

Mexico Banking Flash

Lending to the private sector: positive double-digit growth continues

In August 2012 the nominal annual rate of growth of the total balance of commercial bank lending to the private sector was 14.6%. This rate is lower than in the preceding month (15%) and higher than the same month of 2011 (14.4%). The nominal rate of growth of total bank lending to the private sector for the first eight months of 2012 was 15.2%, slightly above the 14.6% figure for August. In August 2012, total bank lending accumulated 19 months posting double-digit growth rates.

- Consumer finance: this area's annual nominal growth has exceeded 20% for the last 12 months**

In August 2012, the rate of nominal annual consumer finance growth was 22.7%. This rate was lower than in the preceding month (22.8%) and higher than the same month of 2011 (19.4%). The nominal annual growth rates for its three components in August were: other consumer finance (OCC), which includes payslip loans and personal loans, 34.8%; credit cards (TDC), 15.7%; and loans for the purchase of consumer durables (BCD), 10.2%. The OCC loan category continued to show the strongest growth, and the monthly increase in its balance recorded from July to August 2012 was the second highest posted in 2012, after the increase seen from February to March of that year.

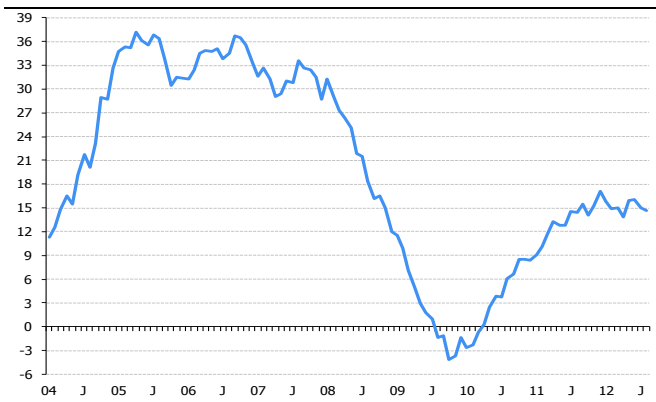
- Commercial lending: high double-digit growth continued in August**

In August the annual growth rate of corporate lending in nominal terms was 12.2%. This rate was lower than for the preceding month (13.1%) and for the same month of 2011 (13.8%). The average nominal growth rate of corporate lending for the first eight months of 2012 was 12.7%. The positive difference between the average corporate lending rate and the one for August may be an indication that the dynamism of this type of lending is going through a gradual slowdown process.

- Residential housing: in August nominal annual growth in mortgage lending was 11.2%**

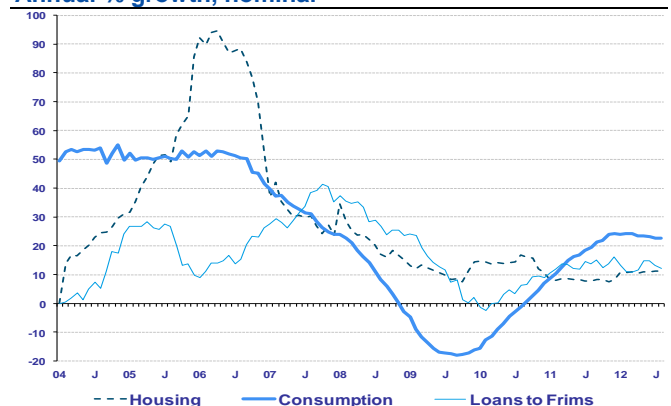
In August 2012, nominal annual growth in mortgage lending was 11.2%. This rate was higher than for the preceding month (11.1%) and for the same month in 2011 (7.9%). The average annual growth rate for this type of lending in the first eight months of 2012 was 10.8%, and since May the annual rate has been higher than the average, indicating that this type of lending has gradually increased its rate of growth.

