sector's Borrowing Requirements were Ps. 244.5 billion**, amount equivalent to 1.6% of the estimated GDP for 2012.
- During the January-September period, the revenues of the Public Sector increased by 8.3% in real annual terms. Within, oil revenues, non-oil tax revenues, non-tax revenues of the Federal Government and own revenues of public entities under direct budgetary control other than PEMEX increased by 4.9, 3.6, 74.8 and 14.6%, respectively. The



moderate growth in tax revenues is mainly due to the elimination of the vehicle ownership tax; adjusting the base of comparison by this factor, non-oil tax revenues would increase by 4.8%.

- With respect to the programmed amount, budgetary revenues were higher by Ps. 145.4 billion during the January-September period of 2012 as a result of oil revenues, tax revenues, non-tax revenues and own revenues of entities under direct budgetary control being higher than the programmed amount.
- Total expenditures of the Public Sector were higher by 6.9% in real annual terms. Programmable expenditures increased by 7.8% in real terms.
- Shared revenues increased by 0.8% in real annual terms. Adjusting the base of comparison by the elimination of the vehicle ownership tax, they would increase by 4.3%.
- The financial cost of the Public Sector increased by 9.2% in real terms as a result of the **depreciation of the exchange rate and changes in the seasonality of PEMEX's debt service.**
- At the end of the third quarter of 2012, the **Federal Public Sector's net debt** represented 32.2% of GDP, higher by 0.5 percentage points than the amount observed at the end of 2011, while the Historical Balance of the Public Sector Borrowing Requirements represented 35.8% of GDP, higher by 0.2 percentage points than the amount observed at the end of 2011.



## Economic Outlook

The evolution of the main macroeconomic indicators shows that the Mexican economy continued its expansion process during the third quarter of 2012, though its growth rate moderated as a consequence of the deceleration of external demand. In that sense, industrial production in the United States continued to slow down, leading to a deceleration in the growth rate of non-oil exports. More generally, a high level of uncertainty persisted due to the fragile fiscal and financial situation of several industrial countries.

On the other hand, domestic demand continued to grow at a high rate. Growth in consumption and private investment was supported by the creation of formal jobs and credit growth. At the same time, public investment grew at a high rate.

Gross Domestic Product (GDP) is estimated to have grown by approximately 3.3% in real annual terms during the third quarter of 2012.

As of September 30<sup>th</sup>, 2012, the number of workers affiliated at IMSS reached 15 million 931 thousand 346 people, a level that implies an annual increase of 716 thousand 135 jobs (4.7%). By type of contract, permanent jobs increased by 569 thousand 77 workers (79.5% of the total) and temporary jobs increased by 147 thousand 58 workers (20.5% of the total).

In September 2012, the inflation rate was 4.77%, which represents a 43 basis points increase with respect to the figure registered in June (4.34%). As of September 28<sup>th</sup>, the stock market index (IPyC) of the Mexican Stock Exchange (BMV) stood at 40,866.96 points, which implied an increase of 1.7% with respect to the end of June 2012, and the exchange rate closed at 12.86 pesos per dollar which implied an appreciation of 3.6% with respect to the level at the end of June of 2012 (13.34 pesos per dollar).

In August 2012, total credit from commercial and development banks grew by 8.9% in real annual terms. Within, credit to the private sector registered a 9.9% real annual increase. Credit for consumption, housing and firms recorded increases of 17.1, 5.6 and 9.8% in real annual terms, respectively.

## Public Finances

During the third quarter of 2012, the public balance registered a deficit of Ps. 175.9 billion. The primary balance posted a surplus of Ps. 24.7 billion. Excluding **PEMEX's investment**, the public balance registered a surplus of Ps. 17.8 billion. These results are consistent with the budget deficit approved for 2012.

Budgetary revenues of the Public Sector were Ps. 2,601.1 billion, higher by 8.3% in real annual terms.



Oil revenues increased by 4.9% in real annual terms as a result of the increase in the export price of the Mexican oil mix (6.2%) and the observed depreciation of the exchange rate (7.0%), effects which were partially offset by a lower price of natural gas (36.1%) and a lower oil production platform (0.8%), all in annual terms.

