

# Mexico Banking Flash

## Lending to private sector: double-digit growth persists

In March 2013, nominal annual growth in lending by commercial banks to the private sector was 11.4%. This rate of growth was lower than in the preceding month (12.6%) as well as in the same month of 2012 (15%). The contribution of its 4 components to its growth was as follows: lending to companies contributed 4.6 percentage points (pp) of the total 11.4 pp growth posted; consumer, 4.2 pp; housing, 1.9 pp; and non-banking financial intermediaries (NBFI), 0.7 pp.

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

In March, the nominal annual growth rate of total consumer finance was 17.1%, less than the previous month's rate (17.8%) and that for the same month in 2012 (24.2%). That month, the nominal annual growth rates for the three components of consumer finance were: other consumer finance (OCC), which includes payroll and personal loans, 22.1%; credit cards (TDC), 16%; and loans for the purchase of consumer durables (BCD), 3.7%. The contribution to growth of total consumer finance by these three components was: OCC contributed 9.4 percentage points (pp) to the 17.1 pp growth registered by total consumer finance; TDC, 7.2 pp; and BCD, 0.4 pp. Total consumer finance has slowed down from January 2012. This process has been gradual and is due to a great extent to the lower dynamism shown by the OCC category during that period. The above suggests that OCC has become more mature, and this process has been reflected in the rate of growth of total consumer finance.

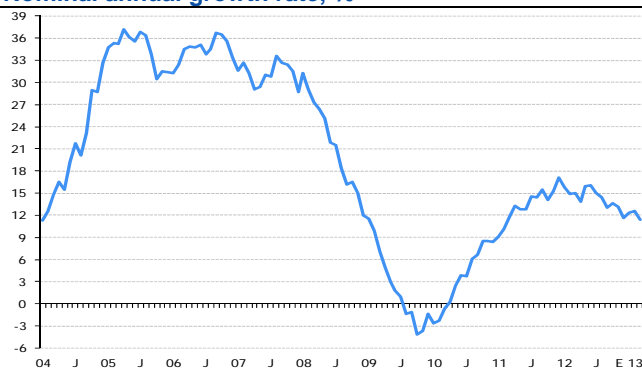
- **Corporates: The service sector was the main contributor to growth in corporate lending**

In March, the nominal annual growth rate for corporate lending was 8.7%, lower than in the previous month (10.5%) and in the same month in 2012 (10.8%). The contribution to its growth by sector of economic activity was: Services contributed 4.1 pp of the 8.7 pp growth in corporate lending; Construction, 3.3 pp; Agriculture, 0.8 pp; Manufacturing, 0.4 pp; and Mining, 0.2 pp

- **Housing: continued gradual slowdown in growth**

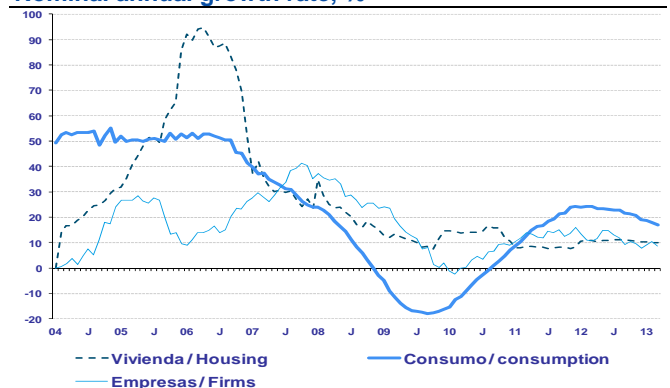
In March 2013, nominal annual growth in mortgage lending was 9.9%. This rate was lower than for the preceding month (10.1%) and for the same month in 2012 (10.9%). Mortgage lending has been slowing down gradually since October 2012, possibly due to the slower growth in GDP registered since the second half of 2012.

Chart 1  
**Total bank lending to the private sector**  
Nominal annual growth rate, %



Source: BBVA Research with Bank of Mexico data

Chart 2  
**Consumer, Housing and Corporate Lending**  
Nominal annual growth rate, %

