Banking Credit Monitor: April 2025

Economic and Financial Markets Research
Grupo Financiero Banorte

@Analisis_Fundam

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Document for distribution among the general public

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Agenda

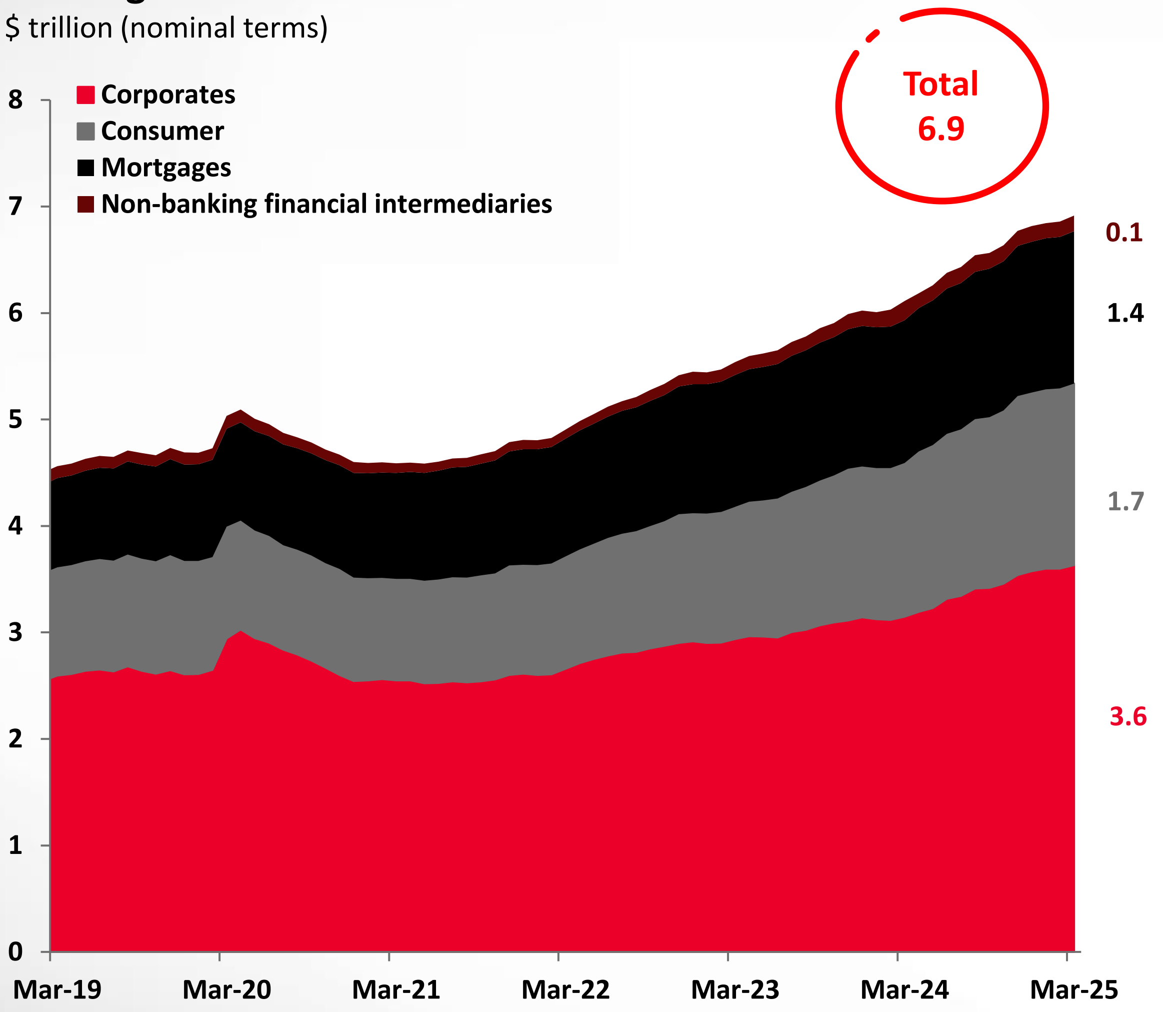
1. Banking credit to the non-financial private sector
2. Non-performing loans
3. Survey on general conditions and standards in the banking credit market
4. Survey of current assessment of the credit market

Banking credit to the non-financial private sector

Banking credit to the non-financial private sector

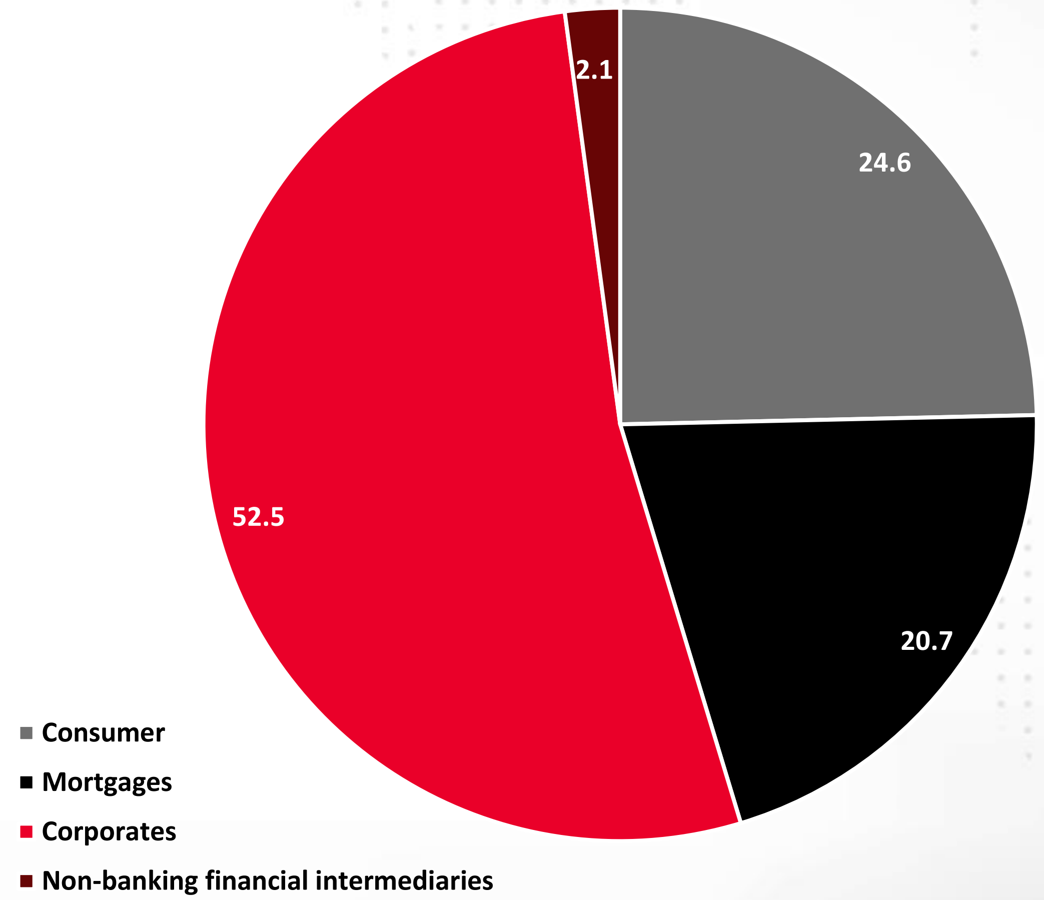
Banking credit

$ trillion (nominal terms)



