

Bank Lending: Monthly Situation Report

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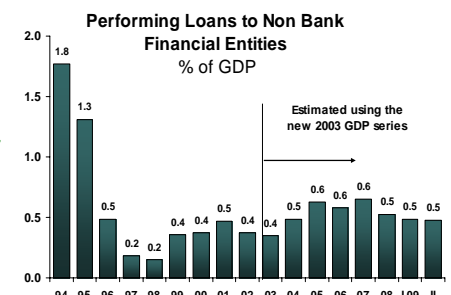
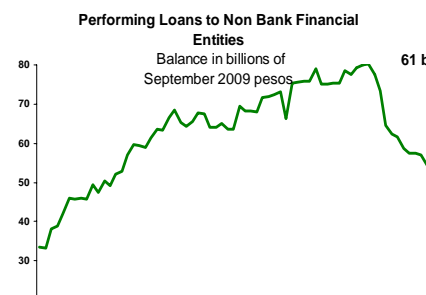
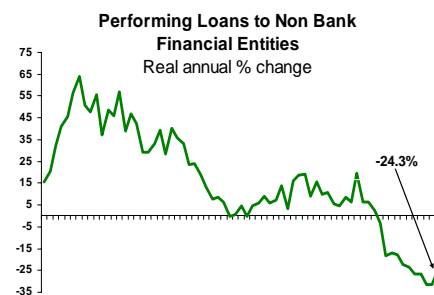
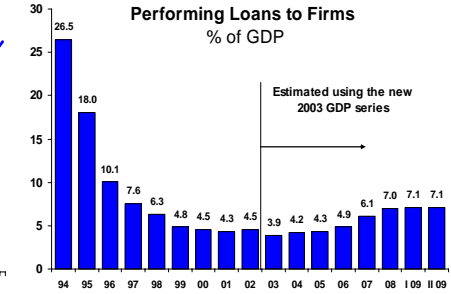
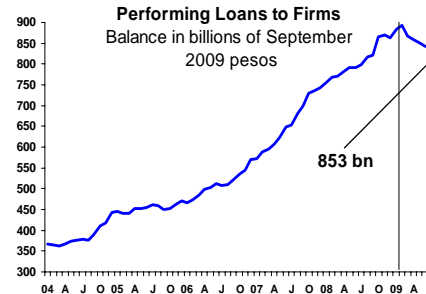
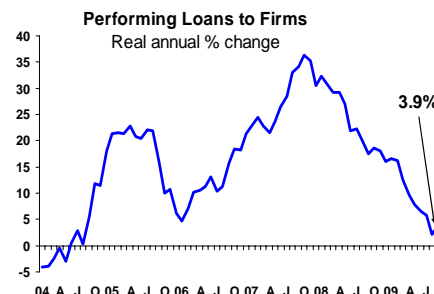
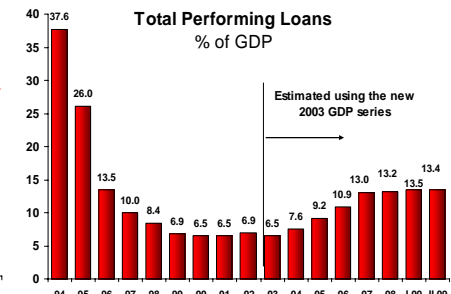
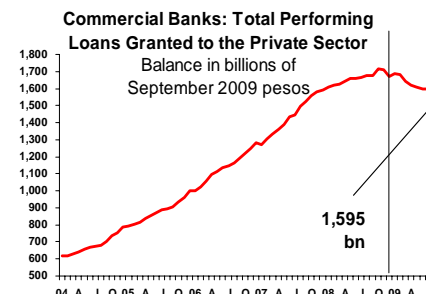
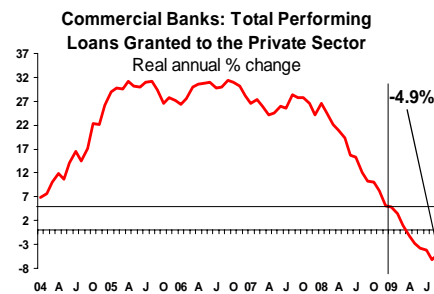
- In September 2009, the total current credit balance that commercial banks granted to the private sector saw a 4.9% real annual fall.
- Corporate and mortgage lending recorded positive, but low, growth rates in both cases.
- Lending to non-banking financial intermediaries (NBFIs) and consumers continued to post negative growth rates.

