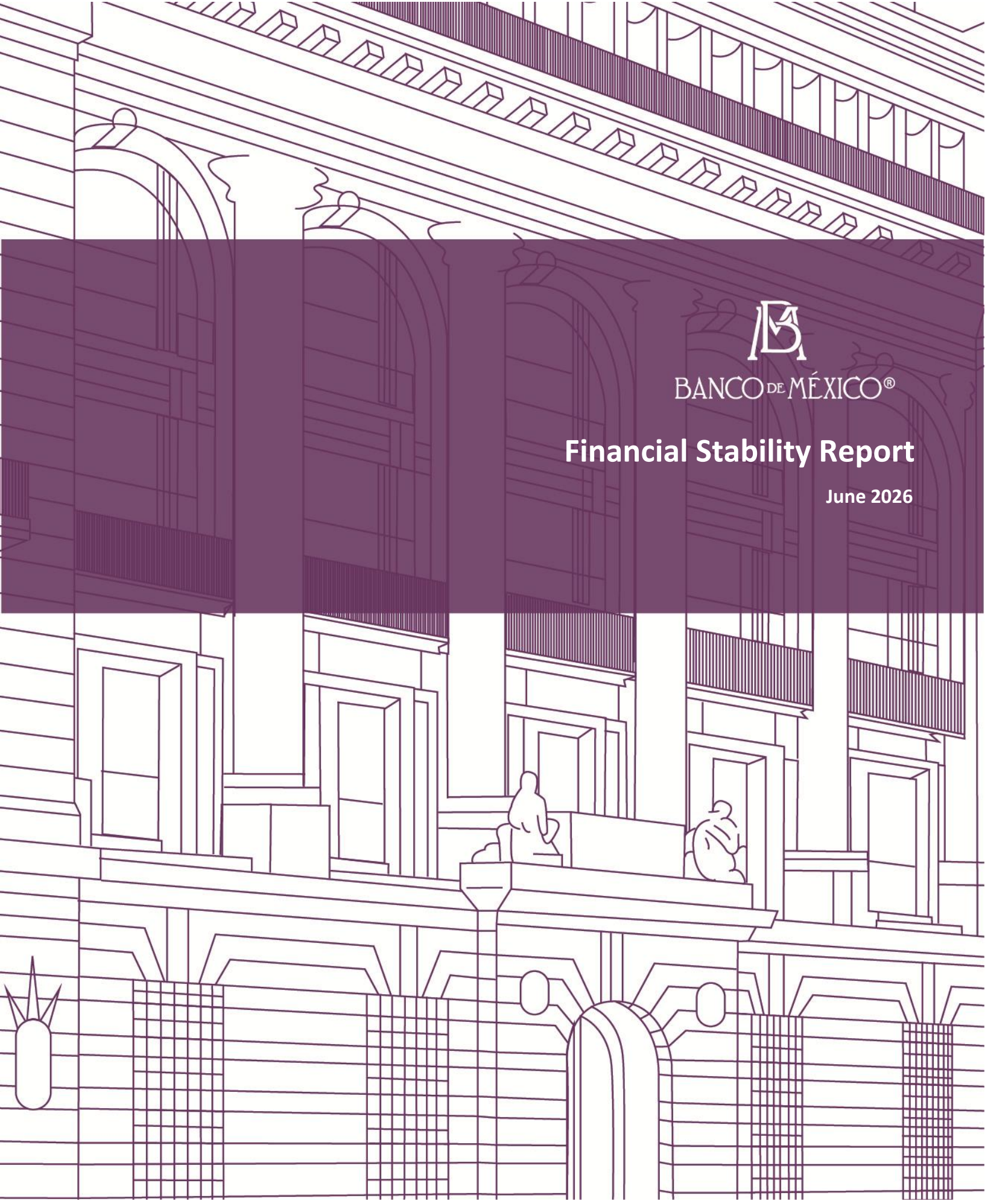


BANCO DE MÉXICO®

Financial Stability Report

June 2026

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The meanings of all abbreviations and acronyms appear at the end of the document. The term "billion" represents 1,000,000,000, while "trillion" equals 1,000,000,000,000 (a thousand billion), as commonly used in English.

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Definition of Financial Stability and scope of the Financial Stability Report

Banco de México, considering its purposes of promoting the sound development of the financial system and fostering the proper functioning of the payments system, monitors the performance of the Mexican financial system and its participants, as well as the main risks and vulnerabilities that could affect its stability and, therefore, its proper functioning.

A stable financial system is one in which financial institutions, markets and their infrastructures facilitate the exchange of funds between savers, borrowers, and investors, with adequate risk management, thus contributing to the proper functioning of the economy and achieving sustainable economic growth. Financial stability also implies that the financial system is able to withstand shocks while it also contributes to maintain an environment of macroeconomic stability and growth. An adequate functioning of the financial system also contributes to Banco de México's primary objective of ensuring price stability since it promotes a more efficient operation of monetary policy´s transmission channels.

A stable financial system is a necessary but not sufficient condition for achieving a more balanced and sustainable growth, since, as international experience confirms, periods of financial instability have a very high cost for society. Therefore, it is necessary for financial authorities to remain vigilant of developments in the financial system and its interaction with economic activity, as well as its risks, in order to avoid the accumulation of vulnerabilities that could generate systemic problems, or amplify or cause negative shocks in the economy. The analysis and monitoring carried out by Banco de México regarding the stability of the financial system is made known to the public every six months through the Financial Stability Report. The identification and monitoring of risks that could affect the stability of the financial system, as well as their timely disclosure, are essential to mitigate them and, thereby, to reduce vulnerabilities and enhance the resilience of the system.

Executive summary

Since our last *Report*, the Mexican financial system remains sound and resilient overall, despite the volatile international environment for global financial markets caused by the escalation of geopolitical tensions in the Middle East since late February. This conflict has curtailed transportation and distribution of oil and oil-derived products, thereby leading to a sharp rise in their prices. The uncertainty stemming from this conflict led to an upward revision in expectations around the future path of global monetary policy. Although market conditions have improved since April amid prospects of an end to the conflict and the resumption of normal shipping traffic through the Strait of Hormuz, this positive scenario has not yet materialized.

Macro-financial conditions

Global economic activity showed signs of greater expansion in the first quarter of 2026 compared with the preceding quarter. However, the escalation of geopolitical tensions in the Middle East has exerted pressure on energy markets, and their impact on economic growth and inflation remain uncertain. Against this backdrop, in April 2026, the International Monetary Fund (IMF) revised downwards its global growth projections for 2026 compared with its January estimates, noting that further adjustments could be required depending on the duration and severity of the conflict.

Headline inflation continued trending downwards in various advanced and emerging economies during the first months of 2026. However, since March, a significant number of these economies have experienced an inflationary spike, driven by rising energy prices.

In Mexico, following some improvement at the end of 2025, economic activity slowed down significantly during the first quarter of 2026, mainly due to the reversal of the moderate recovery in secondary activities, as well as to a contraction in the primary and tertiary sectors. Headline inflation rebounded between the fourth quarter of 2025 and the first quarter of 2026, driven mainly by non-core inflation, and subsequently reached 4.11% in the first half of May. Given this scenario, at its May meeting, Banco de México's Governing Board judged it appropriate to lower the reference rate to 6.5%, bringing the rate-cutting cycle to an end, and signaled that said level of the reference rate is adequate to address the challenges of the macroeconomic environment, including those arising from a prolonged and escalating conflict in the Middle East and its repercussions.

The evolution of the Mexican peso has undergone two distinct phases during the reporting period. During the first two months of 2026, it appreciated against the US dollar due to a decline in implied volatility and the adoption of carry trade strategies. Subsequently, starting in late February, the national currency depreciated due to the conflict in the Middle East and risk aversion. Following the announcement of a ceasefire, the Mexican peso recovered significantly to stabilize around its previous level.

The Financial Markets Stress Index (*IEMF*, for its acronym in Spanish) declined until March, when it then spiked due to the armed conflict. However, in early April, it resumed its downward trend due to reduced stress in all of its components, except for the foreign exchange market variables, which show increased stress. Compared to the previous *Report*, the index stands at a lower level, driven by a reduction in all of its components, except for that related to the foreign exchange market. The Financial Conditions Index (*ICF*, for its acronym in Spanish) remains in the easing zone due to the behavior of macroeconomic variables, and developments in fixed-income markets, as well as other financial markets.

Likewise, the macro-financial vulnerabilities index remained below critical thresholds across the financial, real, foreign, and public sectors, with no significant vulnerabilities identified. Meanwhile, the aggregate risk of the financial system, as illustrated by the heat map, increased marginally.

Evolution of financing and financial system risks

Banco de México conducts a comprehensive assessment of risks to financial stability using qualitative and quantitative indicators, which can be classified into two categories: i) macro-financial risks, associated with the evolution and possible deterioration of domestic and international

economic and financial variables, and ii) risks associated with the financial system that affect households, companies, the public sector, commercial banks, and other intermediaries, including potential disruptions in financial markets and payment systems.

The main macro-financial risks to the stability of the financial system include: i) an escalation or persistence of geopolitical conflicts; ii) unexpected changes in the trajectory of global financial conditions; iii) lower-than-expected growth in a global environment of high uncertainty; iv) unexpected adjustments in the credit ratings of key domestic issuers; and v) the occurrence of a systemic event with implications for the global financial system.