Composition of banking credit in March

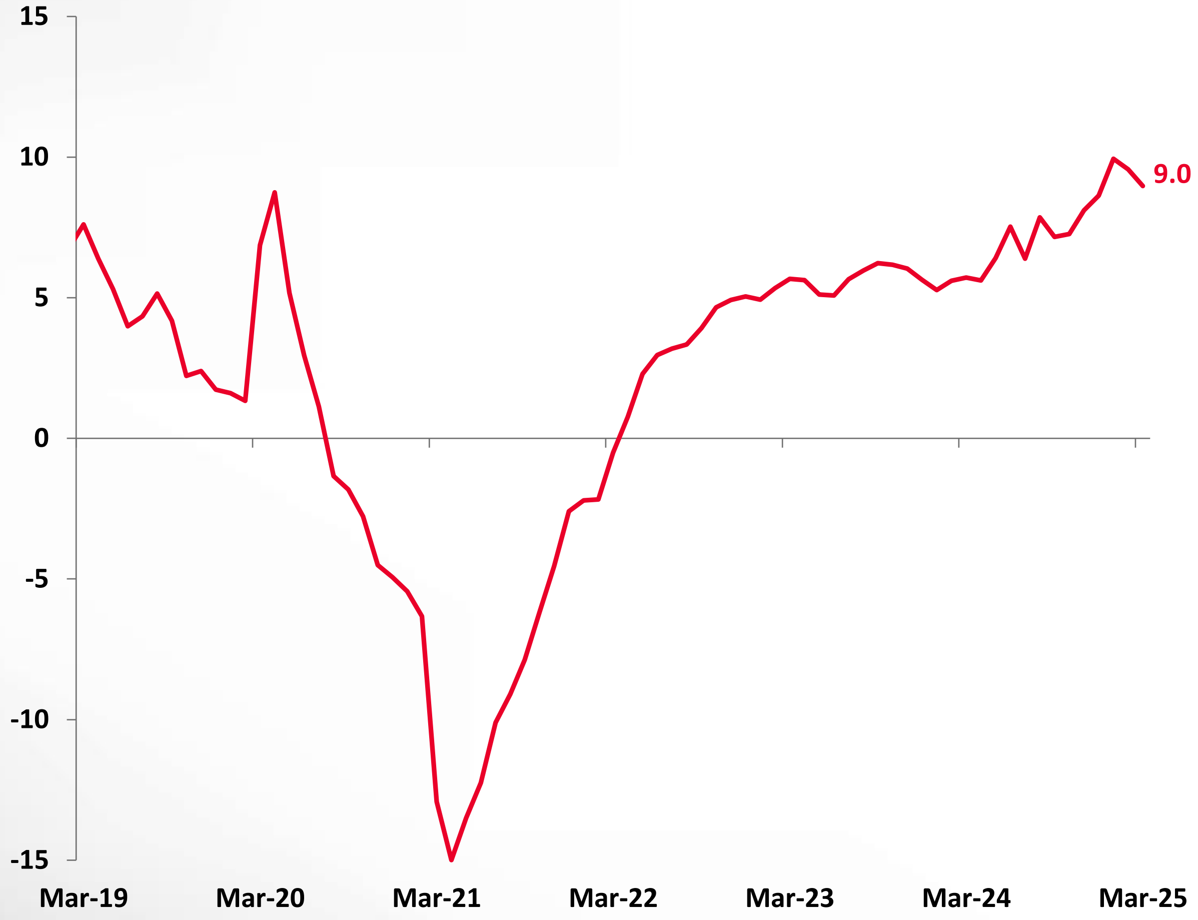
%



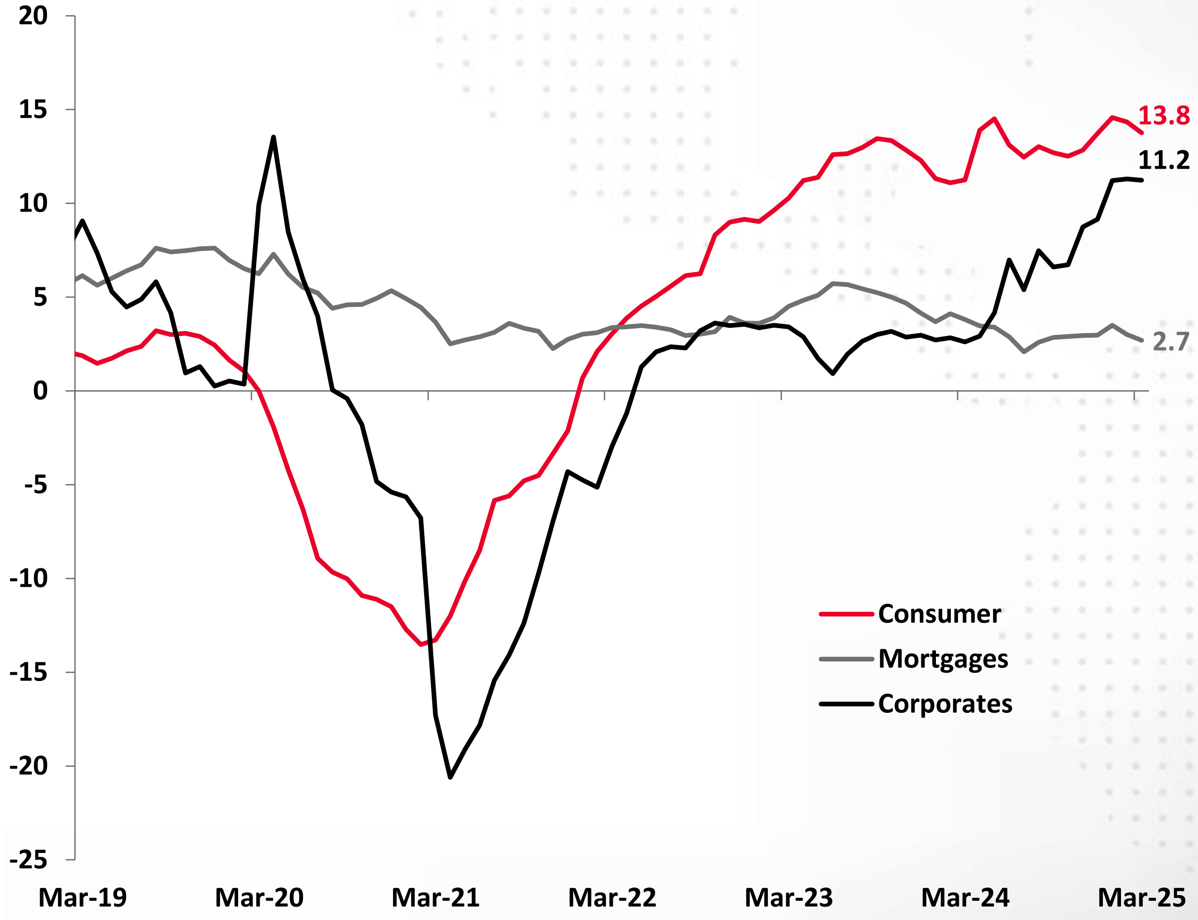
Source: Banxico

Banking credit to the non-financial private sector

Banking credit
% y/y real



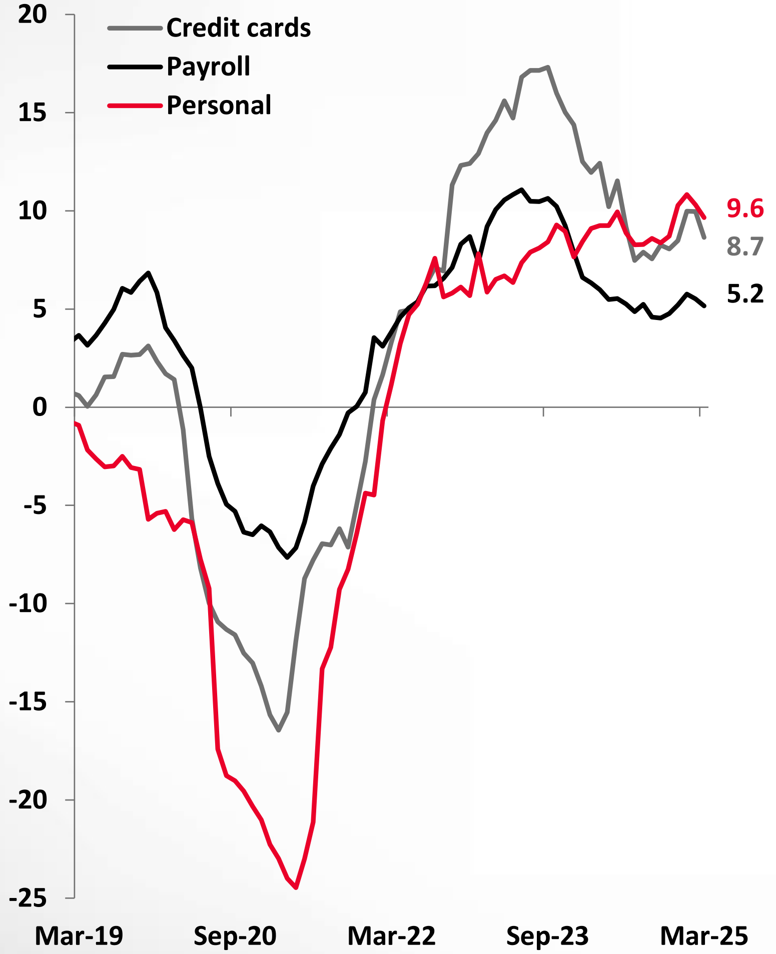
Banking credit by components
% y/y real



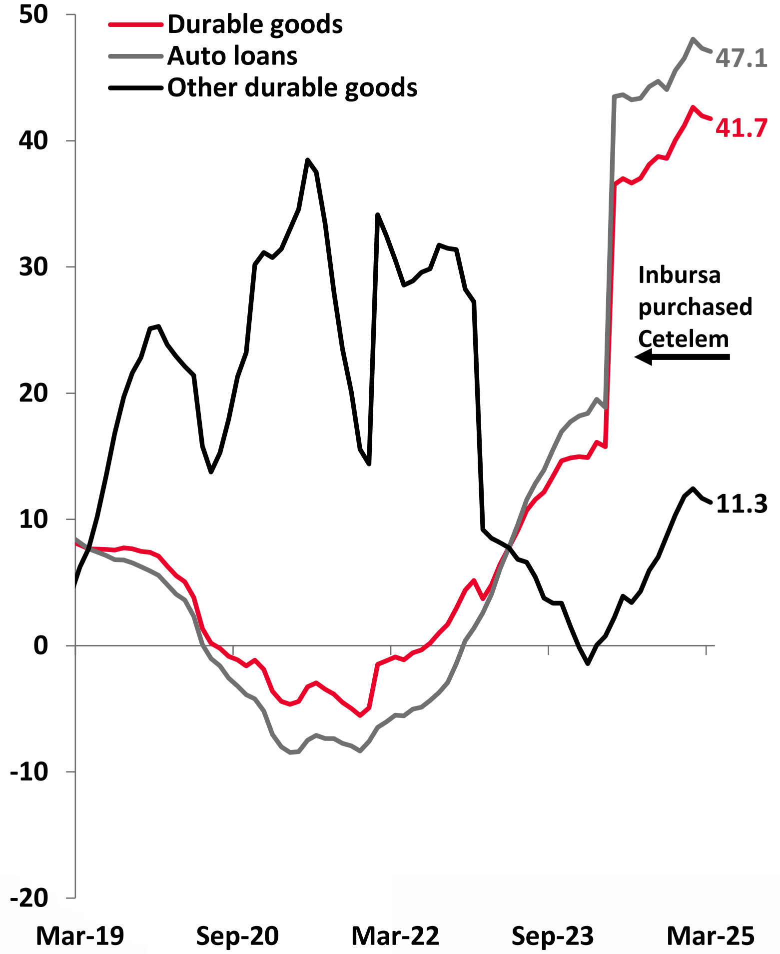
Source: Banxico

Consumer loans and mortgages

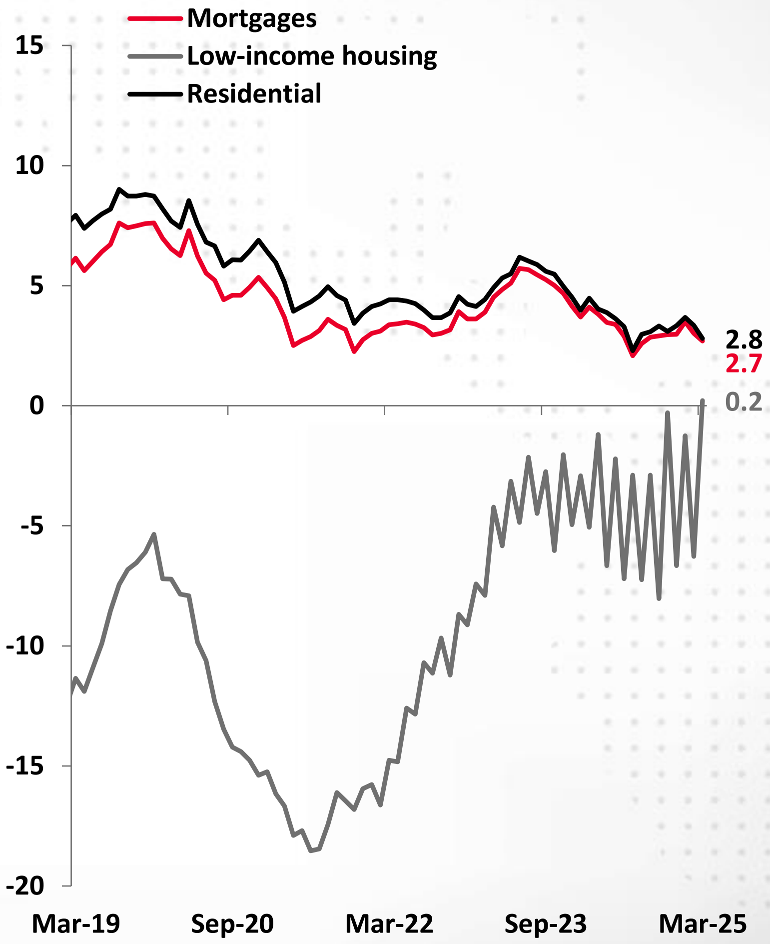
Consumer loans
% y/y in real terms



Consumer loans
% y/y in real terms



Mortgages
% y/y in real terms

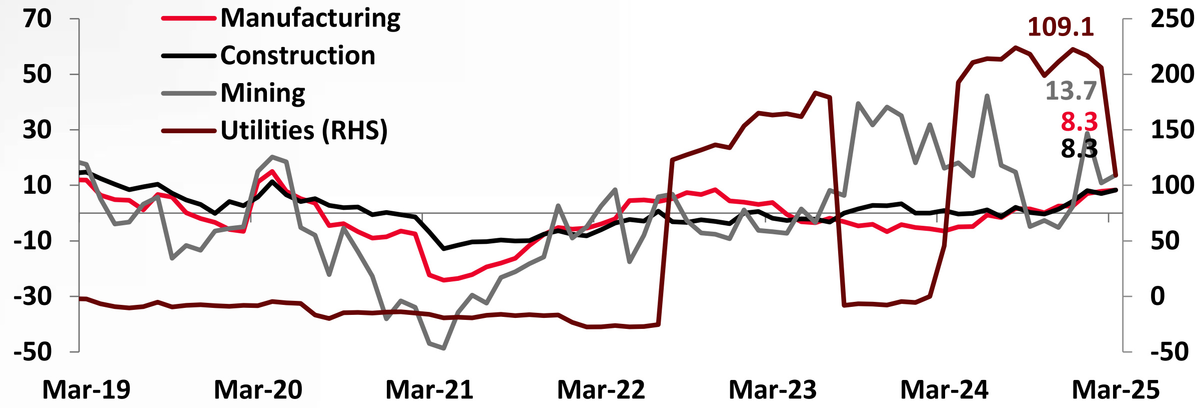


Source: Banxico

Corporate loans

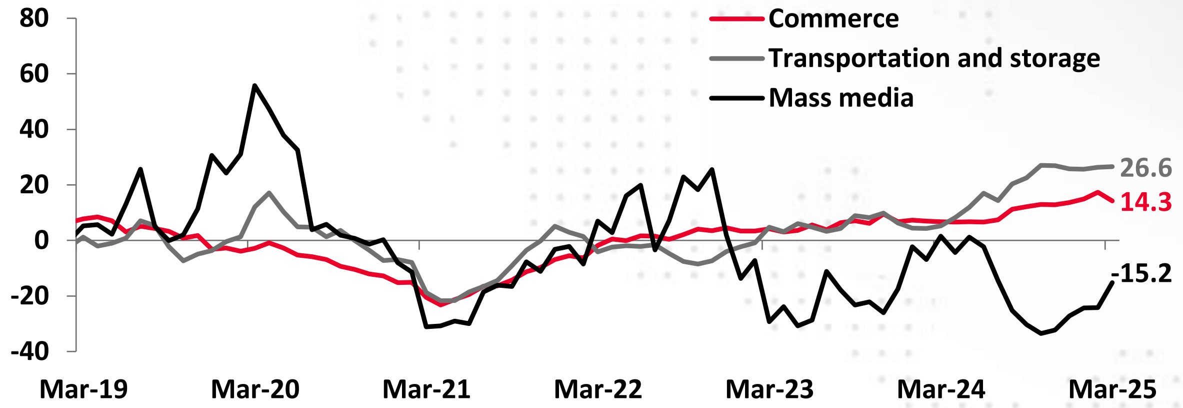
Corporate loans: Industry

% y/y in real terms



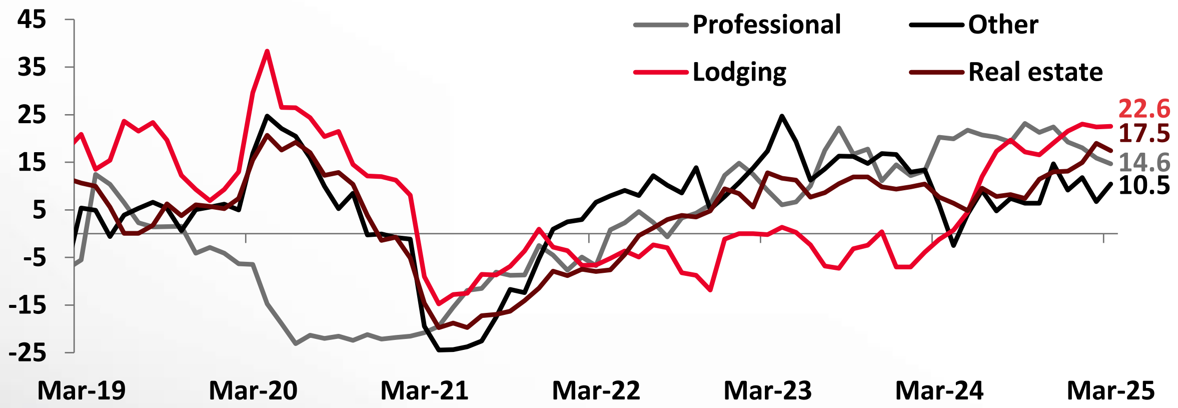
Corporate loans: Services

% y/y in real terms



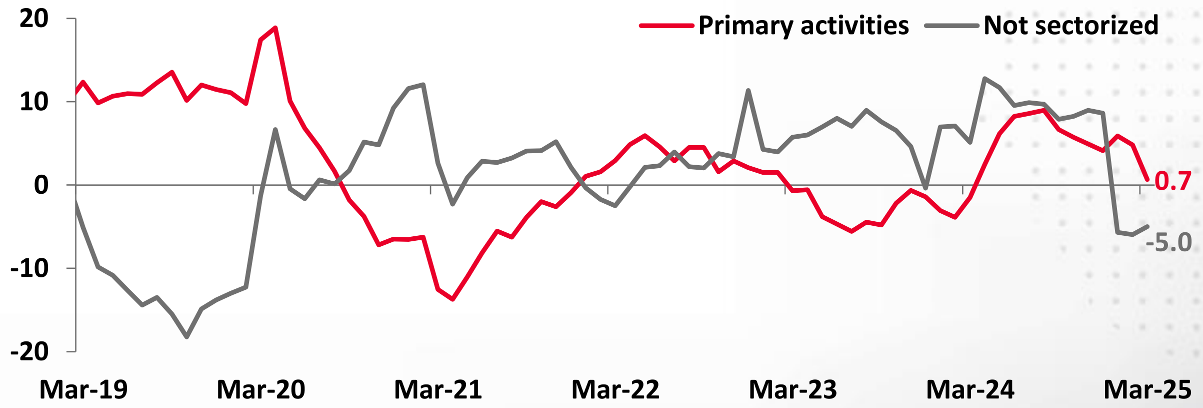
Corporate loans: Services

% y/y in real terms



Corporate loans: Other

% y/y in real terms



Source: Banxico

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Banking credit to non-banking private sector

