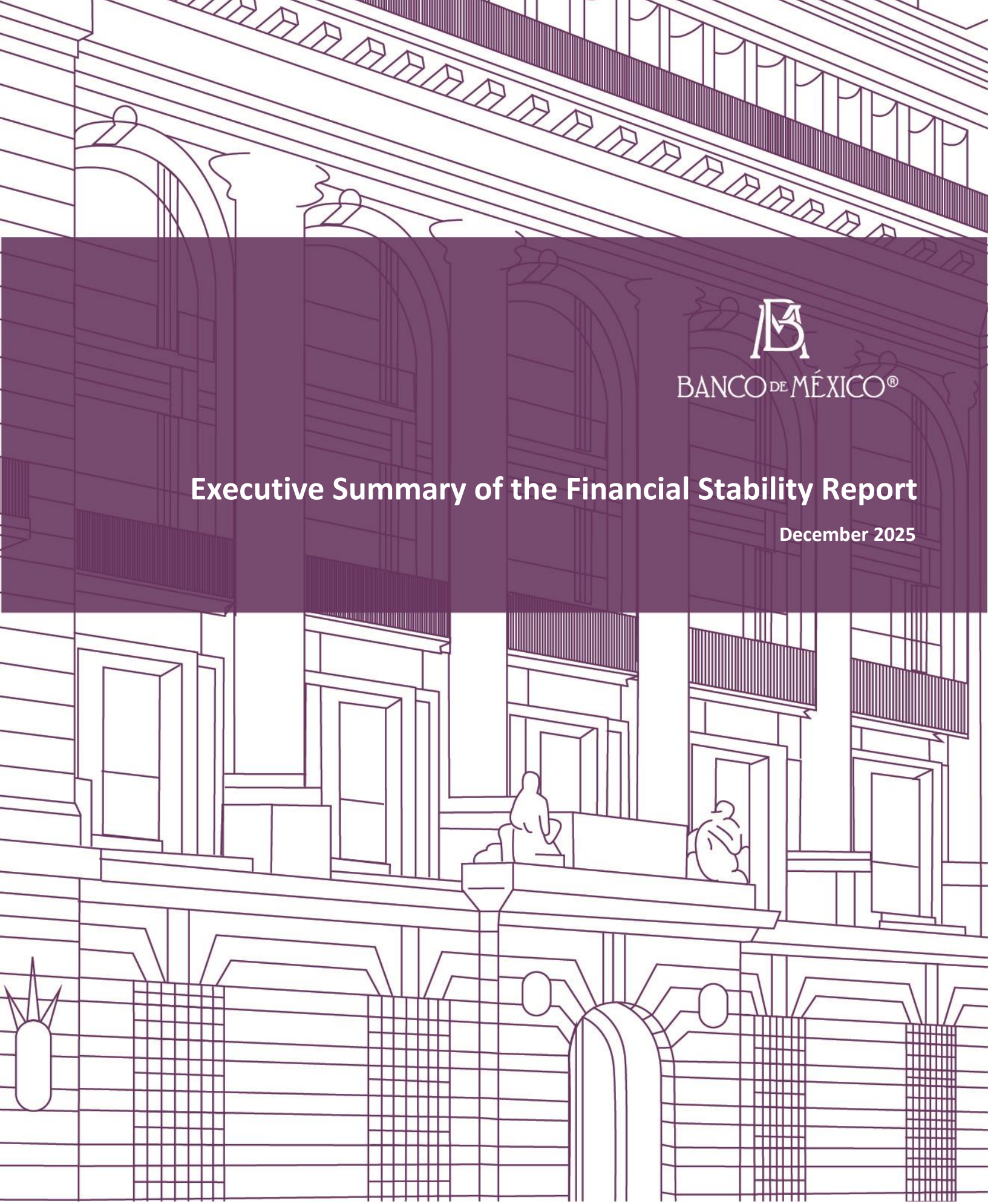


BANCO DE MÉXICO®

# Executive Summary of the Financial Stability Report

**December 2025**

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## Executive summary

The Mexican financial system remains solid and resilient overall, in an international environment characterized by a slight improvement in both global economic growth and the outlook for 2025 and 2026. At the same time, trade uncertainty has declined, and adjustments in monetary policy trajectories reflect a less restrictive stance compared to the first half of the year.

