

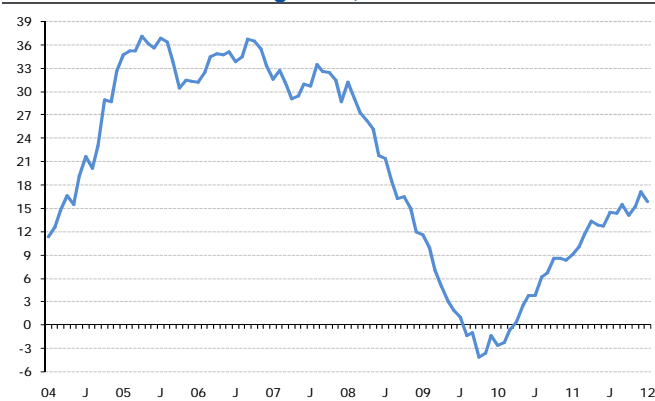
# Banking Flash

Mexico

## Bank loans to the private sector: continues its positive growth trend

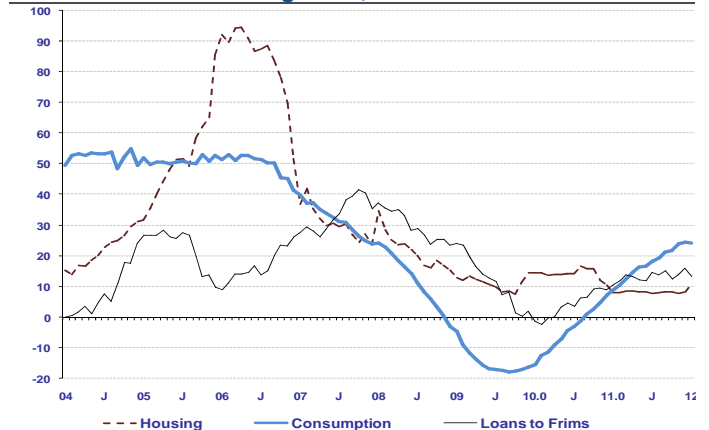
- The positive growth trend of total bank loans granted to the private sector shows in its annual nominal rate of growth and in the fact that in January 2012 it also achieved 22 months of continued growth. In January 2012 the annual nominal growth rate of total bank loans was 15.8%, and this rate is smaller than the one observed in the previous month (17.2%) and it was also greater than the one of the same month of 2011 (9.1%). The main three categories of total bank loans are consumption and housing loans and loans to firms.
- Consumption bank loans continued to show the highest rate of growth. In January 2012 the annual nominal rate of growth of this loan category was 24.1%. This rate was smaller than the one of the previous month (24.3%) and it was also greater than the one of the same month of 2011 (8.8%). The rates of growth of its 3 components were: Other Consumption Loans (OCL), which includes bank payroll loans, grew 46.3%; Credit Card Loans (CCL), 13.6%; Consumer Durable Goods Loans (CDGL), 6.8%. From the point of view of the contribution to growth by its components, the data is the following: OCL contributed with 16.2 percentage points (pp) of the 24.1 pp that total consumption loans grew; CCL contributed with 6.8 pp and CDGL contributed with 1 pp.
- In January 2012 the nominal rate of growth of loans to firms was 13.1%. This rate was smaller than the one of the previous month (16%) and it was also greater than the one of the same month of 2011 (10.4%). A possible reason that explains to a great extent why this rate decelerated in January 2012 has to do with the fact that around 25% of bank loans to firms is denominated in foreign currency, and the peso appreciation that took place in January induced a lower peso value of bank loans to firms denominated in foreign currency.
- The nominal growth rate in January 2012 of housing loans was 10.7%. This rate was greater than the one of the previous month (8.4%), and it was also greater than the one of the same month of 2011 (10.4%). The higher rate of growth of housing loans of January 2012 to a great extent has to do with the greater amount of loans that were granted in that month to economical rather than to middle residential housing segments.

