

Mexico Banking Flash

Lending to the private sector: positive double-digit growth

Lending to the private sector by commercial banks in March 2012 completed 24 months of positive annual growth in nominal terms, highlighting the significant sustained expansion process. In March the nominal annual growth rate was 15%, which was slightly higher than in the previous month (14.9%) and higher than in the same month in 2011 (11.8%). Its three main categories (consumer finance, residential mortgages and corporate) also continued strong, as all three components registered double-digit nominal annual growth rates.

- **Consumer finance: nominal annual growth rate continues at 24%**

Consumer finance continues to be the best performer of the three categories. Its annual growth rate in nominal terms in March 2012 was 24.2%. This rate is the same as in the previous month but higher than the same month in 2011 (12.6%). The nominal annual growth rates for the three components of consumer finance in March were: other consumer finance, which includes payslip loans, 43.8%; credit cards, 15.1%; and loans for the purchase of consumer durables, 4.8%. In other words, the main source of expansion of consumer finance was the other consumer finance category.

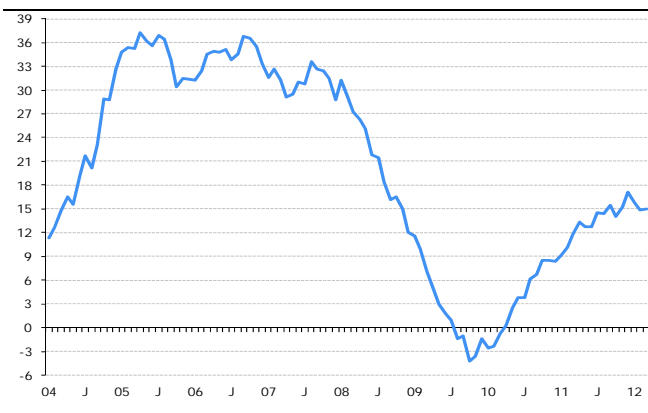
- **Corporate lending: double-digit growth continues**

In March the annual rate of growth of corporate lending in nominal terms was 10.9%. This rate was lower than for the preceding month (11.1%) and for the same month in 2011 (13.8%). The annual average growth rate (in nominal terms) in the first quarter of 2012 was 11.7%, similar to the 12% in the same period in 2011. This figure suggests that corporate lending for 2012 overall will grow at a similar rate to the figure for last year.

- **Residential mortgage lending: greater strength in 1Q12 than in the same quarter in 2011**

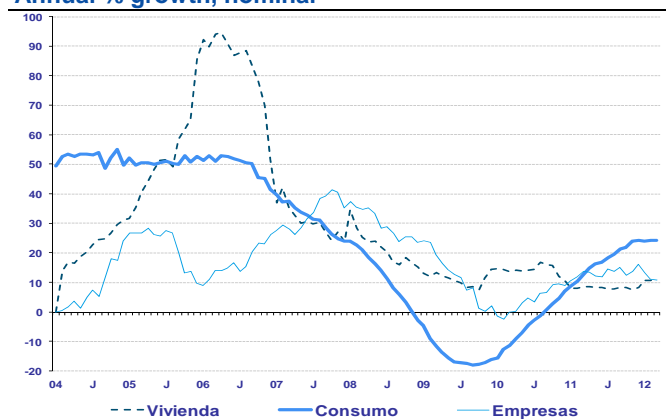
In March 2012, nominal annual growth in mortgage lending was 10.9%. This rate was higher than for the preceding month (10.7%) and for the same month in 2011 (8.5%). The average growth rate of mortgage lending in the first quarter of 2012 was 10.8%, also higher than the average rate for the same period in 2011 (8.2%). The average growth for the first quarter of 2012 suggests that this year mortgage lending may grow at a higher rate than last year.

