

Bank Credit: Monthly Report of Current Situation

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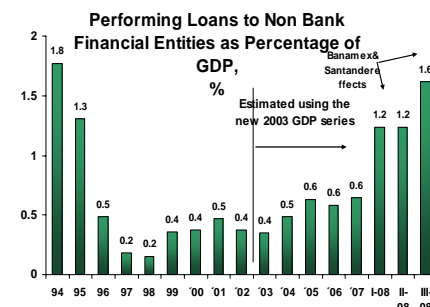
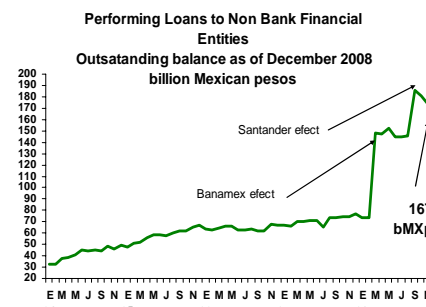
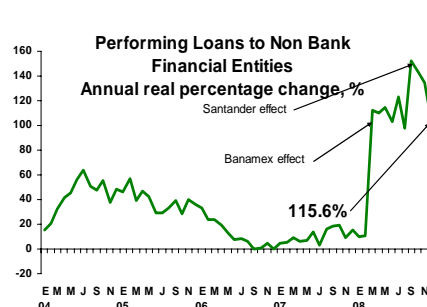
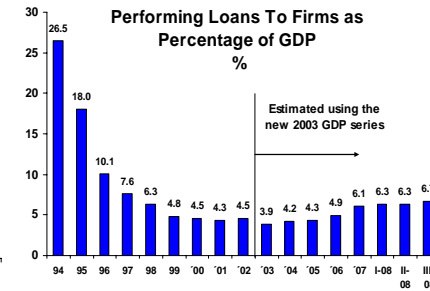
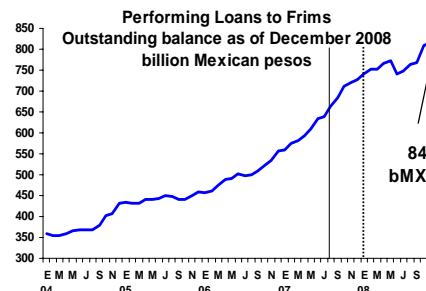
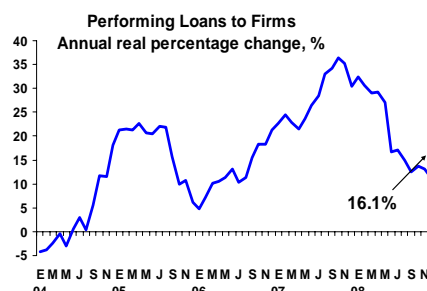
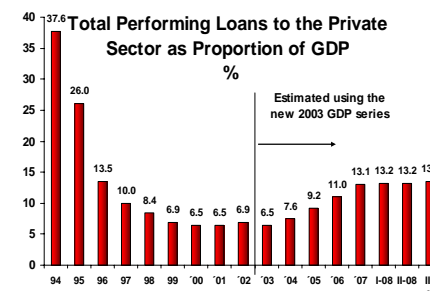
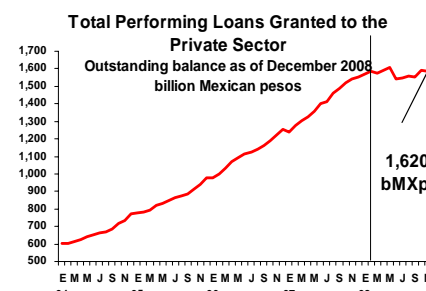
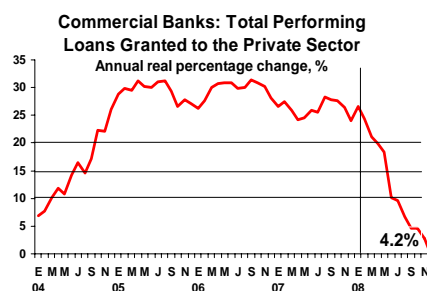
- In December of 2008, total current loans granted by the commercial banks to the private sector grew 4.2% in real annual terms.
- Corporate and housing loans boosted this growth.
- The marked economic slowdown, the virtually nil creation of jobs in the formal sector and the rise in inflation and interest rates were the main factors that influenced the lower growth rate of credit to the private sector in 2008.