Non-oil tax revenues increased by 3.6% in real annual terms. This moderate growth is explained by the elimination of the vehicle ownership tax; when adjusting the base of comparison for this effect, tax revenues increased by 4.8% in real terms. Within, real increases of 11.1, 9.0, 5.1 and 2.4% were observed in the collection of the tax on new vehicles, the VAT, taxes on imports and the joint collection of the Income Tax-Unique Rate Corporate Tax-Tax on Cash Deposits, respectively. Revenues of public entities under direct budgetary control other than PEMEX increased by 14.6% in real terms due to higher social security contributions and electricity sales. Non-tax revenues of the Federal Government increased by 74.8% in real terms due to the observed non-recurrent revenues.

With respect to the amount in the program published on December 8<sup>th</sup> in the Official Gazette, budgetary revenues were higher by Ps. 145.4 billion (5.9%) as of the third quarter of 2012. Within, oil revenues were higher by Ps. 1.2 billion, non-oil tax revenues were higher by Ps. 15.9 billion, non-tax revenues of the Federal Government were higher by Ps. 85.2 billion and own revenues of public entities other than PEMEX were higher by Ps. 43.0 billion. It should be noted that the higher than programmed non-tax revenues are due to some non-recurrent revenues that were already expected for this year but which materialized sooner than anticipated. It is important to highlight that wind-fall revenues will be distributed according to the current provisions for the 2012 fiscal year: Ps. 51.5 billion of own revenues generated by public entities under direct budgetary control will be allocated to the entities that generated them since they are necessary to cover the costs of the goods and services these entities provide; Ps. 29.7 billion correspond to earmarked oil royalties, including Ps. 16.6 billion of the royalty on extraordinary exports of crude oil which is allocated to federal entities through the Stabilization Fund of the Federal Entities, and the remaining revenues correspond to Federal Government ministries.

The balance of the stabilization funds was Ps. 65.7 billion as of September 30<sup>th</sup>, 2012.

<b>Balance of Stabilization Funds As of September 30<sup>th</sup>, 2012 (Million pesos)</b>	
<b>Total</b>	<b>65,683.0</b>
FEIP (Federal Government)	13,911.5
FEIEF (States)	22,466.5
FEIPEMEX (PEMEX)	1,344.1
FARP (Pensions)	27,960.9



The savings attained as of the third quarter of 2012 in administrative and operation expenses, as a result of the National Program for Reducing Public Expenditures (PNRGP) totaled Ps. 5.2 billion which, added to the Ps. 43.5 billion generated in 2010-2011, imply accumulated savings of Ps. 48.7 billion, higher by 21.4% than the objective of Ps. 40.1 billion for the 2010-2012 period.

During the third quarter of 2012, total Public Sector expenditures amounted to Ps. 2,778.0 billion, amount 6.9% higher in real annual terms. Programmable expenditures stood at Ps. 2,189.1 billion implying an increase of 7.8% in real terms. Within, the following are worth highlighting:

- Expenditures on economic and social development increased by 11.8 and 4.3% in real terms, respectively.
- Physical budgetary investment increased by 9.6% in real terms; fostered investment increased by 8.0%.
- Federal resources transferred to States and Municipalities through shared revenues, federal contributions, wage and economic provisions, decentralization agreements, reallocations and other transfers increased by 3.2% in real terms. Shared revenues increased by 0.8% in real terms, while the remaining resources allocated to the governments of States and Municipalities increased by 4.9% in real annual terms. Adjusting the base of comparison by the elimination of the vehicle ownership tax, shared revenues increased by 4.3%.
- Pensions and retirement expenditures recorded a real annual increase of 7.4%.
- The financial cost of the Public Sector increased by 9.2% in real annual terms, mainly as a result of the depreciation of the exchange rate and extraordinary financial operations carried out by PEMEX.



### Public Debt

The public credit policy during the current year has been oriented towards diversifying and strengthening the opportunities for access to credit in order to cover the financial needs of the Federal Government, while at the same time maintaining a balance between domestic and external debt that reduces financing costs through time, with a prudent level of risk and strengthening the local debt market. In this context, this Administration has continued to promote a structure of public liabilities that is oriented towards maintaining a portfolio of instruments with low cost and risk, sustainable through time and that will allow to meet the **Public Sector's financing** needs in an international environment that maintains elevated levels of uncertainty and volatility.

During the third quarter of 2012, regarding external debt, it is worth highlighting the operation to strengthen the risk profile through the swap of external bonds carried out in August, which consisted in a liability administration operation along the entire yield curve in USD for the **Federal Government's Global Bonds, directed towards the strengthening of liquidity of the reference bonds.** Through this operation, bonds with lower maturities or those that presented a relatively lower liquidity were exchanged, increasing the average maturity and reducing the financial cost. This operation allowed an improvement of the terms and conditions in external indebtedness and a broadening of the investor base.