Graph 1  
Total Bank Loans to the Private Sector  
Annual nominal rate of growth, %



Source: BBVA Research with data of Bank of Mexico

Graph 2  
Bank Loans to: Consumption, Housing and Firms  
Annual nominal rate of growth, %



Source: BBVA Research with data of Bank of Mexico

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## Credit: graphs and statistics

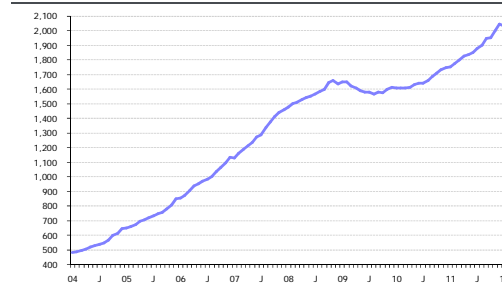
- In January 2012 the annual nominal growth rate of total bank loans to the private sector was 15.8%.
- The rates of growth of the main loan categories were: consumption, 24.1%; loans to firms, 13.2%; and housing, 10.7%
- The annual nominal rate of growth of loans granted to the private sector in January 2012 was lower than the one registered in December 2011, but it was higher than the average rate of growth reported in the second half of 2011 (15.1%).

**Graph 1**  
Total Bank Loans to the Private Sector  
Annual nominal rate of growth, %



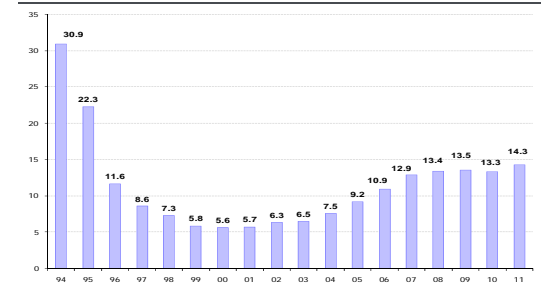
Source: BBVA Research with data of Bank of Mexico

**Graph 2**  
Total Bank Loans to the Private Sector  
Balance in current billions of Mexican pesos



Source: BBVA Research with data of Bank of Mexico

**Graph 3**  
Total Bank Loans to the Private Sector  
As ratio of GDP, %



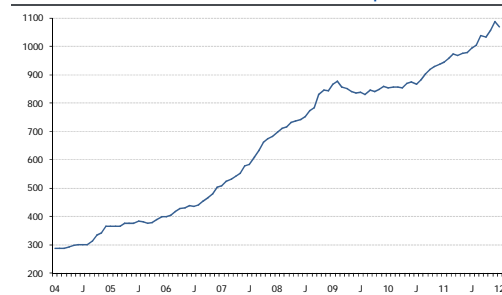
Source: BBVA Research with data of Bank of Mexico and INEGI

**Graph 4**  
Loans to Firms  
Annual nominal rate of growth, %



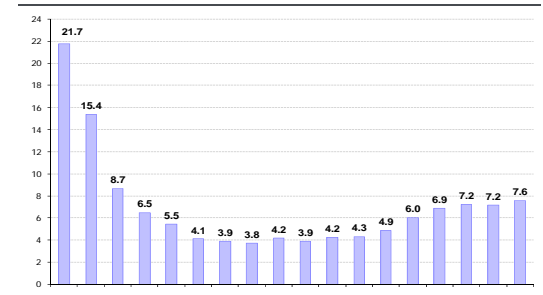
Source: BBVA Research with data of Bank of Mexico

**Graph 5**  
Loans to Firms  
Balance in current billions of Mexican pesos



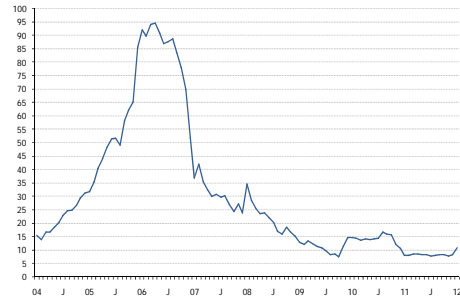
Source: BBVA Research with data of Bank of Mexico

**Graph 6**  
Loans to Firms  
As ratio of GDP, %



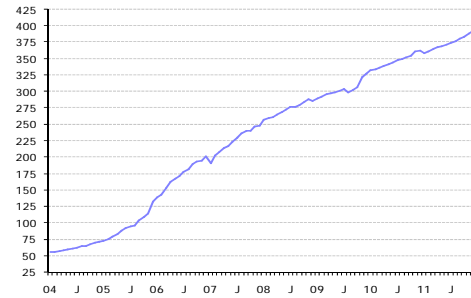
Source: BBVA Research with data of Bank of Mexico and INEGI