Total current credit granted by the commercial banks to the non-bank private sector.

In Dec-08 the real annual growth rate of total current credit granted by the commercial banks to the private sector was 4.2%. As shown in the graph, the growth rate of loans to the private sector was reduced constantly.

Based on Banco de México (Banxico) data, the share of its components to growth of total loans was as follows: credit to corporations, 7.5 percentage points (pp) of the 4.2% of total credit growth; non-bank financial intermediaries (IFNB, for its Spanish initials) contributed 5.7 pp; housing, 1.4 pp; consumption, a negative -11.1 pp. In turn, if consumer credit is adjusted based on CNBV data and this adjustment is applied to credit to IFNB, then the share of growth remains the same as that of corporate (7.5 pp) and housing (1.4 pp) loans, and consumer credit changes to -3.5 pp and is a negative -1.2 pp for IFNB.

The lower growth of total loans to the private sector is due to various adverse factors such as: lower GDP growth (4Q07, 4.2% growth; 3Q08, 1.6% and in 4Q08 growth will be negative; the rise in inflation in 2008, which reduced real wages and raised interest rates; and the reduction in the number of affiliated workers in the IMSS (the Mexican Social Security Institute): in Dec-07 there were slightly more than 14.2 million IMSS affiliated workers and in Dec.-08 the number was slightly lower.



Source: Bank of Mexico

Current Credit to Corporations

In Dec.-08 the growth rate of current credit to companies was 16.1% in real annual terms. In the previous month, growth was 18.1% and in the same month of 2007, it was significantly greater, 30.4%. Although credit to companies is the category that most contributed to growth of total loans, the later moderations that its growth rate could have is also reflected in the rate of expansion of total loans.

Current Loans to Non-bank Financial Intermediaries (IFNB for its Spanish initials).

