

Banking Credit Monitor: December 2024

Economic and Financial Markets Research
Grupo Financiero Banorte

 @Análisis_Fundam

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Document for distribution
among the general public



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Agenda



Banking credit to the non-financial private sector

1



Non-performing loans

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Survey on general conditions and standards
in the banking credit market

3



Survey of current assessment of the credit market

4

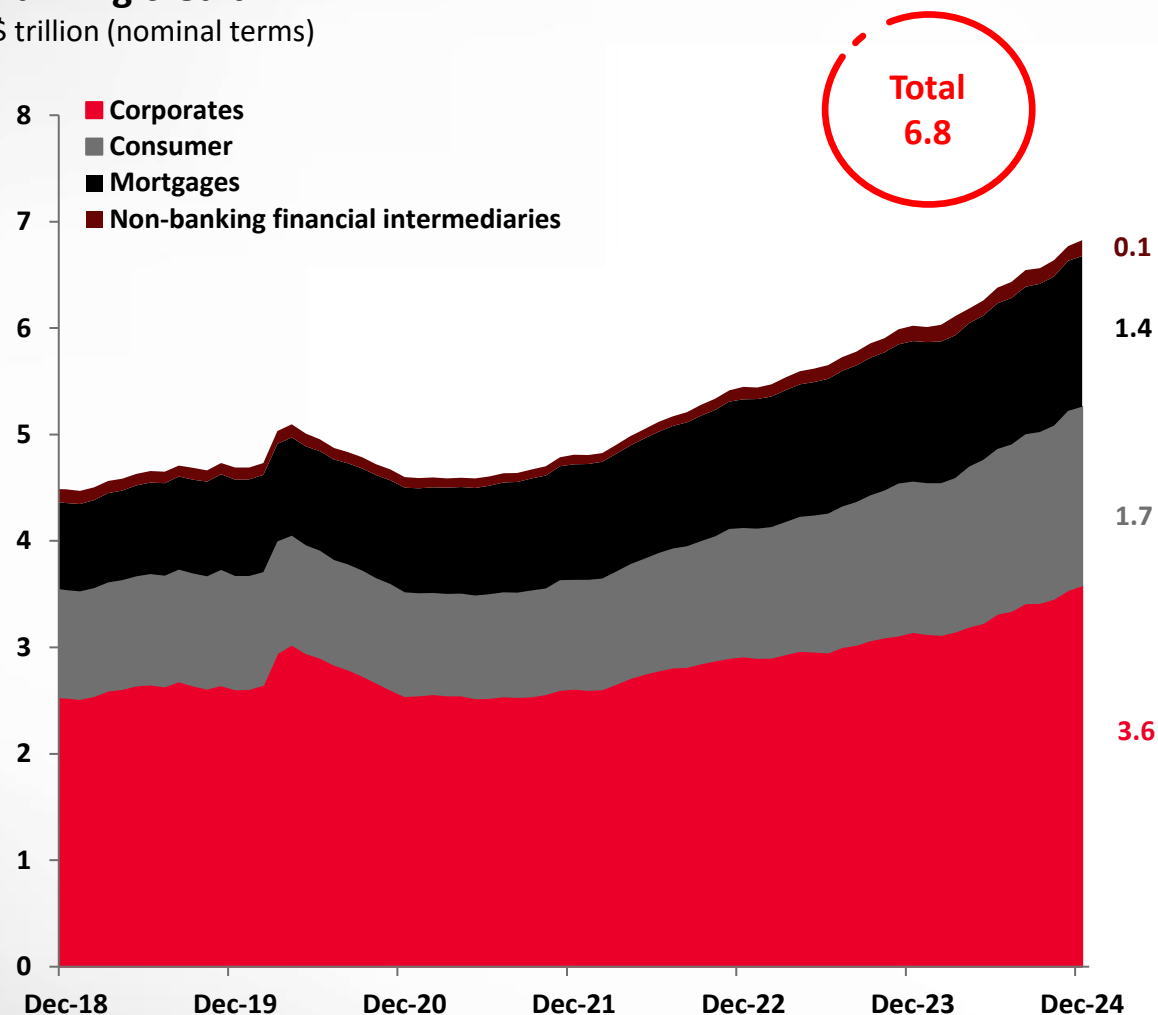
Banking credit to the non-financial private sector



Banking credit to the non-financial private sector

Banking credit

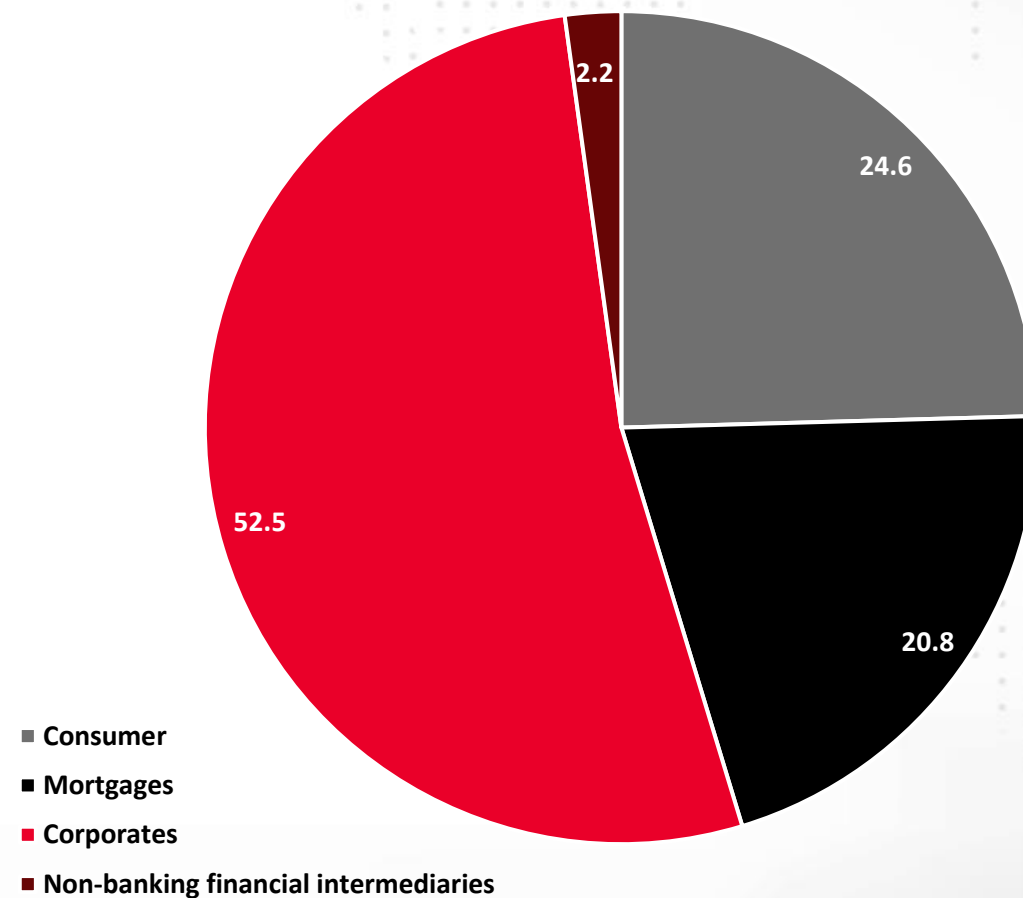
\$ trillion (nominal terms)