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

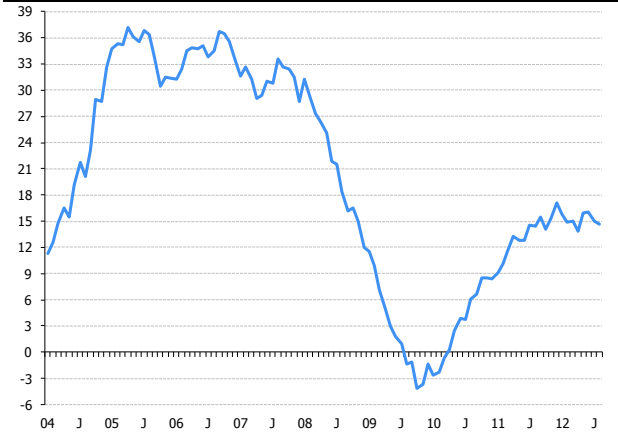


Source: BBVA Research with Bank of Mexico data

Credit: graphs and statistics

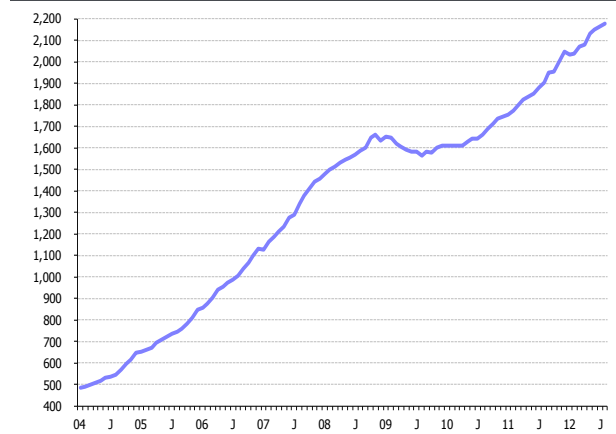
- In August 2012 the annual nominal growth rate of total bank loans to the private sector was 14.6%.
- The rates of growth of the main loan categories were: consumption, 22.7%; loans to firms, 12.2%; and housing, 11.2%
- The annual nominal rate of growth of loans granted to the private sector in August 2012 was lower than the one registered in the previous month (15%), and it was also greater than the rate of growth reported in the same month of 2011 (14.4%).

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



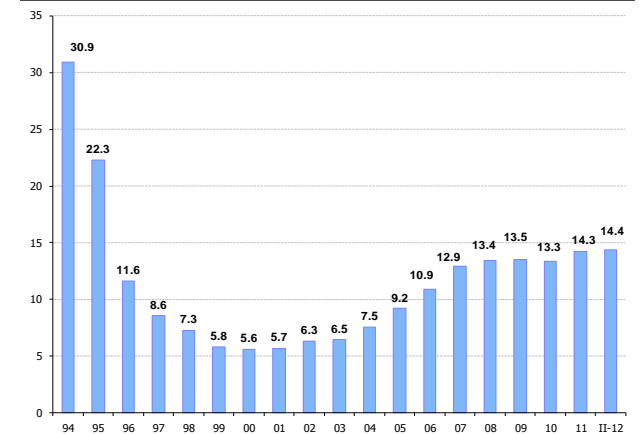
Source: BBVA Research with data of Bank of Mexico

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



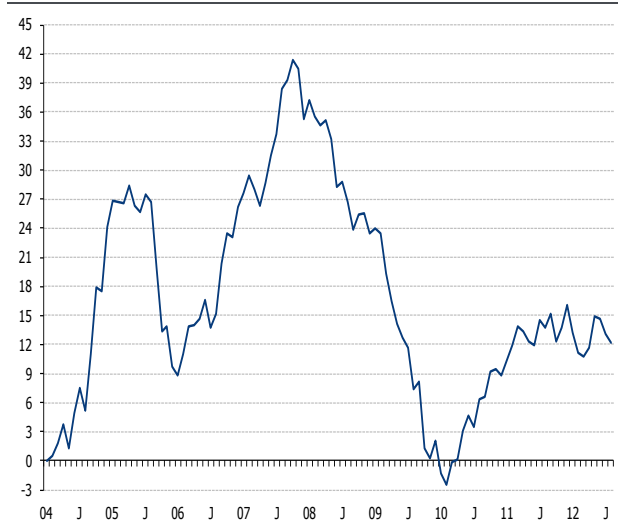
Source: BBVA Research with data of Bank of Mexico

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



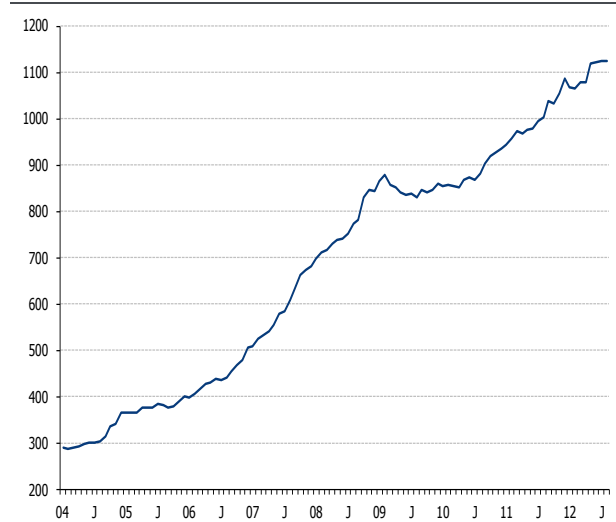
Source: BBVA Research with data of Bank of Mexico and INEGI