Regarding domestic debt, an issuance of a Bond in local debt markets by an amount of Ps. 30 billion through the syndicated auction method was realized in July, for a maturity of 5 years. In addition, 3 billion udis in Udibonos were issued at 10 years through a syndicated auction in September. With these syndicated operations, the creation of reference bonds was accelerated and the liquidity of Government securities in the secondary markets was improved.

Finally, it is important to highlight that while significant volatility in the international financial markets still exists, the Federal Government has maintained access to financing at attractive cost levels and with a broad participation of investors, which is due to economic policies that have maintained moderate public deficits, a strong financial system and an adequate public debt structure.

**The stock of the Federal Government's net domestic debt at the end of the third quarter of 2012** was Ps. 3,311.5 billion, amount higher by Ps. 199.4 billion than the one observed at the end of 2011. This variation is the result of: a) a net domestic indebtedness by Ps. 369.4 billion, b) an increase in the financial assets of the Federal Government by Ps. 197.8 billion, and c) upward accounting adjustments by Ps. 27.8 billion derived, mainly, from the inflation adjustment of indexed domestic debt.

The share of long-run government securities at a fixed nominal rate remained at 58.6% from the end of 2011 to the end of the third quarter of 2012. With regards to the fixed rate debt, real or



nominal, it represented 81.3% of the stock of Government securities. On the other hand, the average maturity of domestic debt increased from 7.61 to 7.62 years in the same period.

At the end of the third quarter of 2012, **the stock of the Federal Government's net external debt** stood at USD 65.9 billion, amount higher by USD 6.2 billion with respect to the one registered at the end of 2011. This amount represents 5.4% of GDP.

At the end of the third quarter of 2012, **the Federal Public Sector's net debt, which includes the net debt of the Federal Government, PEDBC's and development banks** represented 32.2% of GDP. Domestic debt represented 22.2% of GDP. Regarding net external debt, it represented 10.0% of GDP.

At the end of the third quarter of 2012, the Historical Balance of the Public Sector Borrowing **Requirements, which includes the Public Sector's liabilities in their broadest version, amounted to** Ps. 5,613.7 billion, equivalent to 35.8% of GDP, amount higher by 0.2 percentage points than the one observed at the end of 2011.

ANNEX

PUBLIC SECTOR OVERALL BALANCE  
(Million pesos)

Concept	January - September		Real % Growth	Composition %	
	2011 <sup>p_/</sup>	2012 <sup>p_/</sup>		2011 <sup>p_/</sup>	2012 <sup>p_/</sup>
<b>PUBLIC BALANCE</b>	<b>-178,987.4</b>	<b>-175,913.8</b>	<b>n.s.</b>		
<b>PUBLIC BALANCE EXCLUDING PEMEX'S INVESTMENT</b>	<b>-29,772.3</b>	<b>17,754.3</b>	<b>n.s.</b>		
I. Budgetary Balance (a-b)	-189,472.1	-176,898.8	n.s.		
a) Budgetary Revenues	2,306,874.5	2,601,127.4	8.3	100.0	100.0
Oil related	795,180.6	868,463.6	4.9	34.5	33.4
Federal Government	517,708.0	547,115.0	1.5	22.4	21.0
PEMEX	277,472.6	321,348.6	11.2	12.0	12.4
Non-oil related	1,511,693.9	1,732,663.7	10.1	65.5	66.6
Federal Government	1,137,926.9	1,286,854.0	8.6	49.3	49.5
Tax	1,058,254.4	1,141,895.9	3.6	45.9	43.9
Non-tax	79,672.5	144,958.1	74.8	3.5	5.6
PEDBC	373,767.0	445,809.8	14.6	16.2	17.1
b) Net Budgetary Expenditures	2,496,346.6	2,778,026.1	6.9	172.2	171.8
Programmable	1,951,377.0	2,189,144.4	7.8	78.2	78.8
Programmable <b>excluding PEMEX's investment</b>	<b>1,802,161.9</b>	<b>1,995,476.3</b>	<b>6.4</b>	<b>72.2</b>	<b>71.8</b>
Non programmable	544,969.6	588,881.7	3.8	21.8	21.2
II. PEIBC	10,484.7	984.9	-91.0		
Primary Balance	-6,794.3	24,682.2	n.s.		