Total outstanding lending by commercial banks to the private non-banking sector

In September 2009, real annual overall growth in current credit from commercial banks to the private sector came in negative at -4.9%. In the previous month, this decrease was even greater (-6.1%). Meanwhile, in the same month in 2008 growth was positive (+10.2%). The rate of -4.9% was the result of the positive contributions to growth from corporate lending, which added 1.9 percentage points, and housing, which added 0.6 pp. Lending to NBFIs had a negative impact (-1.2 pp), as did consumer lending (-6.3 pp).

Outstanding corporate lending

In September 2009, real annual corporate lending growth was 3.9%. This rate was the higher than the preceding month (2.2%) but much lower than the same month in 2008 (17.5%). The corporate lending growth rate has decelerated sharply in 2008 and 2009. This is due to lower GDP growth in 2008 and the contraction of GDP in the first two quarters of 2009. It is to be expected that this type of lending will return to higher growth rates once the economy is growing on a sustained basis. This will enable new opportunities to expand productive activity to appear and will create new incentives to increase demand for new business lending.



Source: Banco de México

Outstanding lending to non-banking financial intermediaries (NBFIs)

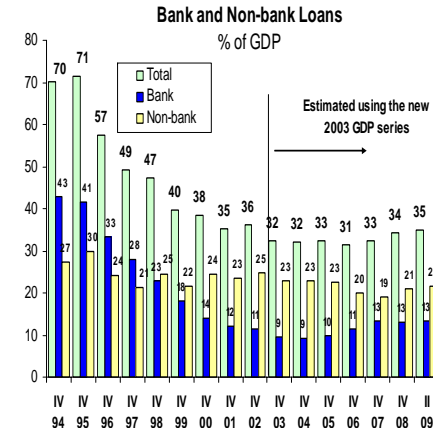
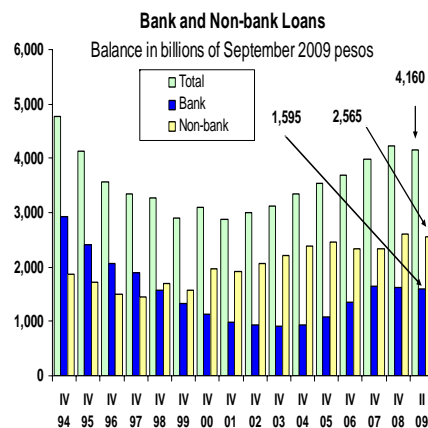
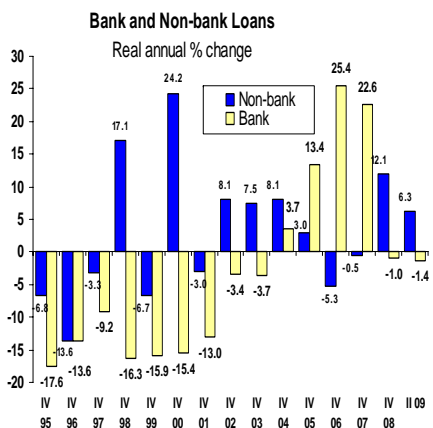