Source: Banxico

Composition of banking credit in December

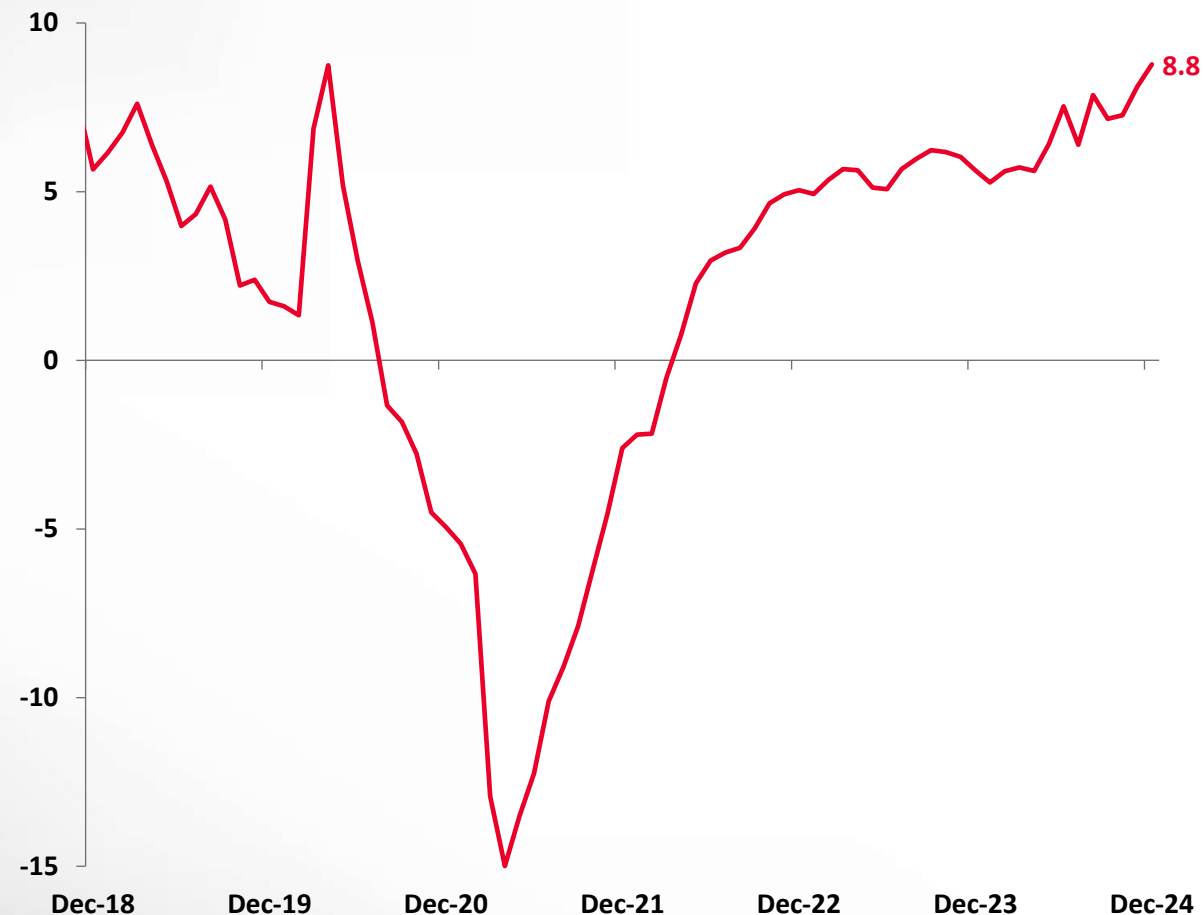
%



Banking credit to the non-financial private sector

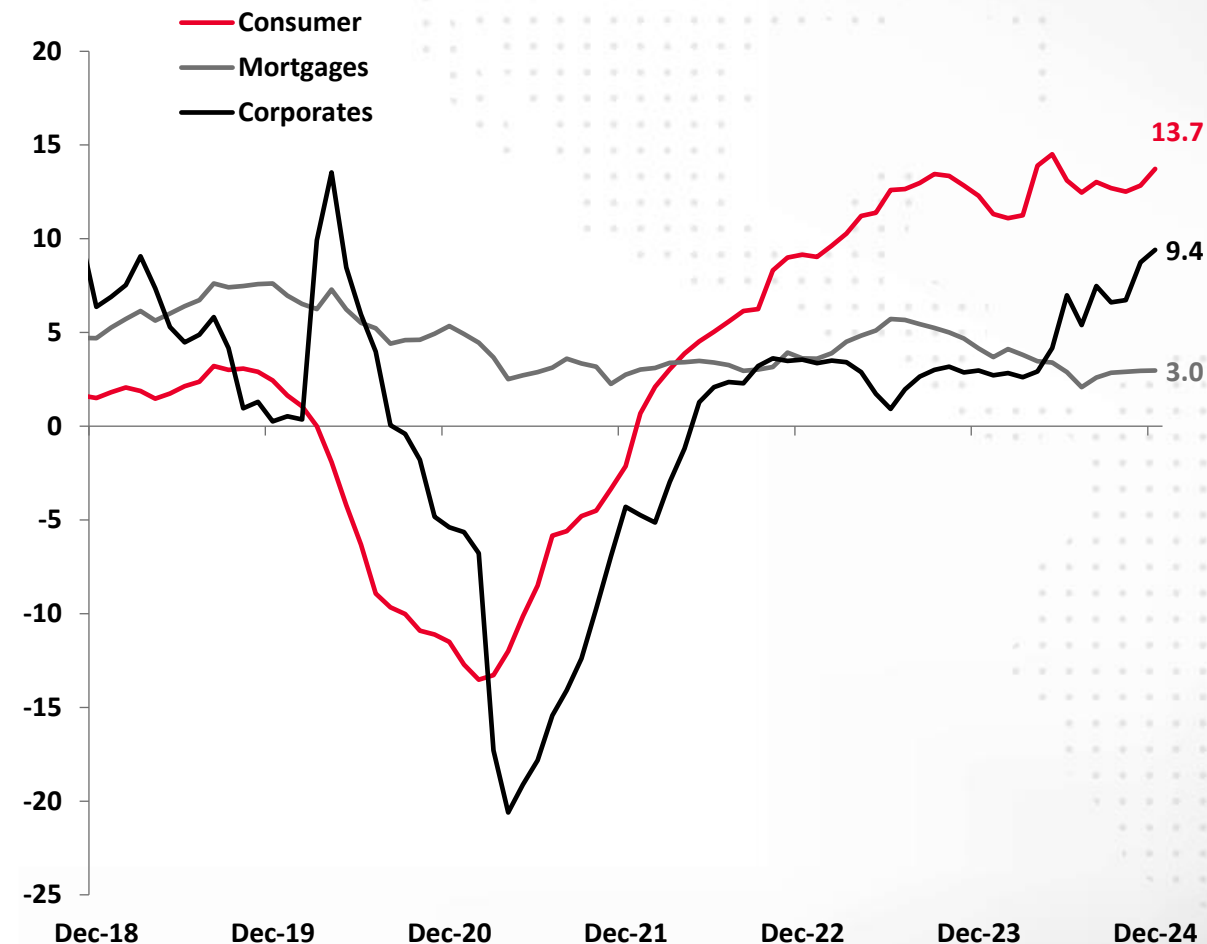
Banking credit

% y/y real



Banking credit by components

% y/y real

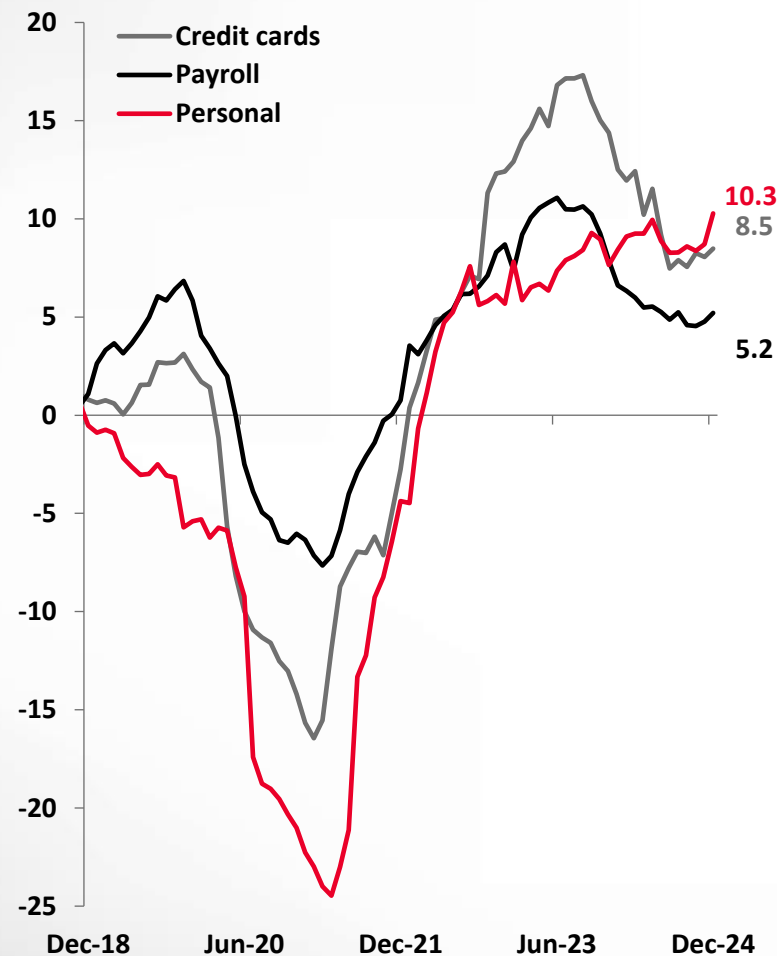


Source: Banxico

Consumer loans and mortgages

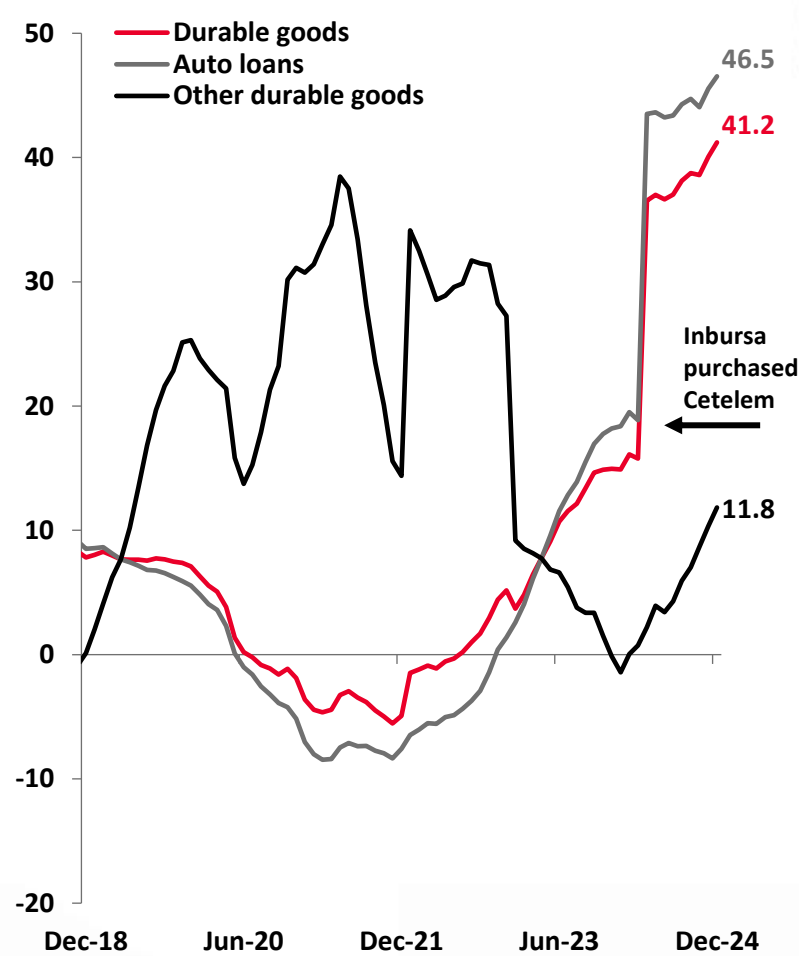
Consumer loans

% y/y in real terms



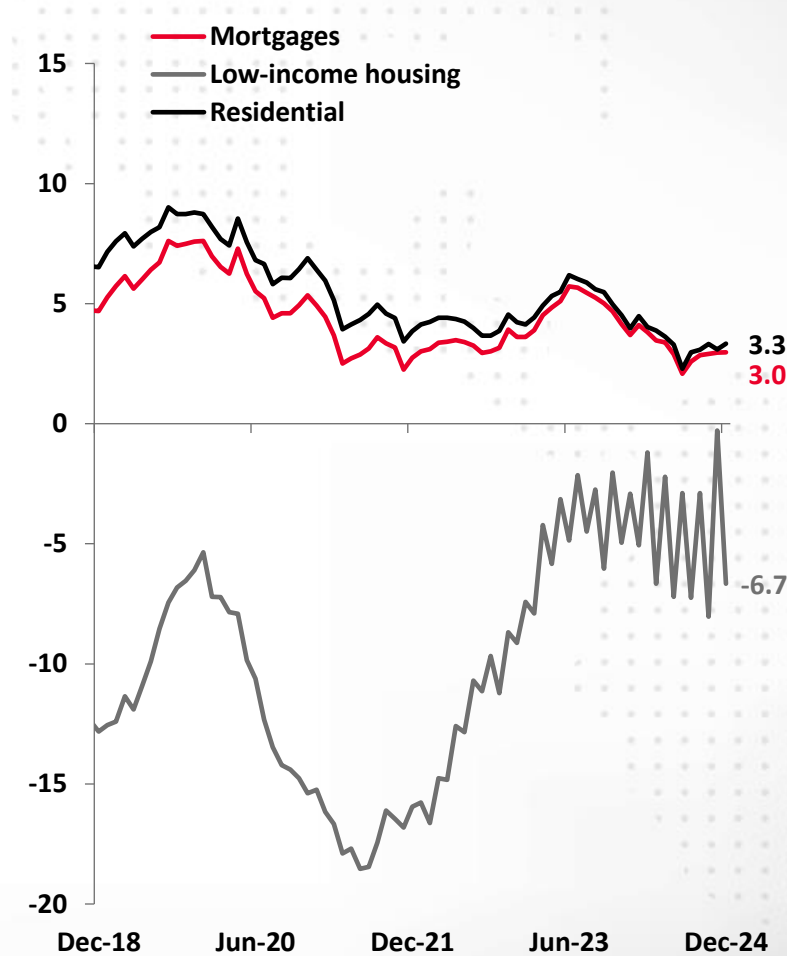
Consumer loans

% y/y in real terms



Mortgages

% y/y in real terms

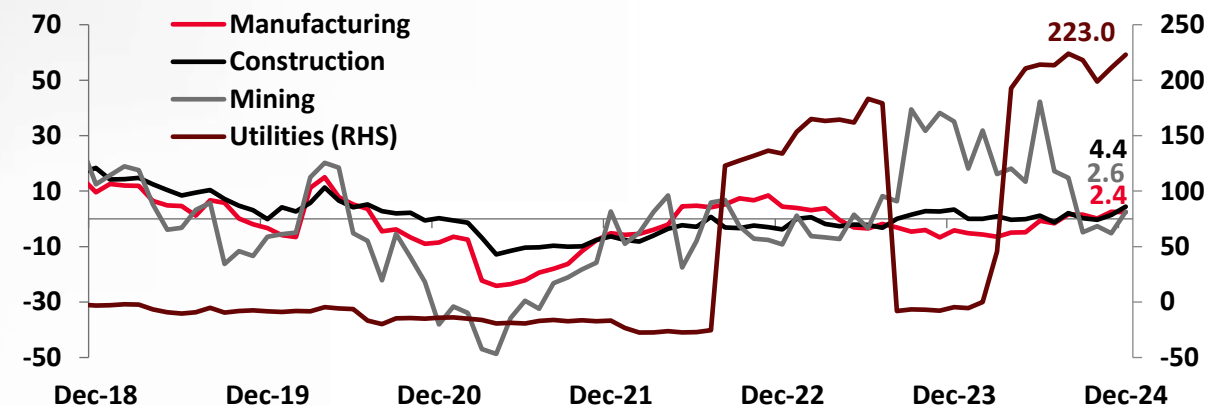


Source: Banxico

Corporate loans

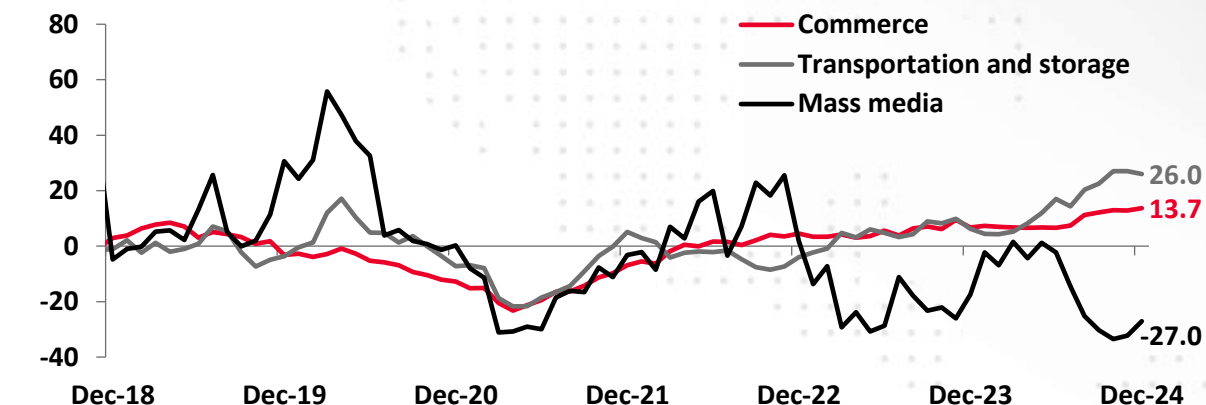
Corporate loans: Industry

% y/y in real terms



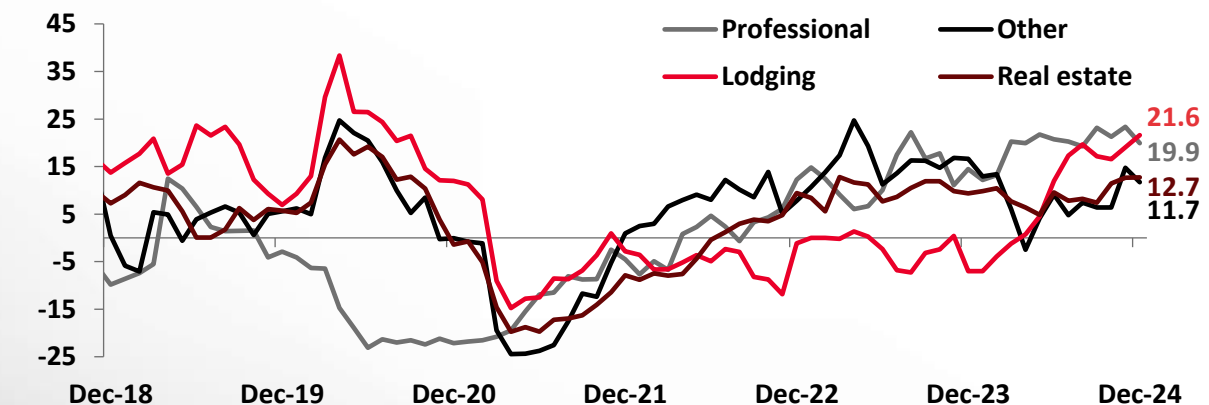
Corporate loans: Services

% y/y in real terms



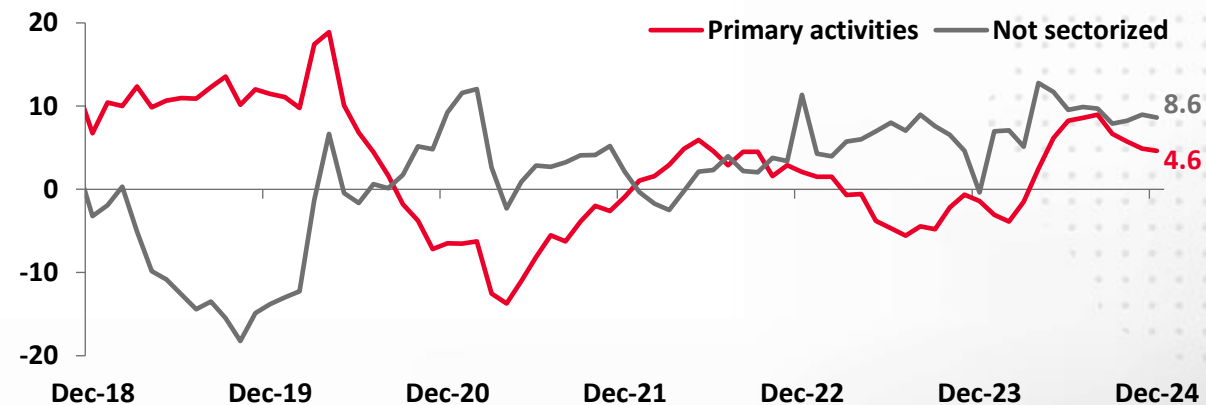
Corporate loans: Services

% y/y in real terms



Corporate loans: Other

% y/y in real terms



Source: Banxico

Banking credit to non-banking private sector

Banking credit

% y/y in real terms

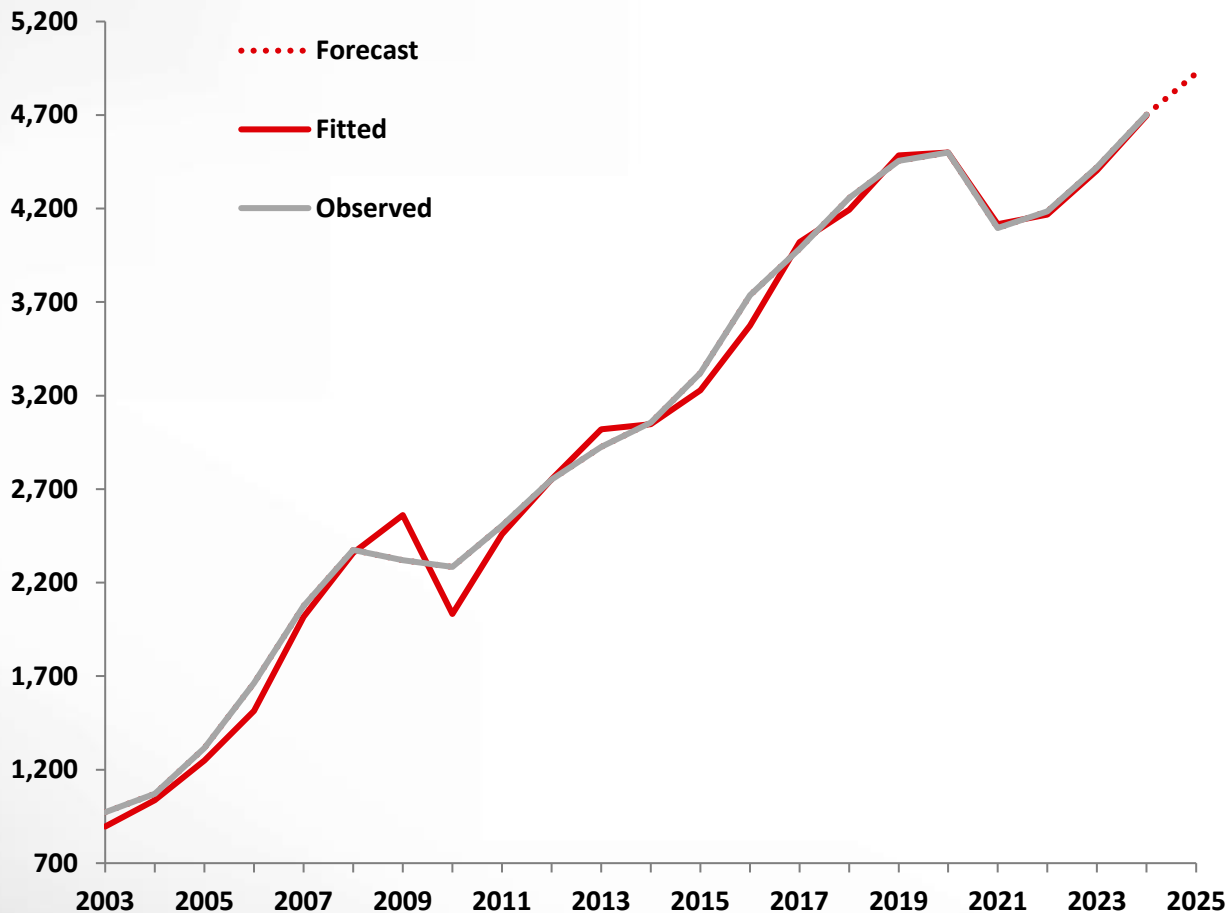
	Dec-24	Nov-24	Dec-23	Jan-Dec'24	Jan-Dec'23
Private banking credit	8.8	8.1	7.3	7.2	5.6
Consumer	13.7	12.8	12.5	12.7	12.3
Credit cards	8.5	8.1	8.3	7.6	14.4
Payroll	5.2	4.8	4.5	4.6	7.9
Personal	10.3	8.7	8.4	8.6	7.7
Durable goods	41.2	40.1	38.6	38.8	15.0
Auto loans	46.5	45.6	44.1	44.7	18.2
Other durable goods	11.8	10.3	8.7	7.0	-0.1