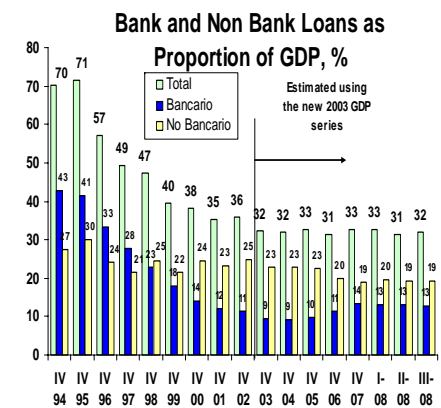
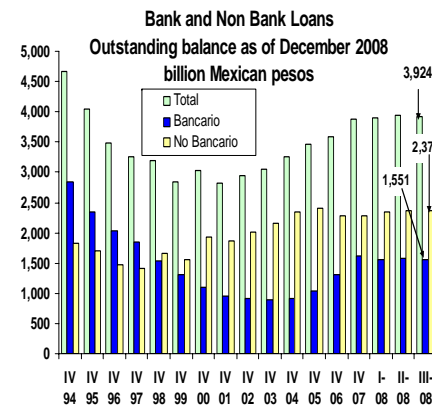
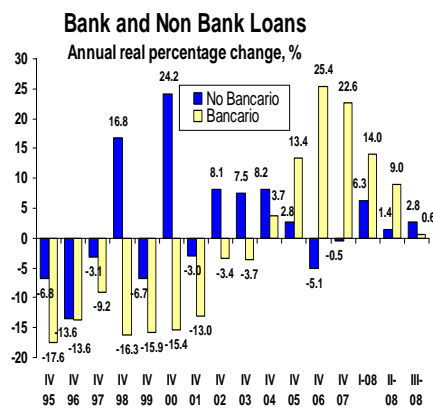
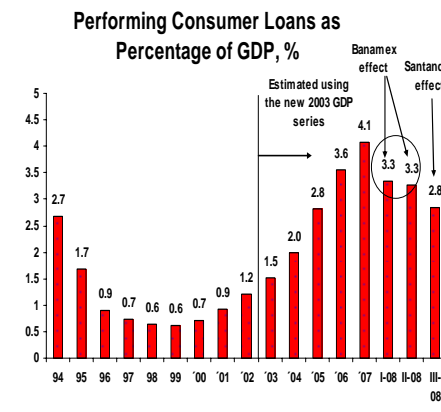
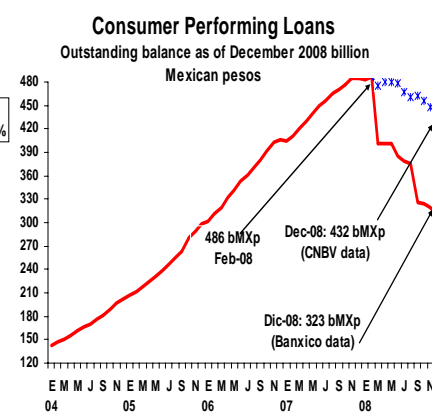
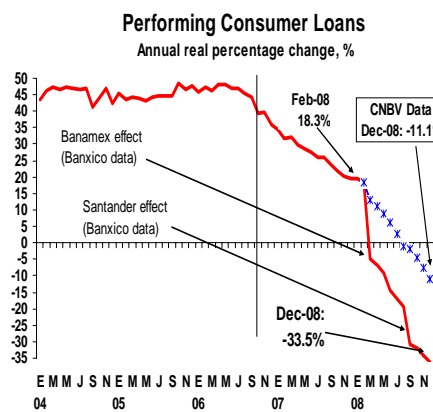
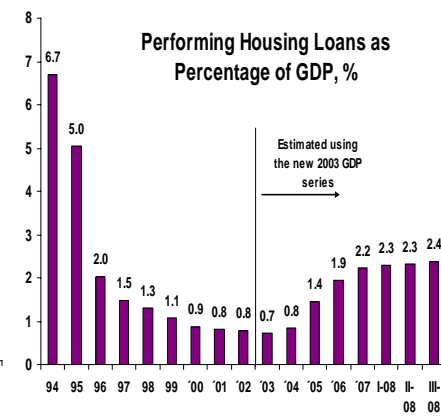
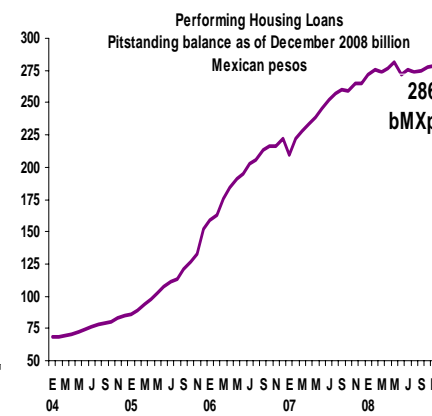
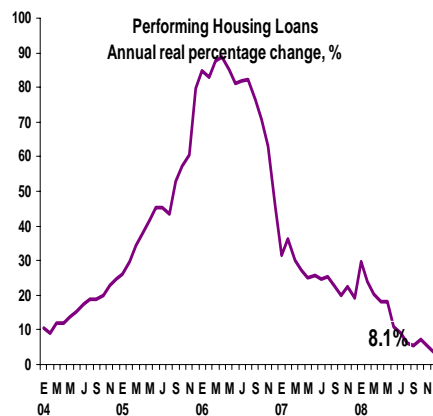
Credit to IFNB grew at three-digit rates as of March 2008 due to the fact that some banks transferred all or part of their consumer loan portfolio. According to some data adjusted with CNBV information, which exclude the transfer of the consumer loan portfolio, in Dec.-08, the growth of credit to IFNB was a real annual -25%. This rate contrasts with the Banco de México rate of 115.6%, which does not consider the above-mentioned adjustment.

Current Housing Credit.

In Dec-08 real annual growth of housing credit was 8.1%. In the previous month, the rate was higher (9.9%), as it was in the same month of 2007 (19.3%). Part of the lower growth of housing loans is due to the securitizations of the banks' housing loan portfolio. If the securitizations that the banks have carried out are considered, growth in Dec-08 would be slightly higher, at a real annual 11.2% growth rate.