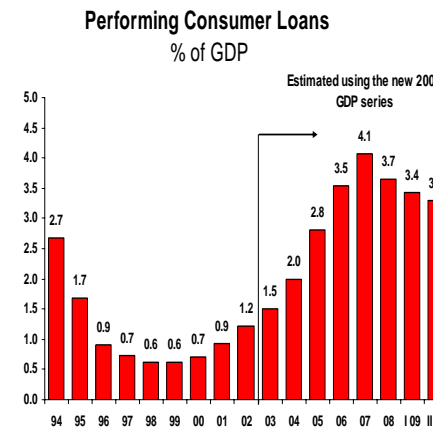
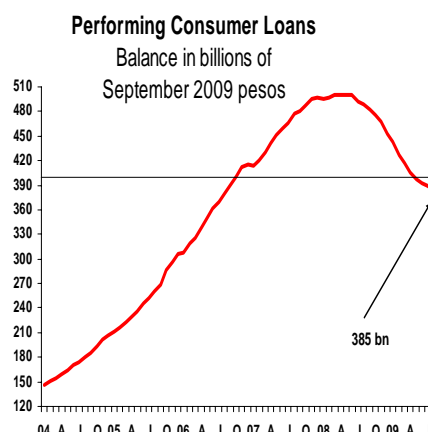
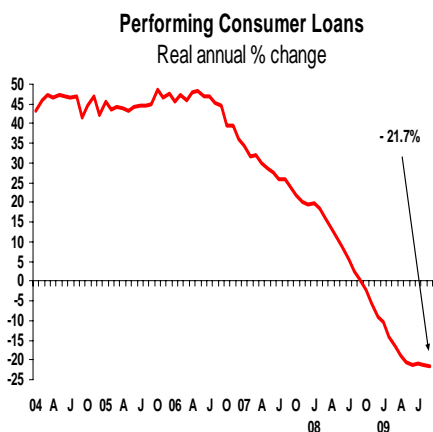
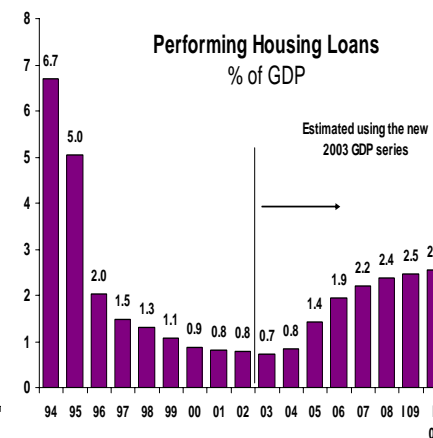
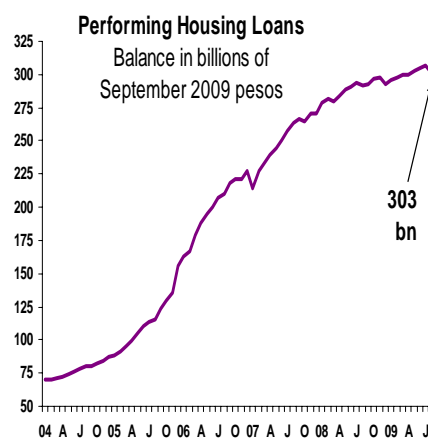
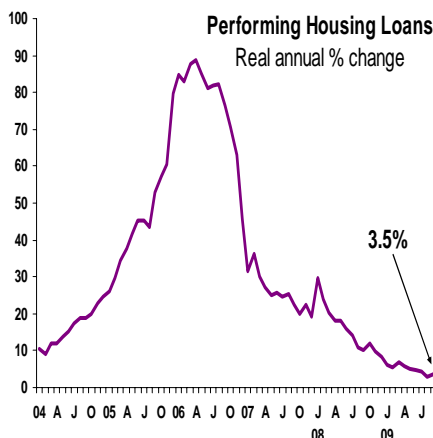
In September 2009, lending to NBFIs posted a negative growth of -24.3%. In the preceding month, this rate was also negative (-31.6%), whilst it was positive (+6.3%) in the same month in 2008. In September 2009, this category of lending represented nearly 3.8% of total lending by commercial banks to the private sector.

Outstanding home mortgage lending

In September 2009, real annual mortgage lending growth was 3.5%. This rate was higher than in the preceding month (3%) but lower than the same month of 2008 (10%). There are a number of reasons for the reduced activity under this heading, including substantial securitization of the mortgage lending portfolio in August 2009, and demand for new mortgages for property purchases having declined. If this securitization had not taken place, the growth rate for outstanding home mortgage lending would have been 5.8%, which is not much higher than the actual rate observed. In addition, ABM indicators show that the lower number of new home loans, and the lower average amount applied for, reflect reduced demand for this type of lending. As the economy and the formal employment rate return to their growth path, the growth rate for this type of lending should increase.