Note: Figures may not add up due to rounding.

p\_/ Preliminary figures.

n.s.: not significant.

Source: Ministry of Finance and Public Credit.



## PUBLIC SECTOR BUDGETARY REVENUES (Million pesos)

Concept	January - September		Real % Growth	Composition %	
	2011 <sup>p./</sup>	2012 <sup>p./</sup>		2011 <sup>p./</sup>	2012 <sup>p./</sup>
<b>BUDGETARY REVENUES (I+II)</b>	<b>2,306,874.5</b>	<b>2,601,127.4</b>	<b>8.3</b>	<b>100.0</b>	<b>100.0</b>
I. Oil related (a+b)	795,180.6	868,463.6	4.9	34.5	33.4
a) PEMEX	277,472.6	321,348.6	11.2	12.0	12.4
b) Federal Government	517,708.0	547,115.0	1.5	22.4	21.0
Rights and royalties on oil products	615,923.8	700,455.0	9.2	26.7	26.9
Excise taxes <sup>1./</sup>	-100,859.5	-153,517.8	n.s.	-4.4	-5.9
Tax on Downstream Returns	2,643.7	177.9	-93.5	0.1	0.0
II. Non-oil related (c+d)	1,511,693.9	1,732,663.7	10.1	65.5	66.6
c) Federal Government	1,137,926.9	1,286,854.0	8.6	49.3	49.5
Tax	1,058,254.4	1,141,895.9	3.6	45.9	43.9
Income Tax, IETU and IDE	572,026.5	609,740.6	2.4	24.8	23.4
Income tax	539,889.0	576,417.6	2.5	23.4	22.2
IMPAC	-662.0	-906.8	n.s.	0.0	0.0
IETU (Unique Rate Corporate Tax)	38,302.0	32,612.8	-18.2	1.7	1.3
IDE (Tax on cash deposits)	-5,502.5	1,617.0	n.s.	-0.2	0.1
VAT	379,430.5	430,701.2	9.0	16.4	16.6
Excise taxes	51,690.5	54,859.7	1.9	2.2	2.1
Import taxes	19,375.8	21,193.4	5.1	0.8	0.8
Others <sup>2./</sup>	35,731.2	25,401.0	-31.7	1.5	1.0
Non-tax	79,672.5	144,958.1	74.8	3.5	5.6
Rights	28,781.8	35,319.3	17.9	1.2	1.4
Fees	47,296.4	104,655.3	112.5	2.1	4.0
Others	3,594.3	4,983.5	33.2	0.2	0.2
d) PEDBC <sup>3./</sup>	373,767.0	445,809.8	14.6	16.2	17.1

Memorandum items:

Total tax related	960,038.6	988,555.9	-1.1	41.6	38.0
Total non-tax related	1,346,835.9	1,612,571.4	15.0	58.4	62.0

Note: Figures may not add up due to rounding.

p./ Preliminary figures.

n.s: not significant.

1./ The negative sign means that tax refunds and/or compensations were higher than revenues.

2./ Includes taxes on new vehicles, vehicle ownership and exports, not included in the previous branches and accessory taxes.

3./ Excludes Federal Government transfers to ISSSTE.

Source: Ministry of Finance and Public Credit.



## BUDGETARY REVENUES, JANUARY-SEPTEMBER OF 2012 (Million Pesos)

Concept	Programmed	Observed <sup>p_/</sup>	Difference
<b>BUDGETARY REVENUES (I+II)</b>	<b>2,455,739.7</b>	<b>2,601,127.4</b>	<b>145,387.7</b>
I. Oil related (a+b)	867,248.7	868,463.6	1,214.9
a) PEMEX	312,823.6	321,348.6	8,525.0
b) Federal Government	554,425.1	547,115.0	-7,310.1
Rights and royalties on oil products	572,679.3	700,455.0	127,775.7
Excise taxes <sup>1_/</sup>	-19,380.7	-153,517.8	-134,137.1
Tax on Downstream Returns	1,126.5	177.9	-948.6
II. Non-oil related (c+d)	1,588,491.0	1,732,663.7	144,172.7
c) Federal Government	1,185,694.3	1,286,854.0	101,159.7
Tax	1,125,955.4	1,141,895.9	15,940.5
Income Tax, IETU and IDE	609,208.5	609,740.6	532.1
Income tax	567,349.3	576,417.6	9,068.3
IMPAC	0.0	-906.8	-906.8
IETU (Unique Rate Corporate Tax)	38,974.5	32,612.8	-6,361.7
IDE (Tax on cash deposits)	2,884.7	1,617.0	-1,267.7
VAT	418,001.7	430,701.2	12,699.5
Excise taxes	53,819.2	54,859.7	1,040.5
Import taxes	19,659.1	21,193.4	1,534.3
Others <sup>2_/</sup>	25,266.9	25,401.0	134.1
Non-tax	59,738.9	144,958.1	85,219.2
Rights	17,650.0	35,319.3	17,669.3
Fees	39,157.3	104,655.3	65,498.0
Others	2,931.6	4,983.5	2,051.9
d) PEDBC <sup>3_/</sup>	402,796.7	445,809.8	43,013.1
<b>Memorandum items:</b>			
Total tax related	1,107,701.2	988,555.9	-119,145.3
Total non-tax related	1,348,038.5	1,612,571.4	264,532.9