Banking credit

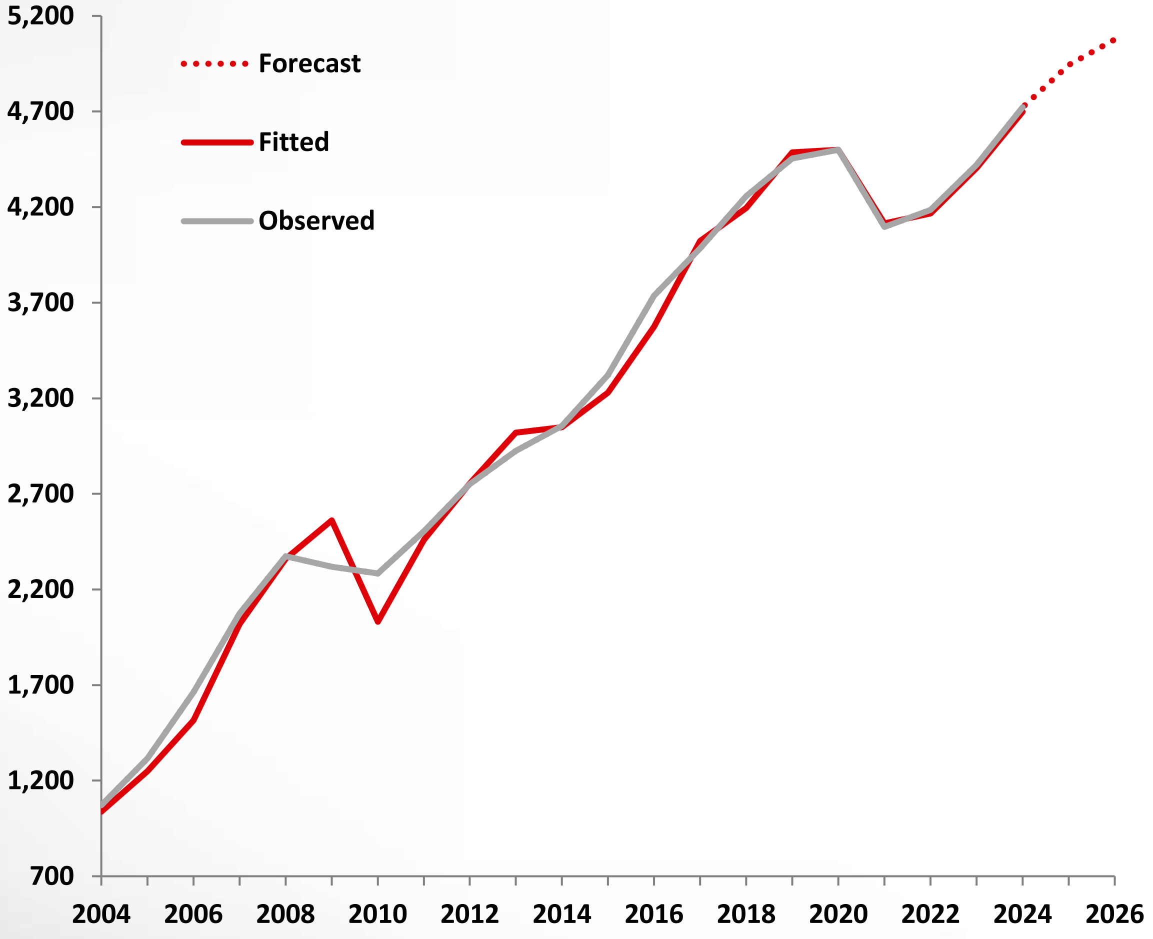
% y/y in real terms

	Mar-25	Feb-25	Mar-24	Jan-Mar '25	Jan-Mar '24
Private banking credit	**9.0**	**9.6**	**5.7**	**9.5**	**5.5**
Consumer	**13.8**	**14.3**	**11.2**	**14.2**	**11.2**
Credit cards	8.7	10.0	12.4	9.5	12.3
Payroll	5.2	5.5	6.0	5.5	6.3
Personal	9.6	10.3	9.2	10.3	8.9
Durable goods	41.7	42.0	15.8	42.1	15.6
Auto loans	47.1	47.3	18.9	47.5	18.9
Other durable goods	11.3	11.7	0.7	11.8	-0.2
Others	15.1	12.4	24.0	13.5	24.1
Mortgages	**2.7**	**3.0**	**3.8**	**3.1**	**3.9**
Low-income housing	0.2	-6.3	-1.2	-2.3	-3.0
Medium and residential	2.8	3.4	4.0	3.3	4.2
Corporates	**11.2**	**11.3**	**2.6**	**11.2**	**2.7**
Primary activities	0.7	4.8	-1.5	3.8	-2.8
Mining	13.7	10.8	16.2	17.6	21.9
Construction	8.3	7.1	0.9	7.8	0.3
Utilities	109.1	206.1	45.6	168.5	12.9
Manufacturing industry	8.3	7.9	-6.5	7.8	-5.8
Commerce	14.3	17.3	6.8	15.5	7.0
Transportation and storage	26.6	26.3	5.2	26.2	4.6
Mass media services	-15.2	-24.2	1.6	-21.3	-2.7
Real estate services	17.5	19.0	7.7	17.1	9.3
Professional services	14.6	15.9	20.3	16.2	15.2
Lodging services	22.6	22.4	-1.2	22.7	-4.1
Other services	10.5	6.8	6.0	9.7	10.7
Not sectorized	-5.0	-5.9	5.1	-5.5	6.4
Non-banking financial intermediaries	**-22.0**	**-12.5**	**44.0**	**-13.7**	**33.8**

Source: Banxico

Banking credit forecast

Banking credit
$ billons



*A growth of 0.5% for the GDP of 2025 is considered. 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	6.8	5.8
2025	--	4.7
2026*	--	2.7*

Banking credit forecast model

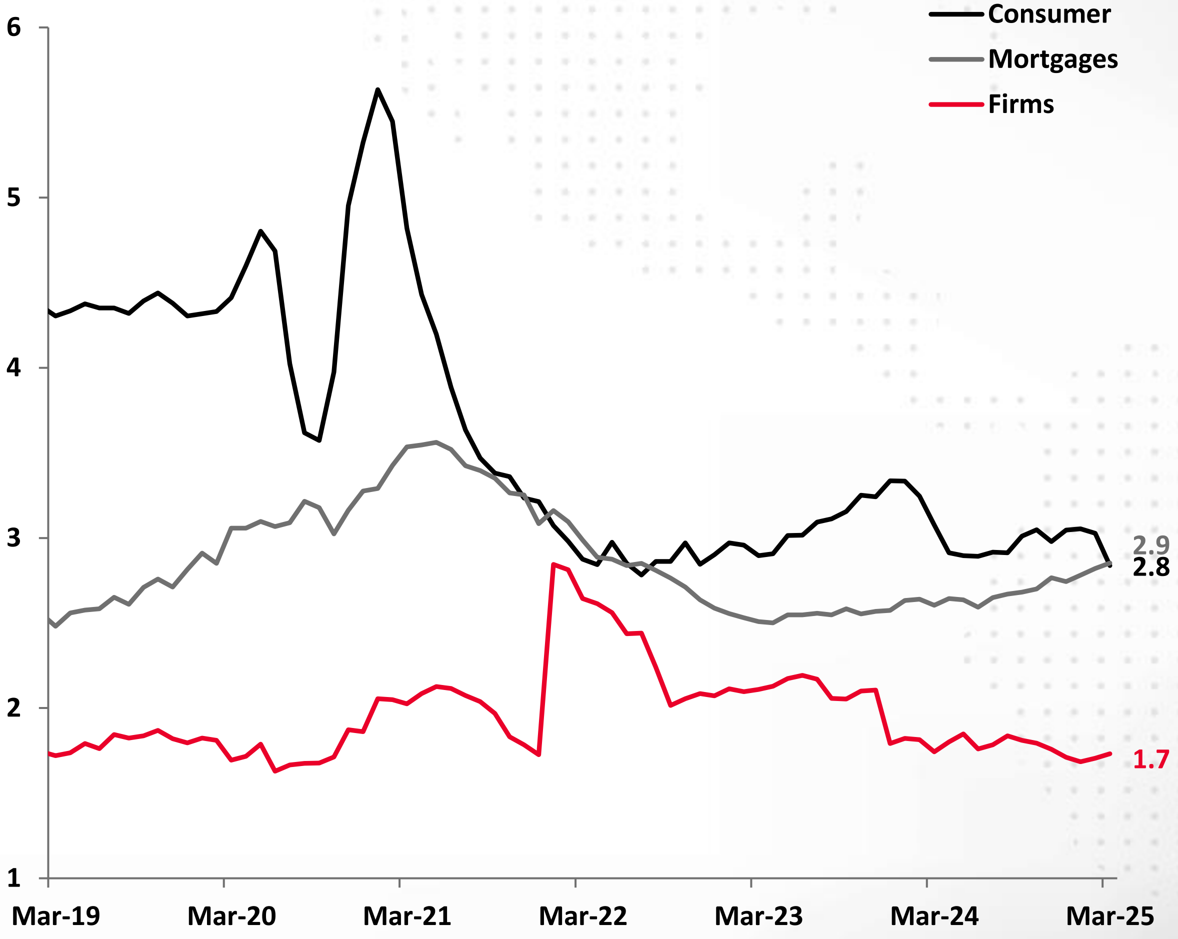
- **Different adjustment variables** were tested (*e.g.* GDP, interest rate TIIE, industrial activity, remittances, etc.) and it was found that **the best adjustment is seen with the one-year-lag for GDP**
- This implies that a relatively **robust forecast** can be made for banking credit **one year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

Non-performing loans

Non-performing loans

NPLs
% of total portfolio

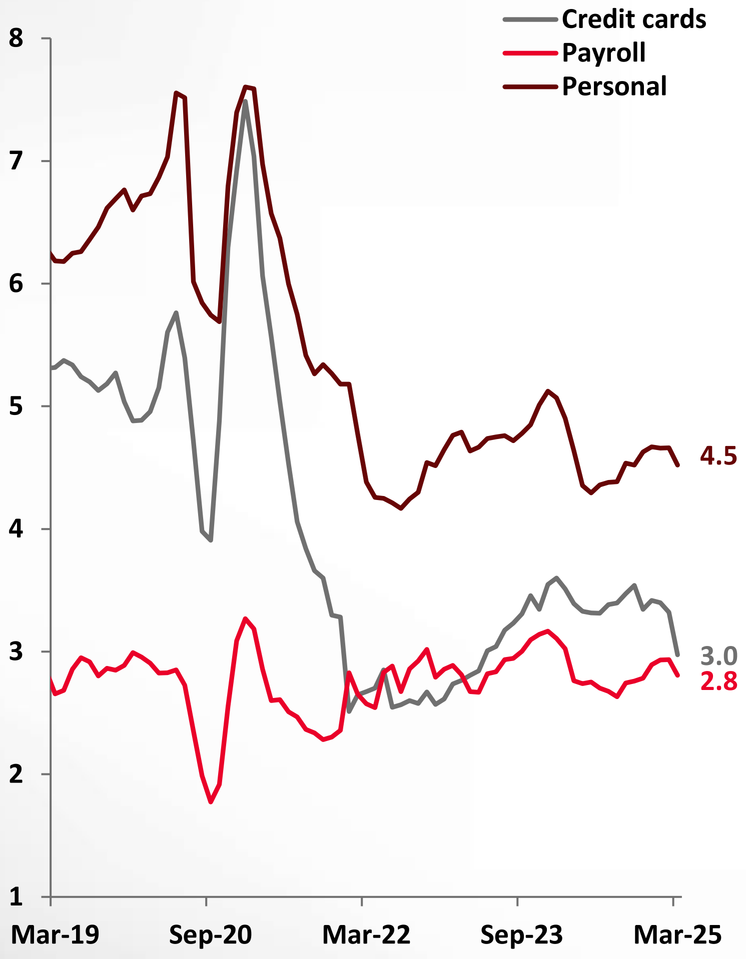
NPLs by components
% of total portfolio



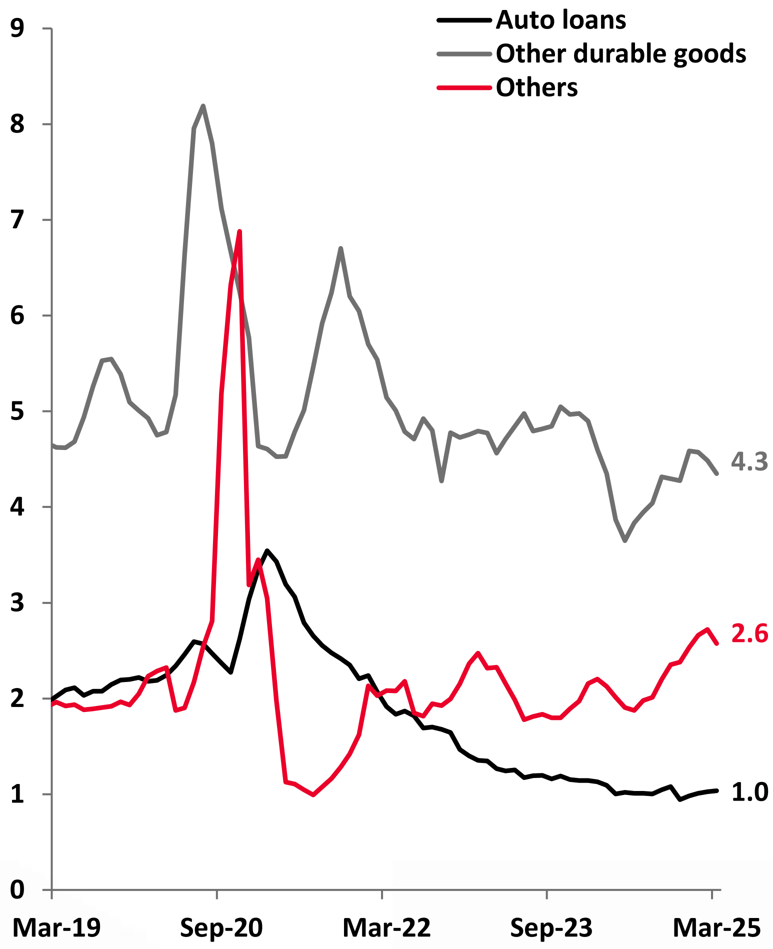
Source: Banxico

NPLs by components

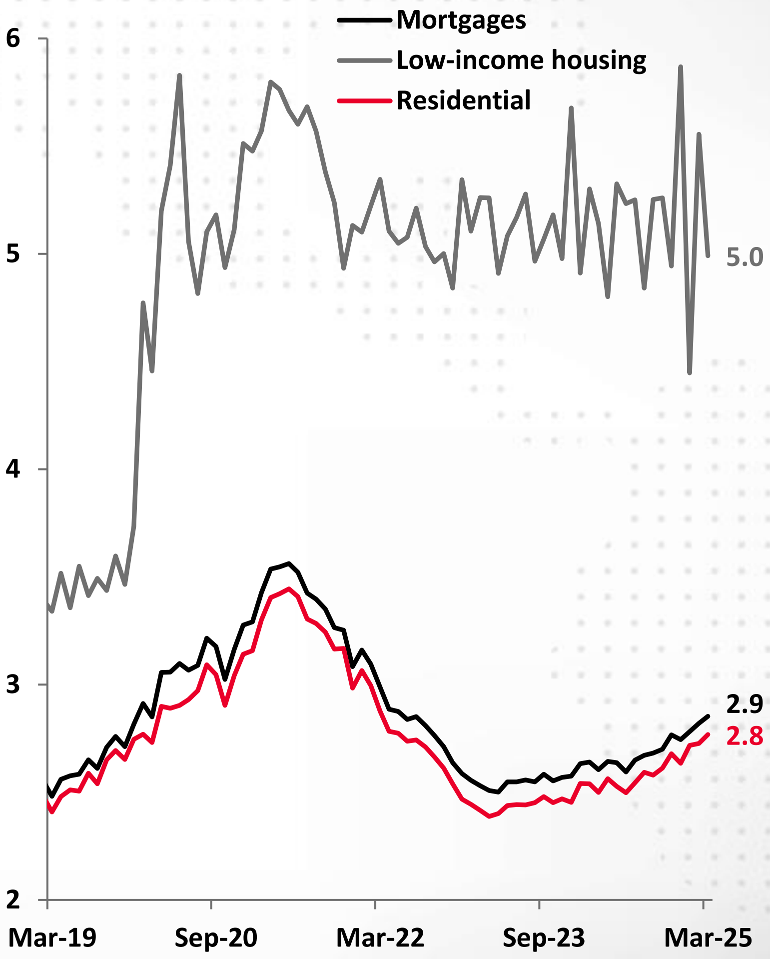
NLPs: Consumer loans
% of total portfolio