Outstanding consumer loans

In September 2009, outstanding consumer loans declined by 21.7%. This rate was similar to the rate in the preceding month (-21.3%) and substantially lower than the same month in 2008 (+0.3%). It should be noted that from May 2009 to September 2009 consumer loans contracted by around or just over 20%. This may indicate that the deterioration in this type of lending has stabilized, although the outstanding amount is continuing to contract, as can be seen in the second chart for this type of credit; however, this contraction is also slowing down.



Source: Banco de México

Commercial Banks: Performing Loans to the Mexican Private Non Banking Sector

Bank and Non Bank Loans to the Private Sector

Broad version of non bank financing (loans to consumers and firms)

| Balance in billions of September 2009 pesos | | | | | | Real annual % change | | | | |
|---|---------|----------|---------|---------|-------|----------------------|----------|---------|-------|-------|
| | Total | Consumer | Housing | Firms | NBFE* | Total | Consumer | Housing | Firms | NBFE* |
| | na | na | na | na | na | na | na | na | na | na |
| IV 94 | 2,516.1 | 179.6 | 448.0 | 1,770.3 | 118.2 | | | | | |
| IV 95 | 1,480.7 | 95.5 | 286.9 | 1,024.0 | 74.3 | -41.1 | -46.8 | -36.0 | -42.2 | -37.2 |
| IV 96 | 829.3 | 55.4 | 124.3 | 619.8 | 29.7 | -44.0 | -42.0 | -56.7 | -39.5 | -60.0 |
| IV 97 | 663.3 | 48.6 | 98.7 | 504.0 | 12.0 | -20.0 | -12.4 | -20.6 | -18.7 | -59.5 |
| IV 98 | 571.4 | 42.7 | 87.8 | 430.5 | 10.3 | -13.9 | -12.0 | -11.1 | -14.6 | -14.5 |
| IV 99 | 496.7 | 45.2 | 76.5 | 349.2 | 25.9 | -13.1 | 5.7 | -12.9 | -18.9 | 151.5 |
| IV 00 | 513.9 | 55.7 | 69.4 | 359.2 | 29.5 | 3.4 | 23.3 | -9.2 | 2.9 | 14.0 |
| IV 01 | 520.6 | 73.8 | 65.6 | 343.4 | 37.8 | 1.3 | 32.5 | -5.5 | -4.4 | 28.2 |
| IV 02 | 564.6 | 99.5 | 63.8 | 370.7 | 30.6 | 8.5 | 34.8 | -2.8 | 7.9 | -18.9 |
| IV 03 | 612.9 | 142.9 | 68.3 | 368.4 | 33.3 | 8.6 | 43.6 | 7.1 | -0.6 | 8.8 |
| IV 04 | 772.7 | 203.2 | 85.2 | 434.8 | 49.5 | 26.1 | 42.2 | 24.8 | 18.0 | 48.4 |
| IV 05 | 982.0 | 300.3 | 153.0 | 461.4 | 67.2 | 27.1 | 47.8 | 79.6 | 6.1 | 35.8 |
| IV 06 | 1,258.3 | 408.4 | 222.9 | 559.9 | 67.0 | 28.1 | 36.0 | 45.7 | 21.3 | -0.2 |
| IV 07 | 1,561.5 | 487.8 | 265.9 | 730.2 | 77.6 | 24.1 | 19.4 | 19.3 | 30.4 | 15.7 |
| IV 08 | 1,672.3 | 452.6 | 292.9 | 862.3 | 64.5 | 5.2 | -8.9 | 8.2 | 15.9 | -18.4 |
| I 09 | 1,641.6 | 416.3 | 299.7 | 866.8 | 58.7 | 1.0 | -16.7 | 7.0 | 12.6 | -22.2 |
| II 09 | 1,597.6 | 392.8 | 304.6 | 843.2 | 57.0 | -3.7 | -21.3 | 4.7 | 6.6 | -26.5 |