Others	18.2	17.8	15.8	25.6	28.8
Mortgages	3.0	3.0	2.9	2.8	4.1
Low-income housing	-6.7	-0.3	-8.0	-2.9	-5.0
Medium and residential	3.3	3.1	3.3	3.1	4.5
Corporates	9.4	8.7	6.7	6.6	3.0
Primary activities	4.6	4.9	5.8	6.7	-1.4
Mining	2.6	-5.2	-2.6	-4.9	35.1
Construction	4.4	1.4	-0.4	0.2	3.3
Utilities	223.0	211.1	198.8	218.2	-4.6
Manufacturing industry	2.4	2.5	0.1	1.5	-4.1
Commerce	13.7	12.9	12.9	12.1	6.7
Transportation and storage	26.0	27.0	27.0	22.5	6.2
Mass media services	-27.0	-32.3	-33.5	-30.3	-17.5
Real estate services	12.7	12.7	11.4	7.4	9.4
Professional services	19.9	23.3	21.3	23.2	14.5
Lodging services	21.6	19.0	16.5	17.2	-7.0
Other services	11.7	14.7	6.4	6.4	16.6
Not sectorized	8.6	9.0	8.2	7.9	-0.4
Non-banking financial intermediaries	-0.7	-5.9	8.0	5.2	19.2

Source: Banxico

Banking credit forecast

Banking credit

\$ billions



We consider a GDP in 2024 of 1.5%

Source: Banorte with INEGI and Banxico data

Backtest and forecast*

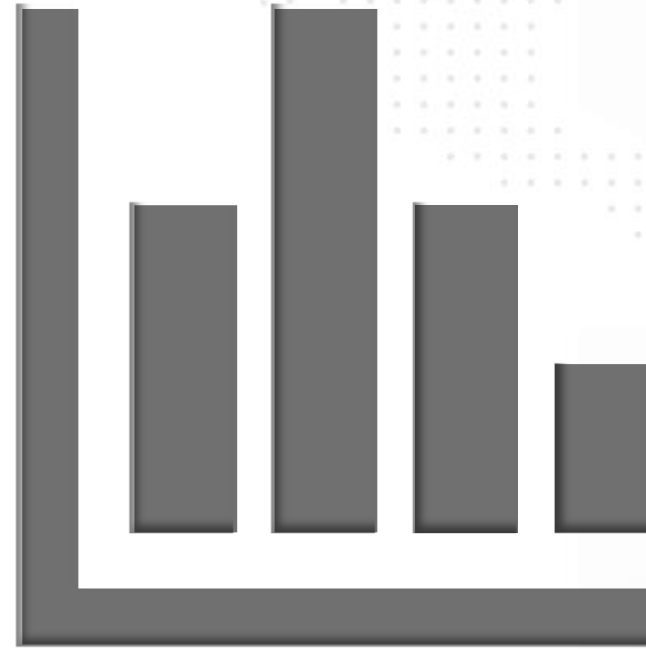
% y/y in real terms

Year	Observed	Model
2021	-9.0	-7.8
2022	2.2	1.5
2023	5.6	5.4
2024	7.2	5.8
2025*		4.7

Banking credit forecast model

- **Different adjustment variables** were tested (*e.g.* GDP, interest rate TIIE, industrial activity, remittances, etc.) and it was found that **the best adjustment is seen with the one-year-lag for GDP**
- This implies that a relatively **robust forecast** can be made for banking credit **one year ahead**