Looking at the sectoral level, households' financial balances improved with respect to those of the second half of 2025 reaching 50.4% of GDP by year-end. This was driven by an increase in savings through mandates and other instruments while real annual growth of total consumer financing moderated. Credit growth varied by type of lender: credit expansion by banks and their related sofomes was lower, in contrast lending by non-bank entities accelerated. Regarding consumer loan quality, the non-performing loan ratio of commercial banks and their sofomes increased across all segments of the consumer loan portfolio, with a sharp rise in personal loans due to riskier underwriting practices by a small group of institutions, without this representing a systemic deterioration. Although the adjusted non-performing loan ratio (*IMORA*, for its acronym in Spanish), which takes into account loan loss provisioning, increased due to the larger past-due portfolio and higher write-offs, most consumer segments maintain non-performing loan ratios below their historical averages. The exception of the payroll portfolio, which exhibits more stable levels on record.

Total housing financing registered lower growth than in the previous *Report*. Disaggregating by lender, financing from commercial banks and their related sofomes slowed, while Infonavit, recorded slightly lower growth in its total portfolio balance, despite increased origination of small-amount mortgage loans. Meanwhile, the Fovissste portfolio continued to contract.

Total financing to the non-financial sector reached 103.9% of GDP in early 2026, concentrated in the public sector (59.9%). External financing to private non-financial companies decreased due to foreign exchange effects, although international debt issuance increased slightly. In contrast, domestic financing grew, although marginally. A rise in local debt issuance was tempered by the slowdown in credit from financial institutions.

The non-performing loan ratios for banks' corporate loans declined across all segments, falling below historical averages, with stability in sectors exposed to tariffs, but a sustained increase in defaults among smaller companies. In contrast, non-performing loan ratios among non-bank financial intermediaries increased slightly, mainly due to a deterioration at non-regulated sofomes. Meanwhile, the vulnerability indicator for listed companies (*IVEL*, for its acronym in Spanish) improved, returning to low-vulnerability levels due to better corporate profitability, payment capacity, and refinancing conditions.

The public sector balance registered a deficit of 3.9% of GDP at end-year 2025, exceeding projections. For 2026, the Federal Government anticipates a deficit of 3.6% of GDP. The credit risk profiles of most subnational governments showed either improvements or stability between October 2025 and February 2026, and risks associated with their financing remain limited. As for public companies, Pemex reduced its total debt by 12.3%, although it faces significant maturation rates in the next two years (17.2% of its total debt) in 2026 and 2027.The public electric utility CFE registered a record annual cumulative net profit and improved its maturity profile.

Looking at financial system resilience, commercial banks maintain solid levels of capitalization and liquidity, well above regulatory minimums. Credit risk decreased due to lower default correlations and, to a lesser extent, reduced concentration in the consumer portfolio. In contrast, market risk increased due to a rebalancing of banks' portfolios towards longer-term instruments, which raised their sensitivity to interest rates. Liquidity risk remained stable, while contagion risk trended downwards, with a stable and declining proportion of assets held by overexposed institutions. Furthermore, stress tests indicate that

the banking system has sufficient capacity to absorb severe adverse scenarios, including macroeconomic shocks, historical stress scenarios, and extreme weather events.

With regards to other non-banking financial intermediaries (OIFNBs, for its acronym in Mexico's regulatory framework), their financing of the private sector grew at a faster pace, using heterogeneous funding sources. Funding received by regulated non-banking financial institutions contracted due to receiving less bank credit and lower debt issuance. Unregulated institutions also saw their total financing contract, despite accelerating their securities issuance. The sector's non-performing loan ratio is stable in aggregate terms, but remained at historically high levels for non-regulated financial entities, particularly for their business credit portfolios. Although the number of vulnerable entities increased slightly, their share in the NBFI sector's total assets decreased, and banks' exposure to them remains low (0.9% of regulatory capital), so they do not pose a systemic risk.

The financial system remains exposed to risks associated with climate change and cybersecurity. With regards to climate transition risks, bank exposure decreased towards sectors with high direct and indirect emissions, but increased towards those sectors that are vulnerable to a drop in demand from polluting industries. This increased exposure came due to higher lending to service companies linked to polluting industries. Regarding physical risks, the exposure of business and mortgage loans to floods decreased, while exposure to droughts, heat waves, and tropical cyclones increased.

In the cyber domain, despite a global environment of increasingly frequent and sophisticated cyber threats, fueled by artificial intelligence and geopolitical conflicts, the Mexican financial system maintains an intermediate alert level with no direct impacts or losses for customers, due to the strengthening of prevention measures and the implementation of crisis simulation exercises.

Policy measures implemented

During the reporting period, Banco de México strengthened the derivatives market in several ways by i) improving the identification of participants in the derivatives market by lowering the threshold for the use of the LEI (Legal Entity Identifier) code, ii) expanding the list of eligible securities for open market operations, and iii) incorporating UMS bonds, development bank debt, and US Treasury securities.

The National Commission for the Pension System (*CONSAR*, for its acronym in Spanish) improved transparency of workers' returns, and optimized the allocation of individual accounts in the Afores. The *CNBV* clarified rules on large exposures, established deadlines for capital increases, and implemented the "Revised Capital Floor" to ensure the adequacy and comparability of regulatory capital.

Final remarks

Overall, the indicators suggest that the Mexican financial system remains resilient and capable of weathering adverse scenarios. However, risks persist in the global environment, characterized by intensifying geopolitical conflicts, whose evolution requires close monitoring.

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 implement the necessary measures in coordination with other authorities, in the exercise of its powers and in strict compliance with the legal framework.

Introduction

The proper functioning of the financial system contributes to Banco de México's primary objective: ensuring the stability of the national currency's purchasing power, as monetary policy transmission mechanisms operate more efficiently under these conditions. A stable financial system is also a necessary, though not sufficient, condition for the economy to achieve balanced and sustained growth. International experience confirms that episodes of financial instability impose high costs on society in terms of economic activity, employment, and income.

For this reason, one of Banco de México's objectives is to promote the sound development of the financial system and foster the proper functioning of payment systems. To achieve these objectives, it identifies and monitors vulnerabilities that may accumulate in the financial system, macrofinancial imbalances that could amplify an unexpected shock, and risks whose materialization could compromise the functioning of the system as a whole with adverse consequences for the economy.

Banco de México publishes this *Financial Stability Report* to share the results of that analysis. Its timely release allows economic and financial agents to understand the identified vulnerabilities and risks and contribute to their mitigation.

The *Report* also documents the macroprudential policy measures implemented during the period, which help reduce vulnerabilities and strengthen the resilience of the financial system.

This *Report* is published in a global environment characterized by persistent geopolitical conflicts, trade tensions, and a higher degree of uncertainty in international financial markets.

Identifying vulnerabilities is, by nature, an exercise subject to uncertainty. The indicators and models used allow for the detection of known areas of fragility, but there are risks that fall outside any established analytical framework. The absence of warning signs does not equate to the absence of risks. This is why continuous and reasonably comprehensive monitoring, as well as the semi-annual update of the assessment presented here, are fundamental tasks of Banco de México.

This *Report* is structured into five sections. Section I provides a detailed review of macro-financial conditions. Section II updates the challenges in the economic environment. Section III describes the policy measures implemented to preserve the sound development of the financial system. Section IV presents the risks to the financial system: it identifies aggregate risk indicators, details the position of economic agents participating in the Mexican financial system, and provides an in-depth analysis of financial and non-financial entities within the system, as well as environmental and sustainability-related risks. Section V presents the results of the stress tests and the recovery plans of the commercial banking institutions. The *Report* closes with final considerations.

I. Macrofinancial conditions

I.1. International economic outlook

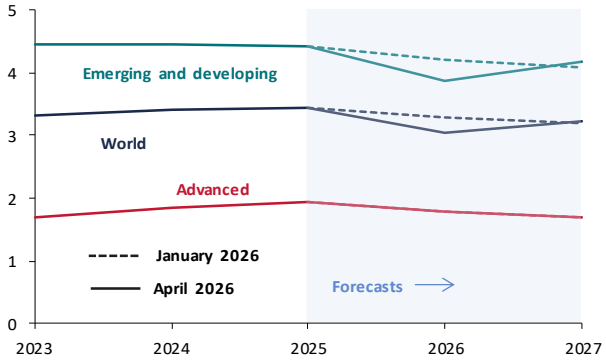
In the fourth quarter of 2025, global economic activity expanded at a slightly slower pace than in the previous quarter, though faster than expected, due in part to the tariffs imposed by the United States were lower than initially announced and to the continued dynamism of some technology-related sectors. This performance was driven by slightly lower growth than in the previous quarter in advanced economies and slightly higher growth in emerging economies. For the first quarter of 2026, available data suggests further expansion of global activity, however the escalation of geopolitical tensions in the Middle East has put pressure on energy markets, and its effects on growth and inflation remain uncertain.

Global growth projections for 2026, published by the International Monetary Fund (IMF) in April 2026, were revised downwards from the January estimates, although they remained in line with those from October 2025. For 2027, the forecasts remained unchanged (Graph 1 and Graph 2). Furthermore, given the environment of high uncertainty, the IMF noted that these projections could be adjusted downwards even further depending on the duration and severity of the conflict in the Middle East. Under the adverse scenario, characterized by more pronounced and persistent increases in energy prices, global growth would experience would slows even further in 2026. Meanwhile, under the severe scenario, associated with greater damage to energy

infrastructure in the Middle East, the impact would be considerably deeper, with effects on emerging and developing economies nearly double those observed in advanced economies.