NLPs: Consumer loans
% of total portfolio



NLPs: Mortgages
% of total portfolio



Source: Banxico

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Non-performance loans

NPLs
% of total portfolio

	Mar-25	Feb-25	Mar-24	Jan-Mar '25	Jan-Mar '24
Private banking credit	**2.2**	**2.2**	**2.2**	**2.2**	**2.3**
Consumer	**2.8**	**3.0**	**3.1**	**3.0**	**3.2**
Credit cards	3.0	3.3	3.4	3.2	3.5
Payroll	2.8	2.9	2.8	2.9	3.0
Personal	4.5	4.7	4.6	4.6	4.9
Durable goods	1.4	1.4	1.6	1.4	1.7
Auto loans	1.0	1.0	1.1	1.0	1.1
Other durable goods	4.3	4.5	4.3	4.5	4.6
Others	2.6	2.7	2.1	2.7	2.2
Mortgages	**2.9**	**2.8**	**2.6**	**2.8**	**2.6**
Social interest	5.0	5.6	5.1	5.0	5.1
Medium and residential	2.8	2.7	2.5	2.7	2.5
Corporate	**1.7**	**1.7**	**1.7**	**1.7**	**1.8**
Non-banking financial intermediaries	**0.4**	**0.4**	**0.3**	**0.4**	**0.4**

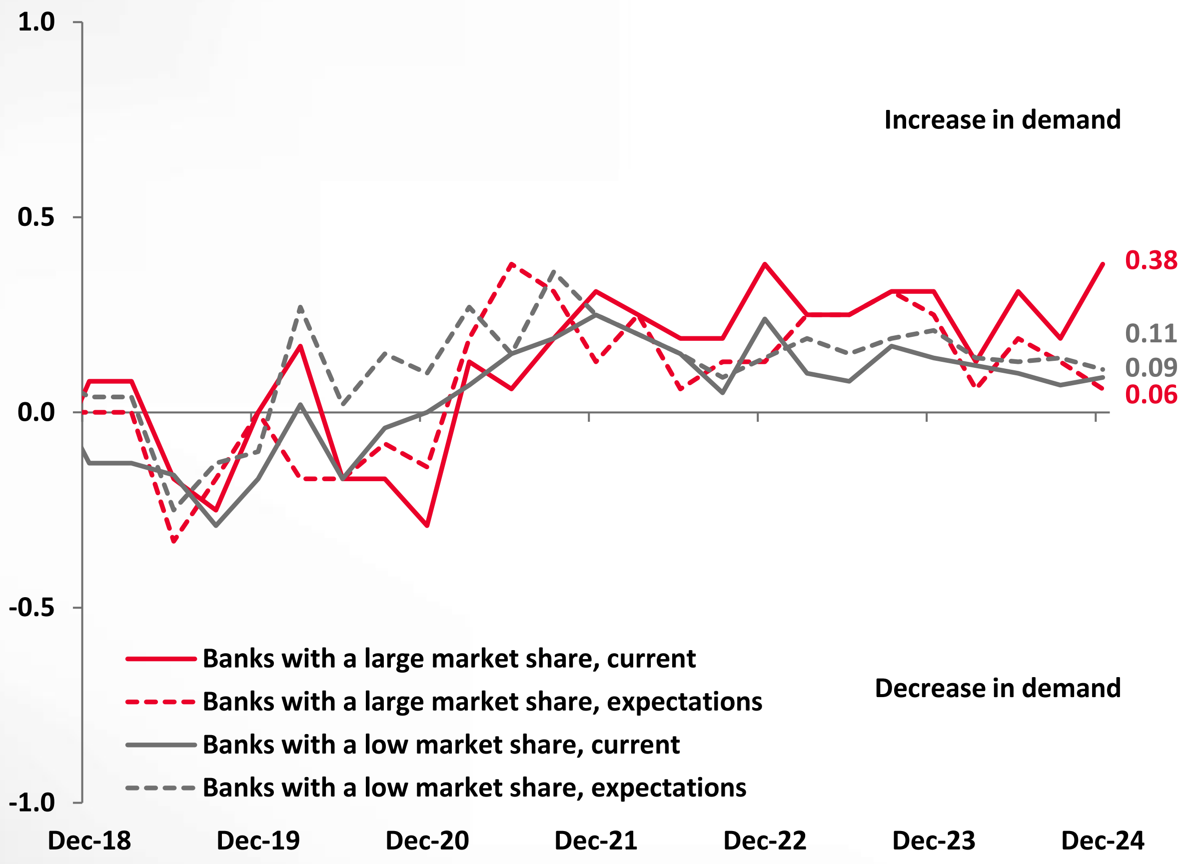
Source: Banxico

Survey on general conditions and standards in the banking credit market

General conditions in the banking credit market for large companies*

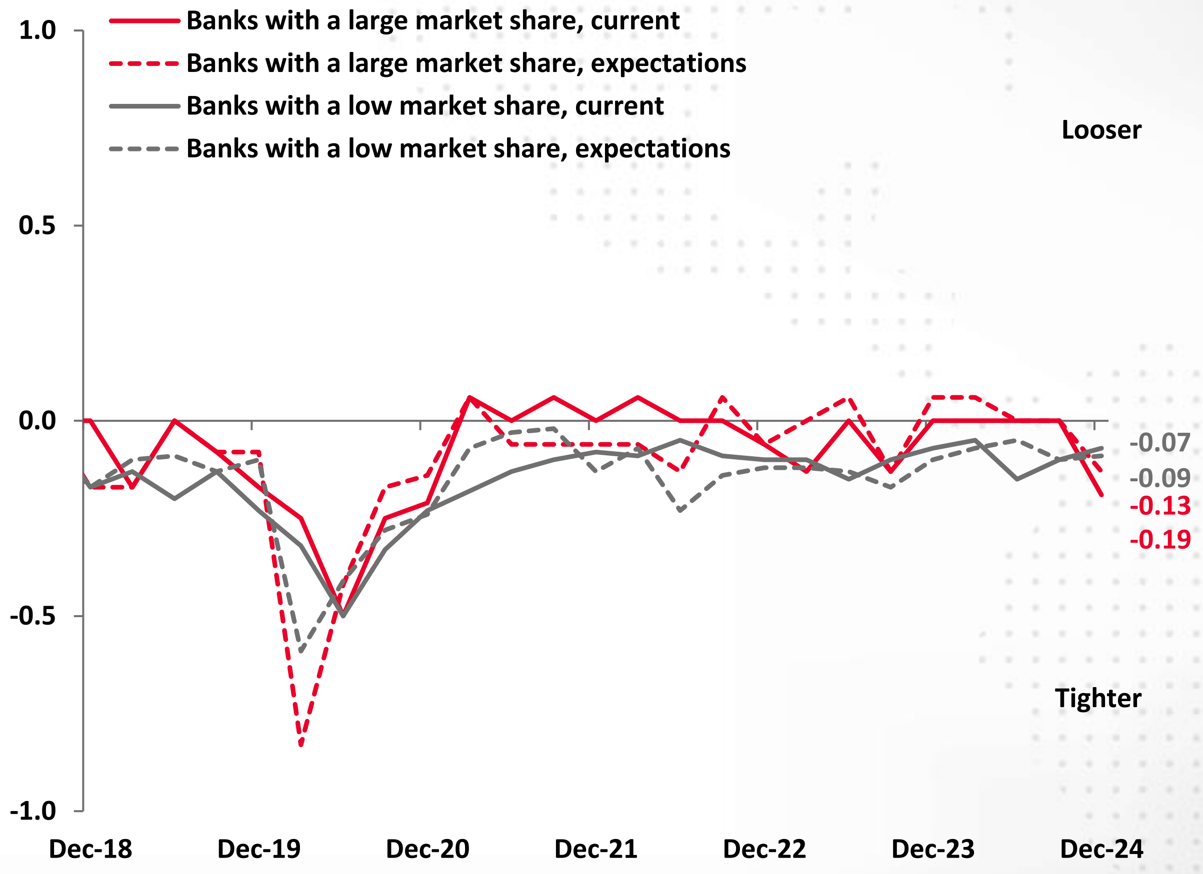
Credit demand by large companies

Sentiment indicator



Conditions and approval standards for large companies

Sentiment indicator

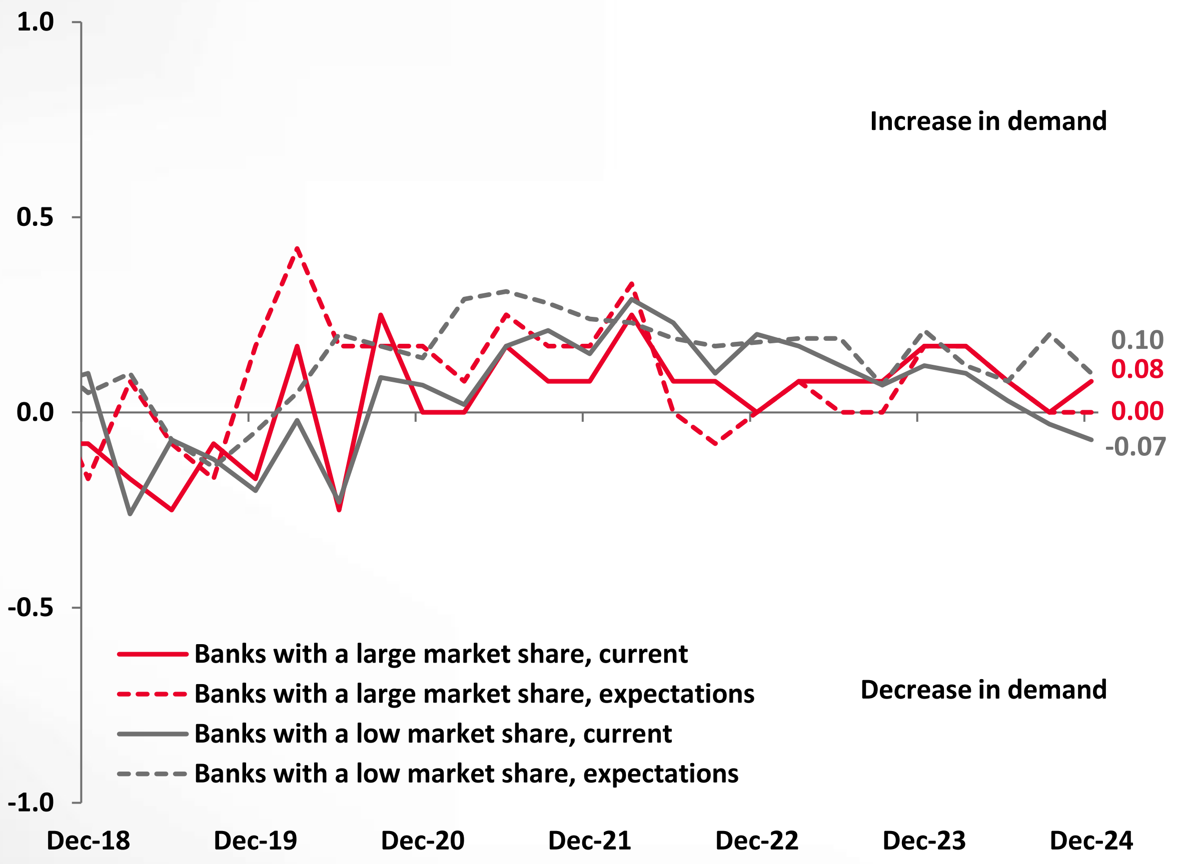


(1) Banks with a large (low) share are defined using a recursive average, which gives greater weight to the most recent quarters of the credit balance of each bank to determine which have the highest share in each component. Only banks with a share of at least 5% of the bank total credit portfolio balance 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

