

Banking Flash Mexico

Private sector credit: a continued favorable performance

In February 2012, the credit granted by commercial banks to the private sector accumulated 23 months of positive growth. The nominal annual growth recorded in the month was 14.9%, lower than the previous month (15.8%) and higher than the same month in 2011 (10.1%). The three main categories are: Consumption, Housing and Loans to Firms. All these categories have seen increasing positive nominal growth rates since September 2010.

- **Consumer credit: continued growth at high rates above 20%**

Consumer credit is the category with the highest performance. The nominal annual growth rate in February was 24.2%. This was slightly higher than the preceding month (24.1%) but also much higher than the same month in 2011 (10.4%). This lending has three components: Credit cards, consumer durable goods and other consumer finance. The latter has seen the highest growth rate since payroll credit is included and has seen highly dynamic growth.

- **Loans to firms: two-digit growth rate**

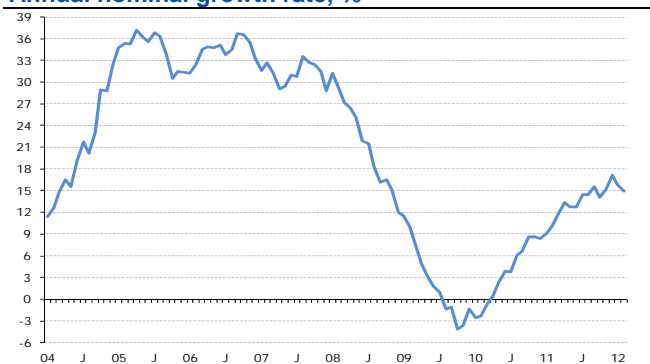
In February, the nominal annual growth rate for corporate lending was 11.2%, lower than in the previous month (13.3%) and the same month in 2011 (11.9%). This credit category is the most important of all, since its balance represents 52% of total bank lending. As long as the growth rate remains in double digits, it will continue to contribute majorly to total bank lending growth.

- **Housing loans: growth in 2012 is higher than the average in 2011**

The nominal annual growth rate for mortgage lending in February 2012 (10.7%) was the same as the previous month and lower than the same month in 2011 (11.9%). The average annual growth rate in this category in 2011 was 8.1%.

Chart 1

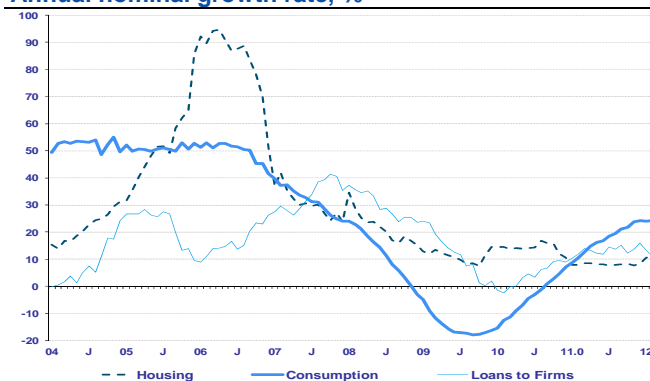
Total Bank Lending to the private sector
Annual nominal growth rate, %



Source: BBVA Research with Bank of Mexico data

Chart 2

Banking Credit - Consumer, Mortgages and Corporate
Annual nominal growth rate, %



Source: BBVA Research with Bank of Mexico data

Credit: graphs and statistics

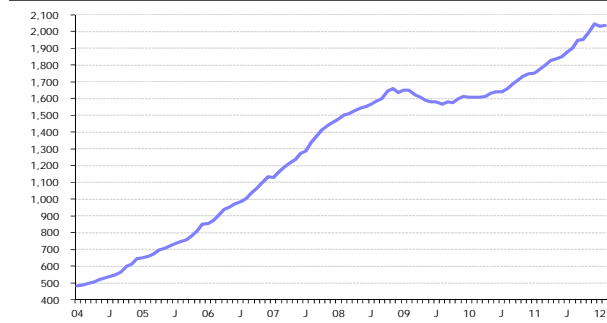
- In February 2012 the annual nominal growth rate of total bank loans to the private sector was 14.9%.
- The rates of growth of the main loan categories were: consumption, 24.2%; loans to firms, 11.2%; and housing, 10.7%
- The annual nominal rate of growth of loans granted to the private sector in February 2012 was lower than the one registered in January 2012, but it was greater than the rate of growth reported in the February 2011 (10.1%).