Current Consumer Credit

Banco de México figures indicate that in Dec-08, consumer credit declined 33.5% in that month. However, CNBV data that do not consider the transfer of the consumer loan portfolio to IFNB, the contraction was only 11.1%. As shown in the graph, in both cases there is a substantial decline in consumer credit. The lack of new jobs creation and the payment capacity of families are factors that affect consumer credit.



Source: Bank of Mexico

Commercial Banks: Performing Loans to the Mexican Private Non Banking Sector

Outstanding balance as of December 2008 billion Mexican pesos

	Total	Consumo	Vivienda	Empresas	IFNB *
IV 94	2,504.8	178.7	445.9	1,762.4	117.7
IV 95	1,474.0	95.1	285.6	1,019.4	74.0
IV 96	825.5	55.2	123.7	617.0	29.6
IV 97	660.3	48.3	98.3	501.7	12.0
IV 98	568.8	42.6	87.4	428.6	10.2
IV 99	494.5	45.0	76.2	347.6	25.7
IV 00	511.5	55.5	69.1	357.6	29.3
IV 01	518.2	73.5	65.3	341.8	37.6
IV 02	562.0	99.0	63.5	369.0	30.5
IV 03	610.1	142.2	68.0	366.7	33.2
IV 04	769.2	202.3	84.8	432.8	49.3
IV 05	977.5	298.9	152.3	459.4	66.9
IV 06	1,252.6	406.6	221.9	557.4	66.7
IV-07	1,554.4	485.6	264.7	726.9	77.2
I-08	1,575.6	400.7	273.8	752.7	148.3
II-08	1,542.2	384.4	272.3	740.6	144.9
III-08	1,555.6	326.4	274.5	768.5	155.6

Outstanding balance as of December 2008 billion Mexican pesos

E07	1,240.3	404.6	209.7	559.3	66.8
F	1,274.6	410.8	222.2	575.2	66.4
M	1,301.3	420.6	227.9	582.8	70.0
A	1,327.7	430.9	234.3	592.3	70.3
M	1,358.4	440.5	238.6	608.5	70.8
J	1,400.8	449.8	245.3	634.3	71.4
J	1,411.6	456.1	252.1	638.6	64.8
A	1,461.7	466.2	257.5	664.4	73.7
S	1,487.9	470.5	260.5	683.1	73.8
O	1,521.8	476.2	269.0	712.3	74.2
N	1,543.8	484.4	264.7	720.6	74.0
D	1,554.4	485.6	264.7	726.9	77.2
E08	1,570.0	484.0	272.1	740.3	73.5
F	1,586.2	485.9	275.3	751.5	73.5
M	1,575.6	400.7	273.8	752.7	148.3
A	1,591.1	400.9	277.1	765.6	147.5
M	1,607.8	401.3	281.8	772.7	152.0
J	1,542.2	384.4	272.3	740.6	144.9
J	1,546.0	379.0	275.4	747.3	144.4
A	1,559.1	376.2	273.3	764.0	145.6
S	1,555.6	326.4	274.5	768.5	186.2
O	1,591.8	324.1	277.8	809.3	180.6
N	1,587.0	319.0	278.7	815.3	173.9
D	1,551.6	309.4	274.2	808.6	159.5

Annual average outstanding balance

2005	859.0	246.9	111.1	442.9	58.0
2006	1,114.8	355.9	195.3	499.3	64.3
2007	1,407.0	449.7	244.7	641.5	71.1
2008	1,572.0	382.6	275.5	769.7	144.2

As proportion os GDP, %

IV 94	37.6	2.7	6.7	26.5	1.8
IV 95	26.0	1.7	5.0	18.0	1.3
IV 96	13.5	0.9	2.0	10.1	0.5
IV 97	10.0	0.7	1.5	7.6	0.2
IV 98	8.4	0.6	1.3	6.3	0.2
IV 99	6.9	0.6	1.1	4.8	0.4
IV 00	6.5	0.7	0.9	4.5	0.4
IV 01	6.5	0.9	0.8	4.3	0.5
IV 02	6.9	1.2	0.8	4.5	0.4
IV 03	6.5	1.5	0.7	3.9	0.4
IV 04	7.6	2.0	0.8	4.2	0.5
IV 05	9.2	2.8	1.4	4.3	0.6
IV-06	11.0	3.6	1.9	4.9	0.6
IV-07	13.1	4.1	2.2	6.1	0.6
I-08	13.2	3.3	2.3	6.3	1.2
II-08	13.2	3.3	2.3	6.3	1.2
III-08	13.5	2.8	2.4	6.7	1.6

