

Mexico Banking Flash

Private-sector credit: continues to grow at double-digit rates

In December 2012, the nominal annual rate of growth of the total balance of commercial bank lending to the private sector was 11.6%. This rate was lower than for the preceding month (13.1%) and for the same month in 2011 (17.1%). In 2011, the nominal annual rate of growth of the total balance of bank lending to the private sector was 13.4%, and in 2012 it increased to 14.4%. It is important to note that the nominal average growth rate in the first half of 2012 was 15.3% and, due to less dynamic lending, the rate fell to 13.5% in the second part of the year.

- **Consumer: Other consumer finance remains its most dynamic component**

In December 2012, the nominal annual growth rate of consumer finance was 19.1%, less than the previous month's rate (20.8%) and that for the same month in 2011 (24.3%). The three components of consumer finance have performed as follows. In December 2012, the nominal annual growth rate of Other Consumer Finance, which was the most dynamic type of consumer finance, was 26.5%, less than the previous month's rate (31.1%) and that for the same month in 2011 (47.5%). In that month, growth in lending to acquire consumer durables (BCD) was 4%, below the rate for the previous month (5.6%) and that for the same month in 2011 (8%). Growth in credit card lending was 16.5%, higher than in the previous month (15.9%) and in the same month of 2011 (13.2%). The buoyant situation in credit cards was not sufficient to offset the lower growth in the OCC and BCD categories. In 2012, the monthly increase in the credit card balance from October to November (the month of the "Buen Fin" or "Success" program) was 4.4%, while it was only 0.1% from November to December. These figures suggest that the "El Buen Fin" program only anticipated December's Christmas sales.

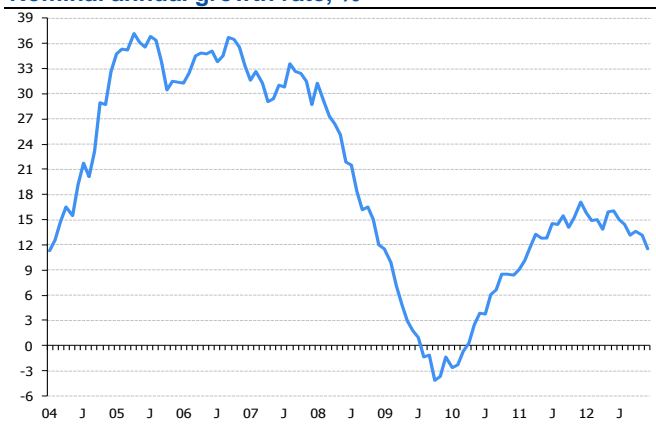
- **Businesses: the rate of growth continues to slow**

In December, the nominal annual growth rate of corporate lending was 7.7%. This rate was lower than for the preceding month (9.5%) and for the same month of 2011 (16%). The average nominal growth rate of corporate lending for 2011 was 13.3%, and in 2012 this rate fell to 11.5%.

- **Housing: in 2012, its rate of growth was higher than in 2011**

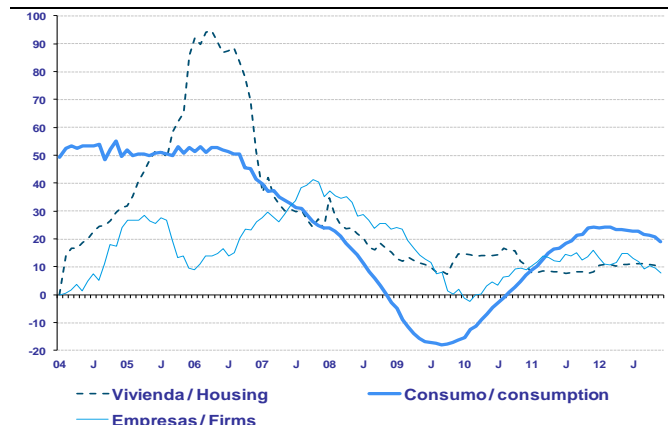
In December 2012, the nominal annual rate of growth in mortgage lending was 10.3%. This rate was slightly lower than in the preceding month (10.5%) but higher than in the same month in 2011 (8.4%). The average nominal growth rate for this kind of lending in 2011 was 8.1%, and in 2012 it increased to 10.8%.