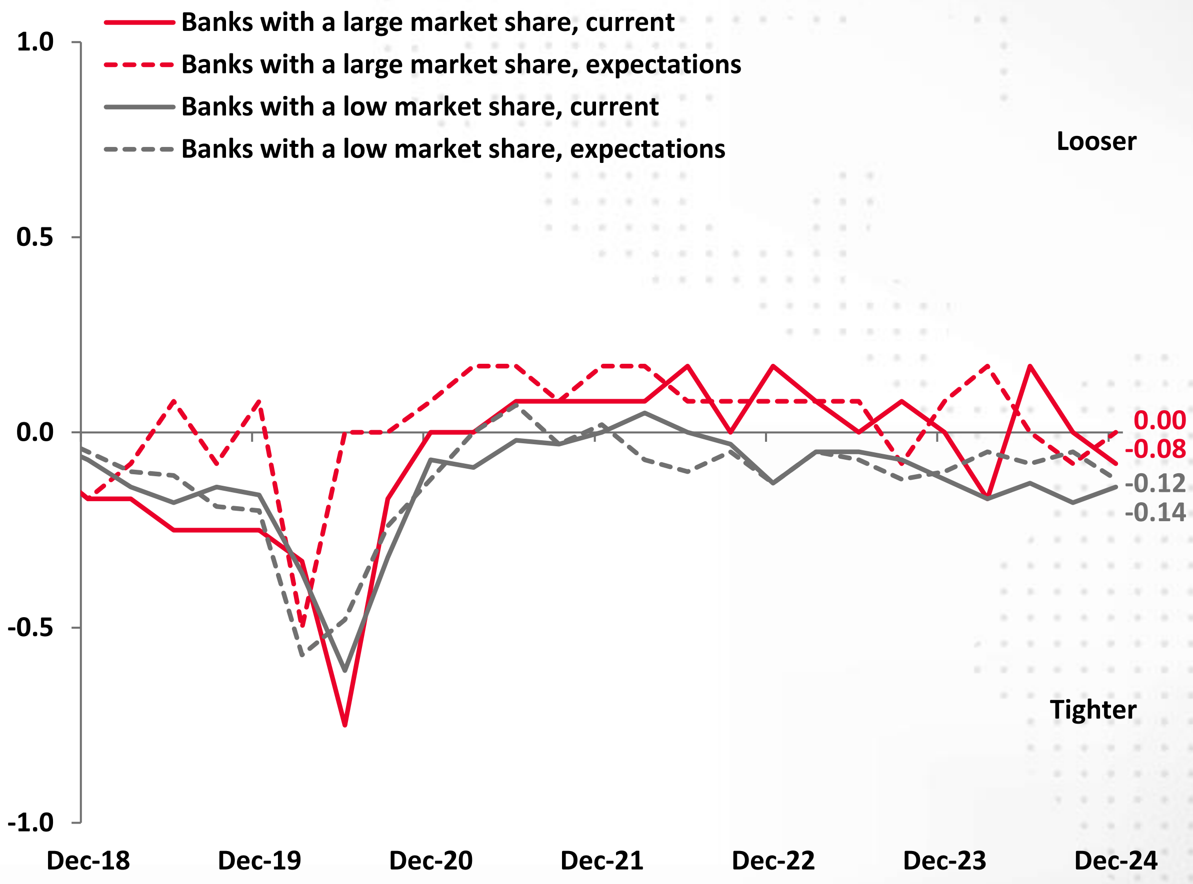
Credit demand by SMEs

Sentiment indicator



Conditions and approval standards for SMEs

Sentiment indicator



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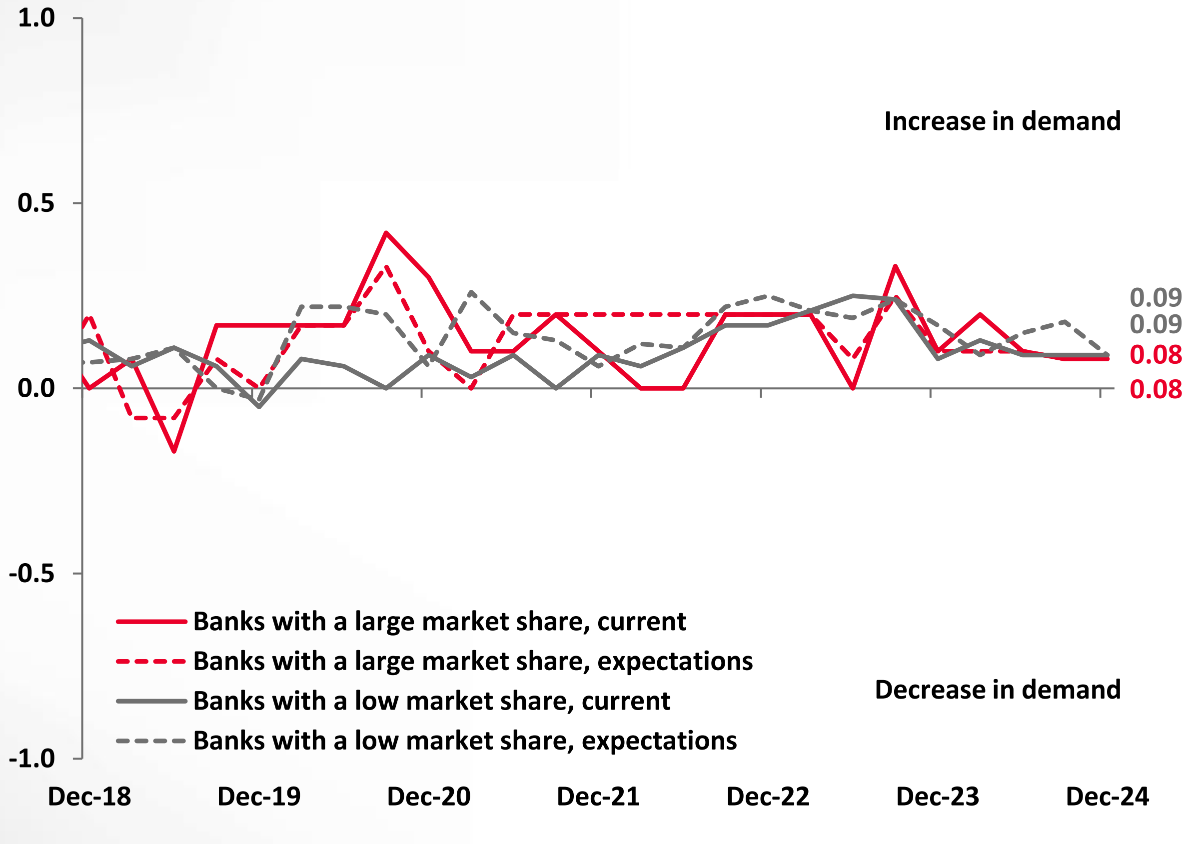
General conditions in the banking credit market* for private non-bank financial intermediaries (PNFI)**

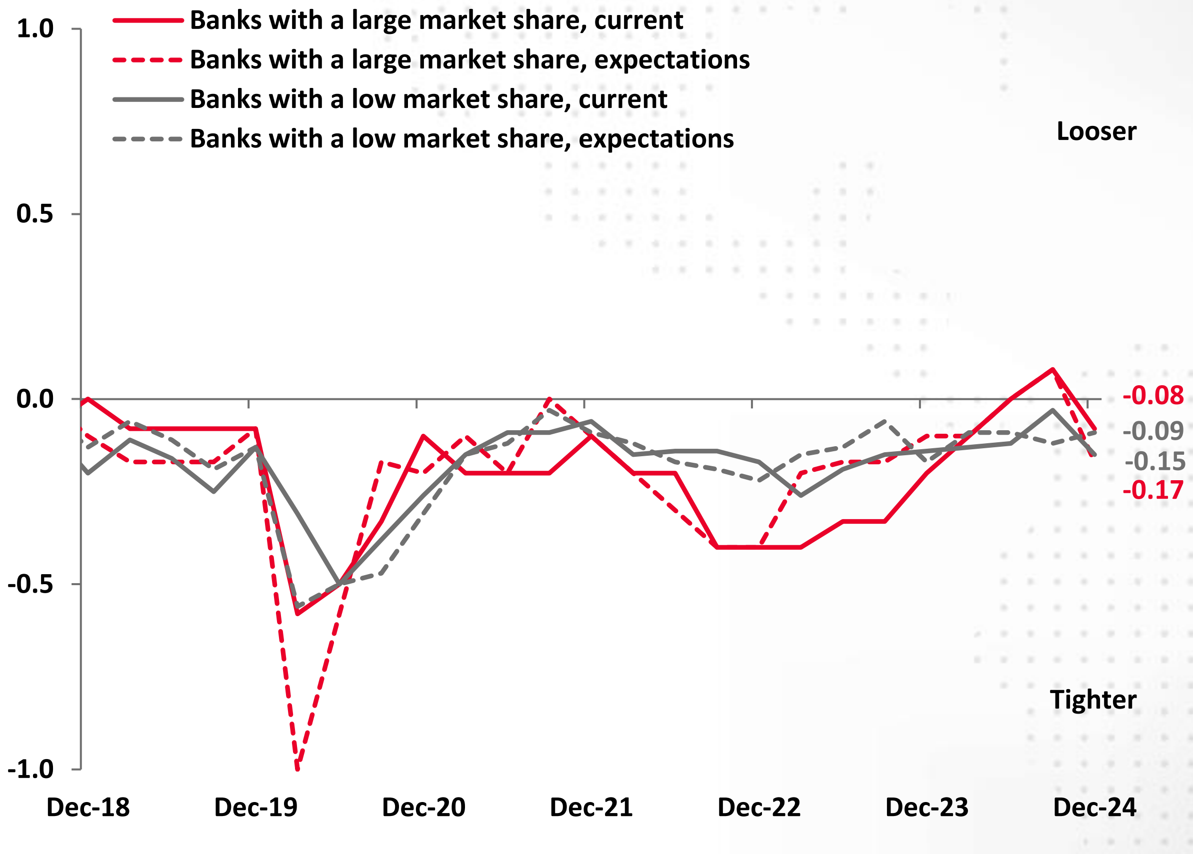
Credit demand by PNFIs

Sentiment indicator



Conditions and approval standards for PNFIs

Sentiment indicator



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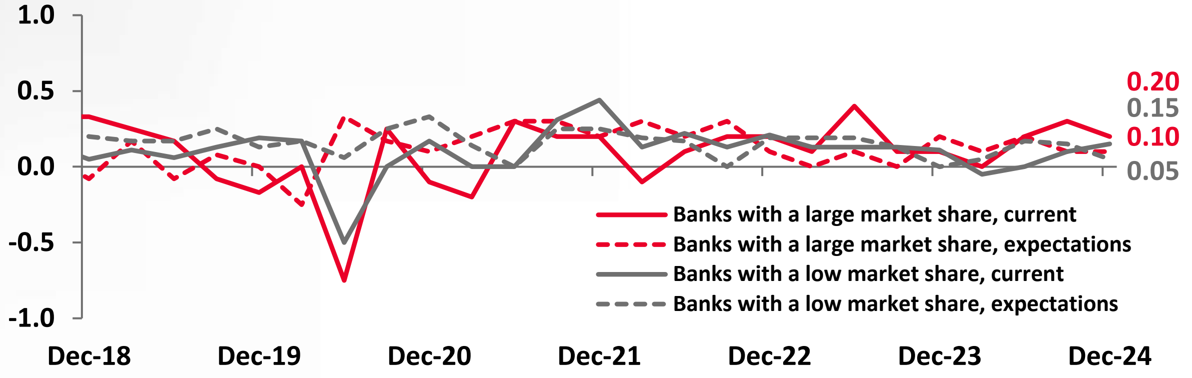
General conditions in the banking credit market for consumer loans*

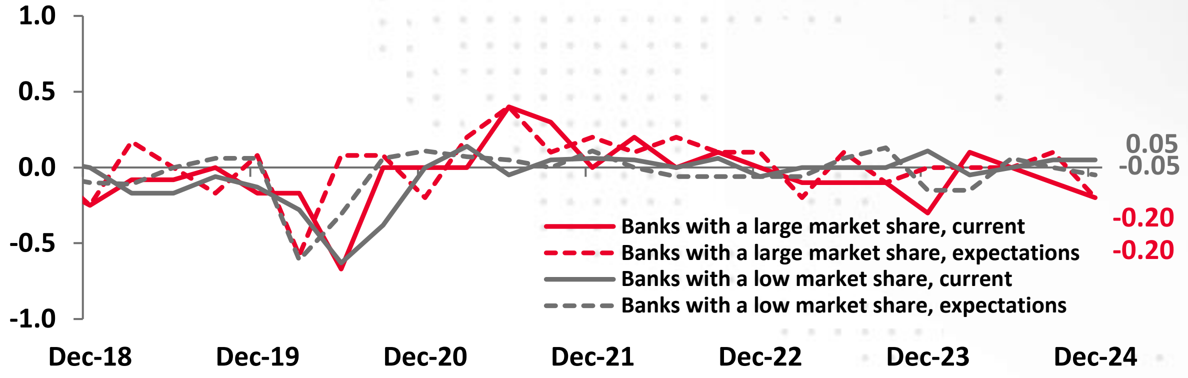
Demand for credit cards

Sentiment indicator



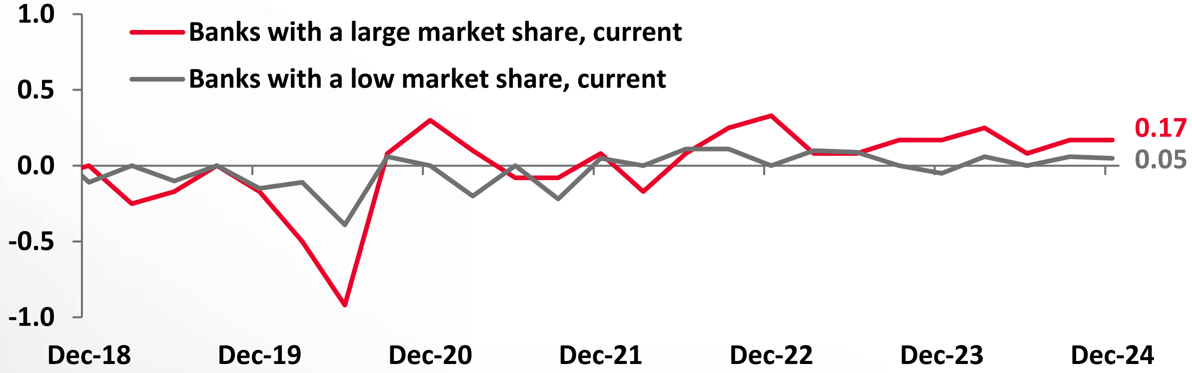
Conditions and approval standards for credit cards