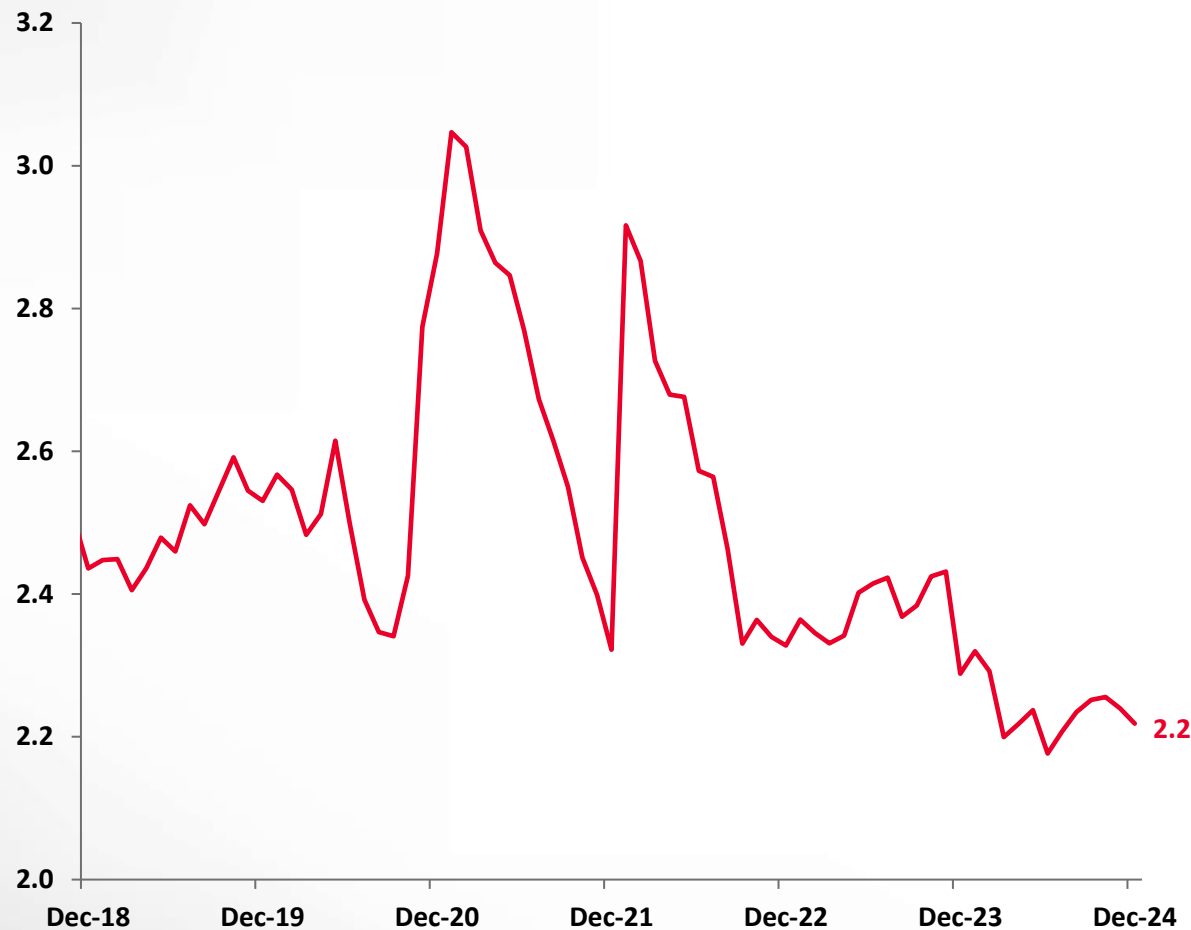
Non-performing loans



Non-performing loans

NPLs

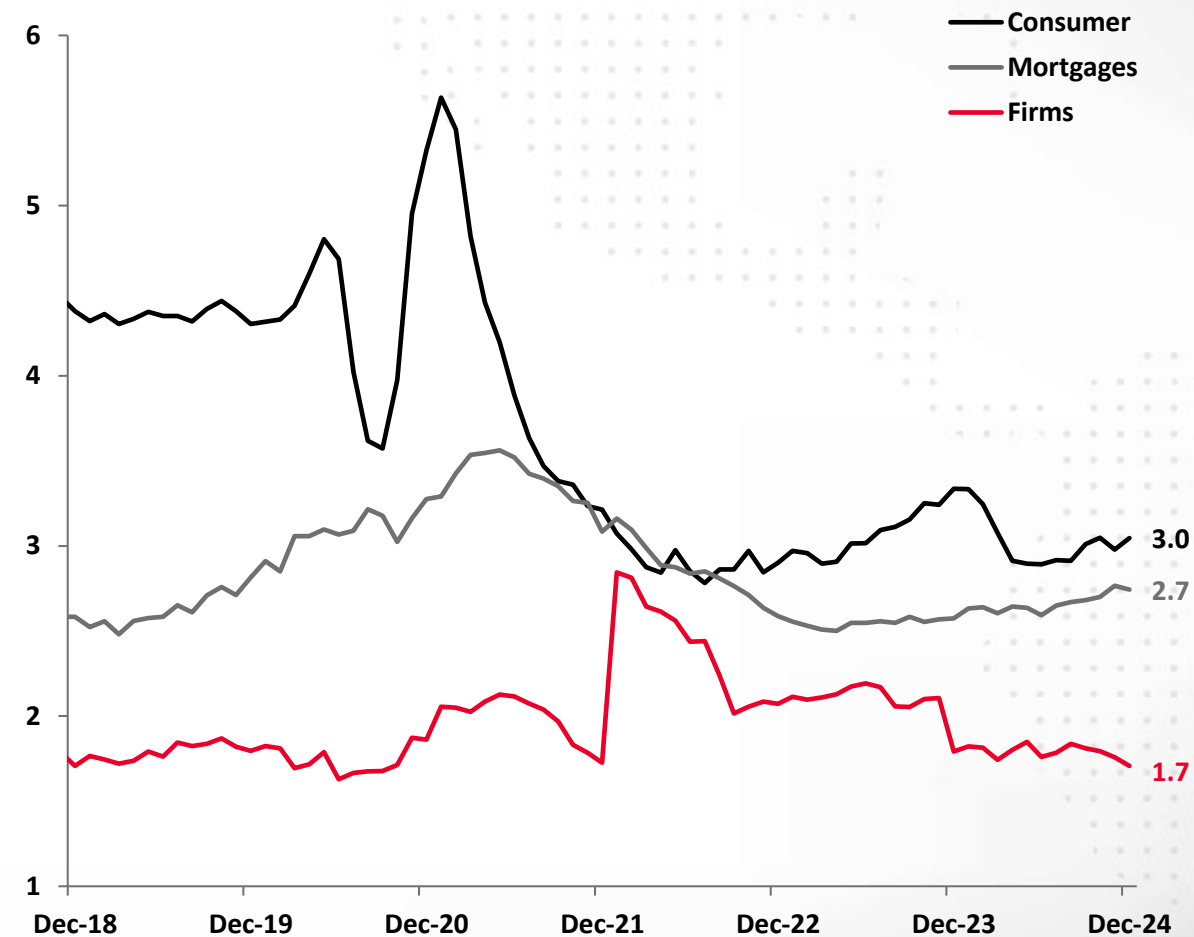
% of total portfolio



Source: Banxico

NPLs by components

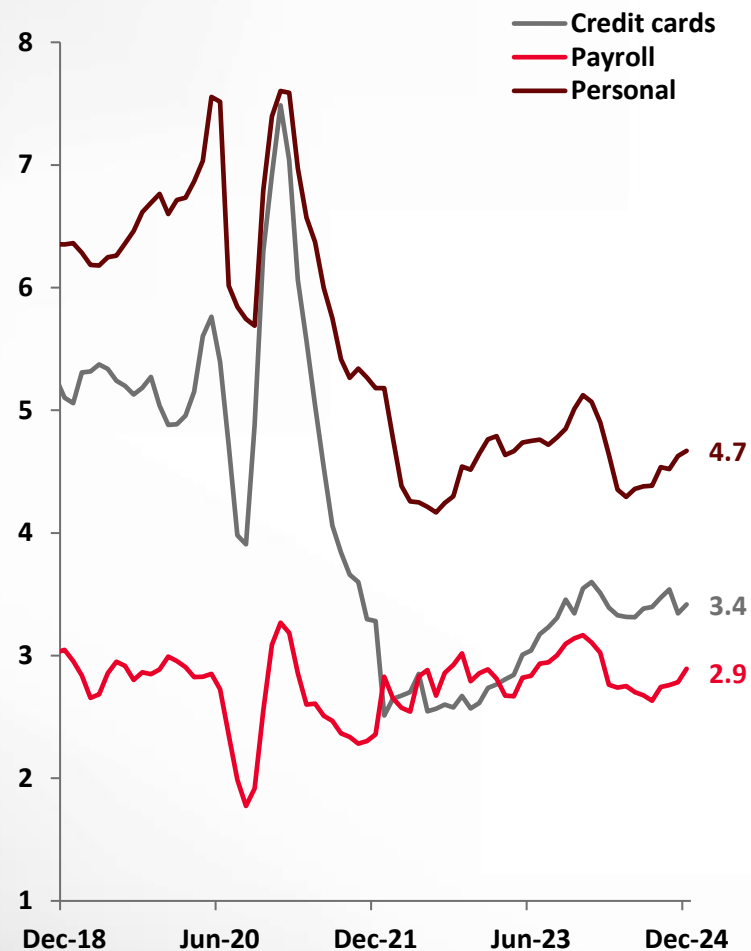
% of total portfolio



NPLs by components

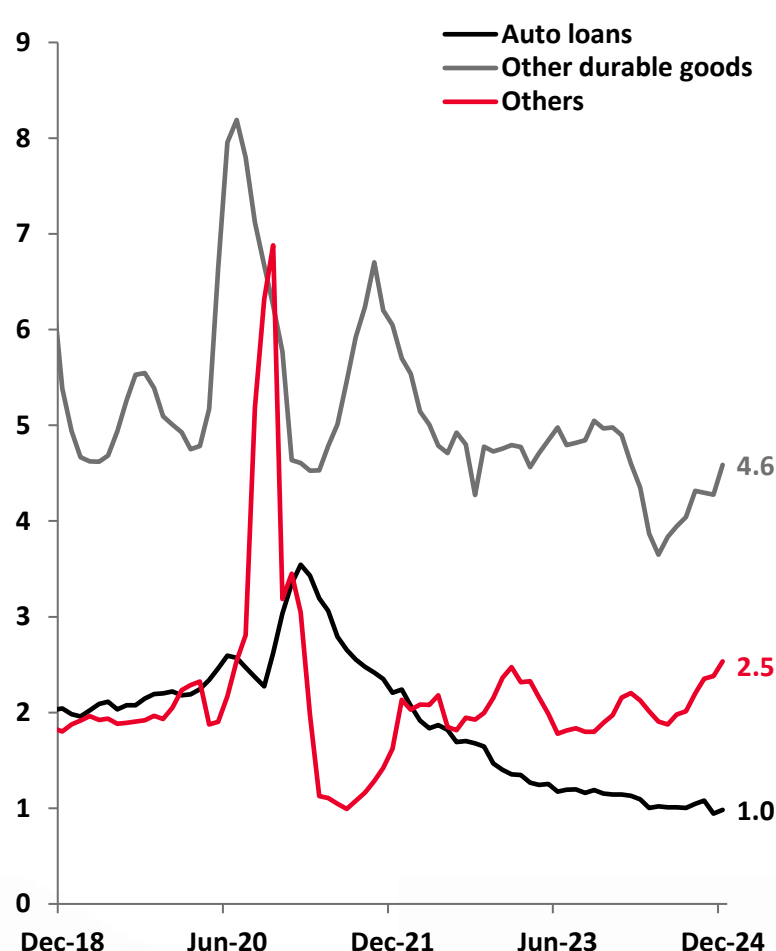
NLPs: Consumer loans

% of total portfolio



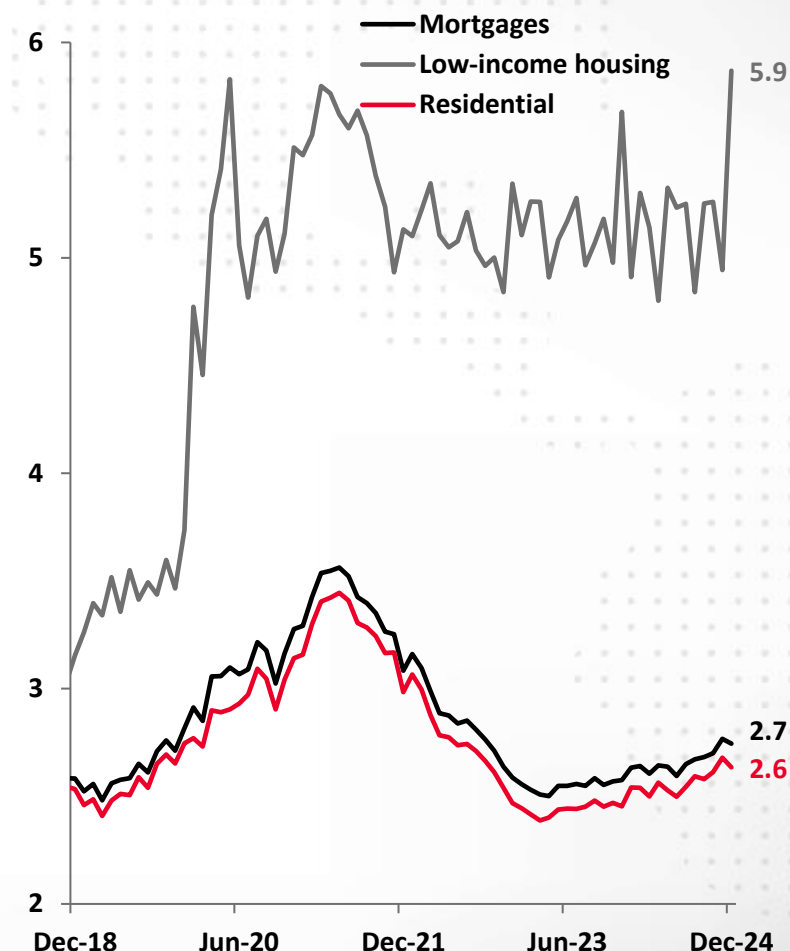
NLPs: Consumer loans

% of total portfolio



NLPs: Mortgages

% of total portfolio



Source: Banxico

Non-performance loans

NPLs

% of total portfolio

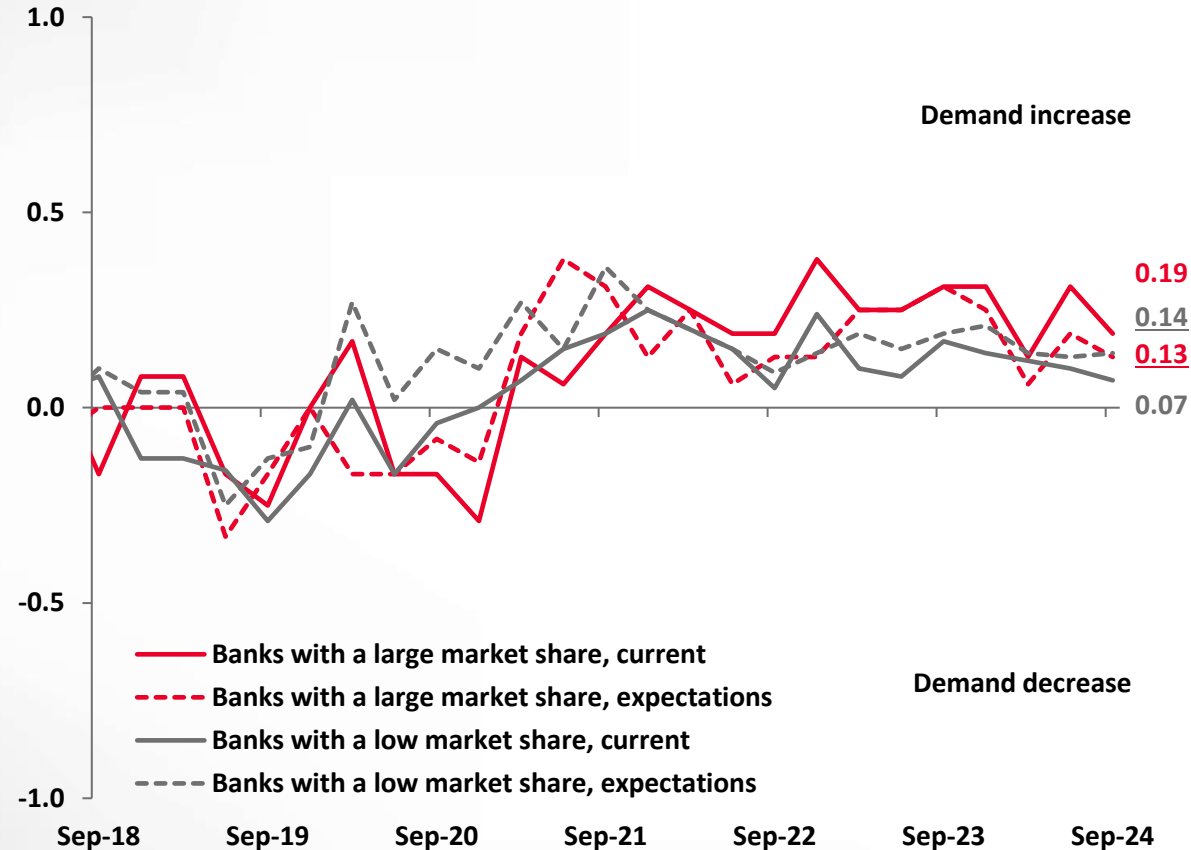
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Consumer	3.0	3.0	3.0	3.0	3.3
Credit cards	3.4	3.3	3.5	3.5	3.5
Payroll	2.9	2.8	2.8	2.7	3.2
Personal	4.7	4.6	4.5	4.5	5.1
Durable goods	1.4	1.4	1.5	1.5	1.7
Auto loans	1.0	0.9	1.1	1.0	1.1
Other durable goods	4.6	4.3	4.3	4.3	5.0
Others	2.5	2.4	2.4	2.2	2.0
Mortgages	2.7	2.8	2.7	2.7	2.6
Social interest	5.9	4.9	5.3	5.3	5.7
Medium and residential	2.6	2.7	2.6	2.6	2.5
Corporate	1.7	1.8	1.8	1.8	1.8
Non-banking financial intermediaries	0.4	0.5	0.5	0.5	0.5

Source: Banxico

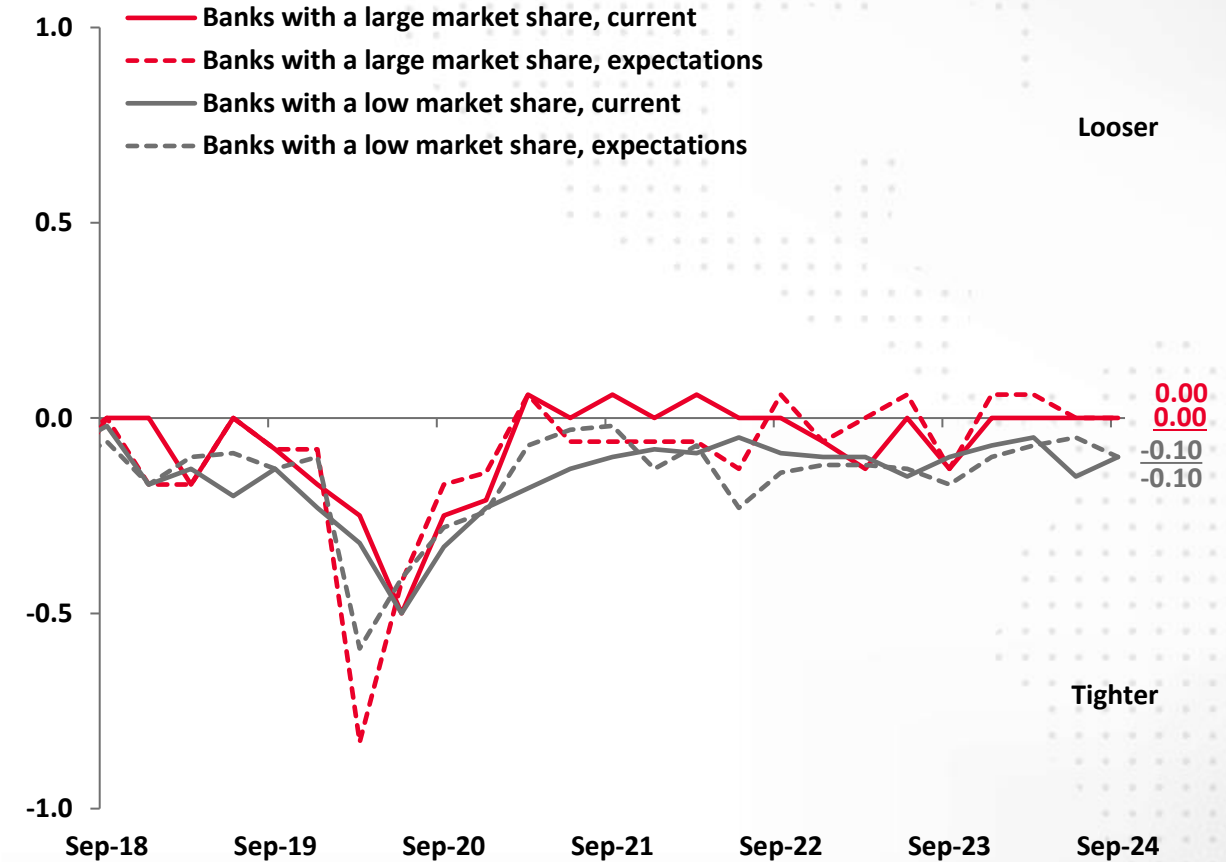
Survey on general conditions and standards in the banking credit market



Sentiment indicator



Sentiment indicator

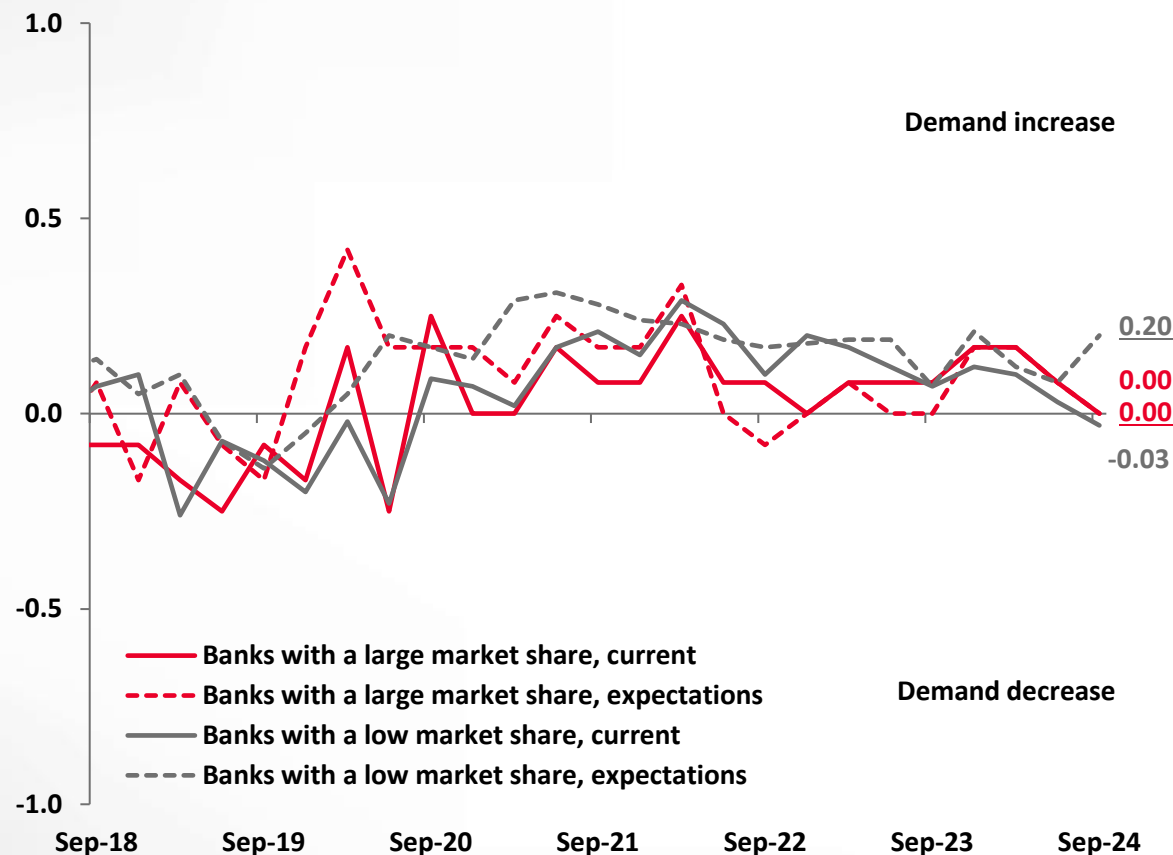


(1) Banks with a large (low) share are defined using a recursive average, which gives greater weight to the most recent quarters of the credit balance of each bank to determine which have the highest share in each component. Only banks with a share of at least 5% of the bank total credit portfolio balance of each category are included. In all component considered, the sum of the shares of the group of banks with the highest share represents at least 75% of the total credit market. (2) The survey is directed to executives responsible for credit granting policies in commercial banks in the country. *In the reference quarter, an increase (decrease) in credit demand or a loosening (tightening) of general conditions and/or approval standards is considered to have occurred if the respective diffusion index exceeds an absolute value of 0.10 and is positive (negative), or if the respective diffusion index was greater than 0.05 in absolute value and positive (negative) for at least two consecutive quarters. Source: Banxico