| Monthly balance in billions of September 2009 pesos | | | | | | Real annual % change | | | | |
|---|---------|----------|---------|-------|-------|----------------------|----------|---------|-------|-------|
| | Total | Consumer | Housing | Firms | NBFE* | Total | Consumer | Housing | Firms | NBFE* |
| 2008 | 1,606.1 | 495.2 | 278.4 | 757.4 | 75.2 | 26.6 | 19.6 | 29.8 | 32.4 | 10.1 |
| F | 1,622.7 | 497.1 | 281.7 | 768.8 | 75.2 | 24.4 | 18.3 | 23.9 | 30.7 | 10.7 |
| M | 1,625.2 | 499.6 | 280.1 | 770.0 | 75.4 | 22.1 | 16.1 | 20.2 | 29.1 | 5.3 |
| A | 1,641.4 | 499.4 | 283.4 | 783.2 | 75.3 | 20.8 | 13.3 | 18.3 | 29.3 | 4.7 |
| M | 1,657.1 | 499.7 | 288.3 | 790.5 | 78.6 | 19.2 | 10.9 | 18.1 | 27.0 | 8.6 |
| J | 1,658.9 | 499.5 | 290.8 | 791.0 | 77.6 | 15.8 | 8.5 | 15.9 | 21.9 | 6.2 |
| J | 1,664.2 | 492.6 | 294.1 | 798.2 | 79.3 | 15.2 | 5.6 | 14.0 | 22.2 | 19.6 |
| A | 1,676.9 | 488.8 | 291.9 | 816.0 | 80.1 | 12.1 | 2.5 | 10.8 | 20.1 | 6.2 |
| S | 1,677.1 | 482.9 | 293.2 | 820.8 | 80.2 | 10.2 | 0.3 | 10.0 | 17.5 | 6.3 |
| O | 1,714.6 | 475.9 | 296.7 | 864.4 | 77.6 | 10.1 | -2.3 | 11.9 | 18.6 | 2.2 |
| N | 1,710.0 | 468.1 | 297.7 | 870.9 | 73.3 | 8.3 | -5.6 | 9.9 | 18.1 | -3.2 |
| D | 1,672.3 | 452.6 | 292.9 | 862.3 | 64.5 | 5.2 | -8.9 | 8.2 | 15.9 | -18.4 |
| 2009 | 1,685.5 | 443.6 | 295.9 | 883.6 | 62.3 | 4.9 | -10.4 | 6.3 | 16.7 | -17.1 |
| F | 1,679.2 | 426.3 | 297.4 | 893.8 | 61.6 | 3.5 | -14.2 | 5.6 | 16.3 | -18.0 |
| M | 1,641.6 | 416.3 | 299.7 | 866.8 | 58.7 | 1.0 | -16.7 | 7.0 | 12.6 | -22.2 |
| A | 1,621.4 | 405.2 | 299.9 | 858.9 | 57.5 | -1.2 | -18.9 | 5.8 | 9.7 | -23.6 |
| M | 1,609.9 | 397.7 | 303.0 | 851.7 | 57.5 | -2.8 | -20.4 | 5.1 | 7.8 | -26.8 |
| J | 1,597.6 | 392.8 | 304.6 | 843.2 | 57.0 | -3.7 | -21.3 | 4.7 | 6.6 | -26.5 |
| J | 1,594.6 | 389.0 | 306.4 | 844.9 | 54.4 | -4.2 | -21.0 | 4.2 | 5.8 | -31.4 |
| A | 1,574.1 | 384.5 | 300.7 | 834.1 | 54.8 | -6.1 | -21.3 | 3.0 | 2.2 | -31.6 |
| S | 1,594.8 | 377.9 | 303.4 | 852.9 | 60.7 | -4.9 | -21.7 | 3.5 | 3.9 | -24.3 |