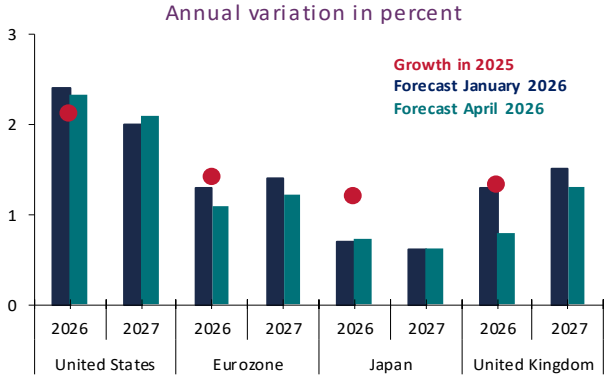
During the fourth quarter of 2025, headline inflation declined in the major advanced economies compared to the levels observed at the end of the third quarter, largely due to lower energy, food, and core inflation. While inflation remained above the targets of their respective central banks in some countries, in others it stood at levels close to the targets. In emerging economies, both headline inflation and core inflation showed varying trends across regions, though with a gradual convergence toward targets. In the first months of the year, headline inflation continued its downward trend in several major advanced and emerging economies. However, starting in March, headline inflation experienced a spike in a large number of them amid rising energy prices stemming from the conflict in the Middle East.

Graph 1
GDP growth forecasts
Annual percentual change



Data as of April 2026.
Source: IMF, World Economic Outlook, January and April 2026.

Graph 2
Growth in 2025 and forecasts for 2026 and 2027
Annual variation in percent



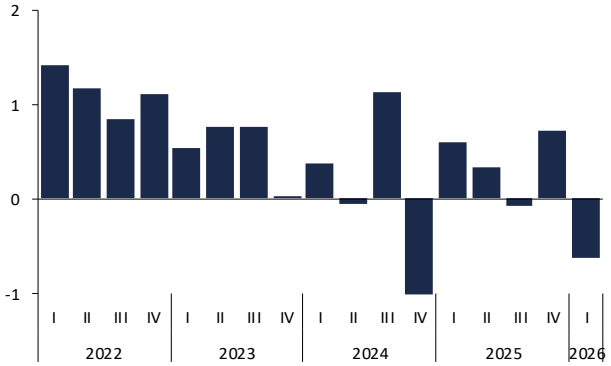
Data as of April 2026.
Source: IMF, World Economic Outlook January and April 2026.

During the period covered by this Report, the Federal Reserve (Fed) lowered the target range for the federal funds rate by 25 basis points in December 2025, setting it at 3.50–3.75%, and kept it unchanged at its meetings in January, March, and April 2026. In its most recent statement, the Federal Open Market Committee (FOMC) noted that developments in the Middle East are contributing to a high level of uncertainty about the economic outlook. It also reiterated its readiness to adjust the stance of monetary policy as appropriate if risks emerge taking into account a wide range of information.

I.2. Domestic economic outlook

In the fourth quarter of 2025, Mexico's GDP recorded a quarterly increase of 0.7% on a seasonally adjusted basis, reflecting a rebound in services, some recovery in industrial activity, and a decline in primary activities (Graph 3). Thus, by the end of 2025, the national economy showed an improvement compared to the weakness observed in previous quarters. For the first quarter of 2026, INEGI's GDP measurement indicates that economic activity showed a significant setback in its growth rate, due primarily to a reversal of the moderate recovery seen in secondary activities at the end of 2025, as well as a contraction in primary and tertiary activities.

Graph 3
Gross Domestic Product [s.a./]
Quarterly variation in percent

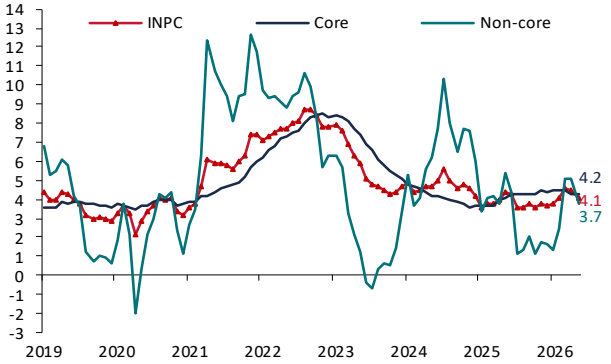


Data as of first quarter of 2026.
Source: INEGI
s.a./ Seasonally-adjusted figures.

Between the fourth quarter of 2025 and the first quarter of 2026, annual headline inflation increased from 3.69% to 4.13% (Graph 4). This was mainly due to the increase in non-core inflation and, to a lesser extent, by an increase in core inflation. In the first half of May, annual headline inflation stood at 4.11%.

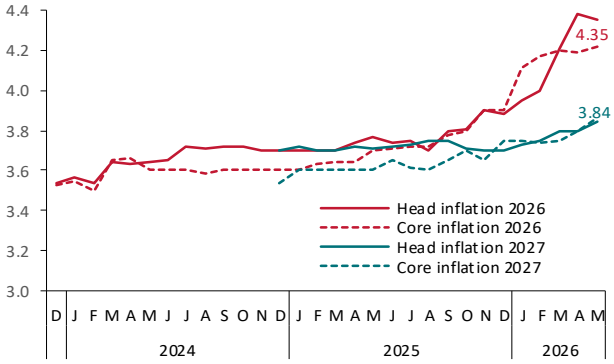
The Banco de México's projections for headline inflation, published in the January–March 2026 Quarterly Report on May 27, stood at 3.5% and 3.0% for the end of 2026 and 2027, respectively. On the other hand, in the May Survey of Private Sector Specialists' Expectations, the medians for headline inflation expectations stood at 4.35% and 3.84% for the end of 2026 and 2027 (Graph 5).

Graph 4
National consumer price index
Annual variation in percent



Data as of the first half of May 2026.
Source: INEGI.

Graph 5
Inflation expectations[1/]
Percent



Data as of May 2026.
Source: Banco de México, Survey of Private Sector Economic Specialists' Expectations.
1/ Median of annual inflation expectations.

During the period covered by this Report, the Governing Board of the Banco de México lowered the policy rate by 25 basis points at its December 2025 meeting, left it unchanged in February 2026, and reduced it by 25 basis points at each of its March and May meetings, bringing it to 6.5%. In the statement accompanying the latest decision, the Governing Board deemed it appropriate to conclude the easing cycle that initiated in March 2024; it considered the levels of the exchange rate, the weakness of economic activity—which implies an absence of demand-side pressures in the economy—and the degree of monetary tightening already implemented. It noted that going forward, it considers it appropriate to maintain the policy rate at its current level. It assessed that the monetary stance is appropriate to address the challenges of the macroeconomic environment, including those arising from the conflict in the Middle East. The Central Bank reaffirmed its commitment to its primary mandate and to persevering in the consolidation of a low and stable inflation environment.

I.3. Financial markets

During the first half of 2026, global financial markets were characterized by volatility. The first weeks of the year showed a positive environment, supported by the release of economic data indicating strength and expectations of less restrictive monetary policies globally, given the ongoing disinflationary trend in most countries. However, geopolitical tensions escalated significantly starting in late February,

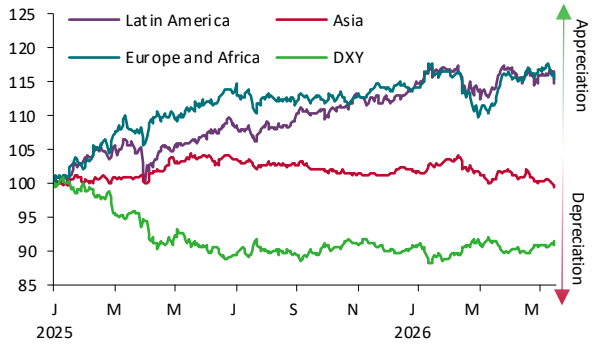
primarily following the launch of the U.S. and Israeli military strikes on Iran. As a result, there was a significant disruption in the distribution of oil and petroleum products, a sharp rise in the prices of these products, marked risk aversion in global markets, and an upward adjustment in expectations for monetary policies given the uncertainty surrounding the duration and intensity of the conflict. Market performance has improved since early April amid expectations of an end to the conflict and a resumption of shipping traffic through the Strait of Hormuz—a scenario that, as of the close of this *Report*, has not yet materialized.

Financial markets in emerging countries have shown mixed and divergent movements by region, showing a positive trend in the first two months of the year and a reversal of these movements at the beginning of March. Currencies show divergent movements against the US dollar, influenced by widespread risk aversion as well as idiosyncratic factors. The Asian region stands out for its greater vulnerability given its reliance on energy imports. In contrast, carry trade strategies remain attractive in Latin America due to the high interest rates prevailing in some countries (Graph 6).

Graph 6

Foreign exchange indices performance [1/2/]

Index (January 2025 = 100)



Data as of June 2026.

Source: Banco de México with data from Bloomberg.

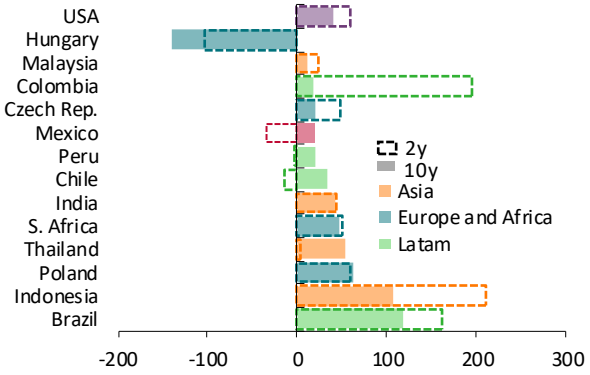
1/ Latin America includes Peru, Brazil, Colombia, Chile and Mexico. Asia includes Philippines, South Korea, China, Malaysia and India. Europe and Africa includes a Poland, Hungary, Russia, Czech Republic and South Africa.