Annual real percentage change, %

	Total	Consumo	Vivienda	Empresas	IFNB *
nd	nd	nd	nd	nd	nd
IV 94	-41.1	-46.8	-36.0	-42.2	-37.2
IV 95	-44.0	-42.0	-56.7	-39.5	-60.0
IV 96	-20.0	-12.4	-20.6	-18.7	-59.5
IV 97	-13.9	-12.0	-11.1	-14.6	-14.5
IV 98	-13.1	5.7	-12.9	-18.9	151.5
IV 99	3.4	23.3	-9.2	2.9	14.0
IV 00	1.3	32.5	-5.5	-4.4	28.2
IV 01	8.5	34.8	-2.8	7.9	-18.9
IV 02	8.6	43.6	7.1	-0.6	8.8
IV 03	26.1	42.2	24.8	18.0	48.4
IV 04	27.1	47.8	79.6	6.1	35.8
IV 05	28.1	36.0	45.7	21.3	0.2
IV 06	24.1	19.4	19.3	30.4	15.7
IV-07	21.1	-4.7	20.2	29.1	111.9
I-08	10.1	-14.5	11.0	16.7	103.0
II-08	4.6	-30.6	5.4	12.5	152.3

Annual real percentage change, %

2005	26.6	34.4	31.7	22.7	4.4
2006	27.5	31.7	36.4	24.4	5.8
2007	26.0	32.0	29.9	22.8	9.0
2008	24.1	29.9	27.3	21.4	6.0
2009	24.5	26.7	25.0	23.8	7.2
2010	25.0	27.6	25.7	26.5	13.8
2011	26.6	26.1	24.5	28.4	3.4
2012	28.4	25.9	25.2	33.1	15.9
2013	27.8	23.8	22.3	34.2	18.6
2014	27.7	21.8	19.8	36.3	19.2
2015	26.5	20.2	22.3	35.2	8.9
2016	24.1	19.4	19.3	30.4	15.7
2017	26.6	19.6	29.8	32.4	10.1
2018	24.4	18.3	23.9	30.7	10.7
2019	21.1	-4.7	20.2	29.1	111.9
2020	19.8	-7.0	18.3	29.3	109.8
2021	18.4	-8.9	18.1	27.0	114.8
2022	10.1	-14.5	11.0	16.7	103.0
2023	9.5	-16.9	9.2	17.0	122.7
2024	6.7	-19.3	6.2	15.0	97.5
2025	4.6	-30.6	5.4	12.5	152.3
2026	4.6	-31.9	7.2	13.6	143.3
2027	2.8	-34.1	5.3	13.1	134.9
2028	0.2	-36.3	3.6	11.2	106.5

Average Annual Real Rates of Growth, %

2005	29.4	45.1	46.2	17.9	38.9
2006	29.7	44.5	77.6	12.7	11.7
2007	26.2	26.8	25.8	28.3	10.7
2008	12.4	-13.9	13.2	20.6	101.5

Percentage structure, %

100.0	7.1	17.8	70.4	4.7
100.0	6.5	19.4	69.2	5.0
100.0	6.7	15.0	74.7	3.6
100.0	7.3	14.9	76.0	1.8
100.0	7.5	15.4	75.4	1.8
100.0	9.1	15.4	70.3	5.2
100.0	10.8	13.5	69.9	5.7
100.0	14.2	12.6	66.0	7.3
100.0	17.6	11.3	65.7	5.4
100.0	23.3	11.1	60.1	5.4
100.0	26.3	11.0	56.3	6.4
100.0	30.6	15.6	47.0	6.8
100.0	32.5	17.7	44.5	5.3
100.0	31.2	17.0	46.8	5.0
100.0	25.4	17.4	47.8	9.4
100.0	24.9	17.7	48.0	9.4
100.0	21.0	17.6	49.4	12.0

BANK AND NON BANK LOANS TO THE PRIVATE SECTOR

Broad version sof non bank financing (loans to consumers and to firms)