Sentiment indicator



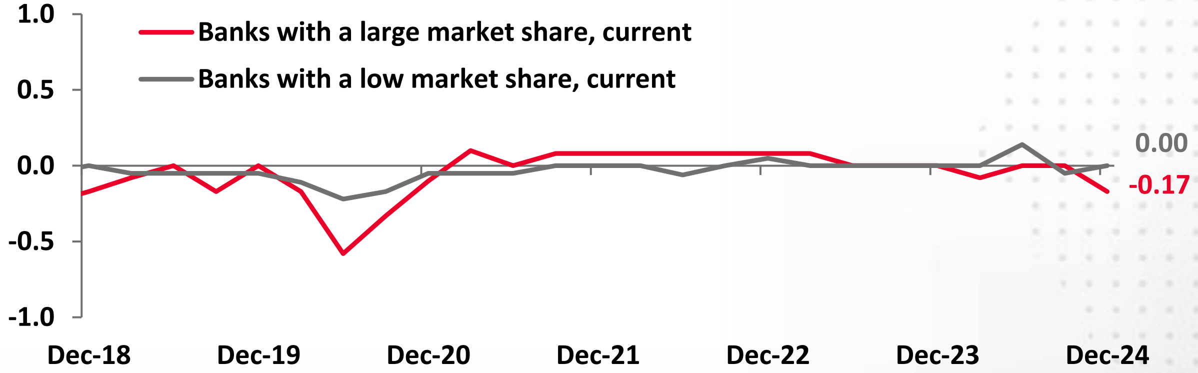
Demand for auto loans

Sentiment indicator



Conditions and approval standards for auto loans

Sentiment indicator



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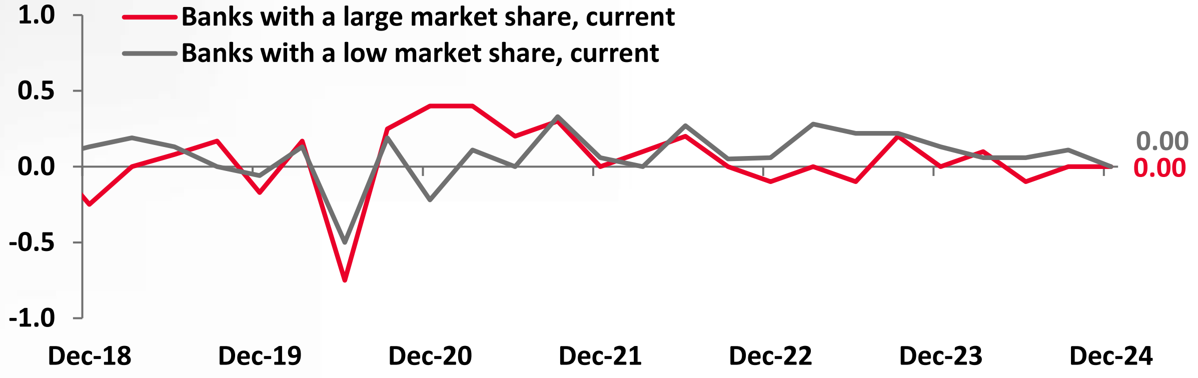
General conditions in the banking credit market for consumer loans*

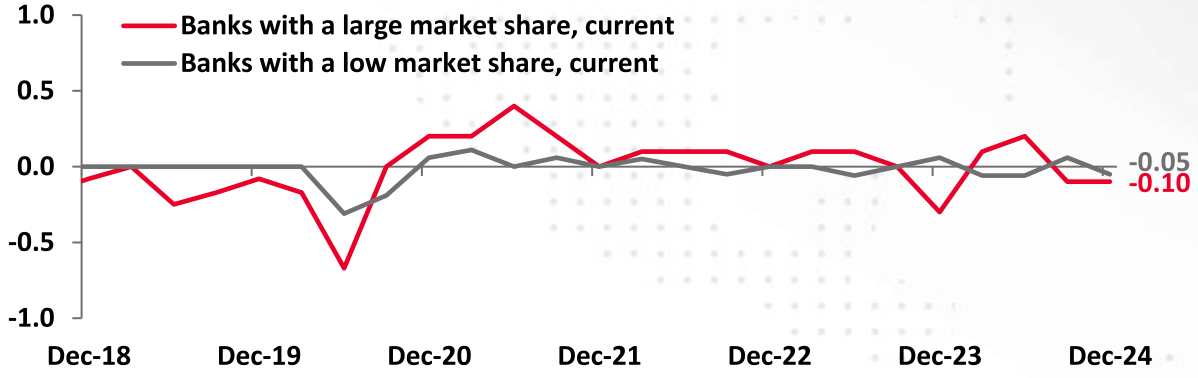
Demand for payroll loans

Sentiment indicator



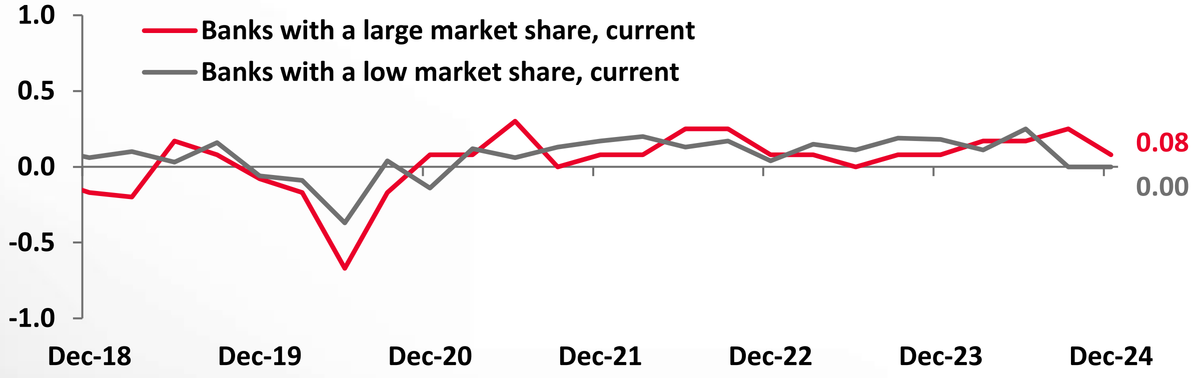
Conditions and approval standards for payroll loans

Sentiment indicator



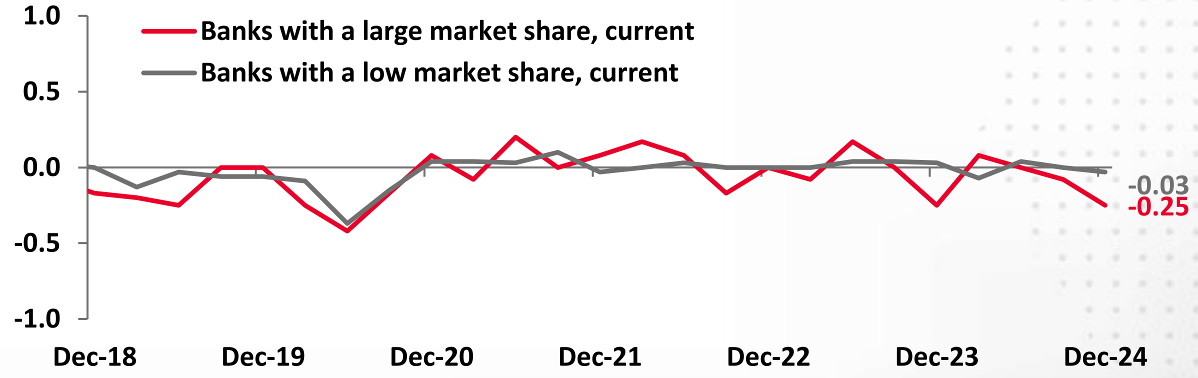
Demand for personal loans

Sentiment indicator



Conditions and approval standards for personal loans

Sentiment indicator



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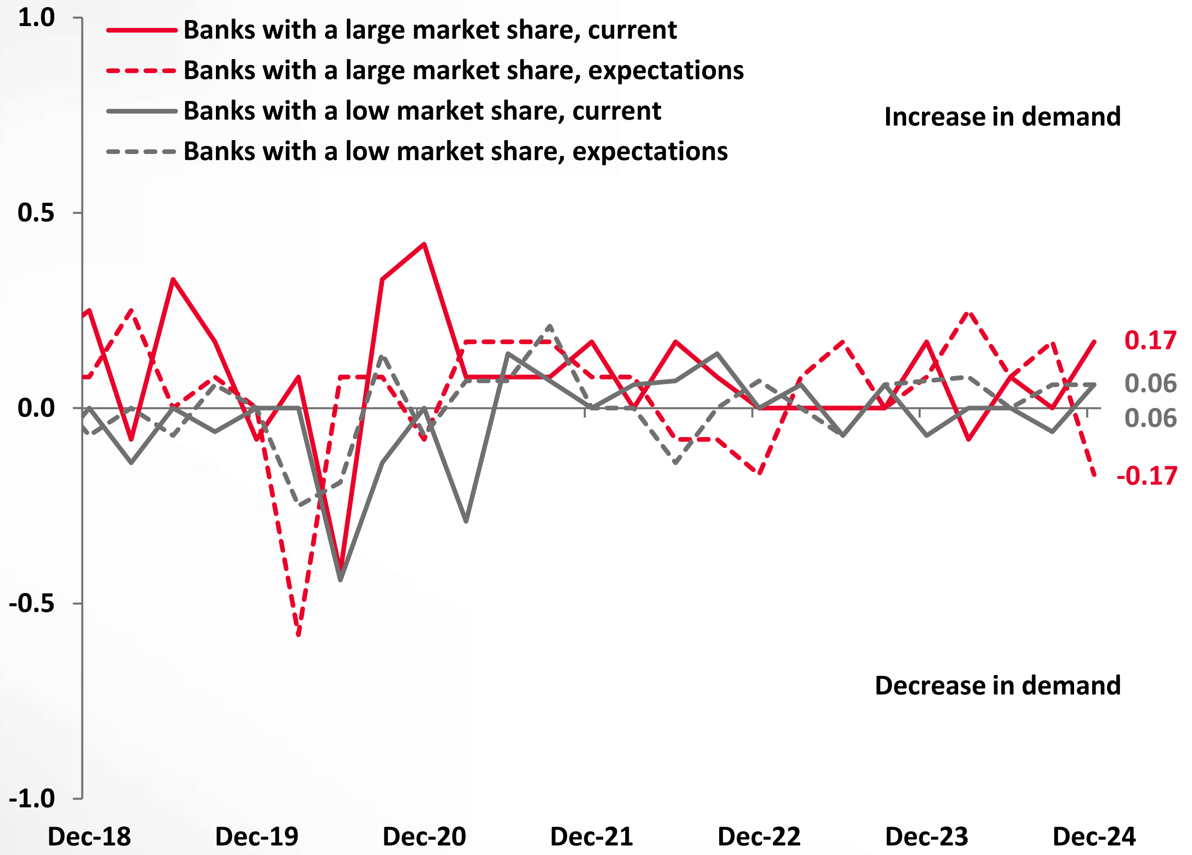
General conditions in the banking credit market for mortgages*