2/ DXY refers to the US Dollar Index calculated by the Intercontinental Exchange (ICE) as a weighted average of the nominal exchange rates of six currencies: Euro, Japanese Yen, British Pound, Canadian Dollar, Swedish Krona and Swiss Franc.

Interest rates show mostly increases across all maturities, reflecting a reassessment of monetary policy expectations as well as a significant rise in risk premiums over the medium- and long-term (Graph 7). Finally, stock indices reflect widespread gains across all regions amid high volatility, driven by the interplay between expectations of higher returns in certain sectors and regions—such as artificial intelligence, particularly in Asia and uncertainty related to the armed conflict in the Middle East (Graph 8).

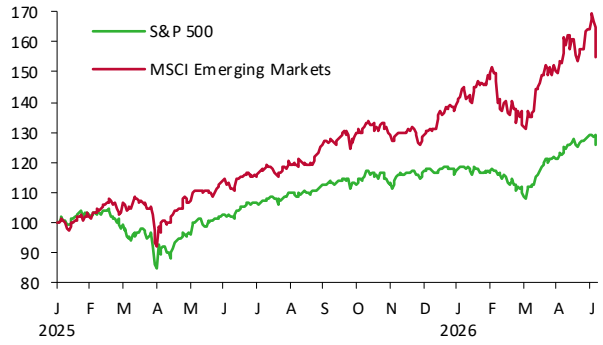
Looking ahead, the global outlook remains highly uncertain, leading investors to adopt a more cautious stance in their decision-making.

Graph 7
Change in 2 and 10-year rates of emerging economy sovereign bonds denominated in local currencies
Basis points



Data as of June 2026.
Source: Bloomberg.

Graph 8
Performance of equity indices
Index (January 2025 = 100)

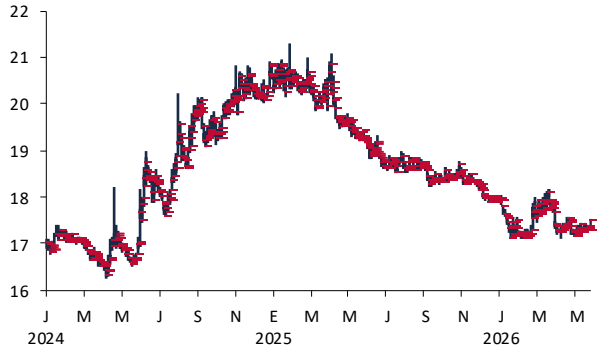


Data as of June 2026.
Source: Banco de México with Bloomberg data.

I.3.1. Foreign exchange market

The performance of the Mexican peso during the first half of 2026 can be divided into two phases. The first, during the first two months of the year, as the peso continued its appreciation trend against the US dollar. This was driven by low levels of implied volatility and the implementation of carry trade strategies, with the currency reaching a low of 17.09 pesos per US dollar—a level not seen since May 2024. The second phase began on February 27, when the local currency depreciated due to the armed conflict in the Middle East. During this period, the Mexican peso reached a high of 18.16 pesos per US dollar, in line with the marked risk aversion prevailing in global financial markets, and to a lesser extent with the appreciation of the US dollar. Since the announcement of the ceasefire in the Middle East, the Mexican peso has shown a significant recovery from its peak levels (Graph 9).

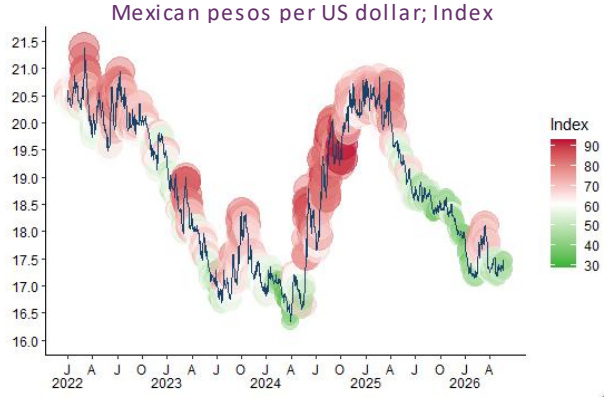
Graph 9
Mexican peso daily trading range [1/]
Foreign exchange mexican peso-US dollar



Data as of June 2026.
Source: Bloomberg.
1/ The red lines indicate the closing exchange rate, while the blue bars indicate the trading range.

Against this backdrop, liquidity and market depth deteriorated in March, only to return to normal following the announcement of a ceasefire (Graph 10). However, several forward-looking indicators continue to show a slight depreciation bias, in a context where uncertainty persists regarding possible escalations in geopolitical conflicts and their potential impact on inflation and global economic growth (Graph 11).

Graph 10
Mexican peso trading conditions index 1/
Mexican pesos per US dollar; Index

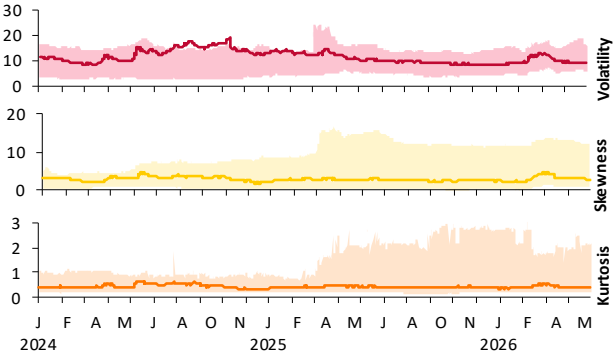


Data as of June 2026.

Source: Banco de México with data from Bloomberg and Refinitiv.

1/ The index is computed as the average of the percentiles of 1-month implicit volatility and skewness, volume and observed spreads. Percentiles are computed since 2018. Red (green) circles mean a greater (lesser) deterioration of the trading conditions in the FX market.

Graph 11
3-month implicit trading conditions on FX options for Mexico and selected emerging economies 1/
Percent

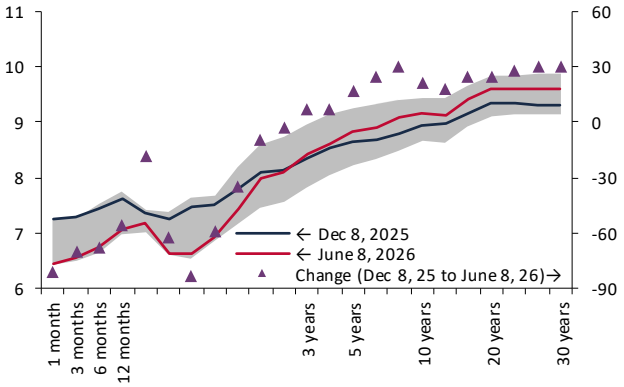


Data as of June 2026.
Source: Bloomberg.
1/ The emerging countries included in the shaded area (range between the maximum and minimum values) are Brazil, Chile, Colombia, the Philippines, Hungary, India, Indonesia, Malaysia, Poland, South Africa, and Türkiye. The solid line represents the value of Mexico. The implicit skewness is measured through Risk Reversal strategies at 25 deltas. Kurtosis is measured with Butterfly strategies at 25 deltas.

I.3.2. Fixed-income market

In Mexico, since the publication of the last *Report*, the evolution of the yield curve has been characterized by a volatile environment and has been highly correlated with developments in other emerging economies. Yields on fixed-income instruments reacted adversely to risk-aversion episodes triggered by the escalation of the conflict in the Middle East, reflecting declines in the short term as well as increases in the medium- and long-term. This dynamic was driven, in part, by expectations regarding short-term monetary policy decisions, whereas longer-duration bonds have priced in higher risk premiums, reflecting uncertainty over the potential effects of the armed conflict and rising energy prices. Against this backdrop of macroeconomic uncertainty, the yield curve continues to steepen (Graph 12).

Graph 12
Cetes and M Bonds' yield curve 1/
Left axis: Percent
Right axis: Basis points



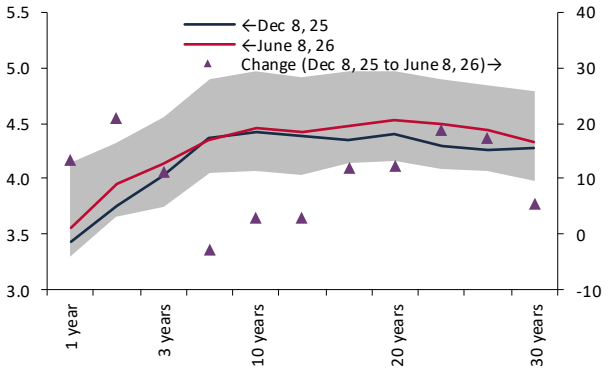
Data as of June 2026.
Source: Banco de México with data from PiP.

1/ The grey area is the yield curve range since December 8, 2025.

A deterioration in trading conditions was observed in the fixed-income market, with metrics showing lower depth and wider bid-ask spreads than in the previous period.

The real yield curve shows increases across all maturities, with the most pronounced increases occurring at the short end of the curve (Graph 13).