Note: Figures may not add up due to rounding.

p\_/ Preliminary figures.

1\_/ The negative sign means that tax refunds and/or compensations were higher than revenues.

2\_/ Includes taxes on new vehicles, vehicle ownership and exports, not included in the previous branches and accessory taxes.

3\_/ Excludes Federal Government transfers to ISSSTE.

Source: Ministry of Finance and Public Credit.

## PUBLIC SECTOR BUDGETARY NET EXPENDITURES (Million pesos)

Concept	January-September		Real %	Composition %	
	2011 <sup>p_</sup>	2012 <sup>p_</sup>	Growth	2011 <sup>p_</sup>	2012 <sup>p_</sup>
<b>TOTAL (I + II)</b>	<b>2,496,346.6</b>	<b>2,778,026.1</b>	<b>6.9</b>	<b>100.0</b>	<b>100.0</b>
I. Primary expenditures (a + b)	2,328,176.0	2,586,820.0	6.7	93.3	93.1
a) Programmable	1,951,377.0	2,189,144.4	7.8	78.2	78.8
b) Non-programmable	376,799.0	397,675.6	1.4	15.1	14.3
II. Financing Cost <sup>1_</sup>	168,170.7	191,206.1	9.2	6.7	6.9

Note: Figures may not add up due to rounding.

p\_ / Preliminary figures.

1\_ / Includes interests, commissions, public debt expenditures, and expenditures associated to financial restructuring and support programs for bank savers and bank debtors.

Source: Ministry of Finance and Public Credit.



Press Release

Mexico City, October 30<sup>th</sup> 2012.

### FEDERAL GOVERNMENT DEBT BALANCES, SEPTEMBER \*\_/

CONCEPT	Outstanding as of			% of GDP			Structure (%)		
	Dec. 10	Dec. 11	Sep.12 <sup>p_/</sup>	Dec. 10	Dec. 11	Sep.12	Dec. 10	Dec. 11	Sep. 12
<b>DOMESTIC DEBT:</b>									
NET (Mill. pesos)	2'808,920.2	3'112,093.2	3'311,475.3	20.4	20.3	21.1	81.3	78.9	79.6
GROSS (Mill. pesos)	2'888,277.2	3'197,703.2	3'594,934.3	21.0	20.9	22.9	80.3	78.8	80.8
<b>EXTERNAL DEBT:</b>									
NET (Mill. USD)	52,339.0	59,642.5	65,880.0	4.7	5.4	5.4	18.7	21.1	20.4
GROSS (Mill. USD)	57,187.0	61,351.5	65,985.0	5.1	5.6	5.4	19.7	21.2	19.2
<b>TOTAL DEBT:</b>									
NET (Million pesos)	3'455,678.5	3'946,515.6	4'162,447.2	25.1	25.7	26.5	100.0	100.0	100.0
(Million USD)	279,651.2	282,087.4	322,245.7						
GROSS (Million pesos)	3'594,942.7	4'056,035.2	4'447,262.5	26.1	26.5	28.3	100.0	100.0	100.0
(Million USD)	290,921.2	289,915.6	344,295.3						

Note: Figures may not add-up due to rounding.

The Net Debt results from subtracting the Federal Government's financial assets from the Gross Debt.

\*\_/ Figures subject to revisions due to changes and methodological modifications.

p\_/ Preliminary figures.

Source: Ministry of Finance and Public Credit.



Press Release

Mexico City, October 30<sup>th</sup> 2012.

