

Mexico Banking Flash

Private-sector credit continues double-digit growth

In May 2013, nominal annual growth of lending by commercial banks to the private sector was 10.3%. This rate was lower than for the preceding month (11.6%) and for the same month in 2012 (16%). The contribution of its components to its growth was as follows: lending to firms contributed 3.9 percentage points (pp) of the total 10.3 pp growth posted; consumer finance, 3.8 pp; housing, 2 pp; and non-banking financial intermediaries, 0.5 pp.

- **Consumption: its strongest component is Other Consumer Finance**

In May the rate of nominal annual growth of total consumer finance was 15.6%. This rate was lower than for the preceding month (16.1%) and for the same month in 2012 (23.1%). In May, the nominal annual growth rates for the three components of consumer finance were: other consumer finance, which includes payroll and personal loans, 19.6%; credit cards, 14.9%; and loans for the purchase of consumer durables, 3.5%. The contribution to growth of total consumer finance by these three components was: other consumer finance contributed 8.5 percentage points (pp) to the 15.6 pp growth registered by total consumer finance; credit cards, 6.7 pp; and consumer durables, 0.4 pp. Consumer finance and its components in May 2013 continue to reflect the steady slowdown in this area since the second half of 2012.

- **Companies: growth continues to moderate**

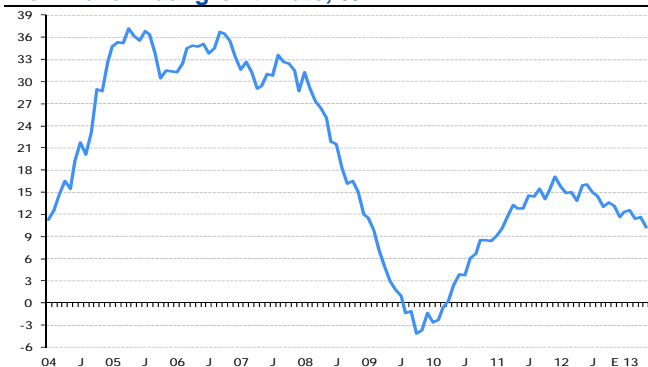
In May, the nominal annual growth rate of corporate lending was 7.5%, down on the figure for the previous month (9.5%) and for the same month in 2012 (14.7%). The growth in May 2013 is the lowest for this category of credit since September 2010. The lower rate of growth is due to the slowdown in the GDP, which rose by only 0.8% in the first quarter of 2013.

- **Housing: nominal annual growth in mortgage lending continues at around 10%**

In May 2013, the nominal annual growth rate of bank mortgage lending was 10.3%, up on the previous month's rate (10.1%) but lower than that for the same month in 2012 (11%). The average nominal growth rate in the first five months of 2013 was 10.1%, lower than the average rate for the same period in 2012 (10.7%).

Chart 1

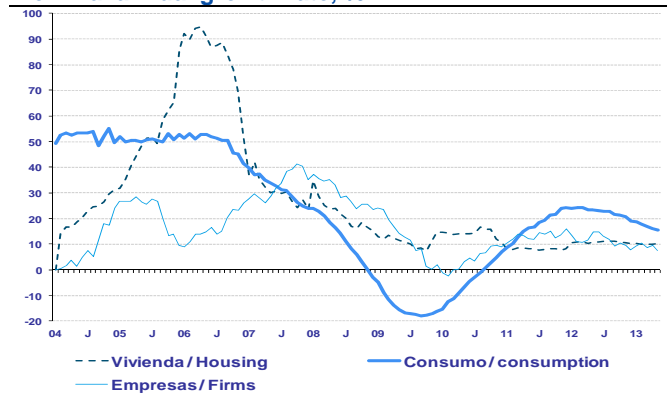
Total bank lending to the private sector
Nominal annual growth rate, %



