Methodological Change on the CF88 Table – BANK LENDING AND OTHER ALTERNATIVE SOURCES OF FINANCE OF THE DOMESTIC PRIVATE SECTOR

I. Consumer Credit

The 2003 methodology includes the following adjustments: 1) Information of Automotive Special Purpose Financial Institutions (SOFOLES) was divided in lending for consumption and business credit. Availability of more information made it possible to differentiate the credit granted to business and self-employed individuals with business activities (SEIBA), which was previously classified within the consumer credit.
2) Lending granted by American Express Co to enterprises (corporate credit cards) was identified and reclassified as lending to businesses and SEIBA in "other activities".
3) Information regarding securities holdings of non-real state SOFOLES and Savings and Loan institutions (SAPs) was reorganized, since this kind of financing is not consumer credit.

II. Mortgage Credit

In the 2003 methodology securities holdings of real state SOFOLES were reorganized, as it does not represent financing to the aforementioned sector.

III. Financing granted to business and self-employed individuals with business activities (SEIBA)

In the new methodology, business and SEIBA lending is divided in two sections: domestic bank lending and alternative sources of finance (which it is also divided in: domestic and foreign non-bank lending). Alternative sources of finance are formed by:

1) Foreign debt (Source: balance of payments).
2) Debt issuance (i.e. commercial paper, stock exchange certificates, etc).
3) Credit granted by SAPs, non-real state SOFOLES, leasing and factoring enterprises.
4) Non banking liabilities of companies listed in the Mexican Stock Exchange..

Regarding the later figure, the following should be highlighted: In the previous methodology, non-bank lending included the following domestic and foreign liabilities: Accounts payable, Short-term debt issuances, Current Non-Banking Liabilities and Other Non-Banking Liabilities. In the new methodology other short and long term liabilities were included, the final outcome is equal to deduct from the Business' Total Liabilities[1] intangibles accounts, like goodwill and other deferred liabilities. It is important to emphasize that in order to avoid double counting the aforementioned Total Liabilities are deducted with those concepts already included in the previous items of the definition (sections 1 to 3).

[1] Total Liabilities are constituted by Current Liabilities (account payable, bank lending, stock exchange lending, taxes owed and other current liabilities), Long-Term Liabilities (bank lending, stock exchange lending and other long term lending), Deferred Liabilities (goodwill and other deferred liabilities), Other Liabilities (creditors for currency transactions, reassessment of goodwill amortization).