## FEDERAL GOVERNMENT DOMESTIC DEBT, JANUARY-SEPTEMBER <sup>\*\_/\_</sup>

(Million pesos)

Concept	Outstanding December 2011	Indebtedness			Adjustments <sup>1_/_</sup>	Outstanding as of September 2012 <sup>p_/_</sup>
		Disp.	Amort.	Net		
<b>1. Net Debt (3-2)</b>	<b>3'112,093.2</b>					<b>3'311,475.3</b>
2. Assets <sup>2_/_</sup>	85,610.0					283,459.0
<b>3. Gross Debt</b>	<b>3'197,703.2</b>	<b>1'756,905.0</b>	<b>1'387,496.2</b>	<b>369,408.8</b>	<b>27,822.3</b>	<b>3'594,934.3</b>
Government Securities	2'882,799.6	1'633,313.6	1'256,684.9	376,628.7	19,013.3	3'278,441.6
Cetes	456,600.8	1'152,331.2	1'058,778.0	93,553.2	0.0	550,154.0
Bondes "D"	202,473.1	28,618.6	27,300.1	1,318.5	0.0	203,791.6
Fixed rate development bonds	1'581,580.5	328,728.7	135,987.1	192,741.6	2,710.9	1'777,033.0
Udibonos	642,145.2	123,635.1	34,619.7	89,015.4	16,302.4	747,463.0
<i>Udibonos udi's</i>	136,922.7	25,986.3	7,311.6	18,674.7	0.1	155,597.5
S.A.R. Saving Funds	81,193.5	122,267.4	119,821.1	2,446.3	3,330.8	86,970.6
ISSSTE's Law obligations <sup>3_/_</sup>	171,932.8	30.4	8,931.4	-8,901.0	3,999.9	167,031.7
Others	61,777.3	1,293.6	2,058.8	-765.2	1,478.3	62,490.4

Note: Figures may not add-up due to rounding.

\*\_/\_ Figures subject to revisions due to changes and methodological modifications.

p\_/\_ Preliminary figures.

1\_/\_ Adjustment for inflation. In the concept of Development Bonds, the adjustment is due to debt swap operations and debt repurchase.

2\_/\_ Includes the balance, denominated in pesos, of the General Account of the Federal Treasury.

3\_/\_ **New ISSSTE's Law obligations of the Federal Government.**

Source: Ministry of Finance and Public Credit.



Press Release

Mexico City, October 30<sup>th</sup> 2012.

FEDERAL GOVERNMENT EXTERNAL DEBT, JANUARY-SEPTEMBER<sup>\*\_/\_</sup>  
(Million USD)

Concept	Outstanding as of December 2011	Indebtedness			Adjustments	Outstanding as of September 2011 <sup>p_/_</sup>
		Disp.	Amort.	Net		
<b>1. Net Debt (3-2)</b>	<b>59,642.5</b>					<b>65,880.0</b>
2. Assets <sup>1_/_</sup>	1,709.0					105.0
<b>3. Gross Debt</b>	<b>61,351.5</b>	<b>8,117.5</b>	<b>4,146.7</b>	<b>3,970.8</b>	<b>662.7</b>	<b>65,985.0</b>
Capital Markets	40,668.5	7,206.2	3,571.1	3,635.1	667.7	44,971.3
IFI'S	19,606.7	872.2	547.3	324.9	0.1	19,931.7
External Trade Credits	1,076.3	39.1	28.3	10.8	-5.1	1,082.0

Note: Figures may not add-up due to rounding.

\*\_/\_ Figures subject to revisions due to changes and methodological modifications.

p\_/\_ Preliminary figures.

1\_/\_ Includes the balance, denominated in USD, of the General Account of the Federal Treasury.

Source: Ministry of Finance and Public Credit.



Press Release

Mexico City, October 30<sup>th</sup> 2012.