Chart 1
Total bank lending to the private sector (Total Bank Loans)
Nominal annual growth rate, %



Source: BBVA Research with Bank of Mexico data

Chart 2
Banking Credit - Consumer, Housing and Business
Nominal annual growth rate, %

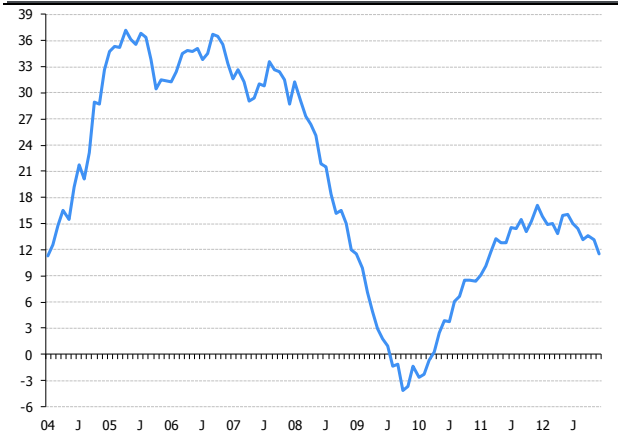


Source: BBVA Research with Bank of Mexico data

Credit: graphs and statistics

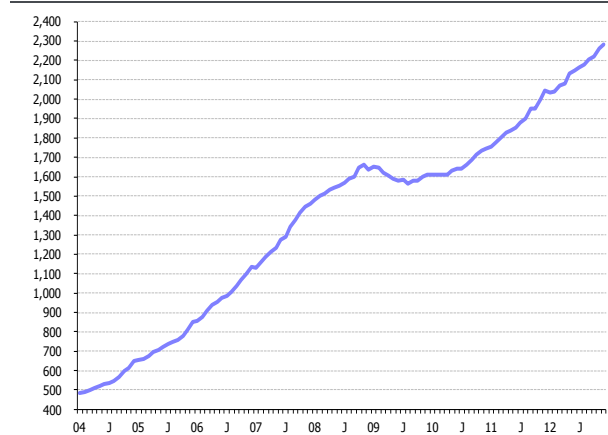
- In December 2012 the annual nominal growth rate of total bank loans to the private sector was 11.6%.
- The rates of growth of the main loan categories were: consumption, 19.1%; housing, 10.3%; and loans to firms, 7.7%
- The annual nominal rate of growth of loans granted to the private sector in December 2012 was lower than the one registered in the previous month (13.1%), and it was also lower than the rate of growth reported in the same month of 2011 (17.1%).

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



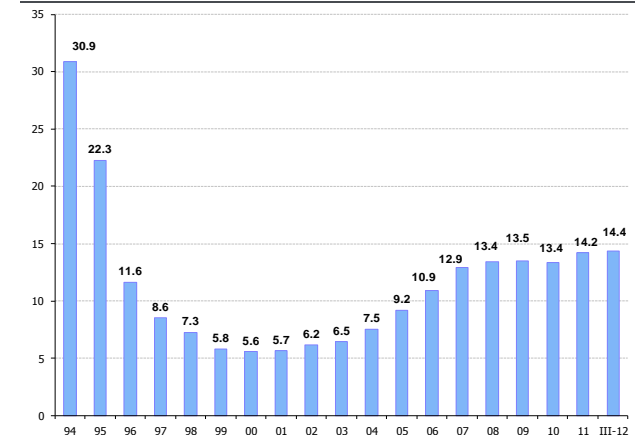
Source: BBVA Research with data of Bank of Mexico

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



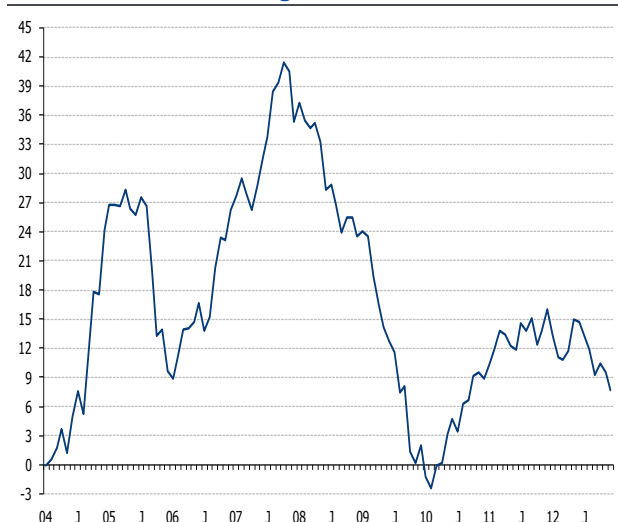
Source: BBVA Research with data of Bank of Mexico