Graph 13
Inflation-linked Bonds' yield curve
Left axis: Percent
Right axis: Basis points

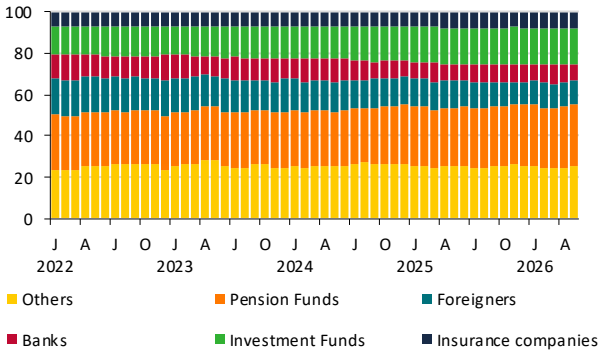


Data as of June 2026.
Source: Banco de México with data from PiP.

1/ The grey area is the yield curve range since December 8, 2025.

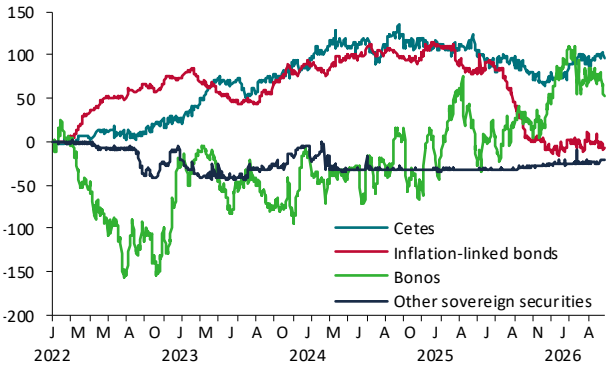
Against this backdrop, flows into peso-denominated assets from the external sector have shown volatile dynamics in line with periods of global risk aversion and associated with opportunistic purchases at times when attractive valuations are detected. Thus, during the period covered by this *Report,* the total flow into government securities accumulated inflows of approximately 14 billion pesos, explained by a significant inflow into Bonos M during December 2025 and the first quarter of 2026, as well as inflows into federal treasury bills (*Cetes*, its acronym in Spanish) and Udibonos starting in February of this year (Graph 14 and Graph 15).

Graph 14
Mexican sovereign debt holdings by sector, as a percentage of the total amount outstanding 1/
Percentage



Data as of May 2026.
Source: Banco de México with data from Indeval
1/ Securities considered are Cetes, M Bonds, Inflation-linked bonds, and Bondes. The sector "Others" include securities purchased by Banco de México, repos with Banco de México, guarantees received by Banco de México, and other national residents.

Graph 15
Sovereign securities' investment flows by foreign investors since 2022
Flows in billion pesos

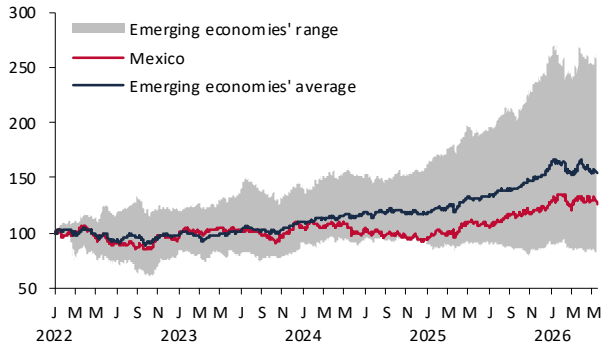


Data as of May 2026.
Source: Banco de México with data from Indeval.

I.3.3. Equity market

In line with global trends, the Mexican stock market also performed well during the period, posting a cumulative gain of over 3%, despite the volatility associated with the conflict in the Middle East. Specifically, the performance of the Mexican stock exchange's benchmark index (S&P/BMV IPC) tracked that of other emerging economies (Graph 16).

Graph 16
Equity indices' cumulative performance for selected emerging economies 1/
Index (January 2022 = 100)



Data as of June 2026.

Source: Banco de México with data from Bloomberg.

1/Emerging countries included are Brazil, Chile, Colombia, Philippines, Hungary, India, Indonesia, Malaysia, Poland, and South Africa.

Regarding foreign investor positioning, a positive cumulative flow was observed, primarily in companies in the financial and industrial sectors.

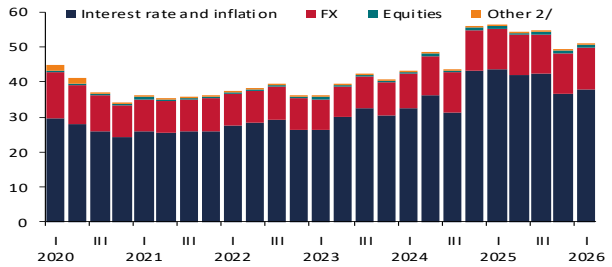
Finally, Initial Public Offerings (IPOs) in Mexico remain active, primarily in the real estate sector. Fibra Park Life, a real estate investment trust (REIT) specializing in rental housing, debuted on the local market in March 2026, while Fibra Monterrey acquired Fibra Macquarie in its entirety. This increased IPO activity is expected to continue growing as the regulations associated with Simplified Offerings complement the current issuance process and are fully implemented by all capital market participants.

I.3.4. Derivatives market

Between October 2025 and March 2026, the derivatives market showed a reduction in the outstanding notional amount, explained by contracts linked to interest rates and inflation as underlying assets (Graph 17). The decline observed toward the end of 2025 was due to the maturity of interest rate swap (IRS) contracts referenced to the 28-day TIIE. These contracts were previously originated as part of the transition process to the TIIE Funding Rate (*TIIE-F*, its acronym in Spanish), which was implemented during the last two months of 2024.[1]

Against this backdrop, the reduction in the notional amount of these contracts should not be interpreted as a structural contraction of the market, but rather as the expected result of the orderly transition of derivative instruments to the new reference rate. This transition reflects the adoption of the TIIE-F in the financial system as a more robust benchmark, based on actual transactions and aligned with international standards.

Graph 17
Outstanding notional amount by type of underlying 1/
Trillions of pesos

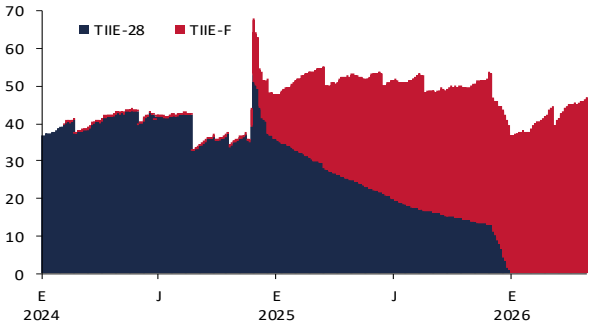


Data as of first quarter of 2026.
Source: Banco de México.
1/ As of the Financial Stability Report June 2021, Cross Currency Swaps (CCS) are clasificated as Foreign Exchange underlying asset.
2/ Includes debt, other derivatives and commodities.

In this context, the transition was completed in an orderly manner in both the local market and on international platforms. In particular, during the first quarter of 2026, activity in TIIE-F-referenced instruments on the *Chicago Mercantile Exchange* (*CME*) reached levels comparable to those historically observed for 28-day TIIE IRS, suggesting an adequate substitution toward the new reference rate (Graph 18).

[1] For more details on the process of replacing the TIIE Funding Rate (TIIE-F, its acronym in Spanish), see the derivatives market section of the December 2024 Financial Stability Report.

Graph 18
Clearing amount for interest rates swap transactions on the CME with term of up to 2 years
Trillions of pesos

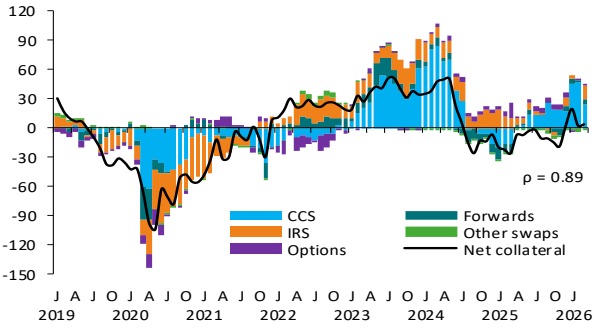


Data as of April 30th, 2026.
Source: Chicago Mercantile Exchange.

On the other hand, between October 2025 and February 2026, the exchange rate of the Mexican peso against the US dollar exhibited episodes of low volatility. During this period, the peso appreciated against the US dollar, contributing to an increase in mark-to-market gains on *Cross Currency Swap* (CCS) transactions, which, in turn, resulted in an increase in the amount of assets received as collateral to guarantee the fulfillment of derivative transactions by the counterparties of financial institutions (Graph 19 and Graph 20).

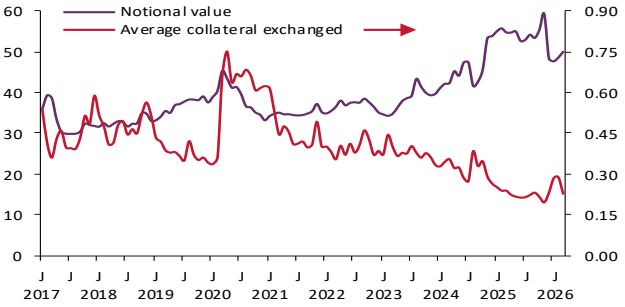
Subsequently, in March 2026, adjustments in exchange rate dynamics were observed, linked to the strengthening of the US dollar. This movement partially reversed the mark-to-market gains on *CCS* transactions, which led to a reduction in the collateral amounts associated with these transactions (Graph 19 and Graph 20).

Graph 19
Relationship between the net value of the derivatives portfolio and the net value of collateral
Billions of pesos



Data as of March 2026.
Source: Banco de México.