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



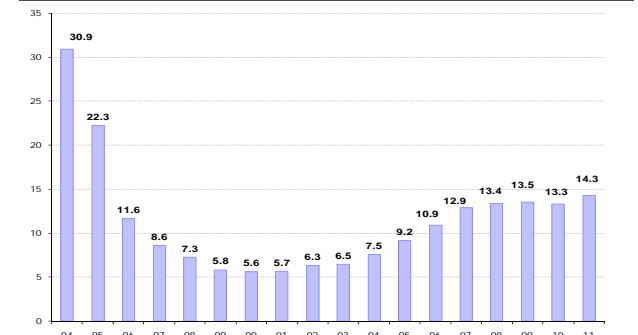
Source: BBVA Research with data of Bank of Mexico

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, %



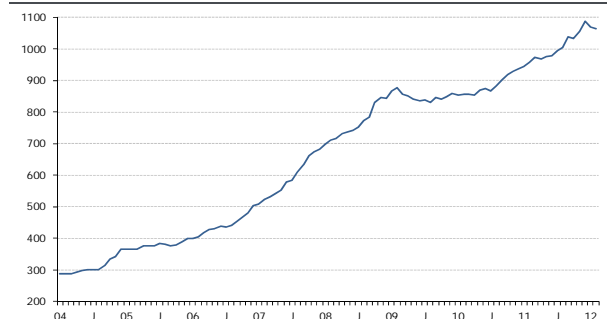
Source: BBVA Research with data of Bank of Mexico and INEGI

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



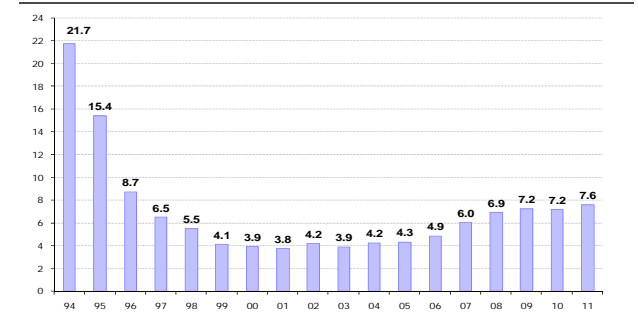
Source: BBVA Research with data of Bank of Mexico

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



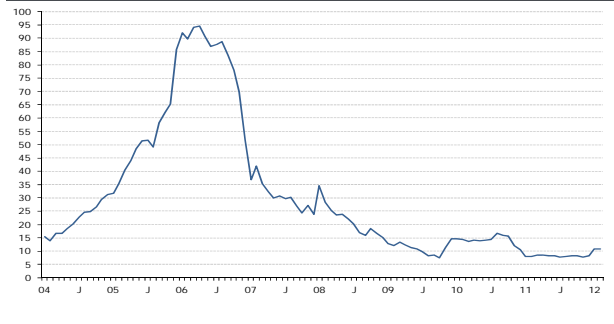
Source: BBVA Research with data of Bank of Mexico

Graph 6
Loans to Firms
As ratio of GDP, %



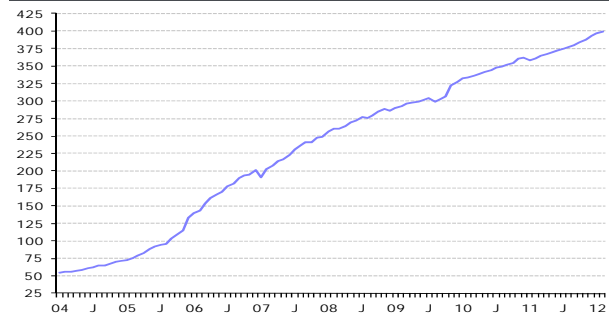
Source: BBVA Research with data of Bank of Mexico and INEGI

Graph 7
Housing Loans
Annual nominal rate of growth, %



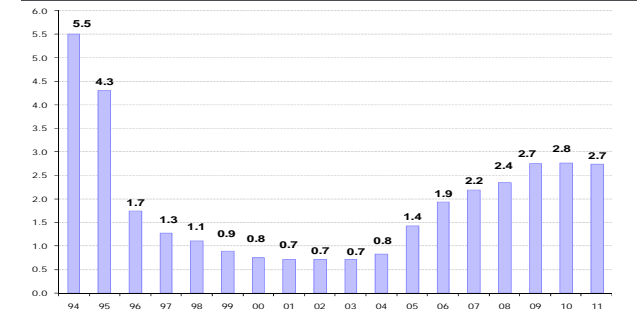
Source: BBVA Research with data of Bank of Mexico