General conditions in the banking credit market for SMEs

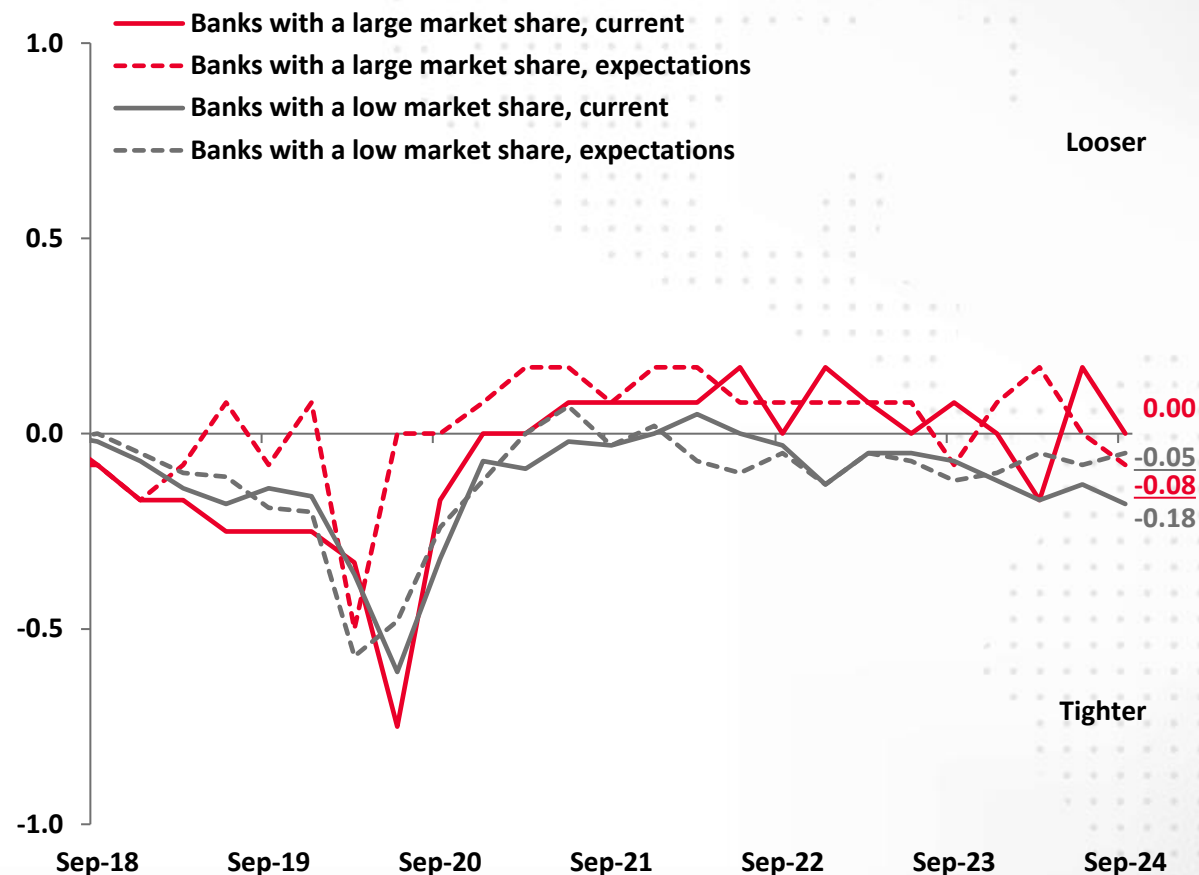
Credit demand by SMEs

Sentiment indicator



Conditions and approval standards for SMEs

Sentiment indicator

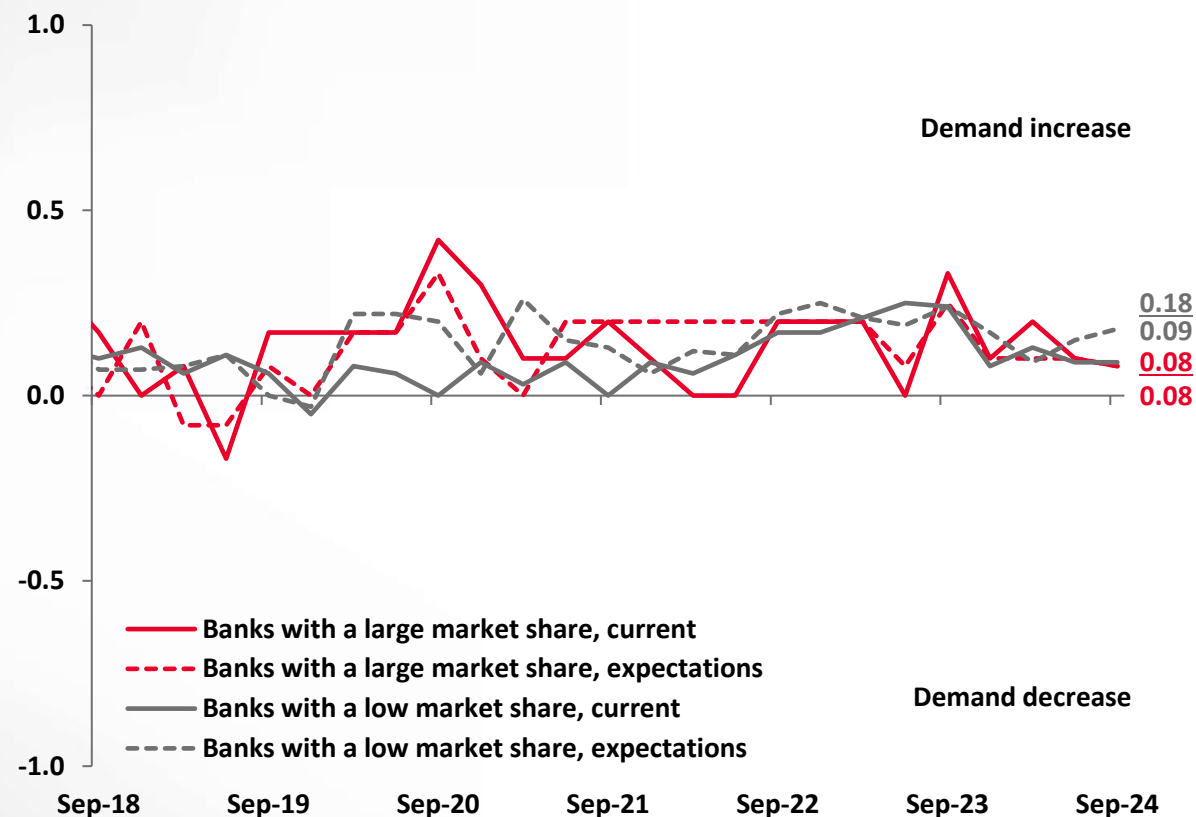


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General conditions in the banking credit market* for private non-bank financial intermediaries (PNFI)**

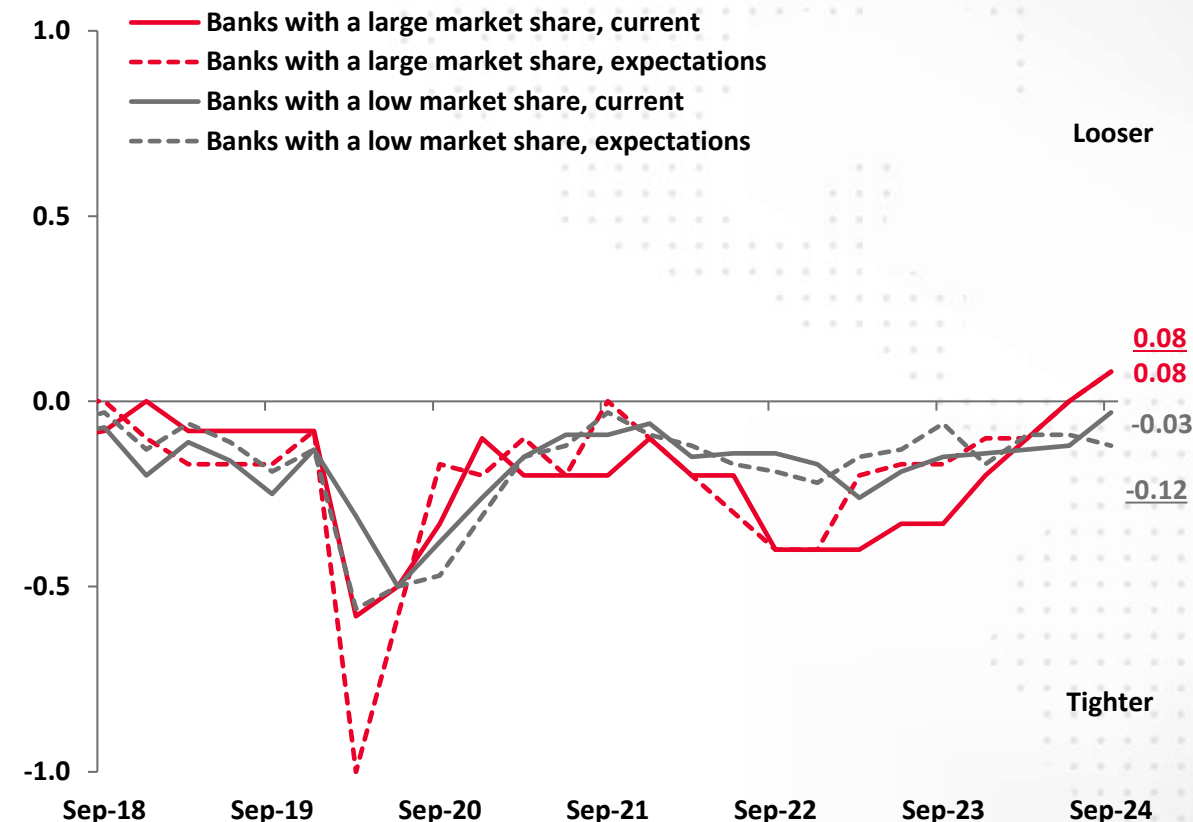
Credit demand by PNFI

Sentiment indicator



Conditions and approval standards for PNFI

Sentiment indicator

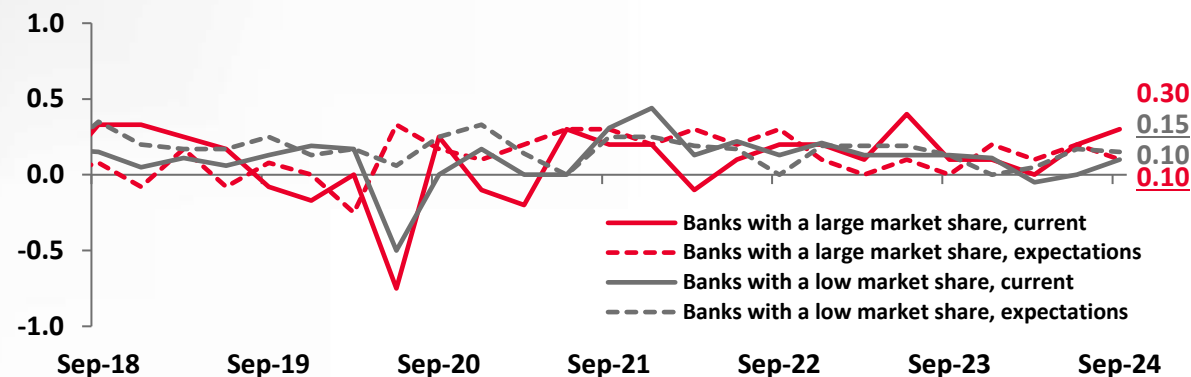


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General conditions in the banking credit market for consumer loans*

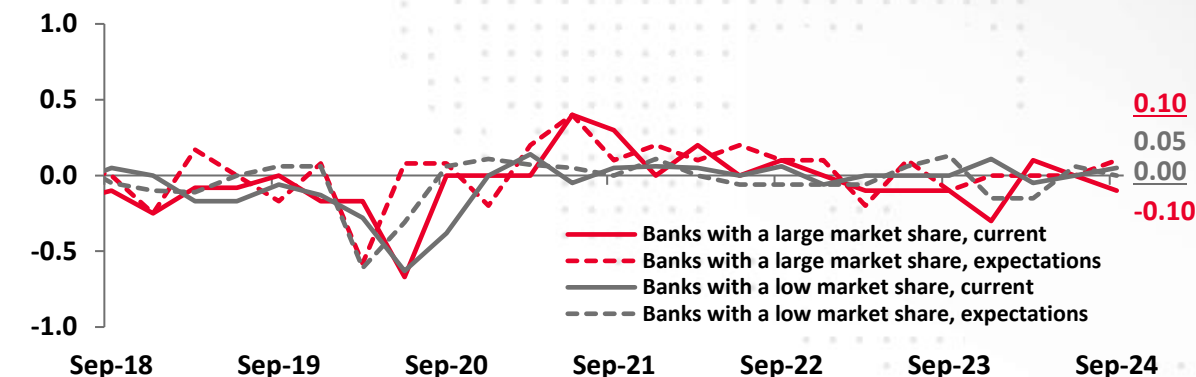
Demand for credit cards

Sentiment indicator



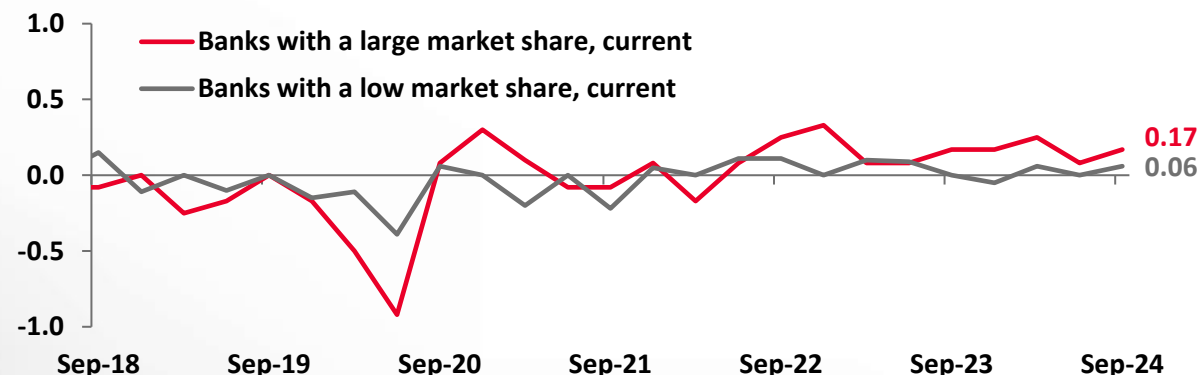
Conditions and approval standards for credit cards