Outstanding balance as of December 2008 billion Mexican pesos

	All Categories			Consumer			Housing			Firms		
	Total	Bank	Non Bank	Total	Bank	Non Bank	Total	Bank	Non Bank	Total	Bank	Non Bank
IV 94	4,667	2,850	1,817	239	226	13	662	482	180	3,766	2,141	1,625
IV 95	4,043	2,349	1,695	145	132	13	700	516	184	3,198	1,700	1,498
IV 96	3,493	2,029	1,464	101	88	13	734	520	214	2,658	1,421	1,237
IV 97	3,262	1,842	1,419	96	74	23	718	501	217	2,447	1,267	1,180
IV 98	3,201	1,543	1,658	91	60	31	711	449	262	2,399	1,034	1,365
IV 99	2,845	1,298	1,547	97	60	37	683	384	299	2,064	853	1,211
IV 00	3,019	1,098	1,921	113	70	43	650	290	360	2,256	738	1,518
IV 01	2,818	955	1,863	142	89	53	662	236	426	2,014	630	1,384
IV 02	2,937	923	2,014	189	114	75	700	208	493	2,047	601	1,446
IV 03	3,055	889	2,166	223	154	70	737	174	563	2,095	561	1,534
IV 04	3,265	922	2,343	307	217	90	792	167	625	2,167	538	1,629
IV 05	3,454	1,046	2,409	425	316	109	838	209	629	2,192	520	1,671
IV 06	3,596	1,311	2,285	538	433	105	920	270	651	2,138	609	1,529
IV-07	3,882	1,608	2,274	614	524	90	967	309	658	2,301	775	1,526
I-08	3,898	1,547	2,351	618	433	185	996	315	681	2,284	800	1,484
II-08	3,940	1,582	2,358	625	439	186	1,005	324	681	2,310	819	1,491
III-08	3,924	1,551	2,373	614	376	238	1,010	326	684	2,300	849	1,451

Percentage Structure, %

IV 94	100.0	61.1	38.9	100.0	94.5	5.5	100.0	72.9	27.1	100.0	56.9	43.1
IV 95	100.0	58.1	41.9	100.0	91.2	8.8	100.0	73.8	26.2	100.0	53.2	46.8
IV 96	100.0	58.1	41.9	100.0	87.0	13.0	100.0	70.8	29.2	100.0	53.5	46.5
IV 97	100.0	56.5	43.5	100.0	76.6	23.4	100.0	69.8	30.2	100.0	51.8	48.2
IV 98	100.0	48.2	51.8	100.0	65.7	34.3	100.0	63.1	36.9	100.0	43.1	56.9
IV 99	100.0	45.6	54.4	100.0	61.8	38.2	100.0	56.3	43.7	100.0	41.3	58.7
IV 00	100.0	36.4	63.6	100.0	62.0	38.0	100.0	44.6	55.4	100.0	32.7	67.3
IV 01	100.0	33.9	66.1	100.0	62.7	37.3	100.0	35.6	64.4	100.0	31.3	68.7
IV 02	100.0	31.4	68.6	100.0	60.3	39.7	100.0	29.7	70.3	100.0	29.4	70.6
IV 03	100.0	29.1	70.9	100.0	68.8	31.2	100.0	23.6	76.4	100.0	26.8	73.2
IV 04	100.0	28.2	71.8	100.0	70.6	29.4	100.0	21.1	78.9	100.0	24.8	75.2
IV 05	100.0	30.3	69.7	100.0	74.4	25.6	100.0	25.0	75.0	100.0	23.7	76.3
IV 06	100.0	36.5	63.5	100.0	80.4	19.6	100.0	29.3	70.7	100.0	28.5	71.5
IV-07	100.0	41.4	58.6	100.0	85.4	14.6	100.0	31.9	68.1	100.0	33.7	66.3
I-08	100.0	39.7	60.3	100.0	70.1	29.9	100.0	31.6	68.4	100.0	35.0	65.0
II-08	100.0	40.1	59.9	15.9	11.1	4.7	25.5	8.2	17.3	58.6	20.8	37.9
III-08	100.0	39.5	60.5	15.6	9.6	6.1	25.8	8.3	17.4	58.6	21.6	37.0