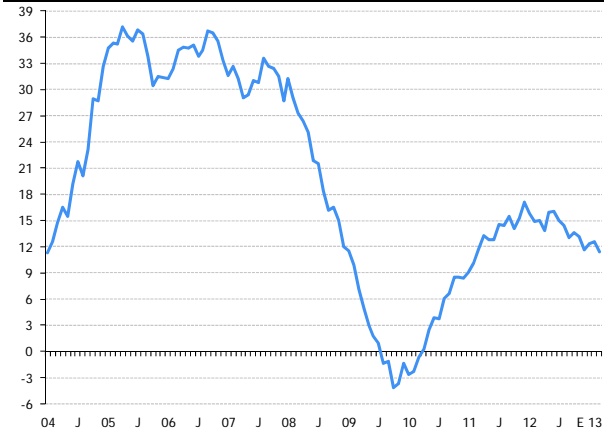


Source: BBVA Research with Bank of Mexico data

# Credit: graphs and statistics

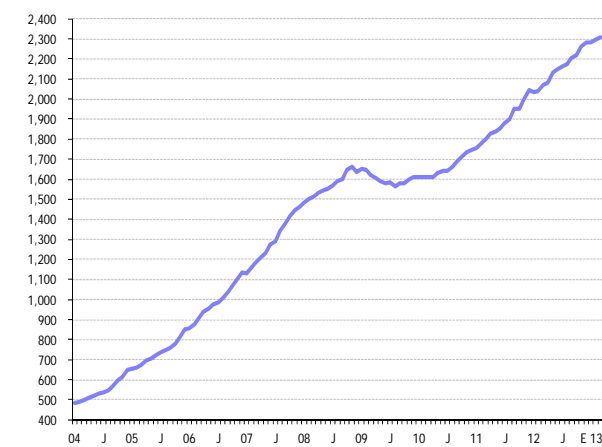
- In March 2013 the annual nominal growth rate of total bank loans to the private sector was 11.4%.
- The rates of growth of the main loan categories were: consumption, 17.1%; housing, 9.9%; and loans to firms, 8.7%.
- The annual nominal rate of growth of loans granted to the private sector in March 2013 was greater than the one registered in the previous month (12.6%), while it was lower than the rate of growth reported in the same month of 2012 (15%).

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



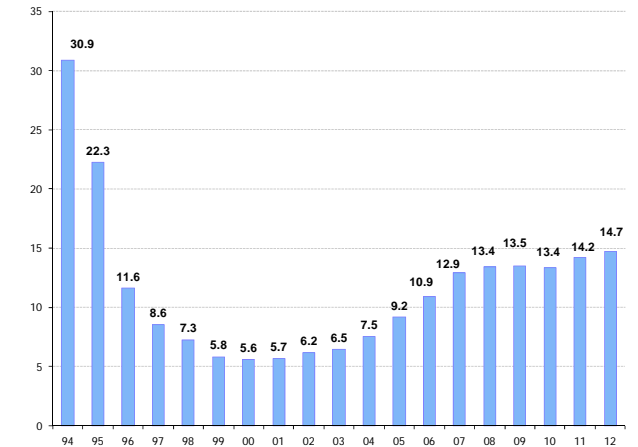
Source: BBVA Research with data of Bank of Mexico

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



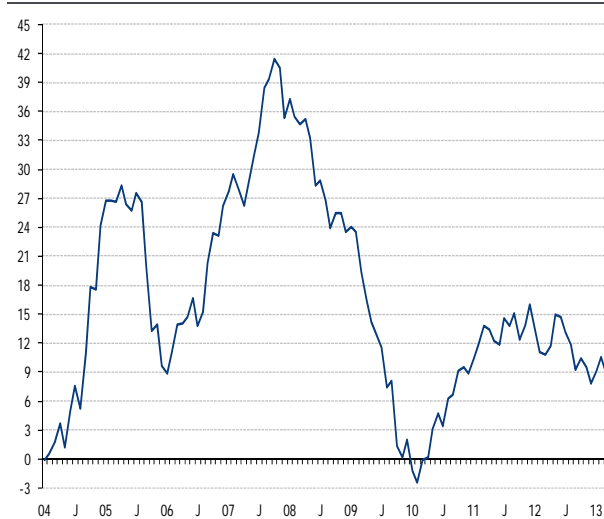
Source: BBVA Research with data of Bank of Mexico

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



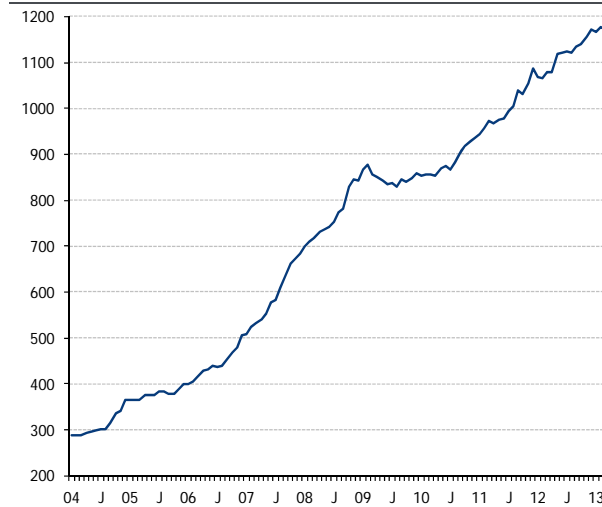
Source: BBVA Research with data of Bank of Mexico and INEGI