| Annual average balance | | | | Average real annual growth rates | | | |
|------------------------|---------|-------|-------|----------------------------------|-------|------|-------|
| 2005 | 862.9 | 248.1 | 111.6 | 444.9 | 58.3 | 29.4 | 45.1 |
| 2006 | 1,119.8 | 357.5 | 196.2 | 501.6 | 64.6 | 29.7 | 44.5 |
| 2007 | 1,413.4 | 451.7 | 245.8 | 644.4 | 71.4 | 26.2 | 26.8 |
| 2008 | 1,619.4 | 393.3 | 283.9 | 793.3 | 149.0 | 15.1 | -12.0 |

| % of GDP | | % breakdown | |
|----------|------|-------------|-----|
| IV 94 | 37.6 | 2.7 | 6.7 |
| IV 95 | 26.0 | 1.7 | 5.0 |
| IV 96 | 13.5 | 0.9 | 2.0 |
| IV 97 | 10.0 | 0.7 | 1.5 |
| IV 98 | 8.4 | 0.6 | 1.3 |
| IV 99 | 6.9 | 0.6 | 1.1 |
| IV 00 | 6.5 | 0.7 | 0.9 |
| IV 01 | 6.5 | 0.9 | 0.8 |
| IV 02 | 6.9 | 1.2 | 0.8 |
| IV 03 | 6.5 | 1.5 | 0.7 |
| IV 04 | 7.6 | 2.0 | 0.8 |
| IV 05 | 9.2 | 2.8 | 1.4 |
| IV 06 | 10.9 | 3.5 | 1.9 |
| IV 07 | 13.0 | 4.1 | 2.2 |
| IV 08 | 13.5 | 3.7 | 2.4 |
| I 09 | 13.5 | 3.4 | 2.5 |
| II 09 | 13.4 | 3.3 | 2.6 |

*NBFE: Non bank financial entities

Source: Banco de México

| Balance in billions of September 2009 pesos | | | | | | | | | | | | |
|---|----------------|-------|----------|----------|------|----------|---------|------|----------|-------|-------|----------|
| | All Categories | | | Consumer | | | Housing | | | Firms | | |
| | Total | Bank | Non bank | Total | Bank | Non bank | Total | Bank | Non bank | Total | Bank | Non bank |
| | IV 94 | 4,774 | 2,915 | 1,859 | 245 | 231 | 13 | 677 | 493 | 184 | 3,853 | 2,191 |
| IV 95 | 4,136 | 2,403 | 1,734 | 148 | 135 | 13 | 716 | 528 | 188 | 3,272 | 1,739 | 1,533 |
| IV 96 | 3,574 | 2,075 | 1,498 | 103 | 90 | 13 | 751 | 532 | 219 | 2,720 | 1,454 | 1,266 |
| IV 97 | 3,334 | 1,885 | 1,449 | 99 | 76 | 23 | 732 | 513 | 219 | 2,504 | 1,296 | 1,207 |
| IV 98 | 3,276 | 1,578 | 1,697 | 93 | 61 | 32 | 727 | 459 | 268 | 2,455 | 1,058 | 1,397 |
| IV 99 | 2,911 | 1,328 | 1,583 | 100 | 62 | 38 | 699 | 393 | 306 | 2,112 | 873 | 1,239 |
| IV 00 | 3,089 | 1,123 | 1,966 | 115 | 72 | 44 | 665 | 297 | 368 | 2,309 | 755 | 1,554 |
| IV 01 | 2,884 | 977 | 1,907 | 146 | 91 | 54 | 677 | 241 | 436 | 2,061 | 645 | 1,417 |
| IV 02 | 3,006 | 944 | 2,062 | 194 | 117 | 77 | 717 | 213 | 504 | 2,095 | 615 | 1,481 |
| IV 03 | 3,127 | 910 | 2,217 | 229 | 157 | 71 | 754 | 178 | 576 | 2,144 | 574 | 1,570 |
| IV 04 | 3,340 | 943 | 2,397 | 314 | 222 | 92 | 810 | 171 | 639 | 2,217 | 550 | 1,666 |
| IV 05 | 3,538 | 1,070 | 2,469 | 435 | 324 | 111 | 857 | 214 | 643 | 2,247 | 532 | 1,714 |
| IV 06 | 3,679 | 1,341 | 2,338 | 551 | 443 | 108 | 942 | 276 | 666 | 2,187 | 623 | 1,564 |
| IV 07 | 3,972 | 1,645 | 2,326 | 628 | 536 | 92 | 989 | 316 | 673 | 2,354 | 793 | 1,561 |
| IV 08 | 4,236 | 1,629 | 2,607 | 594 | 367 | 227 | 997 | 334 | 663 | 2,645 | 928 | 1,717 |
| I 09 | 4,184 | 1,622 | 2,562 | 553 | 342 | 211 | 1,038 | 341 | 697 | 2,592 | 938 | 1,654 |
| II 09 | 4,160 | 1,595 | 2,565 | 533 | 328 | 205 | 1,047 | 346 | 701 | 2,581 | 922 | 1,659 |