Graph 20
Portfolio notional value and collateral amount divided by the outstanding notional amount
Left axis: Trillions of pesos
Right axis: Percent

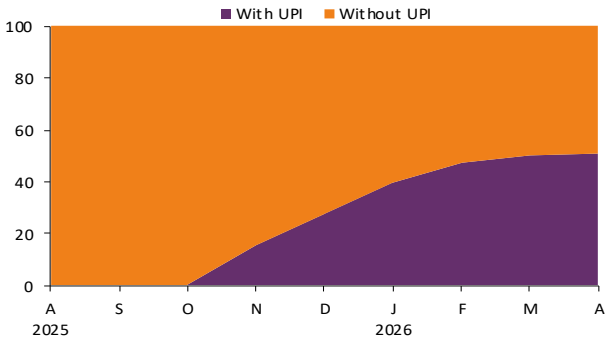


Data as of March 2026.
Source: Banco de México.

Regarding international standards, the mandatory use of the Unique Product Identifier (*UPI*) for derivative transactions conducted by financial institutions came into effect in Mexico on November 3, 2025. As of the closing of this *Report*, more than 50% of active transactions already have this identifier; while coverage of the Unique Transaction Identifier (*UTI*) exceeds 84% (Graph 21 and Graph 22).[2]

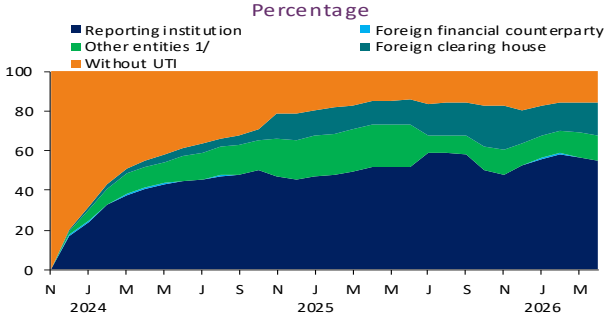
[2] The gradual adoption of these identifiers, together with the LEI (Legal Entity Identifier), is a key element in strengthening transparency, traceability, and the quality of information in financial markets. In particular, these standards enable more precise identification of counterparties, transactions, and products, while also facilitating data aggregation, risk monitoring, and the strengthening of macroprudential supervision, in line with the G20's international commitments and the recommendations of the FSB.

Graph 21
Outstanding derivatives transactions using UPI
Percentage



Data as of April 2026.
Source: Banco de México.

Graph 22
Outstanding derivatives transactions using UTI, by issuer type
Percentage

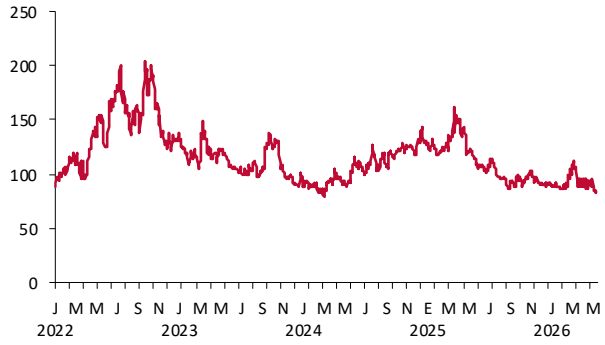


Data as of April 2026.
Source: Banco de México.
1/ Includes foreign entities issuers not involved on transactions or local clearing house.

I.3.5. Risk premiums

Mexico's credit risk premiums, measured by the price of CDS (credit default swaps), have exhibited volatile behavior (Graph 23), mainly explained by the risk-averse environment (Graph 24).

Graph 23
5-year Mexico's CDS
Basis points



Data as of June 2026.
Source: Bloomberg.

Graph 24
5 year CDS for selected emerging economies
Basis points



Data as of June 2026.
Source: Bloomberg.

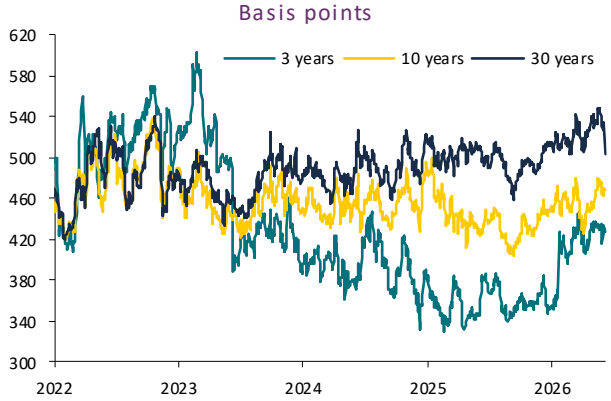
Rate spreads between Mexican and U.S. bonds continued to narrow and are now approaching the historical average for all maturities, although they showed an increase starting in March, associated with the greater movements observed in the local yield curve.

Finally, the inflation breakevens have increased, particularly for the short term (Graph 25).

Graph 25

Sovereign breakeven inflation rate

Basis points



Data as of June 2026.
Source: Banco de México with data from PIP.

I.4. Macrofinancial risks

The Mexican financial system remains solid and resilient overall, and comfortably meets the regulatory minimum requirements for capital and liquidity at the aggregate level. Among other characteristics, this has enabled it to successfully absorb various shocks that could affect its proper functioning and adversely impact the real sector.

However, given that these risks are associated with the possibility of unexpected shocks or disruptions with potentially severe impacts, it is necessary to identify those that could have the most adverse effects on the stability of the financial system, especially in a complex and uncertain global macrofinancial environment such as the current one.

Escalation or persistence of geopolitical conflicts

The potential escalation or persistence of geopolitical conflicts remains a source of global uncertainty. Given its direct effects on commodity prices and other tradable goods, this could lead to new inflationary pressures and reduced global economic activity.

As described in greater detail for other macrofinancial risks outlined here, this could, in turn, have adverse implications through various channels on market functioning and financial system stability, at both the global and local levels.

Unexpected changes in the trajectory of global financial conditions

Economic agents' decisions regarding savings, consumption, and investment are based, to a large extent, on their expectations regarding the possible evolution of financial conditions and the factors that determine them. In addition to hindering the formation of such expectations, a complex and uncertain global environment such as the current one can lead to significant deviations between the observed and expected trajectories of these variables. In response, agents might react with abrupt shifts in the allocation of their resources, both real and financial.

This is relevant to the stability of the global financial system as, should they materialize, surprises in this area could feed back into episodes of high volatility and risk aversion in financial markets, with immediate implications for the cost and availability of financing for borrowers in both the private and public sectors. This situation could be exacerbated given the still-present possibility of abrupt corrections in the prices of certain financial assets whose valuations are misaligned with their fundamentals.

Lower-than-expected growth in a global environment of high uncertainty

Short-term growth projections for global economic activity have deteriorated in recent months, with a significant increase in uncertainty resulting from prevailing geopolitical conflicts. In this vein, weaker production and investment dynamics resulting from uncertainty, as well as global trade flows, could have a negative impact on domestic activity, affecting both the supply and demand sides.

Beyond their immediate implications, scenarios in which geopolitical conflicts escalate or are prolonged could undermine the medium- and long-term performance of the global economy because, in addition to reduced productive capacity resulting from sustained declines in investment, a potential reconfiguration of global value chains could lead to persistent losses in terms of efficiency in the production and distribution of goods and services.

This would have negative implications for both the global and domestic financial systems because, due to the resulting decline in borrowers' real income,

financial intermediaries would face both lower demand for financing and increased credit risks, directly impacting their profitability and possibly leading to further deterioration in metrics and risk premiums related to other risks.

Unexpected adjustments in the credit ratings of key domestic issuers

Since the last edition of the *Report*, two of the leading global rating agencies have affirmed their credit ratings on Mexican long-term sovereign debt, although one of them changed its outlook from stable to negative, while the other downgraded its rating by one notch, assigning a stable outlook. As for Pemex, its rating was affirmed by these agencies, with one of them lowering its outlook (Graph 26).

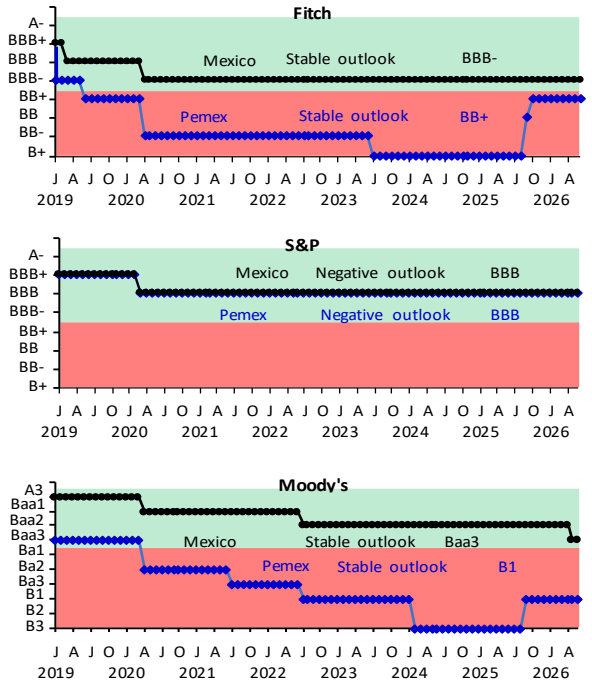
In the case of sovereign debt, these rating agencies note that the assigned ratings, at levels consistent with investment grade, are supported by a solid institutional framework, prudent macroeconomic policies, a flexible exchange rate, and robust external accounts, as well as a large, diversified economy with preferential access to the U.S. market and growing domestic financial markets. However, they note that both the downgrade by one of them and the change in outlook from stable to negative by another reflect a sustained weakening of public finances and their forecast of a more gradual fiscal consolidation process than previously anticipated, which could persist due mainly to factors such as spending rigidities, a limited revenue base, and continued support for Pemex, as well as deteriorating investor sentiment associated with trade uncertainty. Thus, according to these rating agencies, Mexico's rating is constrained by factors related to low *per capita* growth, long-term growth prospects, governance, and public finances.