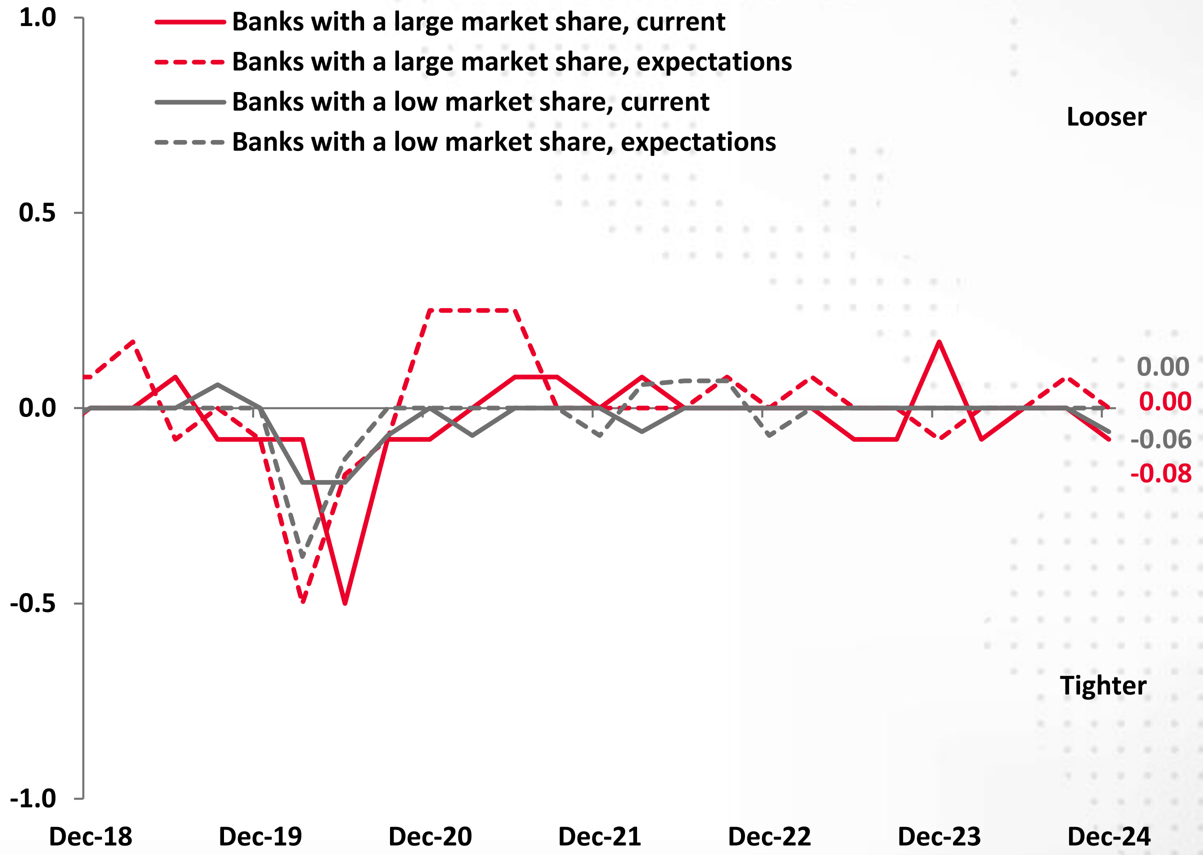
Demand for mortgages

Sentiment indicator



Conditions and approval standards for mortgages

Sentiment indicator



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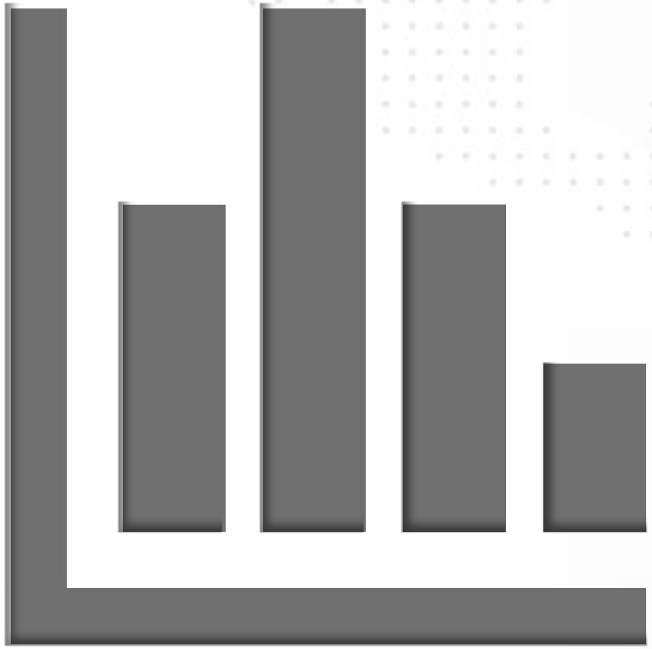
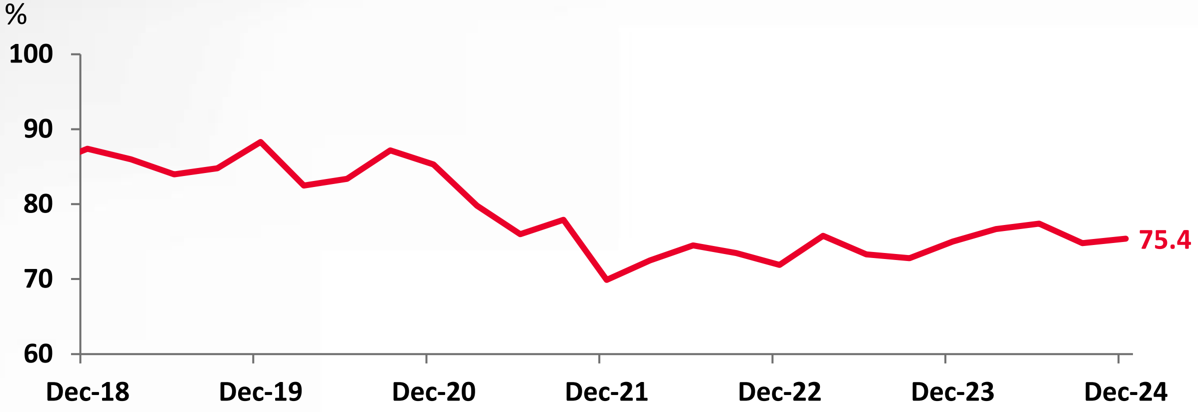
Survey on the current assessment of the credit market

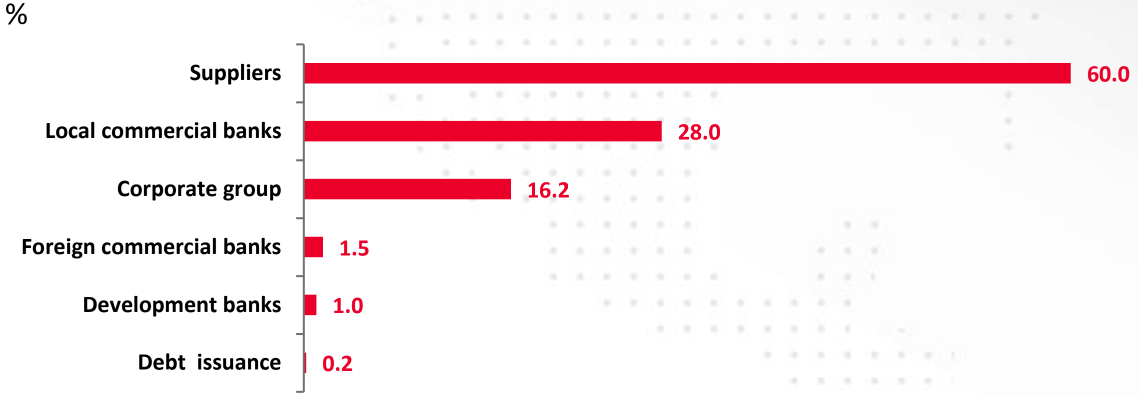


Firms' financing conditions

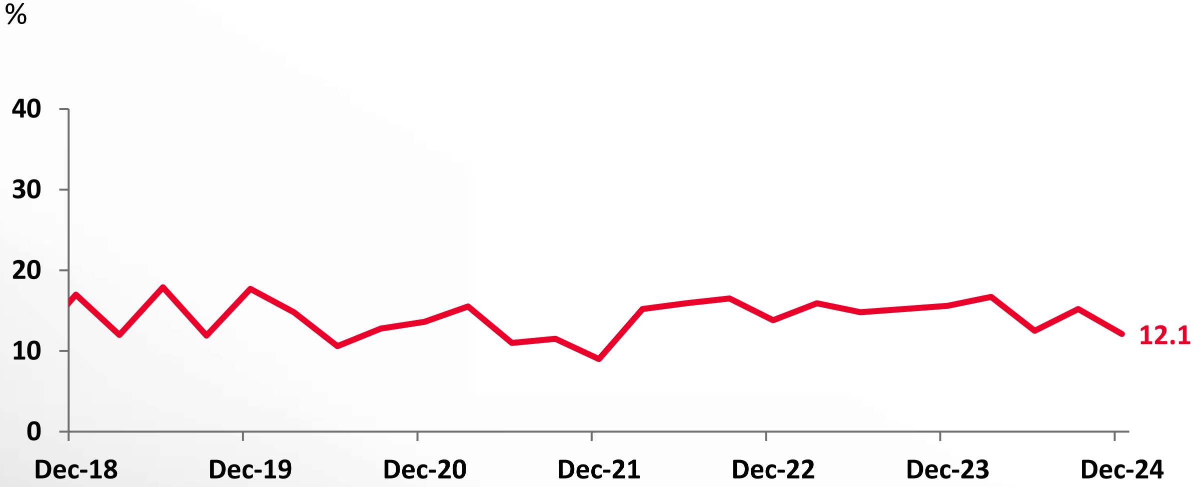
Companies that used some type of financing



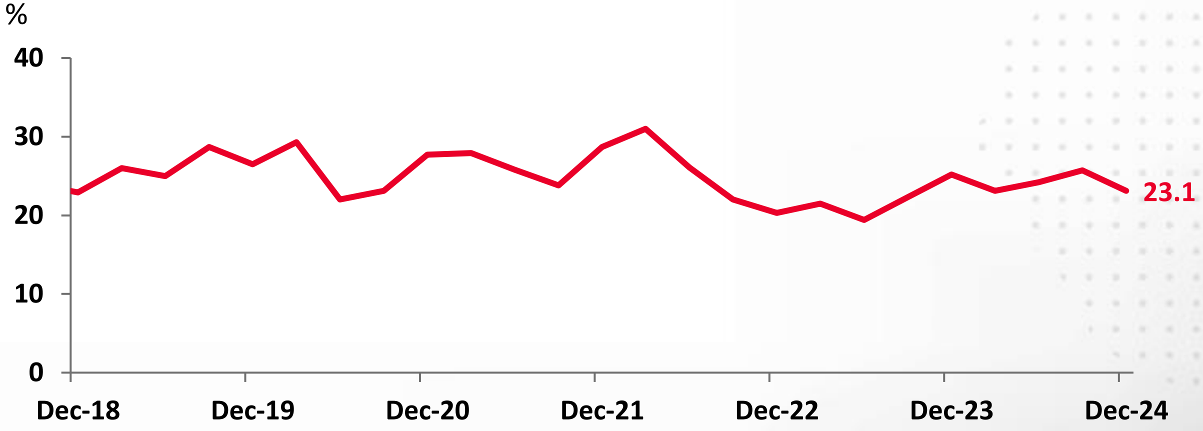
Sources of financing**



Companies that used new banking credit



Companies expecting to request financing from commercial banks next quarter

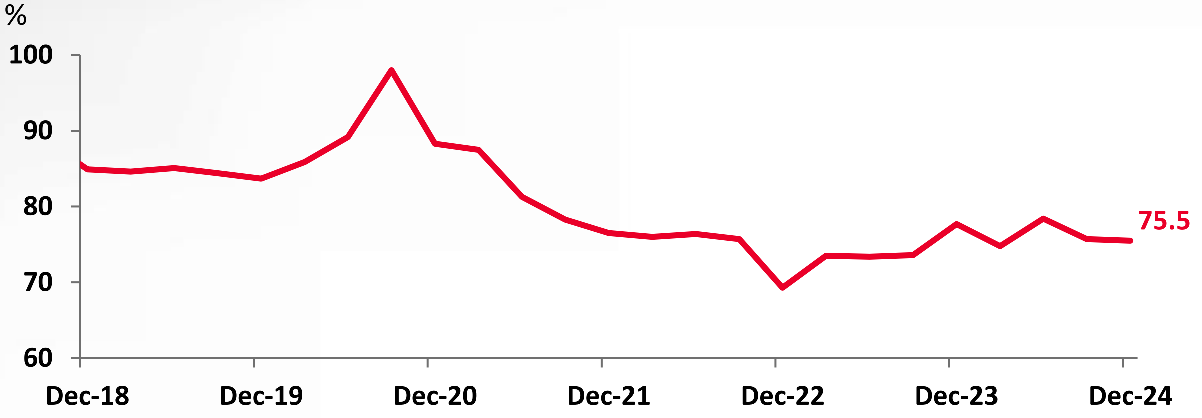


*Banking credit market includes commercial banks, development banks and abroad banks. **The sum of percentages may exceed 100 since companies can choose more than one option.

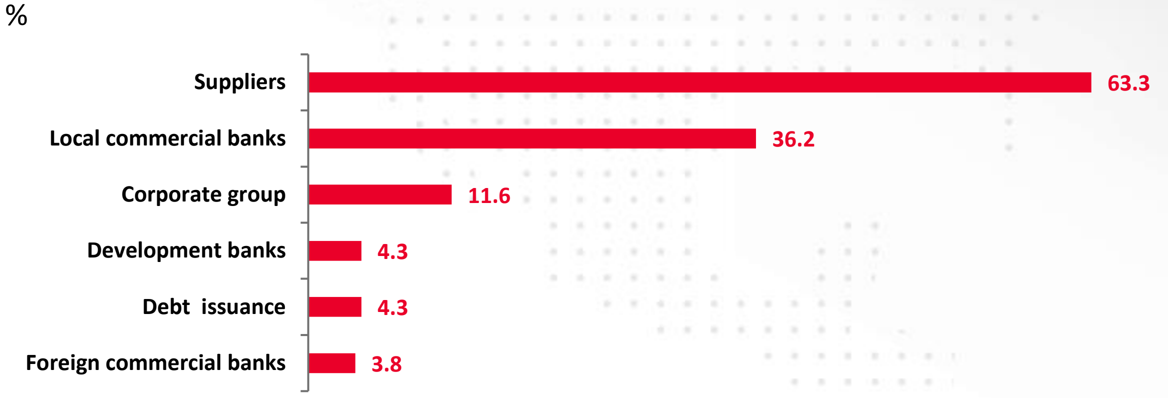
Source: Banxico

Economic activities financing: Manufacturing*

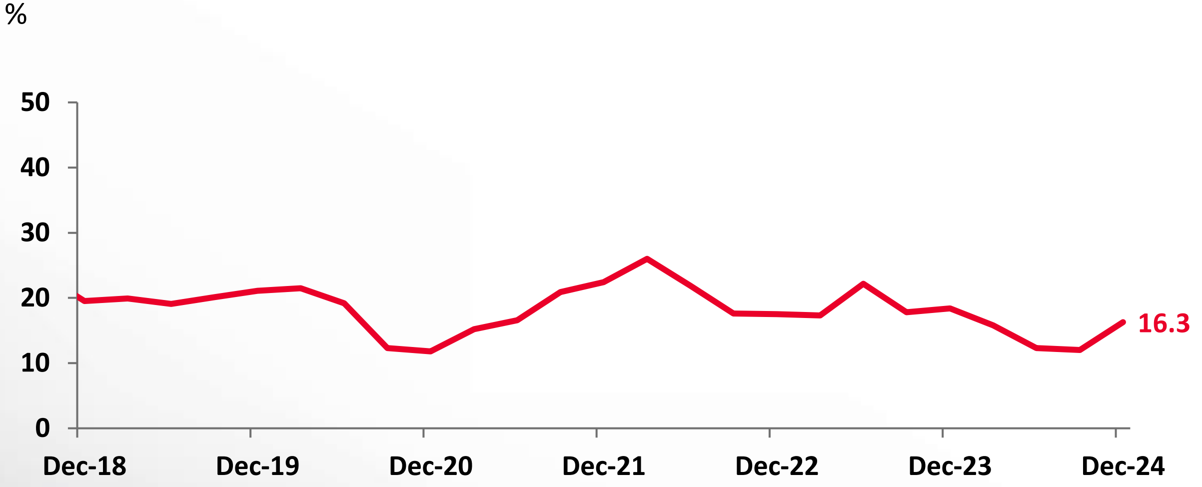
Companies that used some type of financing