| % breakdown | | | | | | | | | | | | |
|-------------|-------|------|------|-------|------|------|-------|------|------|-------|------|------|
| IV 94 | 100.0 | 61.1 | 38.9 | 100.0 | 94.5 | 5.5 | 100.0 | 72.9 | 27.1 | 100.0 | 56.9 | 43.1 |
| IV 95 | 100.0 | 58.1 | 41.9 | 100.0 | 91.2 | 8.8 | 100.0 | 73.8 | 26.2 | 100.0 | 53.2 | 46.8 |
| IV 96 | 100.0 | 58.1 | 41.9 | 100.0 | 87.0 | 13.0 | 100.0 | 70.8 | 29.2 | 100.0 | 53.5 | 46.5 |
| IV 97 | 100.0 | 56.5 | 43.5 | 100.0 | 76.6 | 23.4 | 100.0 | 70.1 | 29.9 | 100.0 | 51.8 | 48.2 |
| IV 98 | 100.0 | 48.2 | 51.8 | 100.0 | 65.7 | 34.3 | 100.0 | 63.1 | 36.9 | 100.0 | 43.1 | 56.9 |
| IV 99 | 100.0 | 45.6 | 54.4 | 100.0 | 61.8 | 38.2 | 100.0 | 56.3 | 43.7 | 100.0 | 41.3 | 58.7 |
| IV 00 | 100.0 | 36.3 | 63.7 | 100.0 | 62.0 | 38.0 | 100.0 | 44.6 | 55.4 | 100.0 | 32.7 | 67.3 |
| IV 01 | 100.0 | 33.9 | 66.1 | 100.0 | 62.7 | 37.3 | 100.0 | 35.6 | 64.4 | 100.0 | 31.3 | 68.7 |
| IV 02 | 100.0 | 31.4 | 68.6 | 100.0 | 60.3 | 39.7 | 100.0 | 29.7 | 70.3 | 100.0 | 29.3 | 70.7 |
| IV 03 | 100.0 | 29.1 | 70.9 | 100.0 | 68.8 | 31.2 | 100.0 | 23.6 | 76.4 | 100.0 | 26.8 | 73.2 |
| IV 04 | 100.0 | 28.2 | 71.8 | 100.0 | 70.6 | 29.4 | 100.0 | 21.1 | 78.9 | 100.0 | 24.8 | 75.2 |
| IV 05 | 100.0 | 30.2 | 69.8 | 100.0 | 74.4 | 25.6 | 100.0 | 25.0 | 75.0 | 100.0 | 23.7 | 76.3 |
| IV 06 | 100.0 | 36.5 | 63.5 | 100.0 | 80.4 | 19.6 | 100.0 | 29.3 | 70.7 | 100.0 | 28.5 | 71.5 |
| IV 07 | 100.0 | 41.4 | 58.6 | 100.0 | 85.4 | 14.6 | 100.0 | 31.9 | 68.1 | 100.0 | 33.7 | 66.3 |
| IV 08 | 100.0 | 38.5 | 61.5 | 100.0 | 61.8 | 38.2 | 100.0 | 33.5 | 66.5 | 100.0 | 35.1 | 64.9 |
| I 09 | 100.0 | 38.8 | 61.2 | 100.0 | 61.8 | 38.2 | 100.0 | 32.8 | 67.2 | 100.0 | 36.2 | 63.8 |
| II-09 | 100.0 | 38.3 | 61.7 | 100.0 | 61.5 | 38.5 | 100.0 | 33.0 | 67.0 | 100.0 | 35.7 | 64.3 |