Source: BBVA Research with Bank of Mexico data

Chart 2

Consumer lending, Mortgages and Loans to Firms
Nominal annual growth rate, %

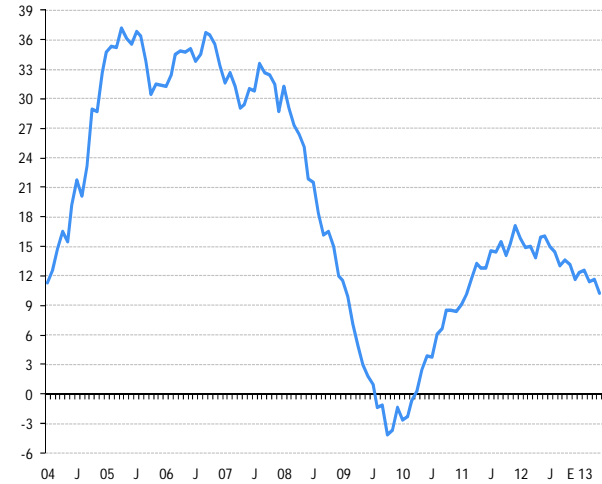


Source: BBVA Research with Bank of Mexico data

Credit: graphs and statistics

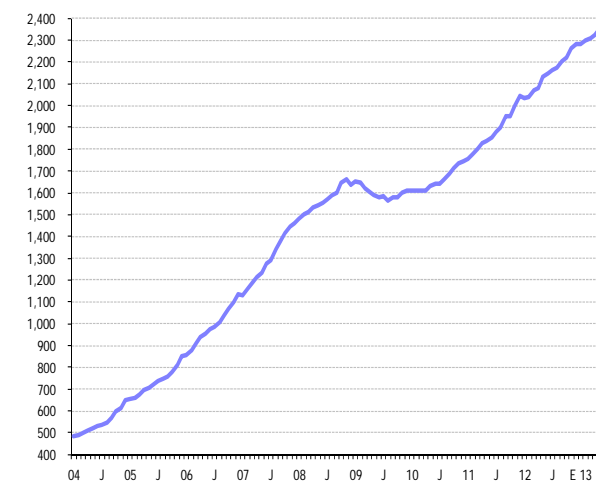
- In May 2013 the annual nominal growth rate of total bank loans to the private sector was 10.3%.
- The rates of growth of the main loan categories were: consumption, 15.6%; housing, 10.3%; and loans to firms, 7.5%.
- The annual nominal rate of growth of loans granted to the private sector in May 2013 was lower than the one registered in the previous month (11.6%), while it was lower than the rate of growth reported in the same month of 2012 (16%).

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



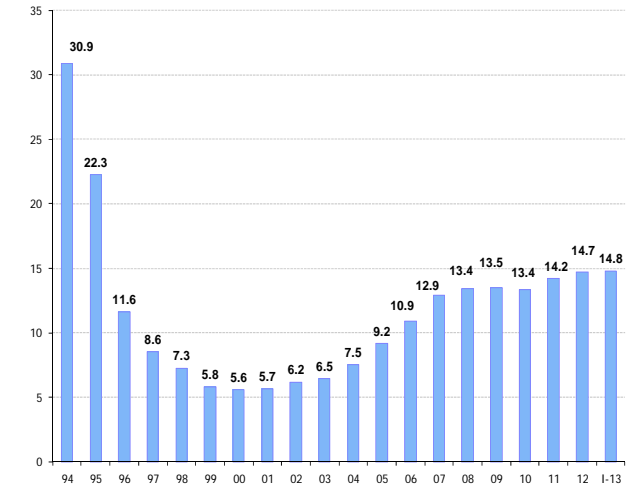
Source: BBVA Research with data of Bank of Mexico

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



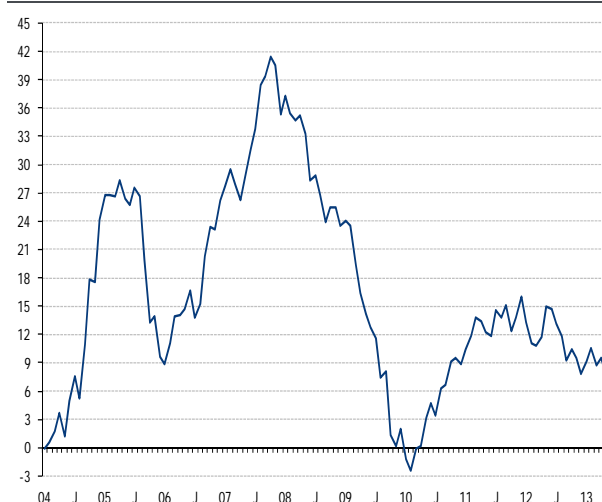
Source: BBVA Research with data of Bank of Mexico