The risk of unexpected adjustments to the credit ratings of key domestic issuers would alter the country's macrofinancial risk profile, which would be reflected in increases in associated premiums and financing costs for all domestic issuers, as well as a potential decline in capital flows.

Graph 26

Mexico and Pemex's foreign currency rating performance 1/

Fitch, S&P and Moody's scales



Data as of June 2026.
Source: Fitch, S&P, and Moody's scale.
1/ The green areas show investment-grade ratings, while the red areas show speculative-grade credit ratings.

Occurrence of a systemic event with implications for the global financial system

Given the market valuations of certain financial assets, particularly in the technology sector, as well as the cybersecurity risks arising from potentially malicious uses of artificial intelligence and those associated with the proliferation of opaque financing mechanisms such as private credit, among other factors, the possibility of a systemic event occurring that impacts global markets and the global financial system remains a latent threat.

The occurrence of an event of this nature could interact adversely with preexisting vulnerabilities in certain sectors or among specific participants, while its transmission and potential amplification through various channels could impact the national economy, markets, and financial system.

II. Update on challenges in the economic environment

Impact of Rising Energy Prices on Personal Loans

The conflict in the Middle East has driven up the price of various commodities, including oil. In several countries, this may translate into higher costs for certain consumer goods, such as those related to personal transportation.

An increase in these costs could reduce borrowers' disposable income, make it harder for them to repay their loans, and increase the non-performing loan ratio. Therefore, this study analyzes the exposure of personal loans to rising personal transportation costs linked to higher oil prices due to the conflict.

To this end, exposed credit is defined as that granted in regions that allocate a higher proportion of their spending to fuel consumption. For this purpose, data from the National Survey of Household Income and Expenditure (ENIGH) on the proportion of spending in each state is used. Subsequently, within each state, municipal-level expenditure is adjusted based on the municipality's income distribution and on fuel expenditure by each income decile.

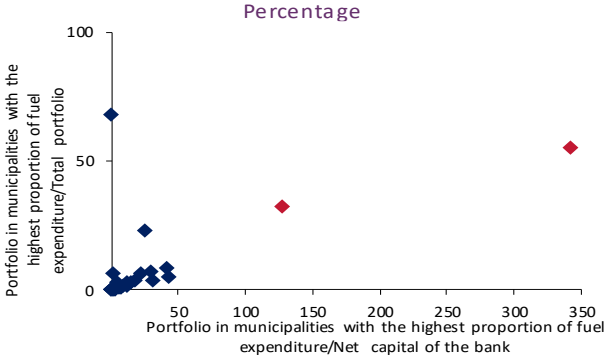
This process indicates that the most exposed municipalities are precisely those where a larger proportion of the population uses a private vehicle as their primary means of commuting to work.[3] For example, Nuevo Casas Grandes (Chihuahua) and La Paz (Baja California Sur), where more than 60% of the employed population uses private vehicles, exhibit higher exposure than urban municipalities such as Acapulco (Guerrero) and the Gustavo A. Madero borough (Mexico City), where public or collective transportation is more widespread.

The aggregate exposure of commercial banks is limited, although there is significant heterogeneity among financial intermediaries (Graph 27). In particular, there is a group of banks with relatively high exposure, measured by the ratio of the exposed portfolio to net capital. These are banks that largely concentrate a significant portion of their activities in the consumer credit segment and, in particular, in personal loans. Overall, they account for only a small share of the banking system, and only two of them also exhibit high exposure as a proportion of their total loan portfolio.

Graph 27

Exposure of personal credit to increases in fuel prices

Percentage



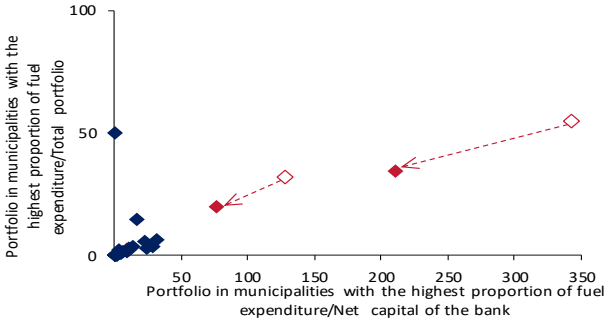
Data as of December 2025.
Source: Banco de Mexico,CNBV and INEGI.

However, when considering a less severe scenario—associated, for example, with a smaller pass-through to final consumer prices, whether due to reduced market power or the implementation of government policies—the exposure of both banks decreases significantly, both as a proportion of their loan portfolio and relative to their net capital (Graph 28).[4]

Graph 28

Exposure of personal credit to increases in fuel prices

Percentage



Data as of December 2025.
Source: Banco de Mexico,CNBV and INEGI.

Evolution of uncertainty

During the first half of 2026, the level of uncertainty associated with economic policy is similar to that observed during the second half of 2025, remaining

[3] A positive correlation is observed between fuel expenditure and the proportion of individuals who use a private vehicle (car, pickup truck, van or motorcycle) to commute to work. This data is obtained from the 2020 Population and Housing Census.

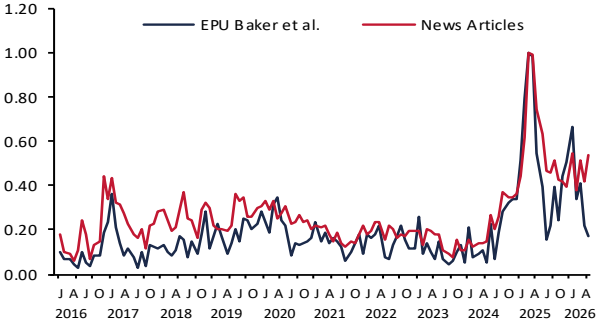
[4] Two scenarios were considered: (i) one in which municipalities with a share of fuel expenditure above the median are identified, and (ii) another that considers exposed those in the top third.

at relatively high levels with respect to historical records, according to the Economic Policy Uncertainty (EPU) index, compiled using information from news *websites* (Graph 29).

Graph 29

Economic Policy Uncertainty Index[1/]

Uncertainty level



Data as of May 2026.

Source: Prepared by Banco de México using information from news websites.

1/ The methodology proposed by Baker et al. (2016), was used to calculate the Economic Policy Uncertainty Index based on publications from news *websites*. In particular, the aggregated number of news articles including terms related to uncertainty, policy, and economy, is calculated. This series is divided by the total number of news released in each period and then is rescaled between 0 and 1, based on the period from January 2010 to May 2026. The articles considered are extracted from various newspaper *websites*, in sections related to economics, finance, markets and business: Capital México (Economía), Diario 24 horas (Negocios), EFE Noticias (México), El Economista (Economía, Finanzas, Mercados), El Financiero (Economía, Mercados), El Heraldo (Economía), El Sol De México (Finanzas), El Universal (Cartera), Excélsior (Economía, Mercados), Forbes México (Economía, Finanzas, Negocios), Reporte Índigo (Economía), La Crónica (Negocios), La Jornada (Economía), La Razón (Negocios), Milenio (Negocios), Reforma (Negocios) and SDP Noticias (Negocios).

Based on the media sources consulted for the compilation of the index, during the period covered by this *Report*, the level of uncertainty is primarily associated, on the international front, with oil price volatility in the context of the armed conflict in the Middle East. In addition, at the domestic level, the main factors contributing to uncertainty include: expectations of moderate economic growth; potential challenges to achieve fiscal consolidation; and the negotiation of the USMCA.

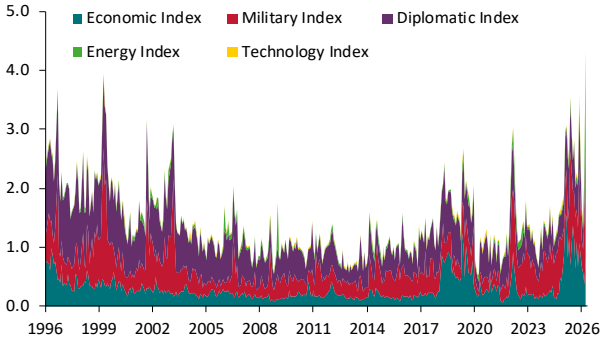
Geopolitical and trade tensions

Since 2018, the Geopolitical Risk Index has shown a shift in its composition, with a greater prevalence of economic events, such as the implementation of sanctions and tariffs. The indicator has shown an upward trend since 2025, driven by both economic factors and military tensions, reaching relatively high levels in recent months. In particular, since March 2026, the military component has been the main contributor to the aggregate index, largely due to the escalation of the armed conflict in the Middle East (Graph 30).

Graph 30

Geopolitical Risk Composition

Per cent



Data as of May 2026.

Source: Banco de México.

1/ To calculate the Geopolitical Risk (GPR) index, the baseline methodology of Caldara and Iacoviello (2018) is followed, adapted via a hybrid automated classification pipeline. The index is constructed from the global stream of Refinitiv news covering 204 countries, identifying articles that denote geopolitical risks using an XGBoost model that integrates semantic representations (TF-IDF) and specialized thematic dictionaries. The final classification is conducted through a Large Language Model (LLM), which decomposes the risk into five dimensions: economic, military, energy, technological, and diplomatic. The resulting series represents the monthly proportion of risk-related news relative to the total volume of processed articles.