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



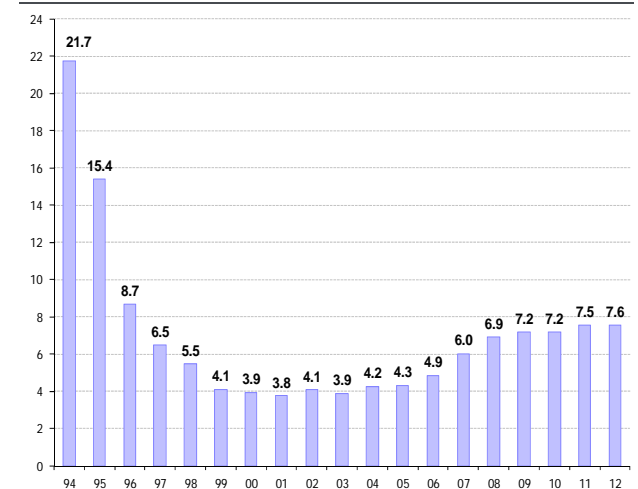
Source: BBVA Research with data of Bank of Mexico

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



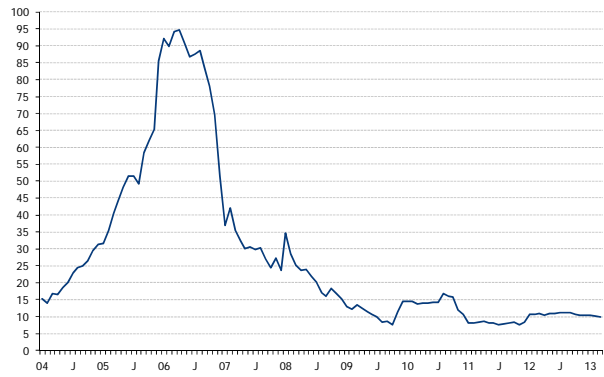
Source: BBVA Research with data of Bank of Mexico

Graph 6  
Loans to Firms  
As ratio of GDP, %



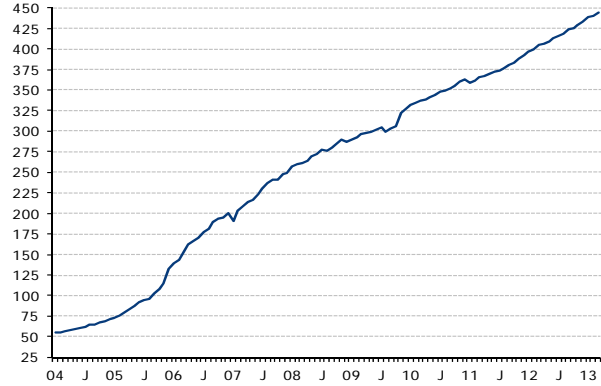
Source: BBVA Research with data of Bank of Mexico and INEGI

Graph 7  
Housing Loans  
Annual nominal rate of growth, %



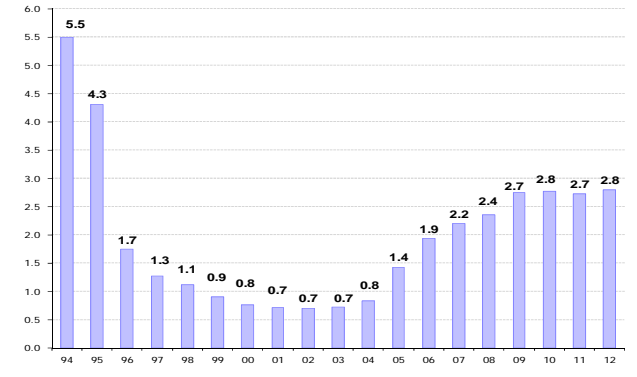
Source: BBVA Research with data of Bank of Mexico