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



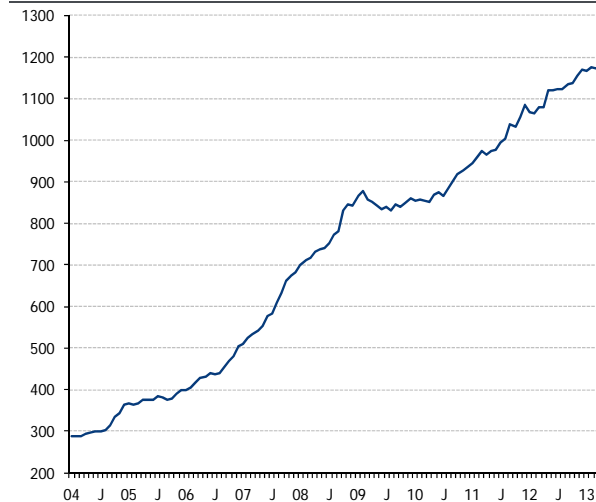
Source: BBVA Research with data of Bank of Mexico and INEGI

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



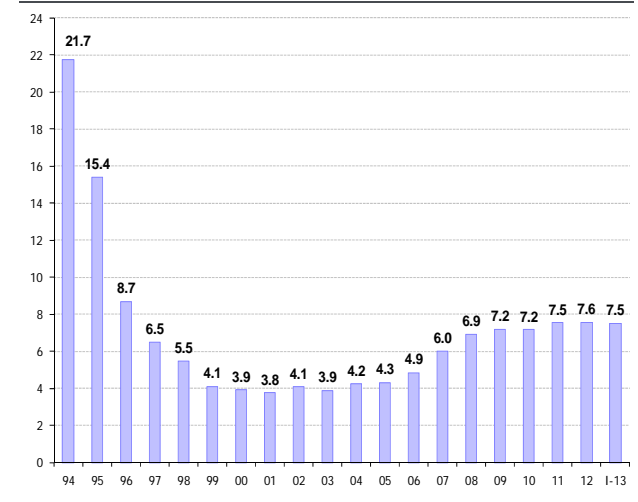
Source: BBVA Research with data of Bank of Mexico

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



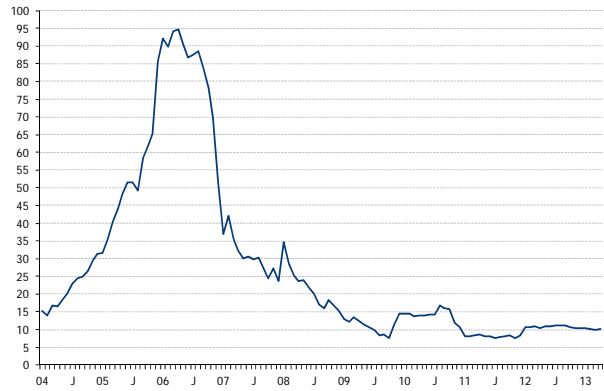
Source: BBVA Research with data of Bank of Mexico

Graph 6
Loans to Firms
As ratio of GDP, %



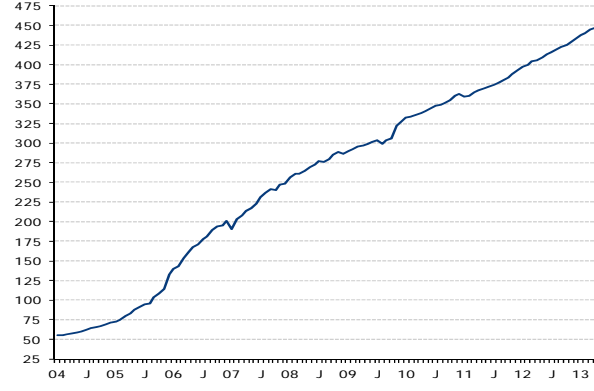
Source: BBVA Research with data of Bank of Mexico and INEGI

Graph 7
Housing Loans
Annual nominal rate of growth, %



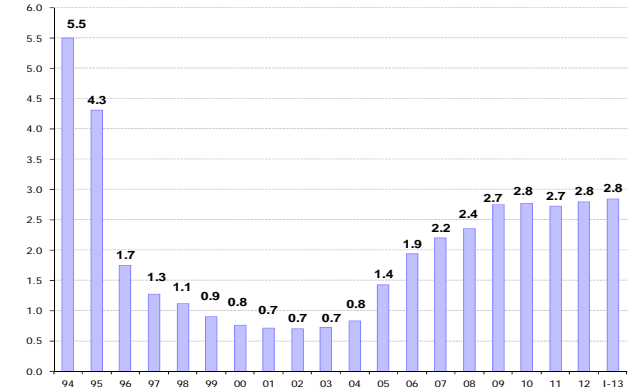
Source: BBVA Research with data of Bank of Mexico