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



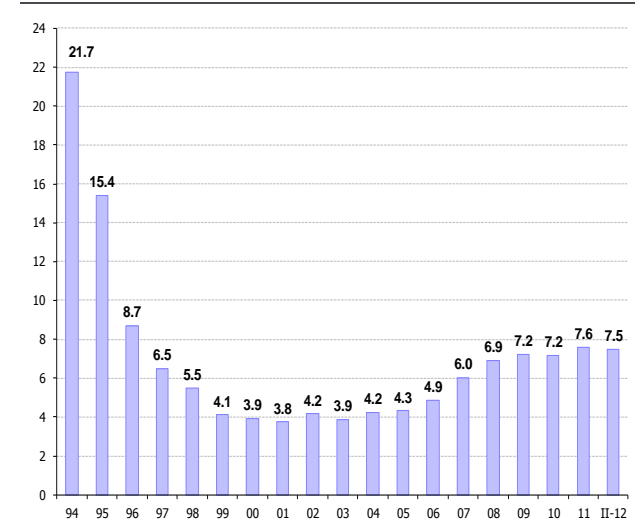
Source: BBVA Research with data of Bank of Mexico

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



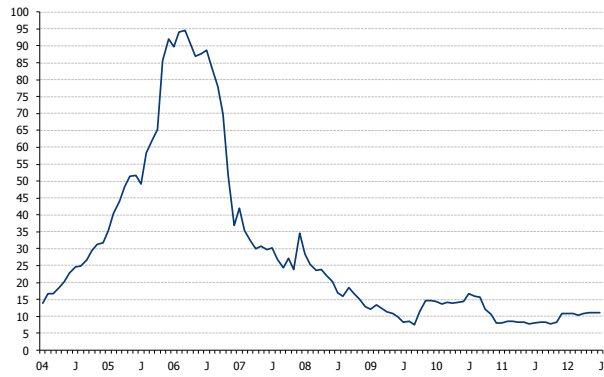
Source: BBVA Research with data of Bank of Mexico

Graph 6
Loans to Firms
As ratio of GDP, %



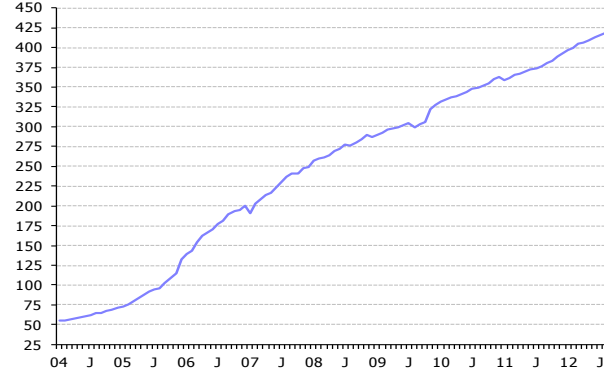
Source: BBVA Research with data of Bank of Mexico and INEGI

Graph 7
Housing Loans
Annual nominal rate of growth, %



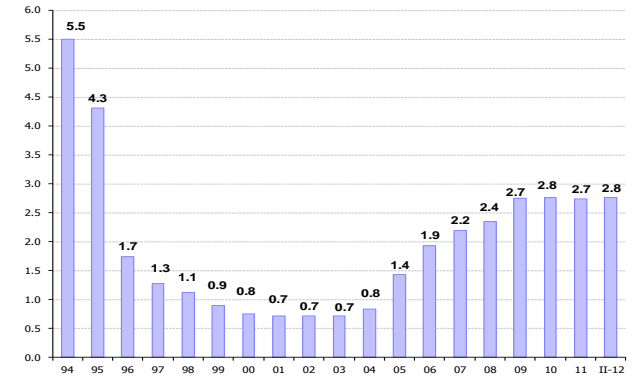
Source: BBVA Research with data of Bank of Mexico