FEDERAL PUBLIC SECTOR DEBT BALANCES, SEPTEMBER <sup>\*\_/\_</sup>

CONCEPT	Outstanding as of			% of GDP			Structure ( % )		
	Dec. 10	Dec. 11	Sep. 12 <sup>p_/_</sup>	Dec. 10	Dec. 11	Sep. 12	Dec. 10	Dec. 11	Sep. 12
<b>DOMESTIC DEBT:</b>									
NET (Mill. pesos)	2'920,348.3	3'258,479.5	3'484,872.5	21.2	21.3	22.2	69.3	67.2	69.0
GROSS (Mill. pesos)	3'080,885.0	3'446,808.6	3'849,570.8	22.4	22.5	24.5	69.3	67.9	70.7
<b>EXTERNAL DEBT:</b>									
NET (Mill. USD)	104,679.1	113,631.6	121,304.5	9.4	10.4	10.0	30.7	32.8	31.0
GROSS (Mill. USD)	110,428.0	116,420.2	123,668.6	9.9	10.6	10.2	30.7	32.1	29.3
<b>TOTAL DEBT: <sup>1_/_</sup></b>									
NET (Mill. pesos)	4'213,878.6	4'848,230.9	5'051,763.0	30.6	31.7	32.2	100.0	100.0	100.0
(Million USD)	341,008.7	346,539.8	391,094.1						
GROSS (Million pesos)	4'445,454.8	5'075,573.8	5'446,998.1	32.3	33.1	34.7	100.0	100.0	100.0
(Million USD)	359,749.0	362,789.8	421,692.2						

Note: Figures may not add-up due to rounding.

The Net Debt results from subtracting the Federal Government's financial assets from the Gross Debt, public entities and Development Banks assets.

\*\_/\_ Figures subject to revisions due to changes and methodological modifications.

p\_/\_ Preliminary figures.

1\_/\_ Includes liabilities from the Federal Government, PEDBC's and Development Banks.

Source: Ministry of Finance and Public Credit.

FEDERAL PUBLIC SECTOR DOMESTIC DEBT, JANUARY-SEPTEMBER <sup>\*\_/\_</sup>

(Million pesos)

Concept	Outstanding as of December 2011	Indebtedness			Adjustments	Outstanding as of September 2012 <sup>p_/_</sup>
		Disp.	Amort.	Net		
<b>1. Net Debt (3-2)</b>	<b>3'258,479.5</b>					<b>3'484,872.5</b>
2. Assets <sup>1_/_</sup>	188,329.1					364,698.3
<b>3. Gross Debt</b>	<b>3'446,808.6</b>	<b>1'811,224.5</b>	<b>1'437,317.9</b>	<b>373,906.6</b>	<b>28,855.6</b>	<b>3'849,570.8</b>
<b>Structure by Term</b>	<b>3'446,808.6</b>	<b>1'811,224.5</b>	<b>1'437,317.9</b>	<b>373,906.6</b>	<b>28,855.6</b>	<b>3'849,570.8</b>
Long-term	3'092,803.3	734,632.4	424,810.1	309,822.3	28,909.3	3'431,534.9
Short-term	354,005.3	1'076,592.1	1'012,507.8	64,084.3	-53.7	418,035.9
<b>Structure by User</b>	<b>3'446,808.6</b>	<b>1'811,224.5</b>	<b>1'437,317.9</b>	<b>373,906.6</b>	<b>28,855.6</b>	<b>3'849,570.8</b>
Federal Government	3'197,703.2	1'756,905.0	1'387,496.2	369,408.8	27,822.3	3'594,934.3
Long-term	2'847,897.4	719,629.6	408,247.1	311,382.5	27,822.3	3'187,102.2
Short-term	349,805.8	1'037,275.4	979,249.1	58,026.3	0.0	407,832.1
<b>PEDBC's</b>	<b>203,641.0</b>	<b>17,948.7</b>	<b>23,290.8</b>	<b>-5,342.1</b>	<b>1,139.4</b>	<b>199,438.3</b>
Long-term	200,141.0	4,500.0	15,900.1	-11,400.1	1,139.4	189,880.3
Short-term	3,500.0	13,448.7	7,390.7	6,058.0	0.0	9,558.0
<b>Development Banks</b>	<b>45,464.4</b>	<b>36,370.8</b>	<b>26,530.9</b>	<b>9,839.9</b>	<b>-106.1</b>	<b>55,198.2</b>
Long-term	44,764.9	10,502.8	662.9	9,839.9	-52.4	54,552.4
Short-term	699.5	25,868.0	25,868.0	0.0	-53.7	645.8
<b>Structure by Source</b>	<b>3'446,808.6</b>	<b>1'811,224.5</b>	<b>1'437,317.9</b>	<b>373,906.6</b>	<b>28,855.6</b>	<b>3'849,570.8</b>
Bonds placed in the local market	3'081,872.3	1'643,813.6	1'269,801.3	374,012.3	19,598.3	3'475,482.9
SAR	81,193.5	122,267.4	119,821.1	2,446.3	3,330.8	86,970.6
Commercial Banks	42,243.9	9,502.8	3,946.6	5,556.2	-169.7	47,630.4
<b>ISSSTE's Law obligations <sup>2_/_</sup></b>	<b>171,932.8</b>	<b>30.4</b>	<b>8,931.4</b>	<b>-8,901.0</b>	<b>3,999.9</b>	<b>167,031.7</b>
Others	69,566.1	35,610.3	34,817.5	792.8	2,096.3	72,455.2

Note: Figures may not add-up due to rounding.