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



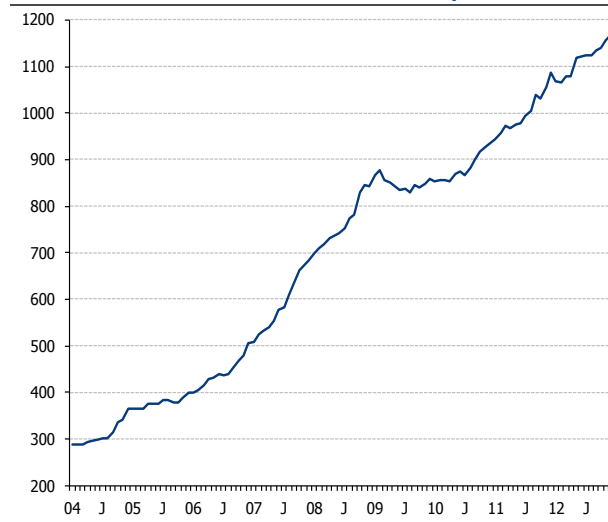
Source: BBVA Research with data of Bank of Mexico and INEGI

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



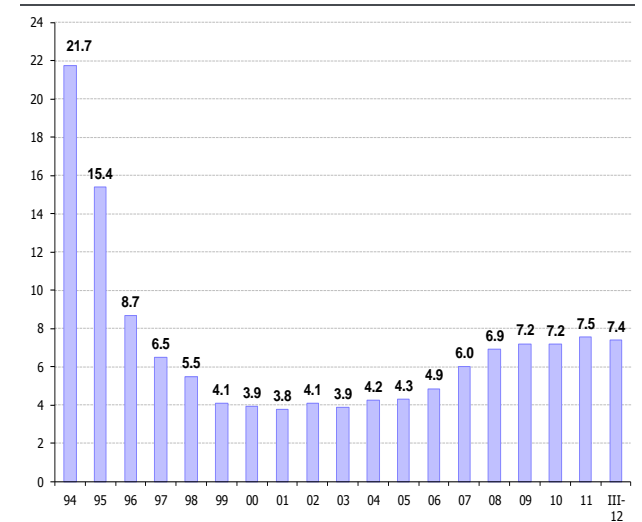
Source: BBVA Research with data of Bank of Mexico

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



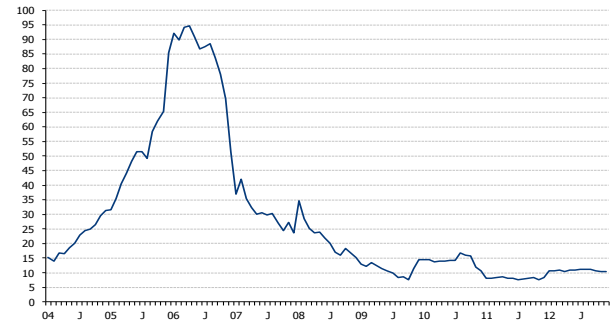
Source: BBVA Research with data of Bank of Mexico

Graph 6
Loans to Firms
As ratio of GDP, %



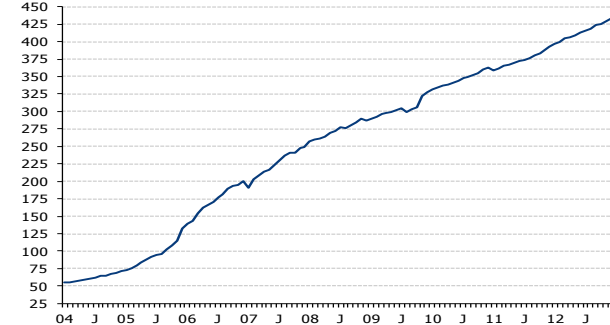
Source: BBVA Research with data of Bank of Mexico and INEGI

Graph 7
Housing Loans
 Annual nominal rate of growth, %



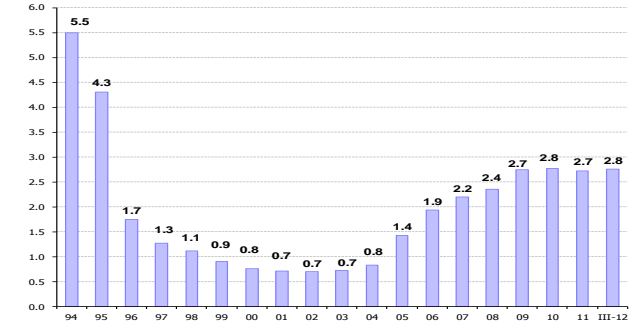
Source: BBVA Research with data of Bank of Mexico