Graph 8
Housing Loans
Balance in current billions of Mexican pesos



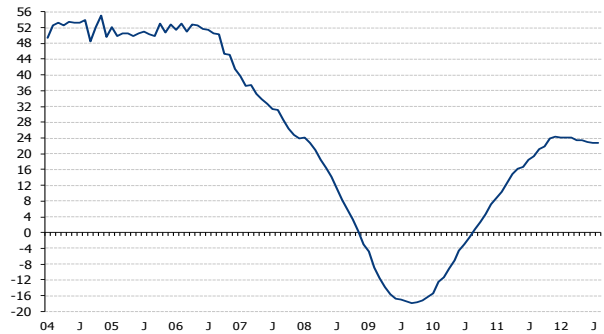
Source: BBVA Research with data of Bank of Mexico

Graph 9
Housing Loans
As ratio of GDP, %



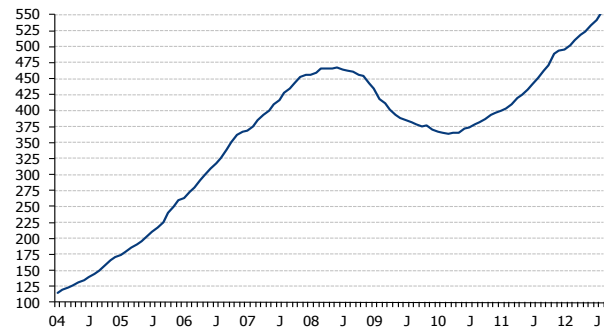
Source: BBVA Research with data of Bank of Mexico and INEGI

Graph 10
Consumption Loans
Annual nominal rate of growth, %



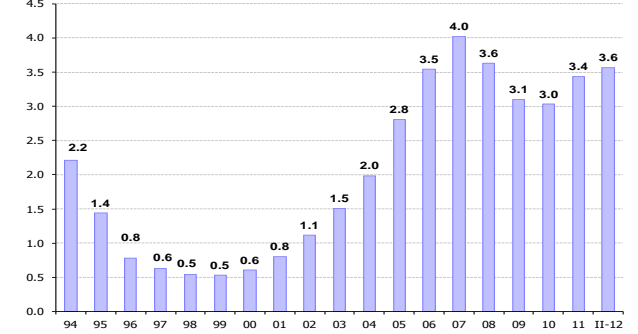
Source: BBVA Research with data of Bank of Mexico

Graph 11
Consumption Loans
Balance in current billions of Mexican pesos



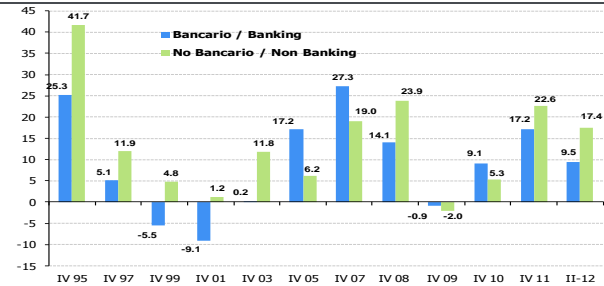
Source: BBVA Research with data of Bank of Mexico

Graph 12
Consumption Loans
As ratio of GDP, %



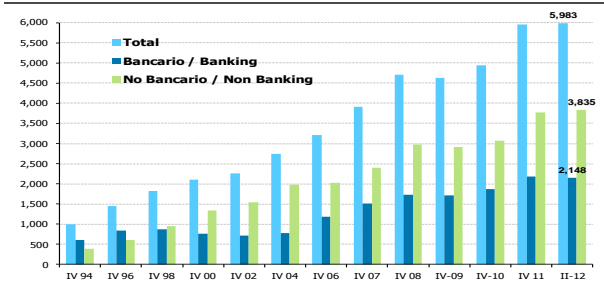
Source: BBVA Research with data of Bank of Mexico and INEGI

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



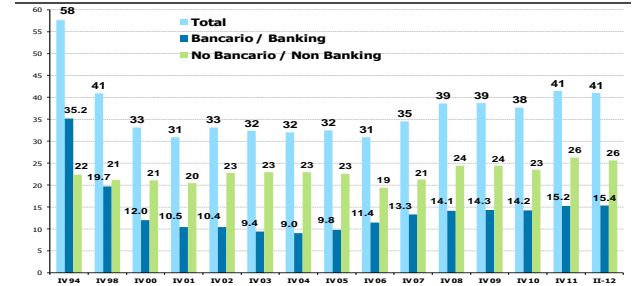
Source: BBVA Research with data of Bank of Mexico

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