Graph 8
Housing Loans
Balance in current billions of Mexican pesos



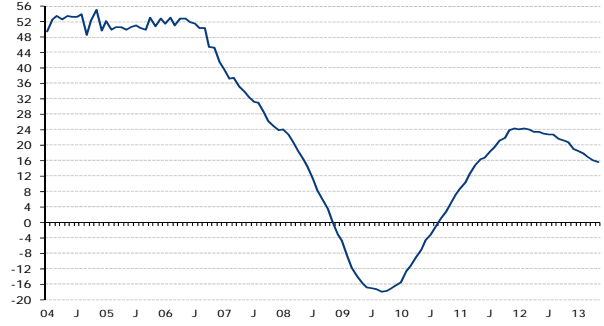
Source: BBVA Research with data of Bank of Mexico

Graph 9
Housing Loans
As ratio of GDP, %



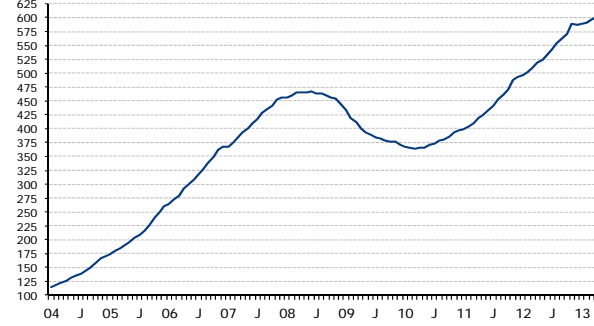
Source: BBVA Research with data of Bank of Mexico and INEGI

Graph 10
Consumption Loans
Annual nominal rate of growth, %



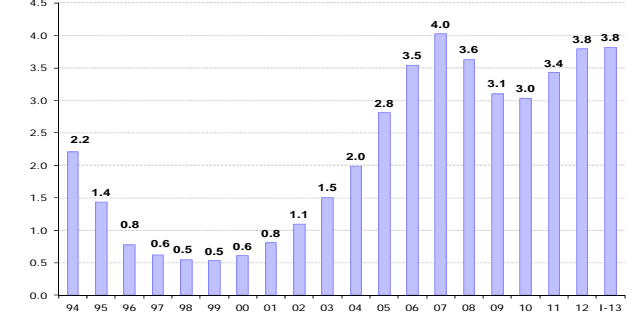
Source: BBVA Research with data of Bank of Mexico

Graph 11
Consumption Loans
Balance in current billions of Mexican pesos



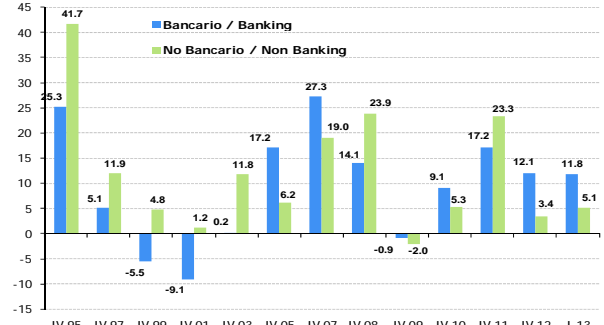
Source: BBVA Research with data of Bank of Mexico

Graph 12
Consumption Loans
As ratio of GDP, %



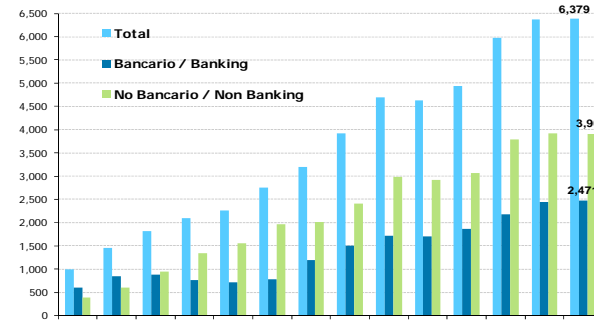
Source: BBVA Research with data of Bank of Mexico and INEGI

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



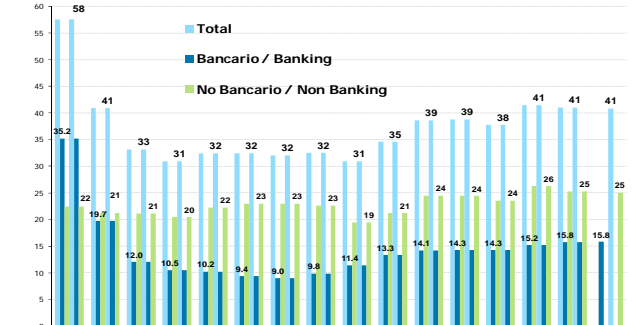
Source: BBVA Research with data of Bank of Mexico

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