Chart 1
Total bank lending to the private sector
Annual % growth, nominal



Source: BBVA Research with Bank of Mexico data

Chart 2
Bank lending - Consumer finance, Mortgages and Corporate
Annual % growth, nominal

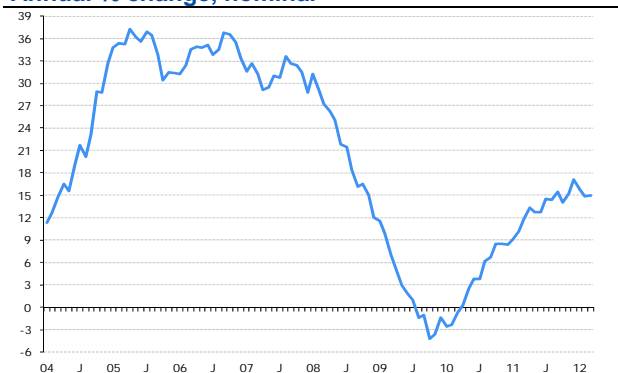


Source: BBVA Research with Bank of Mexico data

Lending: graphs and statistics

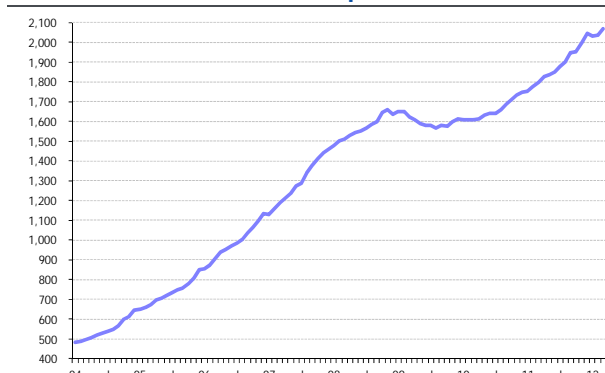
- In March 2012 the nominal annual rate of growth of the total balance of commercial bank lending to the private sector was 15%.
- Broken down by its main categories growth was: consumer finance, 24.2%; corporate, 10.9%; and residential mortgages, 10.9%.
- The rate of growth of lending by banks to the private sector in March 2012 (15%) was slightly higher than the previous month (14.9%) and higher than the rate for the same month in 2011 (11.8%).

Chart 1
Total outstanding bank lending to the private sector
Annual % change, nominal



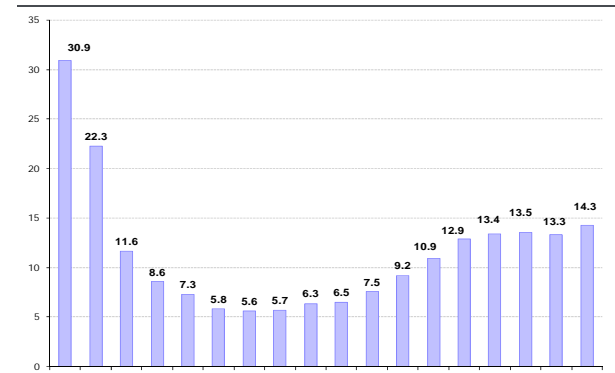
Source: BBVA Research with Bank of Mexico data

Chart 2
Total outstanding bank lending to the private sector
Balance in billions of current pesos



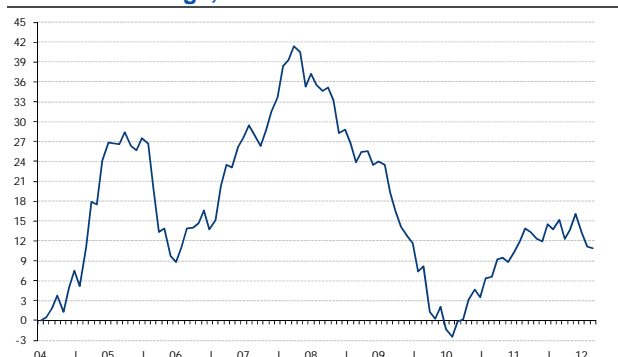
Source: BBVA Research with Bank of Mexico data

Chart 3
Total outstanding bank lending to the private sector
% of GDP



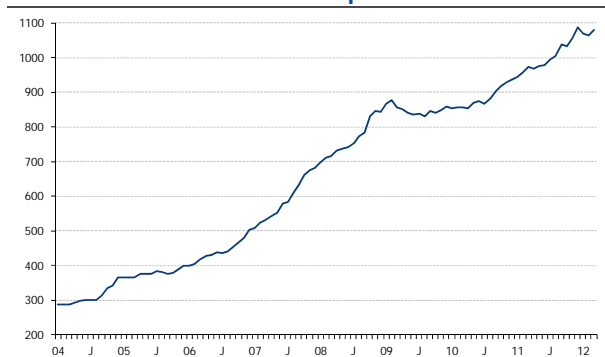
Source: BBVA Research with Bank of Mexico and INEGI data