Sentiment indicator



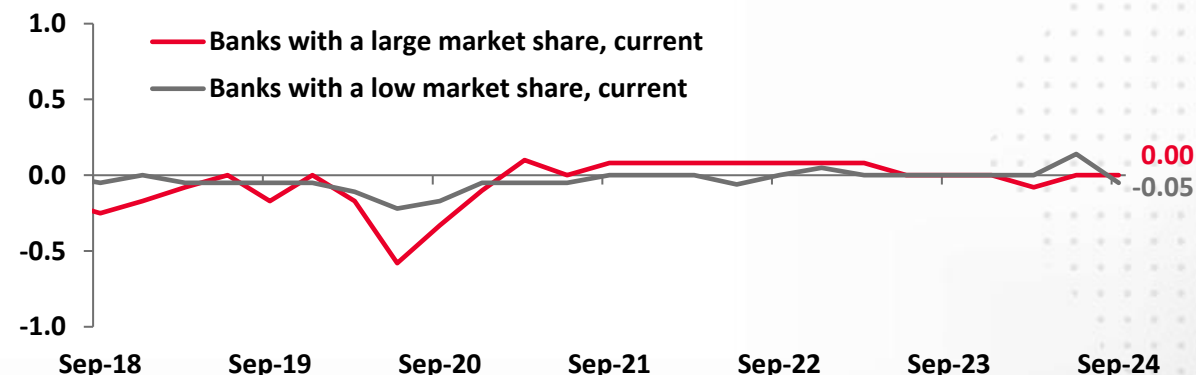
Demand for auto loans

Sentiment indicator



Conditions and approval standards for auto loans

Sentiment indicator

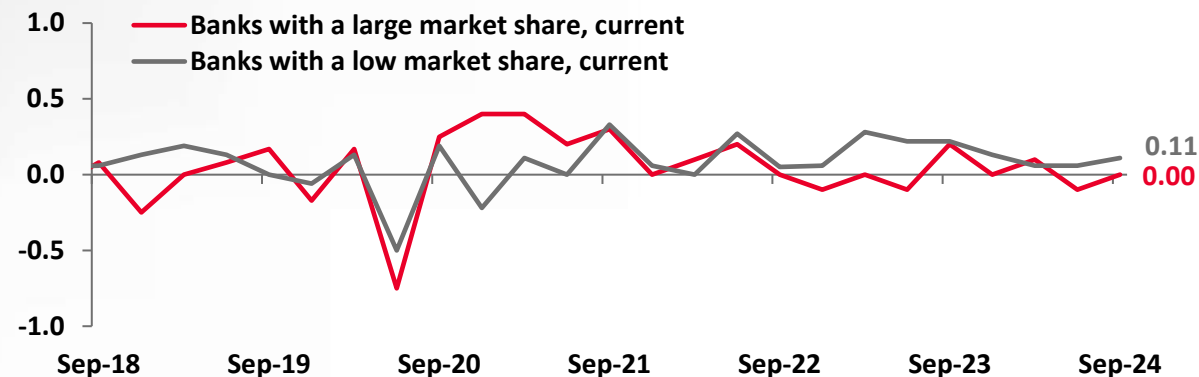


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General conditions in the banking credit market for consumer loans*

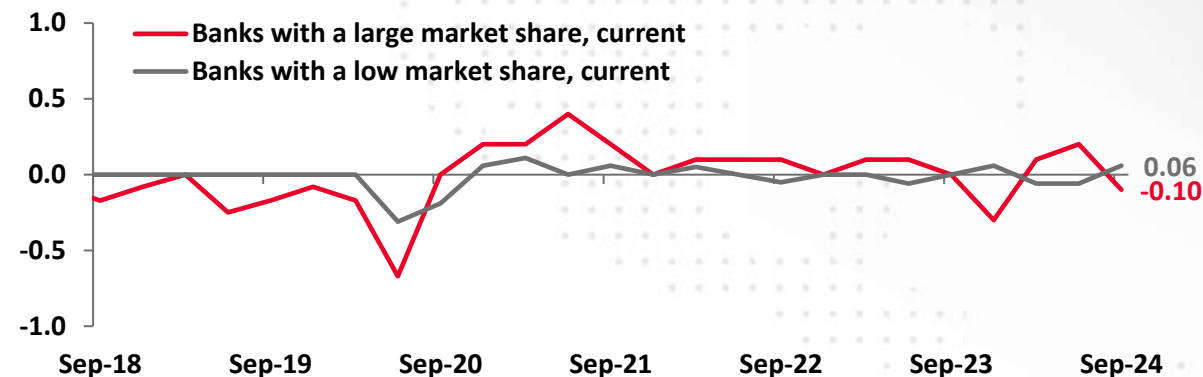
Demand for payroll loans

Sentiment indicator



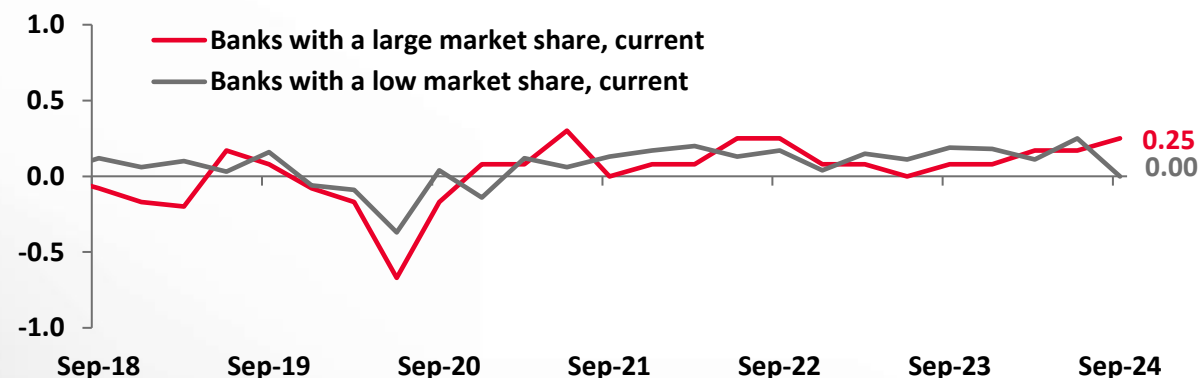
Conditions and approval standards for payroll loans

Sentiment indicator



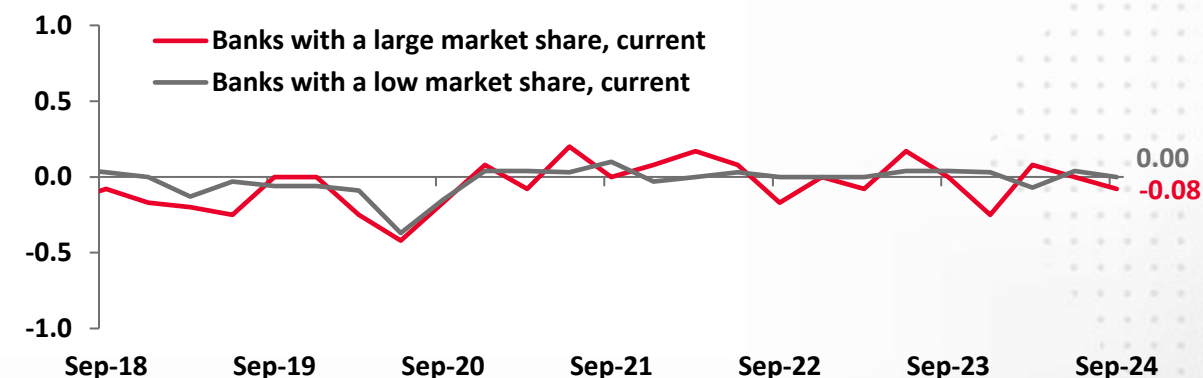
Demand for personal loans

Sentiment indicator



Conditions and approval standards for personal loans

Sentiment indicator

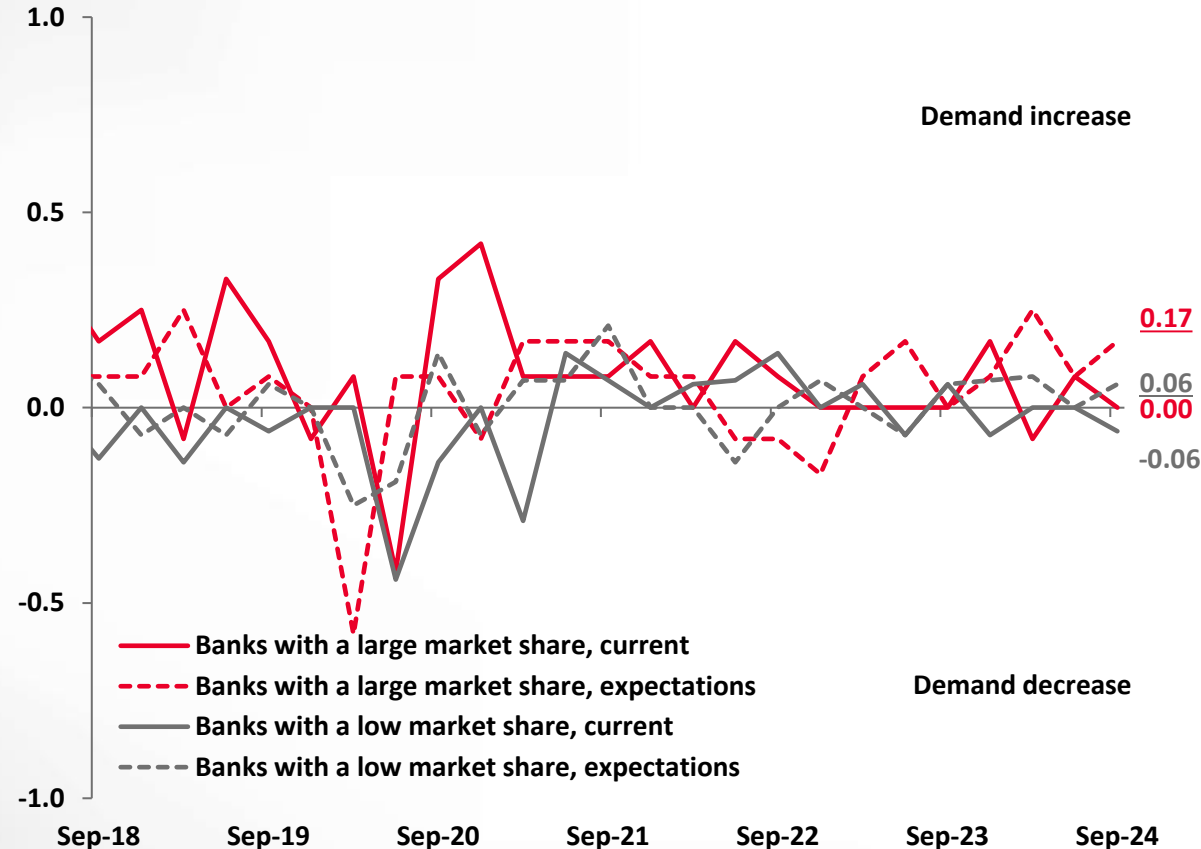


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General conditions in the banking credit market for mortgages*

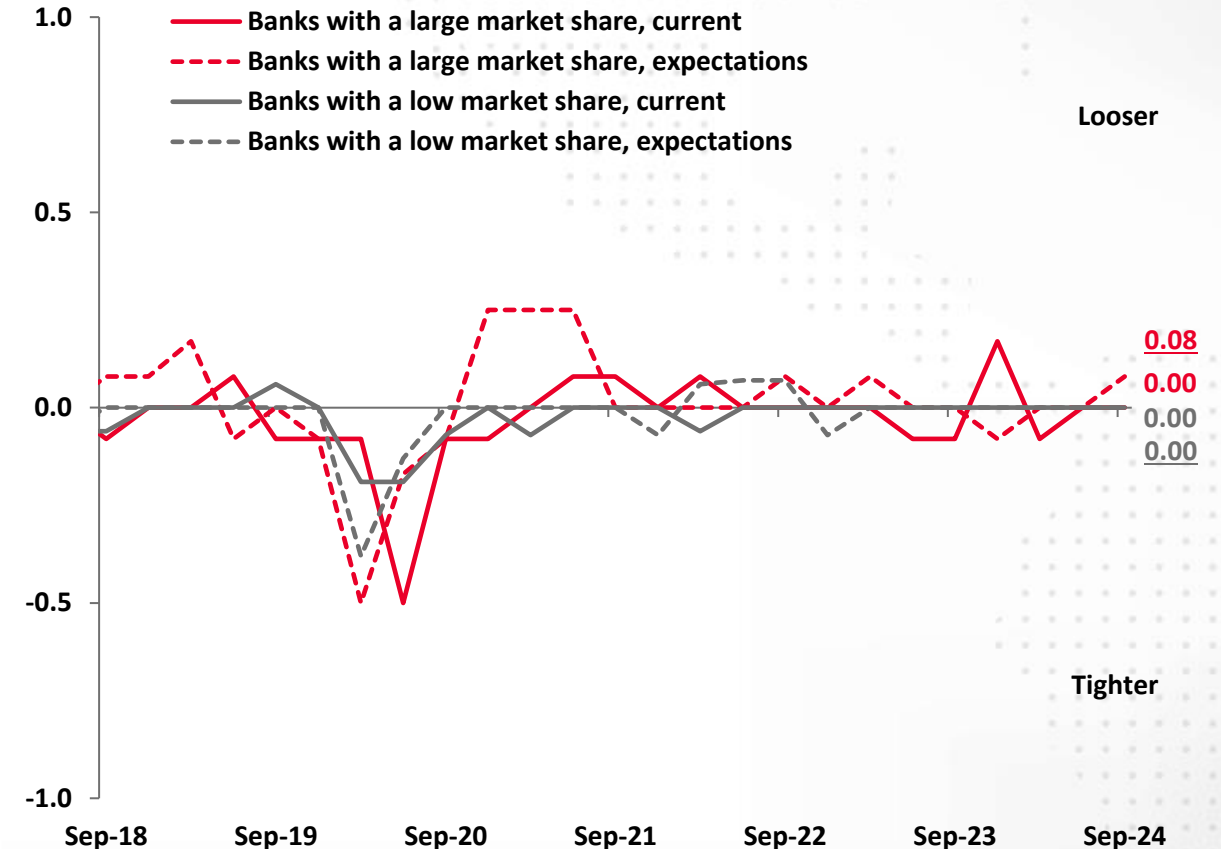
Demand for mortgages

Sentiment indicator



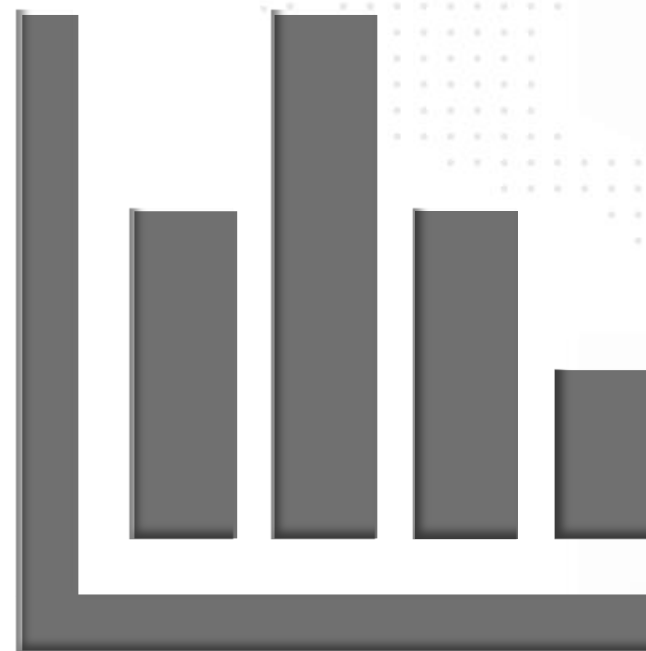
Conditions and approval standards for mortgages