| % of GDP | | | | | | | | | | | | |
|----------|------|------|------|-----|-----|-----|------|-----|-----|------|------|------|
| IV 94 | 70.1 | 42.8 | 27.3 | 3.6 | 3.4 | 0.2 | 9.9 | 7.2 | 2.7 | 56.6 | 32.2 | 24.4 |
| IV 95 | 71.4 | 41.5 | 29.9 | 2.6 | 2.3 | 0.2 | 12.4 | 9.1 | 3.2 | 56.5 | 30.0 | 26.5 |
| IV 96 | 57.3 | 33.3 | 24.0 | 1.7 | 1.4 | 0.2 | 12.0 | 8.5 | 3.5 | 43.6 | 23.3 | 20.3 |
| IV 97 | 49.2 | 27.8 | 21.4 | 1.5 | 1.1 | 0.3 | 10.8 | 7.6 | 3.2 | 37.0 | 19.1 | 17.8 |
| IV 98 | 47.4 | 22.8 | 24.6 | 1.4 | 0.9 | 0.5 | 10.5 | 6.6 | 3.9 | 35.5 | 15.3 | 20.2 |
| IV 99 | 39.6 | 18.0 | 21.5 | 1.4 | 0.8 | 0.5 | 9.5 | 5.3 | 4.2 | 28.7 | 11.9 | 16.8 |
| IV 00 | 38.3 | 13.9 | 24.4 | 1.4 | 0.9 | 0.5 | 8.2 | 3.7 | 4.6 | 28.6 | 9.4 | 19.3 |
| IV 01 | 35.3 | 12.0 | 23.3 | 1.8 | 1.1 | 0.7 | 8.3 | 3.0 | 5.3 | 25.2 | 7.9 | 17.3 |
| IV 02 | 36.1 | 11.3 | 24.7 | 2.3 | 1.4 | 0.9 | 8.6 | 2.5 | 6.0 | 25.1 | 7.4 | 17.8 |
| IV 03 | 32.4 | 9.4 | 22.9 | 2.4 | 1.6 | 0.7 | 7.8 | 1.8 | 6.0 | 22.2 | 5.9 | 16.2 |
| IV 04 | 32.1 | 9.0 | 23.0 | 3.0 | 2.1 | 0.9 | 7.8 | 1.6 | 6.1 | 21.3 | 5.3 | 16.0 |
| IV 05 | 32.5 | 9.8 | 22.7 | 4.0 | 3.0 | 1.0 | 7.9 | 2.0 | 5.9 | 20.6 | 4.9 | 15.7 |
| IV 06 | 31.3 | 11.4 | 19.9 | 4.7 | 3.8 | 0.9 | 8.0 | 2.3 | 5.7 | 18.6 | 5.3 | 13.3 |
| IV 07 | 32.5 | 13.5 | 19.0 | 5.1 | 4.4 | 0.8 | 8.1 | 2.6 | 5.5 | 19.3 | 6.5 | 12.8 |
| IV 08 | 34.2 | 13.1 | 21.0 | 4.8 | 3.0 | 1.8 | 8.0 | 2.7 | 5.3 | 21.4 | 7.5 | 13.9 |
| I 09 | 34.4 | 13.3 | 21.1 | 4.6 | 2.8 | 1.7 | 8.5 | 2.8 | 5.7 | 21.3 | 7.7 | 13.6 |
| II 09 | 35.0 | 13.4 | 21.6 | 4.5 | 2.8 | 1.7 | 8.8 | 2.9 | 5.9 | 21.7 | 7.8 | 13.9 |