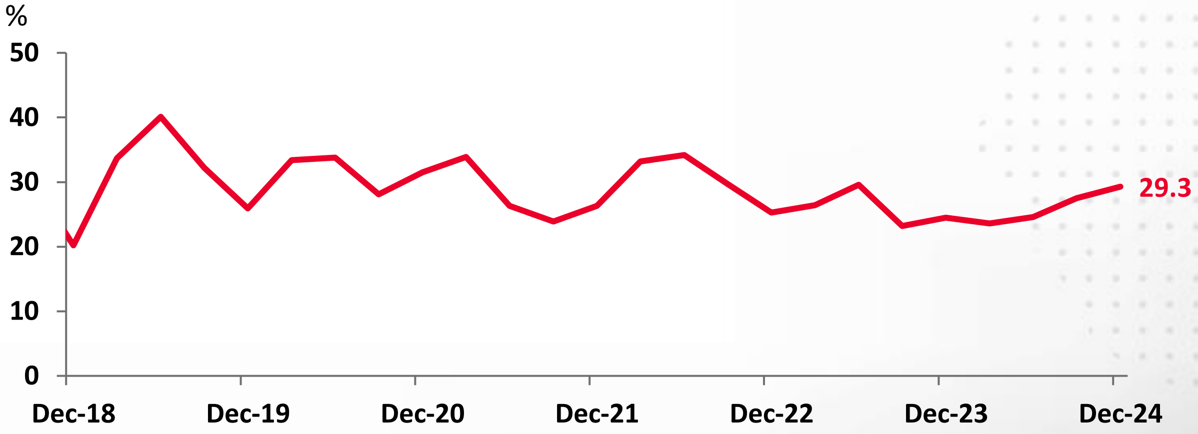
Sources of financing**



Companies that used new banking credit



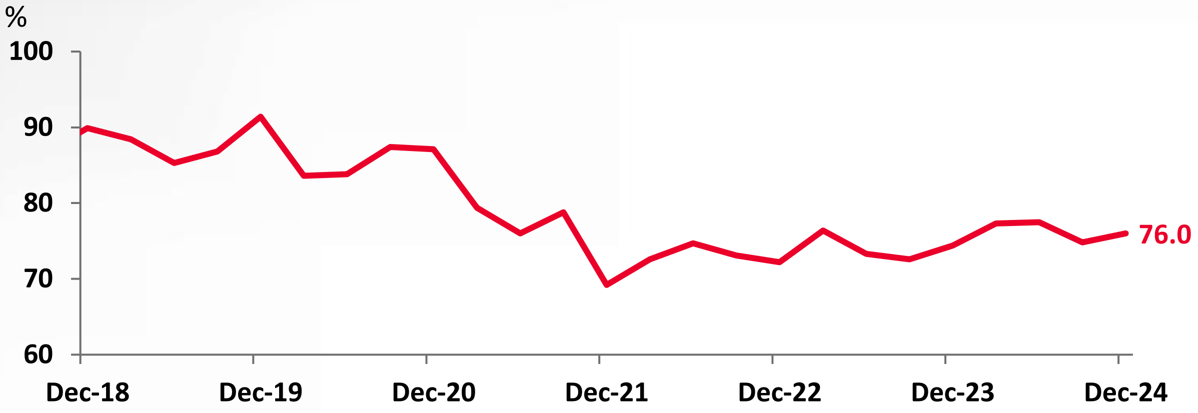
Companies expecting to request financing from commercial banks next quarter



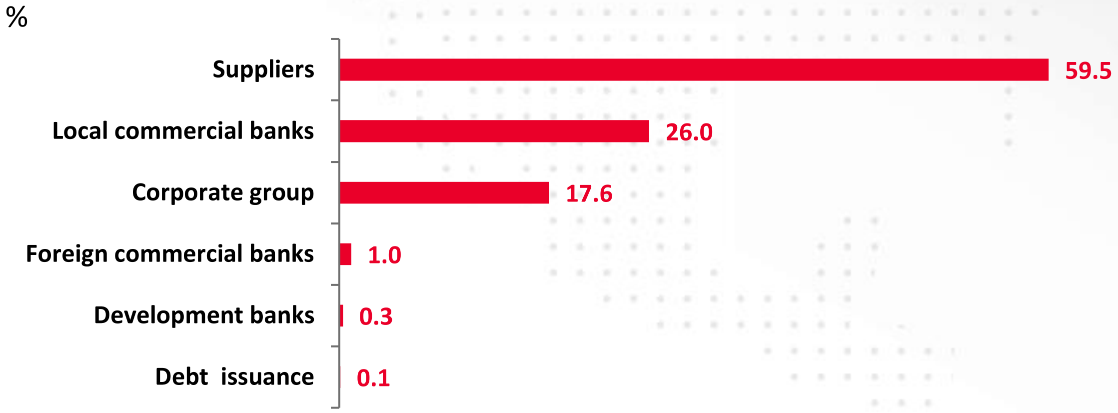
*Banking credit market includes commercial banks, development banks and abroad banks. **The sum of percentages may exceed 100 since companies can choose more than one option.
Source: Banxico

Economic activities financing: Services and commerce*

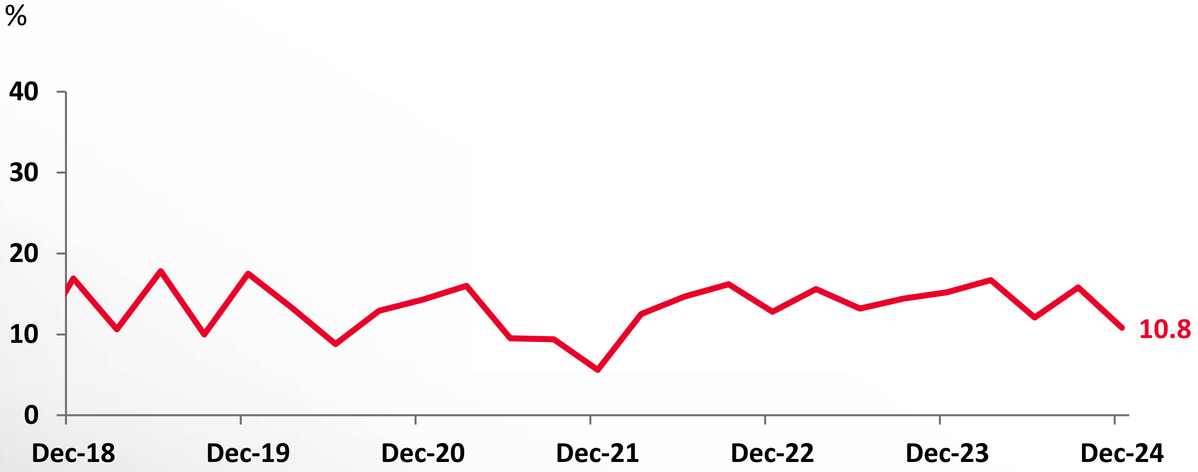
Companies that used some type of financing



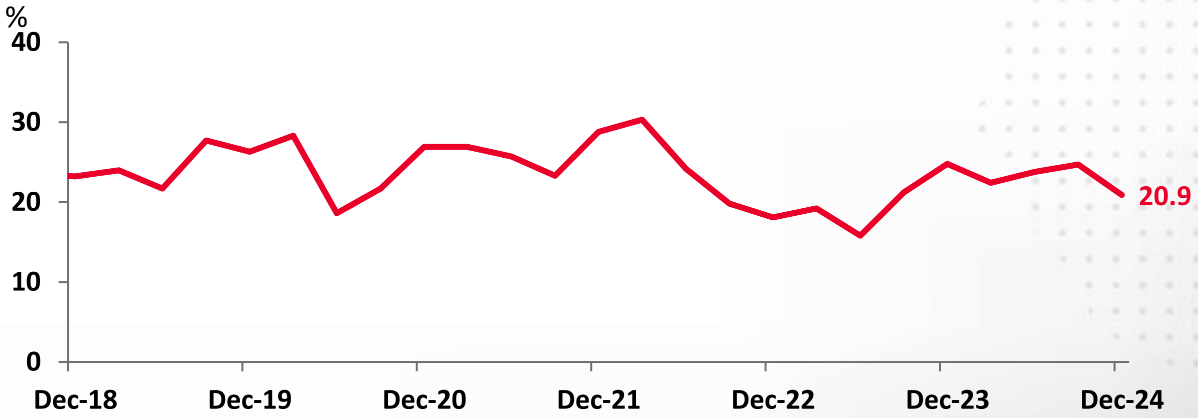
Sources of financing**



Companies that used new banking credit



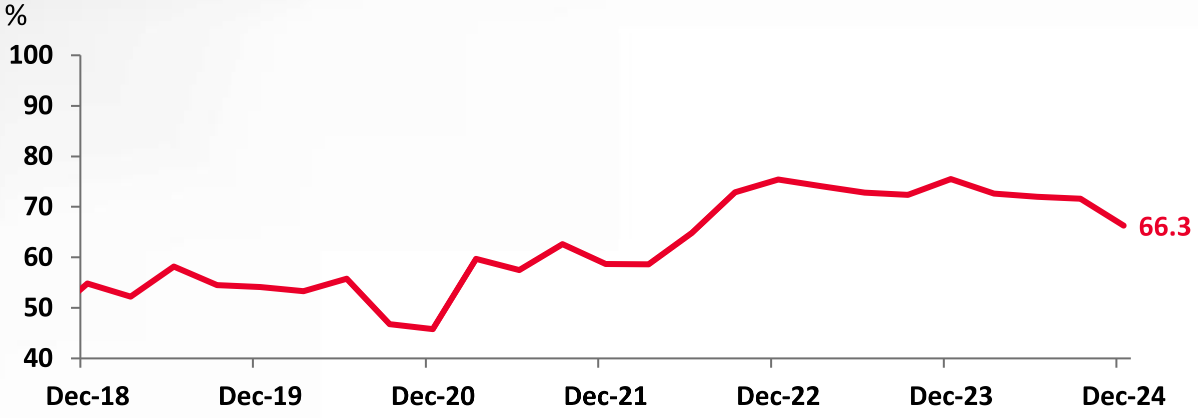
Companies expecting to request financing from commercial banks next quarter



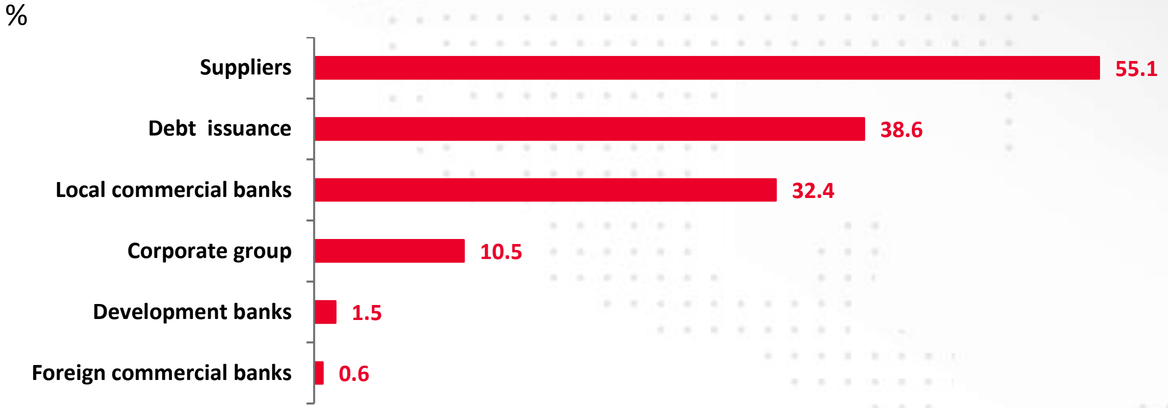
*Banking credit market includes commercial banks, development banks and abroad banks. **The sum of percentages may exceed 100 since companies can choose more than one option.
Source: Banxico

Economic activities financing: Construction*

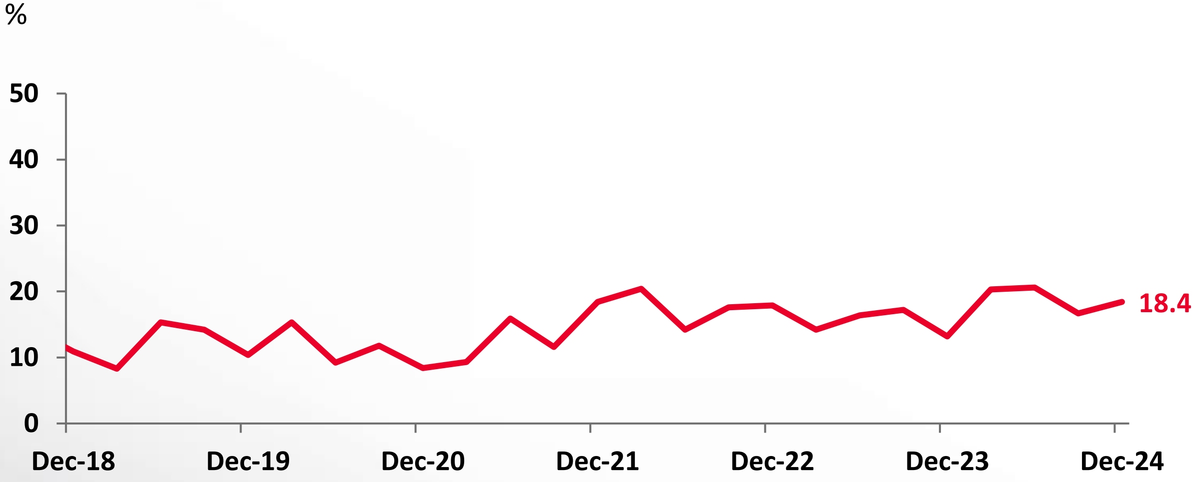
Companies that used some type of financing



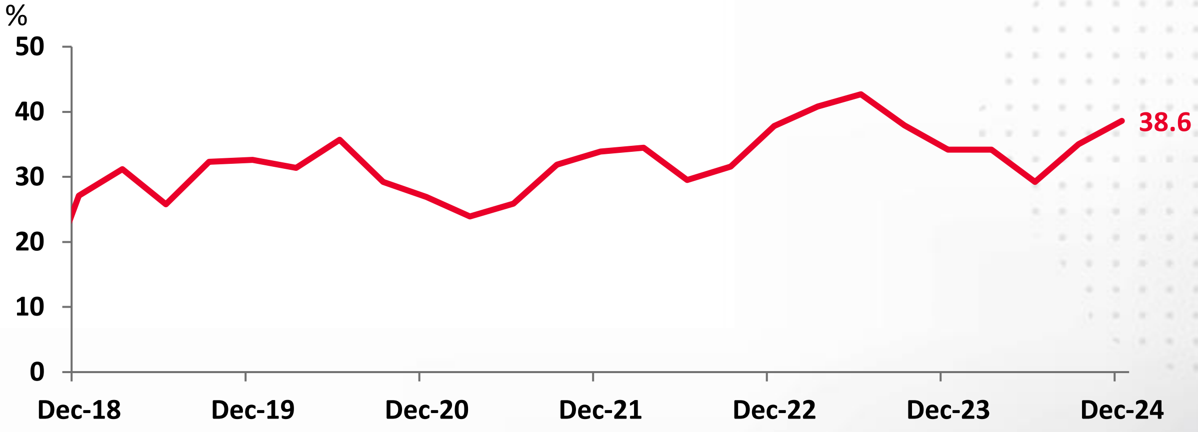
Sources of financing**



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 Cuautencos 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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