**Graph 7**  
Housing Loans  
Annual nominal rate of growth, %



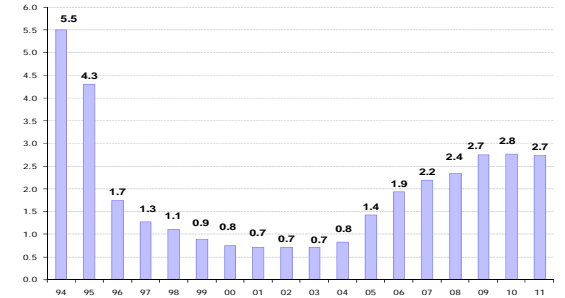
Source: BBVA Research with data of Bank of Mexico

**Graph 8**  
Housing Loans  
Balance in current billions of Mexican pesos



Source: BBVA Research with data of Bank of Mexico

**Graph 9**  
Housing Loans  
As ratio of GDP, %



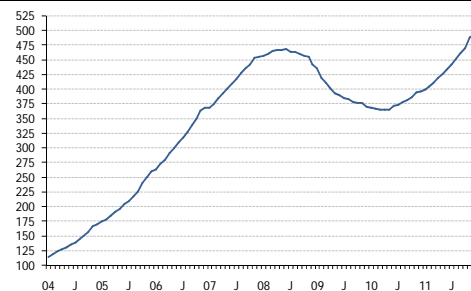
Source: BBVA Research with data of Bank of Mexico and INEGI

**Graph 10**  
Consumption Loans  
Annual nominal rate of growth, %



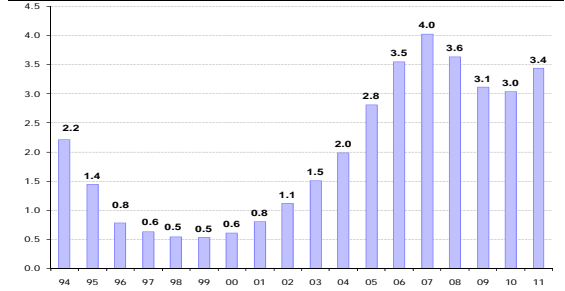
Source: BBVA Research with data of Bank of Mexico

**Graph 11**  
Consumption Loans  
Balance in current billions of Mexican pesos



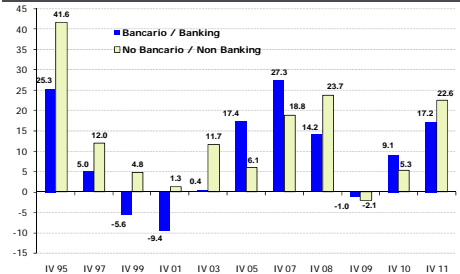
Source: BBVA Research with data of Bank of Mexico

**Graph 12**  
Consumption Loans  
As ratio of GDP, %



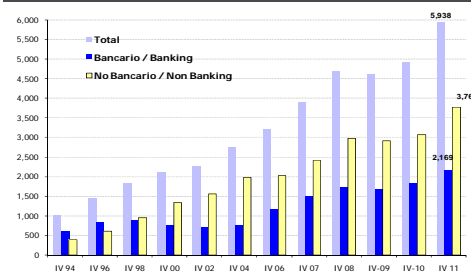
Source: BBVA Research with data of Bank of Mexico and INEGI

**Graph 13**  
Banking and Non Banking Financing  
Annual nominal rate of growth, %



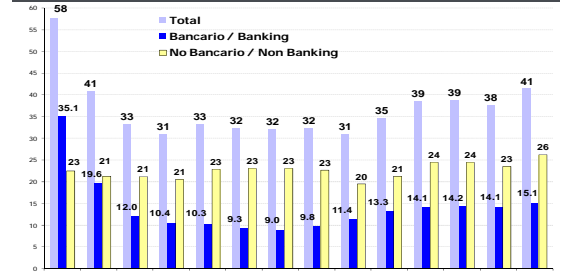
Source: BBVA Research with data of Bank of Mexico

**Graph 14**  
Banking and Non Banking Financing  
Balance in current billions of Mexican pesos



Source: BBVA Research with data of Bank of Mexico

**Graph 15**  
Banking and Non Banking Financing  
As ratio of GDP, %



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