Graph 8  
Housing Loans  
Balance in current billions of Mexican pesos



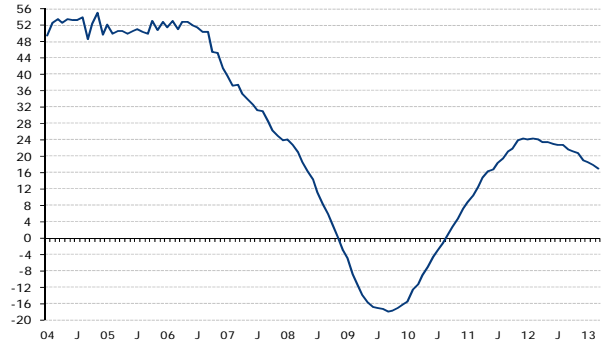
Source: BBVA Research with data of Bank of Mexico

Graph 9  
Housing Loans  
As ratio of GDP, %



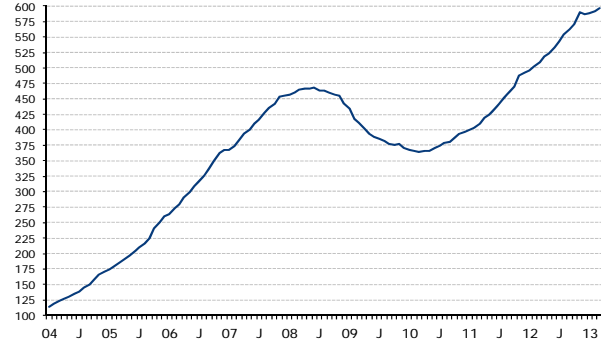
Source: BBVA Research with data of Bank of Mexico and INEGI

Graph 10  
Consumption Loans  
Annual nominal rate of growth, %



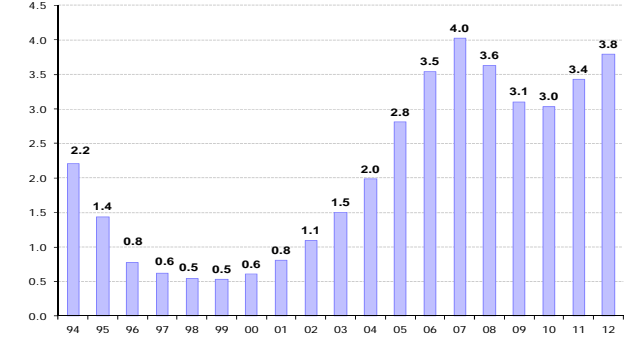
Source: BBVA Research with data of Bank of Mexico

Graph 11  
Consumption Loans  
Balance in current billions of Mexican pesos



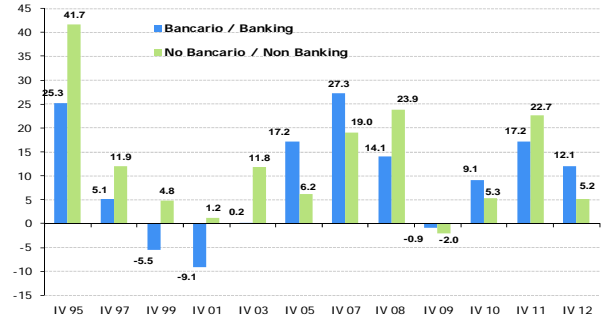
Source: BBVA Research with data of Bank of Mexico

Graph 12  
Consumption Loans  
As ratio of GDP, %



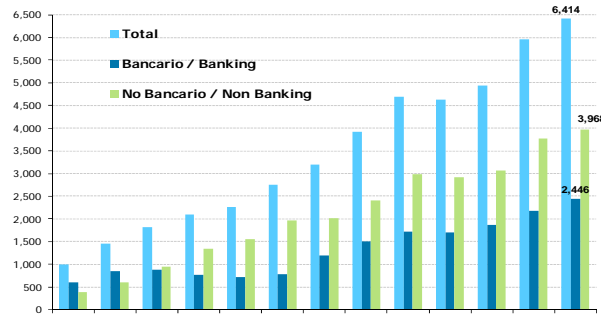
Source: BBVA Research with data of Bank of Mexico and INEGI

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



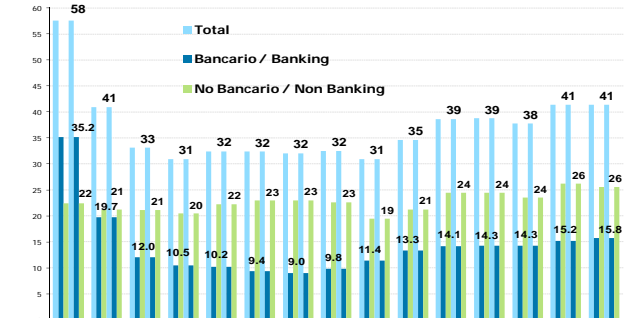
Source: BBVA Research with data of Bank of Mexico

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