Sentiment indicator



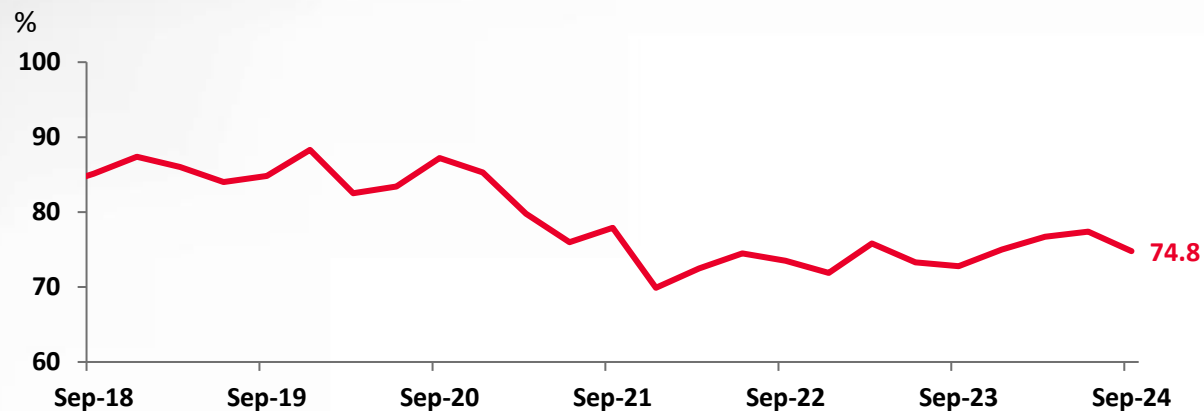
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Survey on the current assessment of the credit market

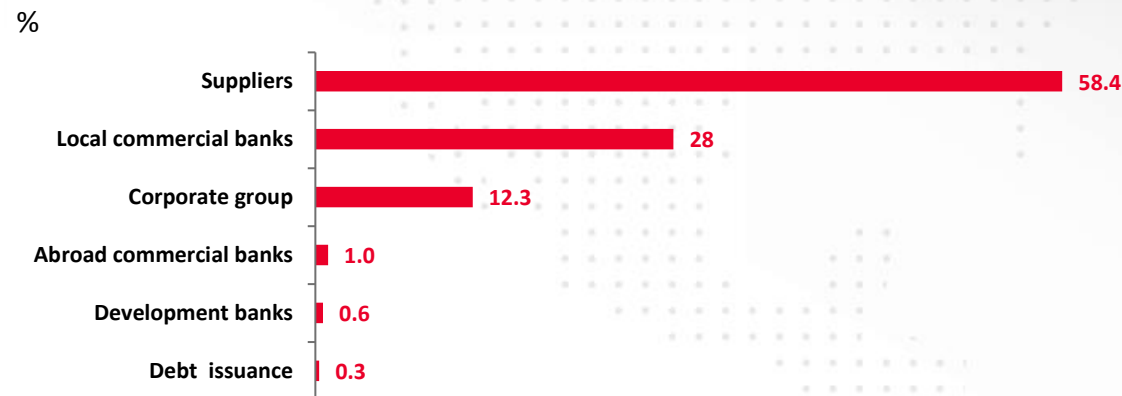


Firms' financing conditions

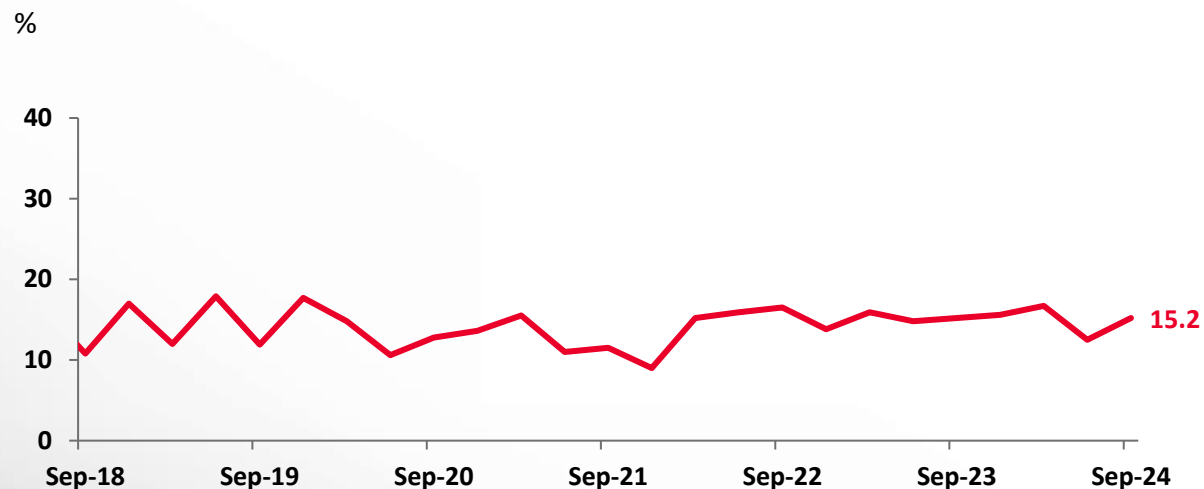
Companies that used some type of financing



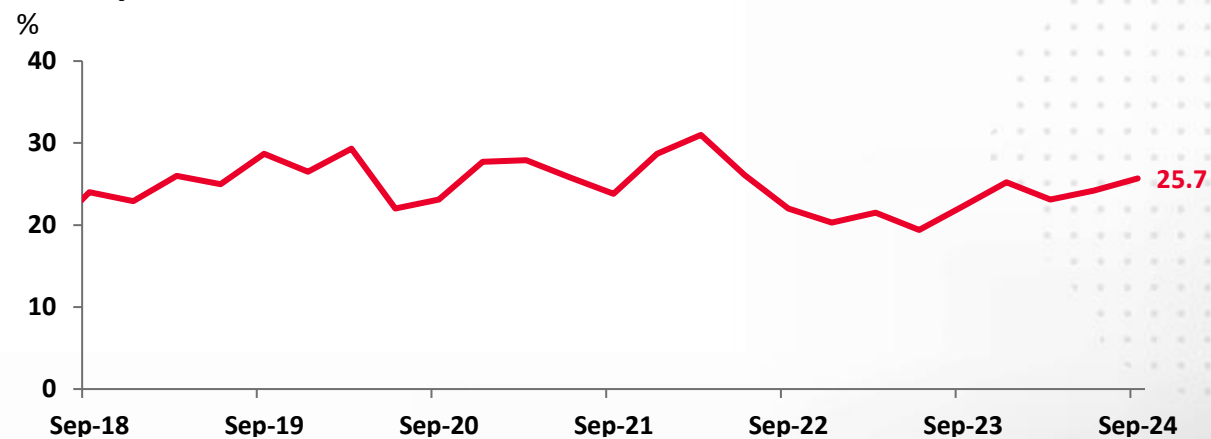
Sources of financing**



Companies that used new banking credit



Companies expecting to request financing from commercial banks next quarter

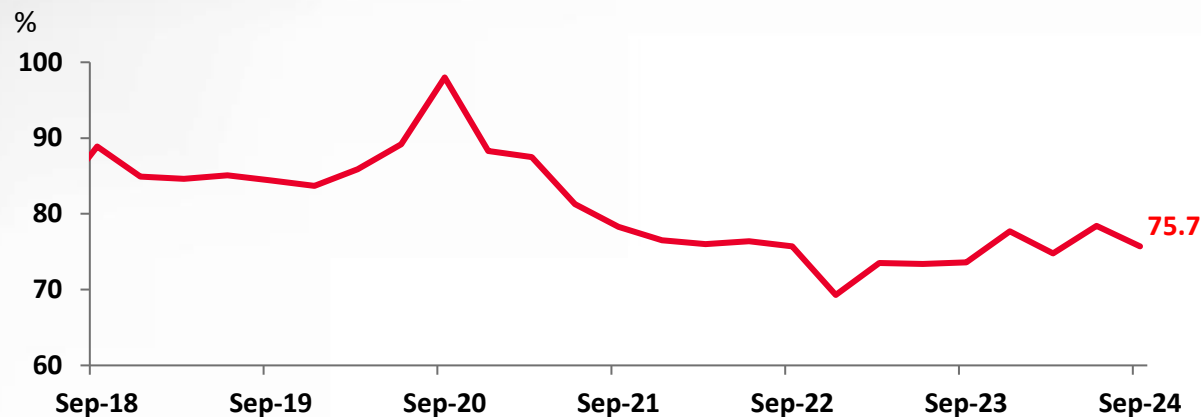


*Banking credit market includes commercial banks, development banks and abroad banks. **The sum of percentages may exceed 100 since companies can choose more than one option.

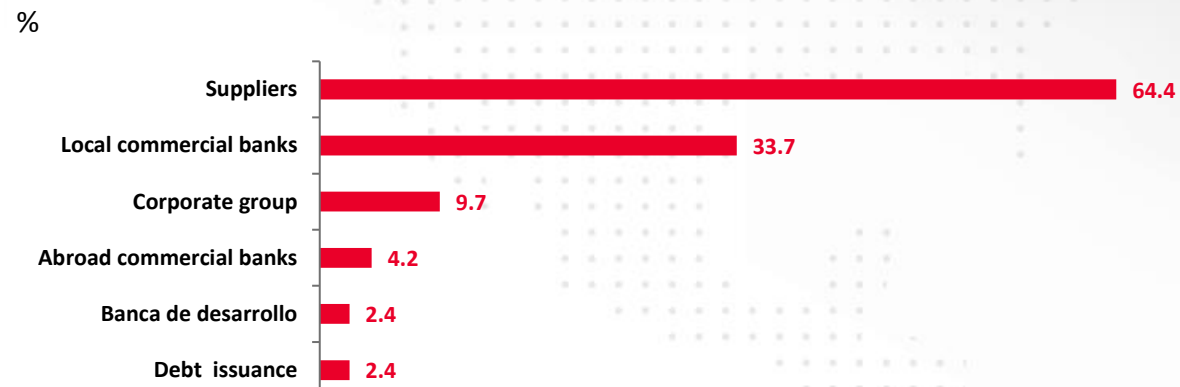
Source: Banxico

Economic activities financing: Manufacturing*

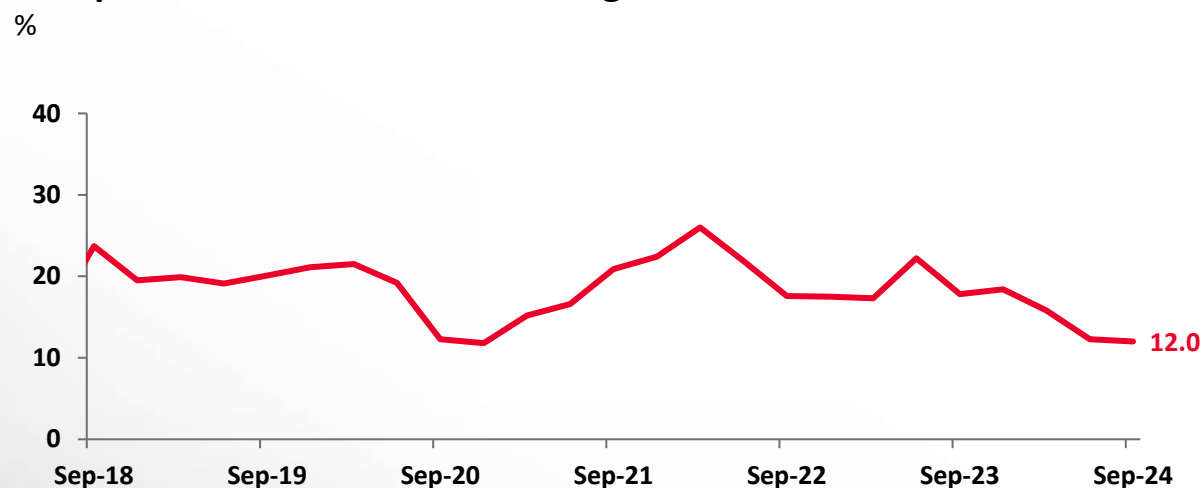
Companies that used some type of financing