Graph 8
Housing Loans
 Balance in current billions of Mexican pesos



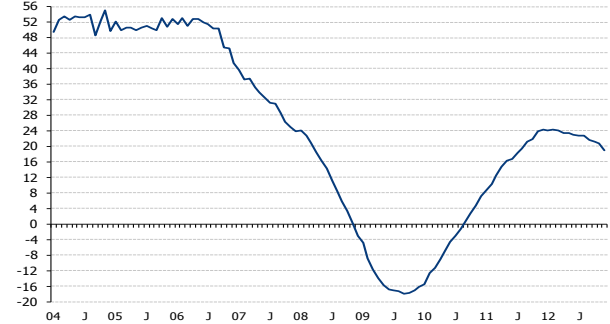
Source: BBVA Research with data of Bank of Mexico

Graph 9
Housing Loans
 As ratio of GDP, %



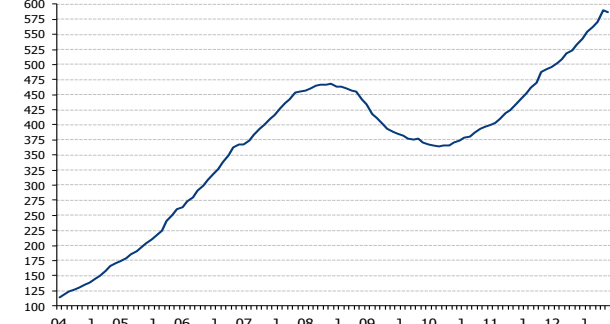
Source: BBVA Research with data of Bank of Mexico and INEGI

Graph 10
Consumption Loans
 Annual nominal rate of growth, %



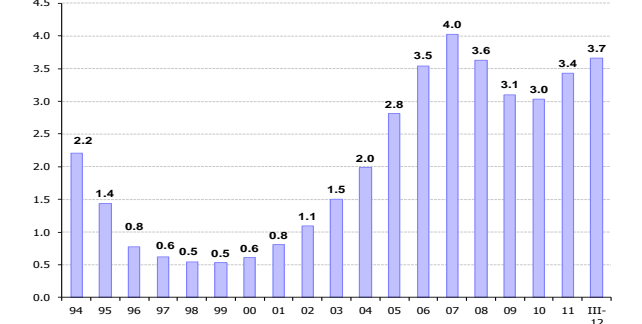
Source: BBVA Research with data of Bank of Mexico

Graph 11
Consumption Loans
 Balance in current billions of Mexican pesos



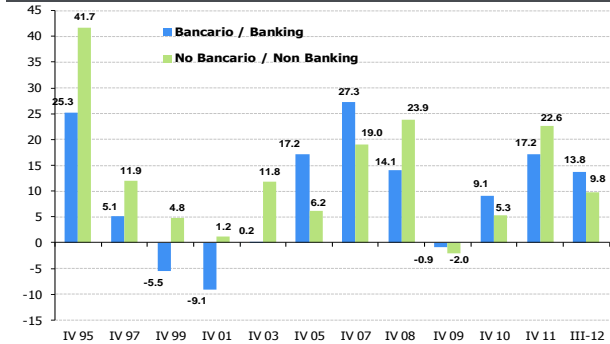
Source: BBVA Research with data of Bank of Mexico

Graph 12
Consumption Loans
 As ratio of GDP, %



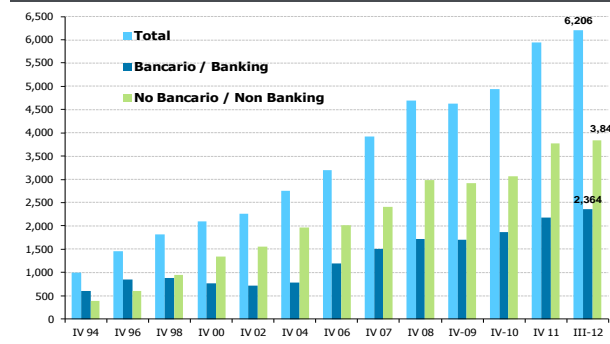
Source: BBVA Research with data of Bank of Mexico and INEGI

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



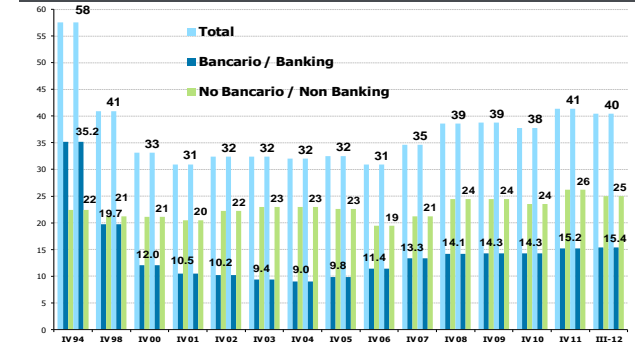
Source: BBVA Research with data of Bank of Mexico

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