### Macro-financial conditions

Global economic growth picked up slightly in the second quarter of the year, given the upturn in economic activity in the United States, which boosted growth in advanced economies as a whole. Available information points to some moderation in the third quarter. Thus, in October the International Monetary Fund revised its global growth projections for 2025 and 2026 upwards. The more positive outlook was partly due to the implementation of lower tariffs than those initially announced by the United States and to an improvement in international financial conditions following the depreciation of the US dollar. The above factors contributed to strengthening global demand.

During the second half of 2025, volatility and uncertainty in international financial markets declined, after a number of trade agreements between the United States and some of its main trading partners were reached and following the continued downward trend in inflation.

In Mexico, economic activity accelerated slightly during the second quarter of the year compared to the first. However, it contracted in the third quarter. Meanwhile, annual headline inflation declined between the second and third quarters of 2025, primarily driven by a reduction in the non-core component and a stabilization of the core component, and has remained at similar levels so far in the fourth quarter.

The Mexican peso has maintained its appreciation trend, mainly due to the expectation of a relatively more favorable status of Mexico in the context of trade tensions with the United States.

During this period, Banco de México's Governing Board lowered the reference rate to 7.25%, after cutting it at its June, August, September, and November 2025 meetings. It also reiterated that it would evaluate further adjustments to keep consistency with the trajectory needed for inflation to converge to the 3% target during the forecast period.

### Evolution of total financing and aggregate risk indicators

Total financing to the private non-financial sector amounted to 102.6% of GDP at the end of September 2025, distributed among the public sector (59.0%), non-financial firms (24.9%), and households (18.7%).

The Financial Market Stress Index trended downwards until the first week of October and, despite slightly increasing afterwards, it remains at a moderate level, below that registered in the last *Report*. Similarly, the Financial Conditions Index declined, easing for the first time since June 2021. The performance of both indices was associated with more favorable trends in country risk variables, as well as in debt, foreign exchange, and equity markets.

The Macro-Financial Vulnerability Index remains below the thresholds for the financial, real, external, and public sectors, indicating that no significant vulnerabilities have been detected in the economy.

### Risks to the financial system

Banco de México comprehensively assesses a wide range of risks to the stability of the financial system using both qualitative and quantitative indicators, which can be classified into two main categories: i) macro-financial risks, associated with the evolution and potential deterioration of domestic and global economic and financial variables, and (ii) risks inherent to the financial system that affect households, companies, the public sector, commercial banks, and other intermediaries, including possible disruptions in financial markets and payment systems.

Regarding the macro-financial risks that could arise and affect the financial system as a whole, the following stand out: i) an intensification of geopolitical and trade tensions, ii) surprises in the trajectory of global financial conditions, iii) unexpected adjustments in the credit ratings of key domestic issuers, and iv) the materialization of a

systemic event with implications for the global financial system.

At the sectoral level, households' financial position improved since the previous *Report*, mainly due to an increase in mandatory savings.

Meanwhile, the consumer loan portfolio of banks and their related *sofomes* grew across all segments in real annual terms, with automotive and personal loans standing out. However, the pace of growth slowed down and the overall non-performing loan ratio (NPL) increased slightly during the period in all segments, except for payroll loans.

Credit granted by non-bank financial intermediaries displayed a mixed behavior: financing from regulated intermediaries slowed down, while that from non-regulated intermediaries contracted slightly. The NPL ratio for this sector and for *Infonacot* increased slightly since the last *Report*, although the NPL ratios in *sofipos* and *socaps* remained relatively stable.

In the housing segment, total mortgage loans from both bank and non-bank sources grew at a slightly higher rate. In contrast, *Infonavit* increased its loan origination, while *Fovissste* reduced its activity, leading to a contraction in its total loan portfolio. The NPL ratio for bank mortgage loans continued increasing, although it remains below its average since 2006. The NPL ratio for *Infonavit* and *Fovissste* remains elevated relative to their performance over the last five years.

A decomposition analysis of the changes in NPL ratios by borrower shows that female participation (as a share of total borrowers) increased across all considered loan portfolios, which supports the decrease in NPL ratios across the board.