Graph 8
Housing Loans
Balance in current billions of Mexican pesos



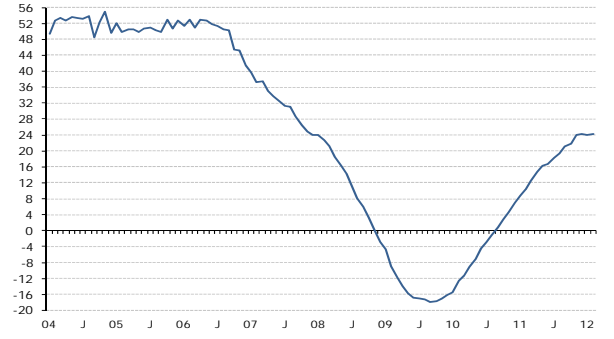
Source: BBVA Research with data of Bank of Mexico

Graph 9
Housing Loans
As ratio of GDP, %



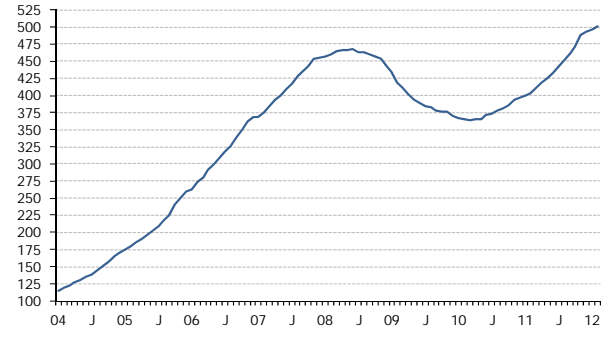
Source: BBVA Research with data of Bank of Mexico and INEGI

Graph 10
Consumption Loans
Annual nominal rate of growth, %



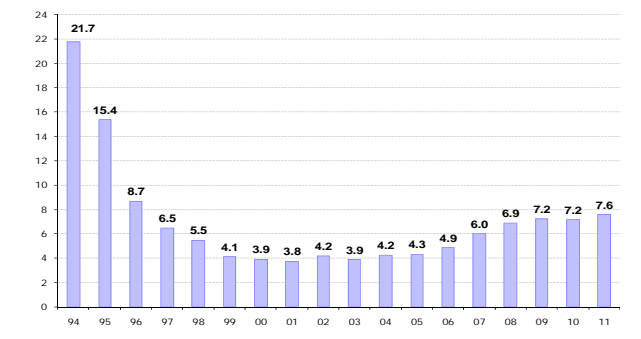
Source: BBVA Research with data of Bank of Mexico

Graph 11
Consumption Loans
Balance in current billions of Mexican pesos



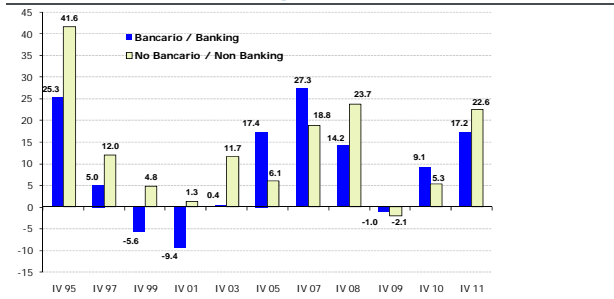
Source: BBVA Research with data of Bank of Mexico

Graph 12
Consumption Loans
As ratio of GDP, %



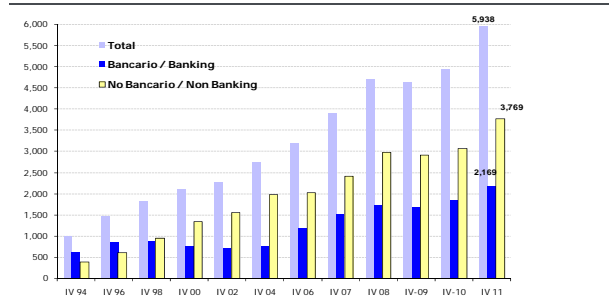
Source: BBVA Research with data of Bank of Mexico and INEGI

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



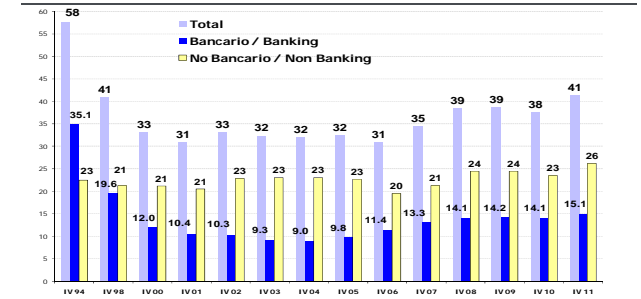
Source: BBVA Research with data of Bank of Mexico

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