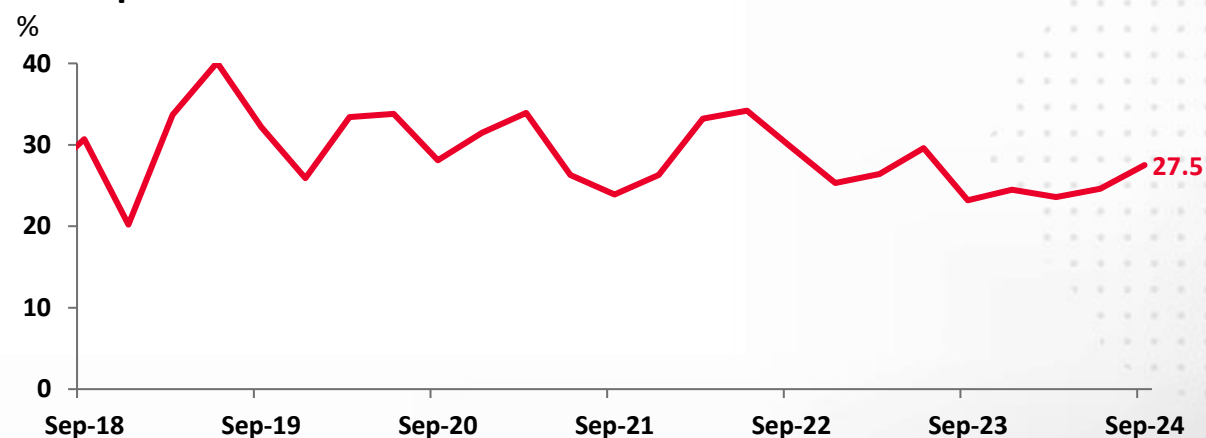
Sources of financing**



Companies that used new banking credit



Companies expecting to request financing from commercial banks next quarter

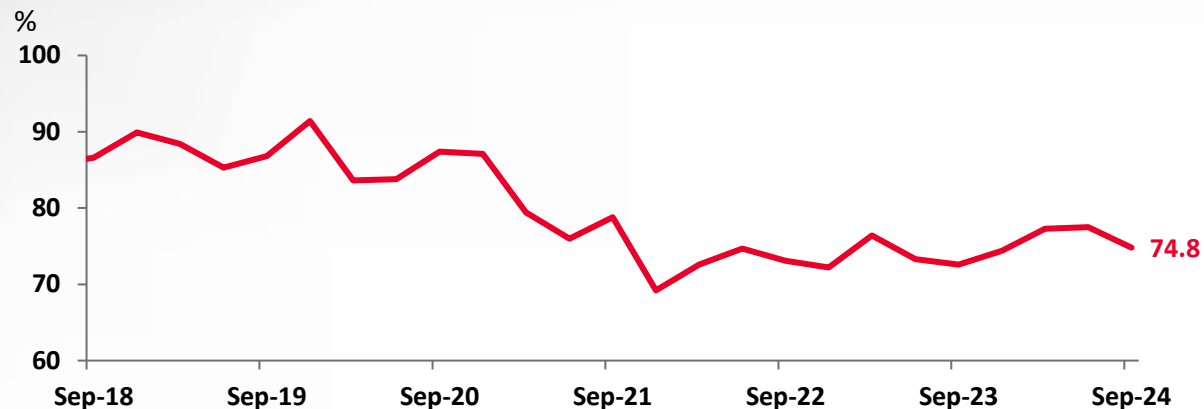


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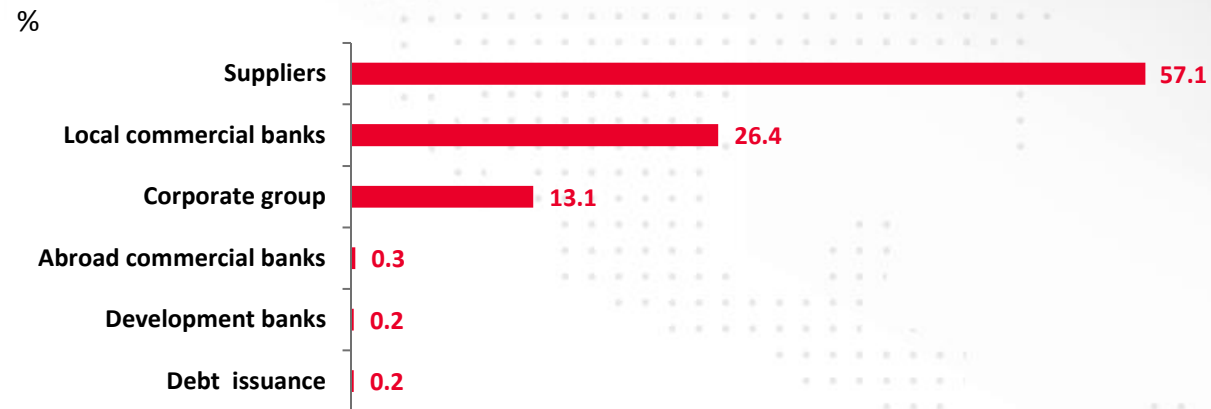
Source: Banxico

Economic activities financing: Services and commerce*

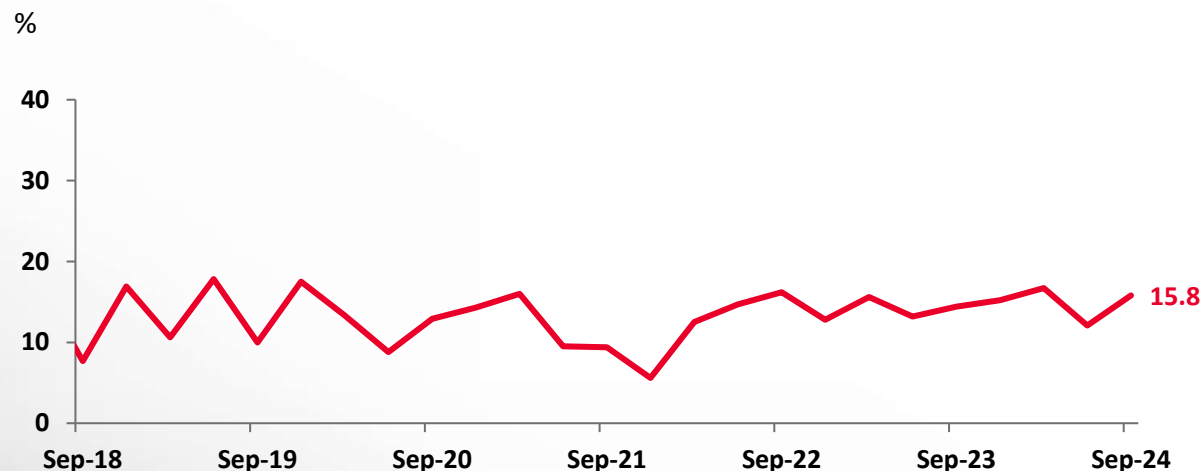
Companies that used some type of financing



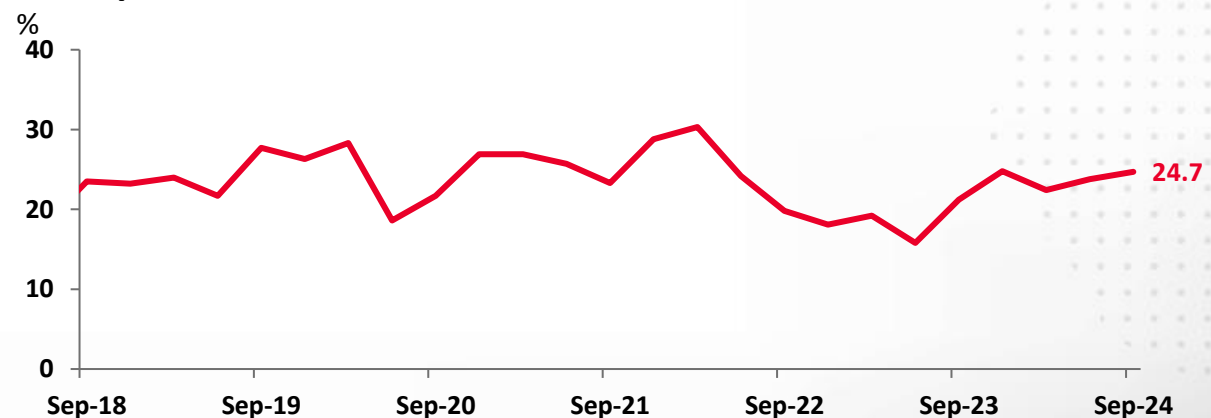
Sources of financing**



Companies that used new banking credit



Companies expecting to request financing from commercial banks next quarter

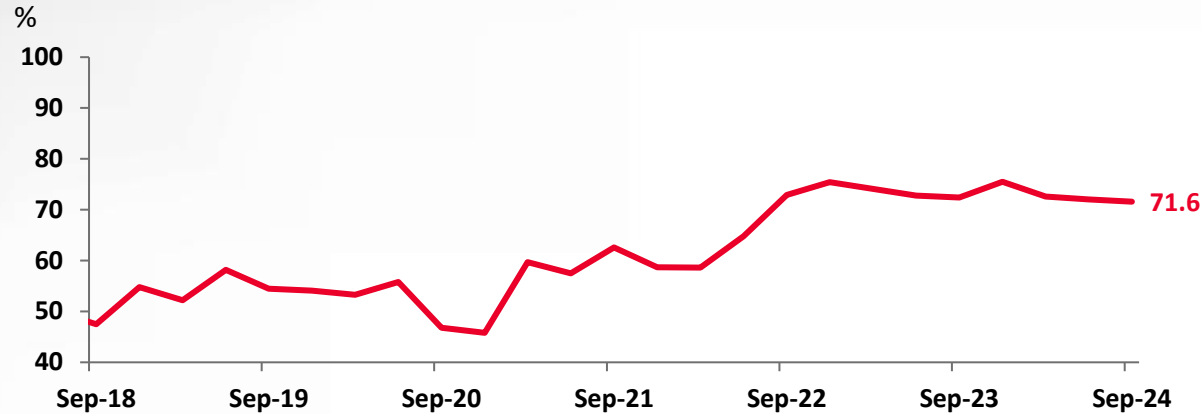


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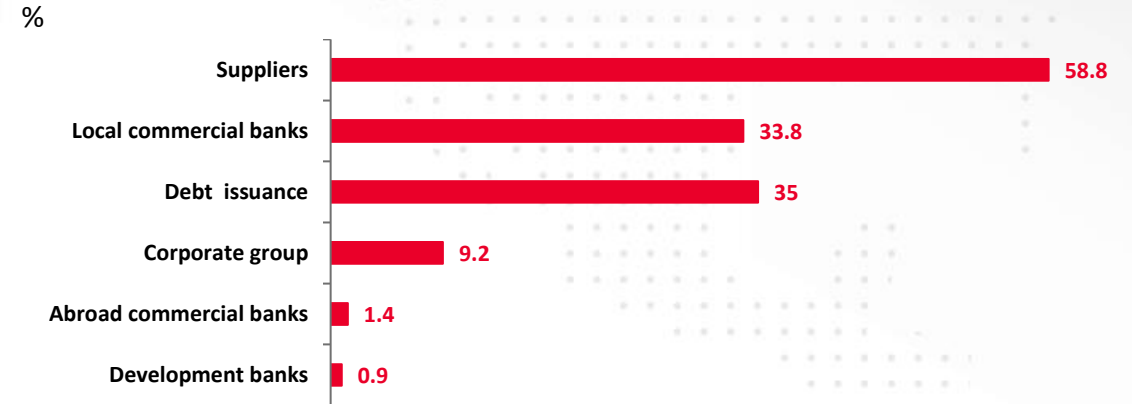
Source: Banxico

Economic activities financing: Construction*

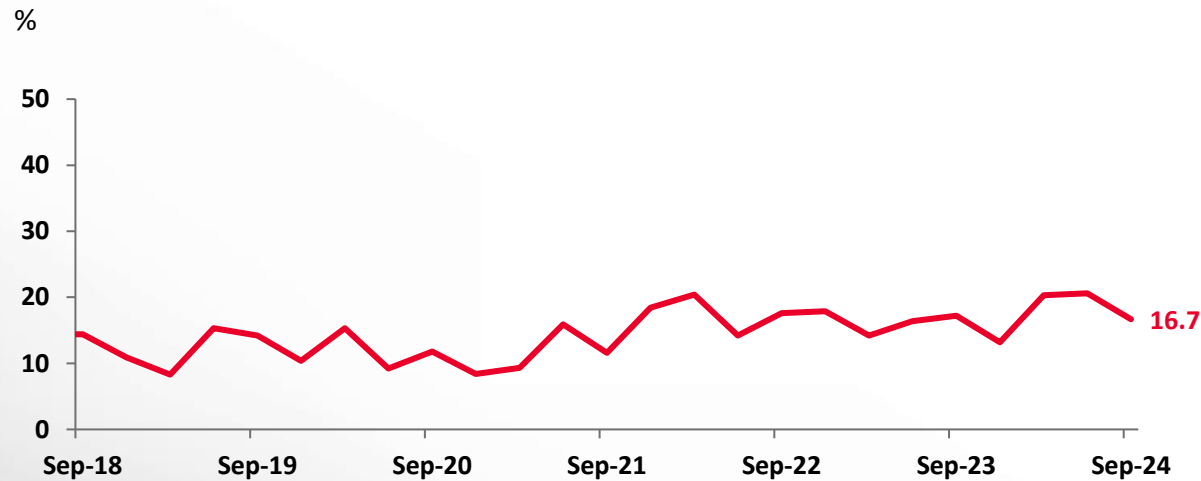
Companies that used some type of financing



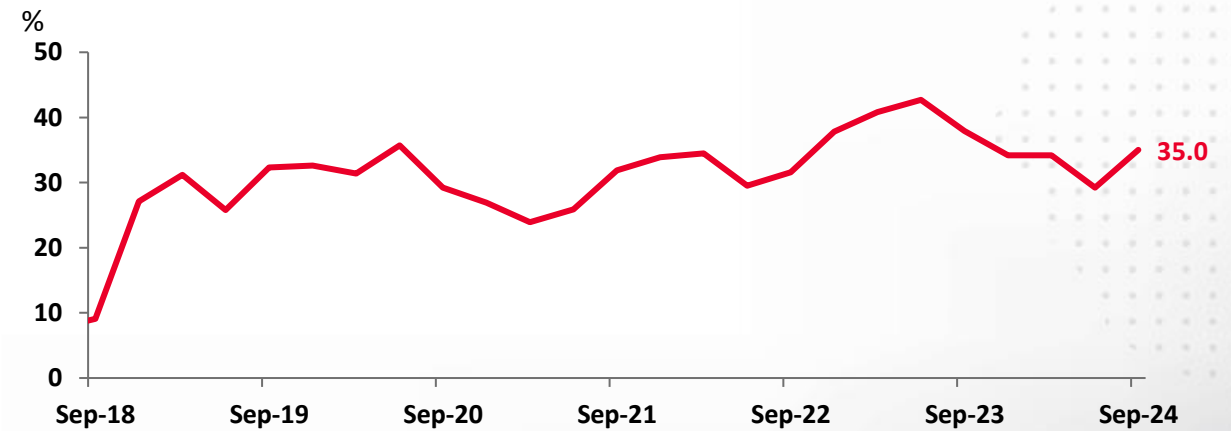
Sources of financing**



Companies that used new banking credit



Companies expecting to request financing from commercial banks next quarter



*Banking credit market includes commercial banks, development banks and abroad banks. **The sum of percentages may exceed 100 since companies can choose more than one option.
Source: Banxico



Analyst Certification.

We, Alejandro Padilla Santana, Juan Carlos Alderete Macal, Alejandro Cervantes Llamas, Marissa Garza Ostos, Katia Celina Goya Ostos, Francisco José Flores Serrano, José Luis García Casales, Santiago Leal Singer, Víctor Hugo Cortes Castro, Leslie Thalía Orozco Vélez, Hugo Armando Gómez Solís, Carlos Hernández García, Yazmín Selene Pérez Enríquez, Cintia Gisela Nava Roa, José De Jesús Ramírez Martínez, Daniel Sebastián Sosa Aguilar, Gerardo Daniel Valle Trujillo, Luis Leopoldo López Salinas, Ana Laura Zaragoza Félix, Marcos Saúl García Hernandez, Juan Carlos Mercado Garduño, Ana Gabriela Martínez Mosqueda, Jazmin Daniela Cautencos Mora, Andrea Muñoz Sánchez and Paula Lozoya Valadez (hereinafter the “Stock Market Analysts” and/or the “Analysts”) certify that the points of view expressed in this document are a faithful reflection of our personal opinion on the company (s) or firm (s) within this report, along with its affiliates and/or securities issued. Moreover, we also state that we have not received, or will receive compensation other than that of Grupo Financiero Banorte S.A.B. of C.V (hereinafter “Grupo Financiero Banorte”) for the provision of our services.

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