Total financing to private non-financial companies —from bank and non-bank sources, both external and domestic—grew in real annual terms, albeit at a slower pace. The increase of debt issuance in the domestic market during the second quarter was mainly driven by long-term bonds; nonetheless, issuance slowed down during the third quarter and maintained this trend at the end of November.

For banks, corporate NPL ratios increased compared to the previous *Report*, driven by a rise in NPLs among large companies. By type of originating currency, the NPL ratio of peso-denominated portfolios rose slightly, while that of US dollar-denominated portfolios declined.

The Vulnerability Index of Listed Companies decreased during the period analyzed in this *Report* and is now in the low-vulnerability range, reflecting favorable developments in the variables related to profitability, debt-servicing capacity, and refinancing risk. As a result, the number of firms with financial indicators suggesting financial vulnerabilities declined. Meanwhile, banks' exposure to these firms remains low in relation to their regulatory capital.

The public-sector balance so far this year shows a smaller deficit than projected in the 2025 Economic Package. For year-end, the Federal Government anticipates a public-sector deficit of 3.6% of GDP. The credit-risk profile of state governments improved in nine states and deteriorated in one state, while across municipalities, fourteen showed improvements and six, deteriorations.

Commercial banks maintain solid capitalization and liquidity levels, exceeding regulatory minimums. Stress tests indicate that the banking system as a whole has sufficient capital and liquidity levels to withstand simulated adverse scenarios.

During the period, to ensure continuity of services and safeguard depositors' rights, as well as the integrity of the financial system, the Governing Board of the National Banking and Securities Commission decreed a temporary managerial intervention of two commercial banking institutions and one broker-dealer. Subsequently, part of the intervened banks' operations was sold to different commercial banks, and the authorities also approved the voluntary license revocation requested by one of the intervened banks. Given the size and interconnectedness of the institutions involved, the stability of the domestic financial system remained unaffected.

Regarding the banking sector, credit risk increased marginally due to higher risk in the corporate and consumer loan portfolios. In contrast, market risk decreased slightly as a result of the growth in net banking capital. Liquidity risk remained stable, while contagion risk increased marginally, albeit remaining at low levels.

Among other non-banking financial intermediaries (ONBFI), funding sources remain heterogeneous, although the amount of funding has increased since 2022. During the reporting period, commercial bank financing granted to regulated and non-regulated ONBFIs increased, while development bank financing rose for regulated institutions, but decreased for non-regulated ones.

Total financing extended to the private non-financial sector by ONBFIs increased in real annual terms. However, NPL ratios within this portfolio also increased slightly, and for non-regulated entities, these ratios are at historically high levels. The number of entities in the ONBFI sector with risk indicators suggesting financial vulnerabilities increased slightly. Nevertheless, these institutions' share of total assets decreased, and banks' exposure to these entities is low relative to banks' regulatory capital.

The financial system remains exposed to both environmental and cybersecurity risks. Banks' credit portfolio exposure to climate transition risks has decreased across all economic sectors (grouped by nature of their emissions). In contrast, the banking system's credit portfolio exposure to physical climate-related risks (such as heatwaves, cyclones, and floods) has increased, with floods remaining the phenomenon banks are most exposed to. Although institutions most exposed to these physical climate-related risks through their mortgage portfolios exhibited increased liquidity, their NPL ratios also rose. Regarding cybersecurity, the Cybersecurity Index of Mexican financial institutions improved compared to 2024. Notably, Banco de México promotes exercises aimed at strengthening the Mexican financial system's cyber-resilience.

### Policy measures implemented

During the second half of 2025, regulatory changes were implemented regarding payroll loans, transactions involving illicit funds, securities market transactions, risk diversification, and accounting standards, aimed at strengthening and updating the regulatory framework in line with best practices and international standards.

Banco de México and other financial authorities will continue strengthening macroprudential coordination and forward-looking risk assessment through stress testing and ongoing monitoring of the financial system.

### Final remarks

Overall, available indicators suggest that the Mexican financial system remains stable and resilient, supported by adequate liquidity and capital levels. However, risks stemming from global uncertainty and exposure to certain non-bank intermediaries persist, which requires close monitoring of their developments.

Banco de México reaffirms its commitment to preserving the stability of the financial system and ensuring the proper functioning of payment systems. To this end, it will take necessary measures, in coordination with other authorities, abiding by its mandate and in strict compliance with the legal framework.



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