\*\_/\_/ Figures subject to revisions due to changes and methodological modifications.

p\_/\_/ Preliminary figures.

1\_/\_/ Includes the balance, denominated in pesos, of the General Account of the Federal Treasury, as well as assets from PEDBC's and Development Banks.

2\_/\_/ New ISSSTE's Law obligations of the Federal Government.

Source: Ministry of Finance and Public Credit.



FEDERAL PUBLIC SECTOR EXTERNAL DEBT, JANUARY-SEPTEMBER<sup>\*\_/\_</sup>

(Million dollars)

Concept	Outstanding as of December 2011	Disp.	Indebtedness Amort.	Net	Adjustments	Outstanding as of September 2012 <sup>p_/_</sup>
<b>1. Net Debt (3-2)</b>	<b>113,631.6</b>					<b>121,304.5</b>
2. Financial Assets Denominated in Foreign Currency <sup>1_/_</sup>	2,788.6					2,364.1
<b>3. Gross Debt</b>	<b>116,420.2</b>	<b>28,175.6</b>	<b>21,610.7</b>	<b>6,564.9</b>	<b>683.5</b>	<b>123,668.6</b>
<b>Structure by Term</b>	<b>116,420.2</b>	<b>28,175.6</b>	<b>21,610.7</b>	<b>6,564.9</b>	<b>683.5</b>	<b>123,668.6</b>
Long-term	113,650.9	15,313.4	8,426.0	6,887.4	681.4	121,219.7
Short-term	2,769.3	12,862.2	13,184.7	-322.5	2.1	2,448.9
<b>Structure by User</b>	<b>116,420.2</b>	<b>28,175.6</b>	<b>21,610.7</b>	<b>6,564.9</b>	<b>683.5</b>	<b>123,668.6</b>
Federal Government	61,351.5	8,117.5	4,146.7	3,970.8	662.7	65,985.0
Long-term	61,351.5	8,117.5	4,146.7	3,970.8	662.7	65,985.0
Short-term	0.0	0.0	0.0	0.0	0.0	0.0
<b>PEDBC's</b>	<b>47,439.5</b>	<b>7,381.9</b>	<b>4,298.6</b>	<b>3,083.3</b>	<b>-6.5</b>	<b>50,516.3</b>
Long-term	47,439.5	7,085.6	4,088.7	2,996.9	-6.5	50,429.9
Short-term	0.0	296.3	209.9	86.4	0.0	86.4
Development Banks	7,629.2	12,676.2	13,165.4	-489.2	27.3	7,167.3
Long-term	4,859.9	110.3	190.6	-80.3	25.2	4,804.8
Short-term	2,769.3	12,565.9	12,974.8	-408.9	2.1	2,362.5
<b>Structure by Source</b>	<b>116,420.2</b>	<b>28,175.6</b>	<b>21,610.7</b>	<b>6,564.9</b>	<b>683.5</b>	<b>123,668.6</b>
Publicly Placed Bonds	68,913.6	13,492.8	3,575.4	9,917.4	658.6	79,489.6
<b>IFI's</b>	<b>23,427.8</b>	<b>958.0</b>	<b>664.5</b>	<b>293.5</b>	<b>30.9</b>	<b>23,752.2</b>
Bilateral	14,013.9	839.3	2,465.6	-1,626.3	-14.9	12,372.7
Commercial Banks	9,778.6	12,589.2	14,695.3	-2,106.1	-0.1	7,672.4
PIDIREGAS	286.3	296.3	209.9	86.4	9.0	381.7

Note: Figures may not add-up due to rounding.

\*\_/\_/ Figures subject to revisions due to changes and methodological modifications.

p\_/\_/ Preliminary figures.

1\_/\_/ Considers the balance denominated in US dollars of the General Account of the Federal Treasury, as well as other held by PEDBC's and Development Banks.

Source: Ministry of Finance and Public Credit.