Chart 4
Corporate Lending
Annual % change, nominal



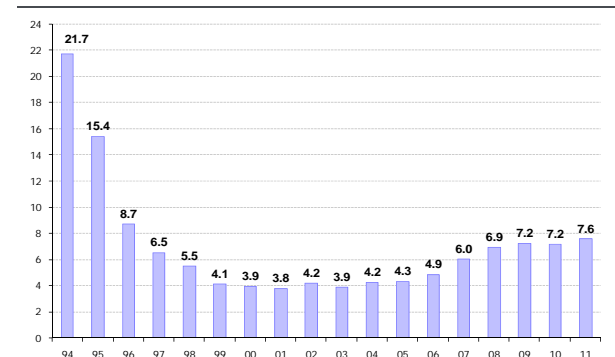
Source: BBVA Research with Bank of Mexico data

Chart 5
Corporate Lending
Balance in billions of current pesos



Source: BBVA Research with Bank of Mexico data

Chart 6
Corporate Lending
% of GDP



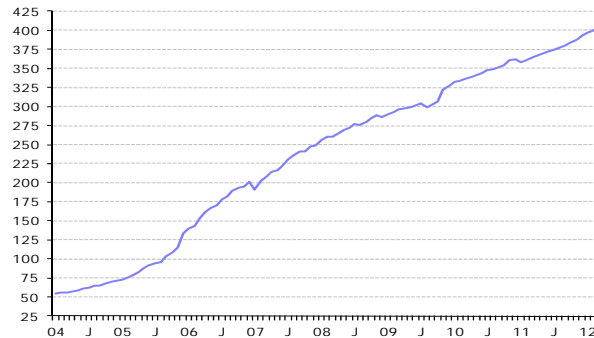
Source: BBVA Research with Bank of Mexico and INEGI data

Chart 7
Residential mortgage lending
Annual % change, nominal



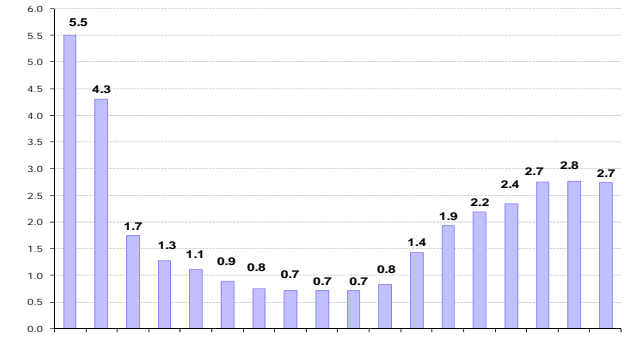
Source: BBVA Research with Bank of Mexico data

Chart 8
Residential mortgage lending
Balance in billions of current pesos



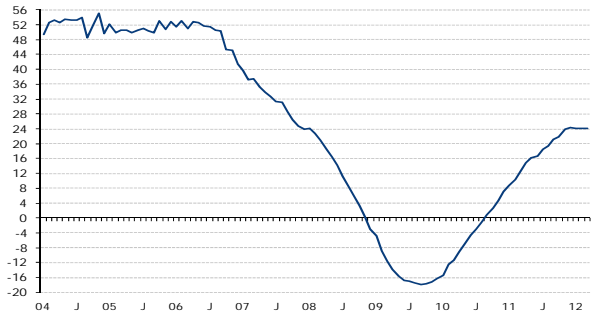
Source: BBVA Research with Bank of Mexico data

Chart 9
Residential mortgage lending
% of GDP



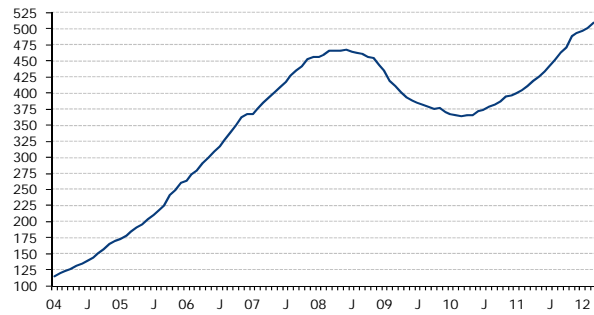
Source: BBVA Research with Bank of Mexico and INEGI data

Chart 10
Consumer Finance
Annual % change, nominal



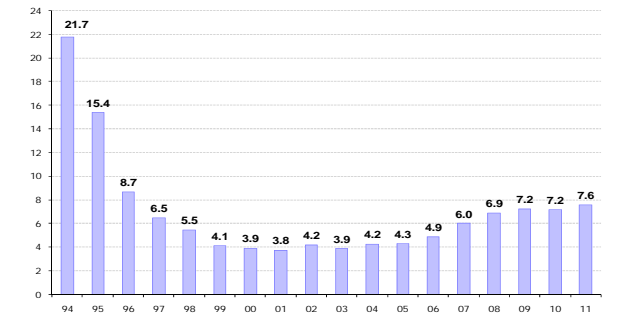
Source: BBVA Research with Bank of Mexico data

Chart 11
Consumer Finance
Balance in billions of current pesos



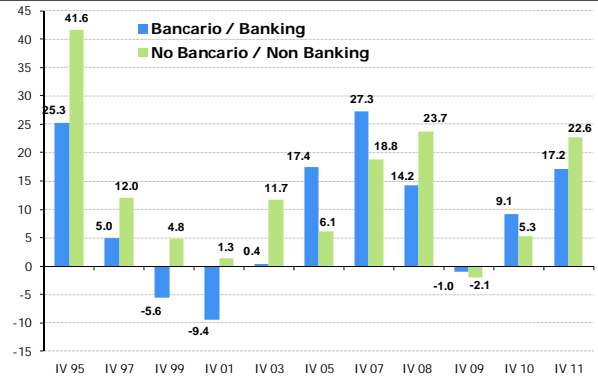
Source: BBVA Research with Bank of Mexico data

Chart 12
Consumer Finance
% of GDP



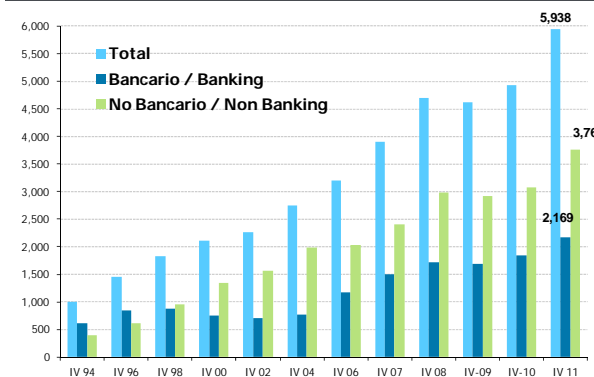
Source: BBVA Research with Bank of Mexico and INEGI data

Chart 13
Total finance (banking + non-banking)
Annual % change, nominal



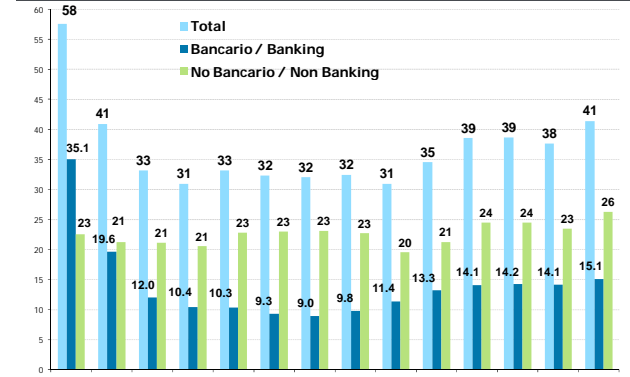
Source: BBVA Research with Bank of Mexico data

Chart 14
Total finance (banking + non-banking)
Balance in billions of current pesos



Source: BBVA Research with Bank of Mexico data

Chart 15
Total finance (banking + non-banking)
% of GDP



Source: BBVA Research with Bank of Mexico and INEGI data