III. Policy measures implemented to preserve the sound development of the financial system

During the period covered by this *Report*, the financial authorities took actions to improve the regulatory framework, including, the adoption of best practices and international standards, in order to keep it robust and up to date.

Regulation by the Banco de México

Banco de México, in accordance with the policies and recommendations of the Group of Twenty (G20) and the FSB, reinforced — through circulars 1/2026 and 2/2026[5] —the identification of derivatives market participants, by lowering the notional amount threshold of outstanding transactions to require the use of the LEI code to 3 million UDIS[6] for trusts or non-financial legal entities.

Likewise, in order to continue strengthening the implementation of monetary policies, Banco de México expanded the list of eligible securities used as collateral in repurchase operations and in those conducted to guarantee overdrafts on credit institutions' accounts at Banco de México. With this amendment, UMS Bonds, debt securities issued by development banks, and debt securities issued by the U.S. Treasury are considered eligible securities.[7]

Regulation by other authorities

National Commission for the Pension System (*Consar*, its acronym in Spanish), with the aim of improving the information provided by Afores to workers, established that Afores may provide them with the market yields calculated over a 3-year horizon. Likewise, to encourage and increase the registration of Individual Accounts for workers who did not choose an Afore, the process for assigning and reassigning Individual Accounts was adjusted. [8]

As of June 2026, the National Banking and Securities Commission (*CNBV*, its acronym in Spanish) published the following amendments to the Single Banking Rulebook (*CUB*, its acronym in Spanish):

- The mechanism for deducting excess amounts from the large exposure limits, as referred to in Articles 54 and 59 of the CUB, from regulatory capital, was clarified in order to provide legal certainty. [9]
- The "Output Floor"[10] was incorporated into the determination of capital requirements for portfolios authorized to use internal models. This was done to strengthen the comparability, stability, and sufficiency of the Mexican banking system's regulatory capital with international standards.[11]
- A maximum term for formalizing contributions for future capital increases was established, with the aim of providing greater legal certainty regarding the integration of Tier 1 Capital.[12]
- The calculation of the Total Loss-Absorbing Capacity (TLAC) was adjusted by incorporating a discount equivalent to 3.5% of the total Risk-Weighted Assets (RWA), not just to the 10% requirement based on the RWA, but also to the 3.75% requirement on Adjusted Assets.[13]

[5] Circular 1/2026 and Circular 2/2026 were published in the Official Gazette of the Federation on January 7, 2026.

[6] Pursuant to Circular 25/2017, the currently applicable notional amount threshold is equivalent to 35 million UDIS.

[7] Circular 3-2026, published in the Official Gazette of Federation on January 7, 2026.

[8] Amendments and additions to the General Provisions establishing the procedure for calculating the net performance indicators of specialized retirement fund investment companies, published in the Official Gazette of Federation on February 25, 2026.

[9] Resolution amending the General Provisions applicable to credit institutions (amending Article 61), published in the Official Gazette of Federation on March 26, 2026.

[10] The Revised Capital Floor is the higher of the risk-weighted assets calculated using: i) internal model-based methods, if applicable, authorized by the CNBV, and ii) 72.5% of the total assets weighted by risk.

[11] Resolution amending the General Provisions applicable to credit institutions (amending, adding, and repealing various provisions of Articles 1, 2 Bis 64, and 2 Bis 67), published in the Official Gazette of Federation on March 26, 2026.

[12] Resolution amending the General Provisions applicable to credit institutions (amending, adding, and repealing various provisions of Articles 1 and 2 Bis 6), published in the Official Gazette of Federation on March 26, 2026.

[13] Resolution amending the General Provisions applicable to credit institutions, published in the Official Gazette of the Federation on May 18, 2026.

Box 1: Macroprudential Policy Strategy

I. Introduction

At the end of March 2026, Mexican financial authorities, through the interagency Financial System Stability Council (CESF, its acronym in Spanish)[1], published the document "Macroprudential Policy Strategy for Mexico." Its main purpose is to foster a better understanding of the governance and operation of macroprudential policy in Mexico, which aims to mitigate systemic risk and its effects.

Systemic risk arises from the accumulation of risks inherent in the financial intermediation business or due to the presence of vulnerabilities in the financial system and its operation. Such vulnerabilites are exposed to external shocks, in the absence of which there would be no major repercussions. This could affect the normal and orderly functioning of part or all of the financial system and, in turn, the growth of the economy and, consequently, the well-being of its population.[2] For this reason, macroprudential policy comprises a set of measures aimed at mitigating such risk.

In general terms, the macroprudential policy framework consists of three main elements:[3]

- Institutional structure, financial system architecture, and governance for implementing macroprudential policy.
- Methodology for identifying, monitoring, and analyzing systemic risk.
- Decision-making mechanisms to implement macroprudential measures to mitigate systemic risk.

This Box explains the main points of the macroprudential policy strategy for Mexico published by the CESF. The International Monetary Fund (IMF 2014, 2022) and the Bank for International Settlements (BIS, 2018) have emphasized that the development and publication of a macroprudential policy strategy help to strengthen the credibility and effectiveness of countries' macroprudential policies. Evidence from various analyses on the use of macroprudential measures and their effects confirms that the implementation of macroprudential policy has been able to reduce the accumulation of vulnerabilities at the system level and mitigate risks during the expansionary phases of the business cycle by curbing excessive asset growth and, to a lesser extent, has also helped mitigate the impact of adverse cycles by encouraging the build-up of capital and liquidity buffers to maintain the flow of credit during economic contractions.

II. Mandate of Financial Authorities and Coordination Mechanisms Among Authorities

In Mexico, the financial authorities that contribute, within the scope of their respective mandates and powers, to preserve financial stability and that have the power to implement macroprudential measures are summarized in Table Table 1 .

[1] The CESF serves as the permanent coordinating body among its member financial authorities and is responsible for conducting risk assessments and analyses related to financial stability in order to prevent disruptions or significant disturbances in the functioning of the financial system and to minimize their impact should they occur. On January 10, 2014, the CESF was established by law under Article 178 of the Law Regulating Financial Groups. The CESF is composed of representatives from the SHCP, the Banco de México, the CNBV, the CNSF, the Consar, and the Banking and Deposit Insurance and Resolution Agency (IPAB, its acronym in Spanish). The SHCP chairs the Council, and the Banco de México serves as its secretariat. Meanwhile, Article 179 of the Law Regulating Financial Groups establishes the mandate and functions of the CESF.

[2] There are three main international organizations responsible for analyzing macroprudential policy and the measures that local authorities can implement to mitigate systemic risk; these are: the Financial Stability Board (FSB), the Bank for International Settlements (BIS), and the International Monetary Fund.

[3] The literature and international best practices (Edge, R. and Liang, J., 2019; ESRB, 2012; and IMF, 2011) have established that the macroprudential policy framework consists of the three elements mentioned above. Likewise, several countries have published a macroprudential policy strategy detailing each of these elements; among them, the following stand out: Ireland, Serbia, Malta, South Africa, New Zealand, Georgia, and the Czech Republic. The ESRB (2012) has also made recommendations to European Union member states regarding the need to define intermediate macroprudential policy objectives (vulnerabilities and risks affecting financial stability) in order to monitor them and link them to the macroprudential measures to be implemented for their mitigation.

Table 1
Institutional Macroprudential Framework

Macroprudential Mandate	Financial Authorities and Coordinating Bodies
Financial stability objective	Banco de México, CESF, CNBV, CNSF, CONSAR, IPAB y SHCP.
Systemic risk monitoring	Banco de México, CESF, CNBV y SHCP.
Decisions to implement macroprudential measures	Banco de México, CESF, CNBV, CNSF, Consar, CRLB[1/],y SHCP.
Implementación de medidas macroprudenciales	Banco de México, CNBV, CNSF y Consar.
Assessment of implemented macroprudential measures	Banco de México, CNBV, CNSF, Consar y SHCP.

Source: CESF (2026), "Macroprudential Policy Strategy for Mexico," March 2026.

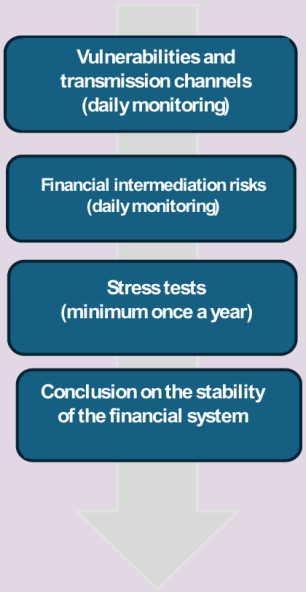
1/ Liquidity Regulation Banking Committee (CRLB, by its Spanish acronym). This is a coordinating body comprising the CNBV and Banco de México, responsible for setting liquidity requirements for commercial banks.

In addition, there is an additional coordination mechanism for sharing information related to the implementation of macroprudential policy, whereby the Governing Boards of some authorities include officials from financial authorities other than their own. For example, Banco de México participates in the Governing Boards of the CNBV, IPAB, Consar, and CNSF.[4]

III. Methodology for Identifying, Analyzing, and Monitoring Systemic Risk

Mexican financial authorities and the CESF have their own processes for continuously monitoring and analyzing vulnerabilities and risks they deem relevant, as well as for measuring the potential impact these could have on the stability of the financial system (See Diagram 1). Based on this analysis, each authority decides whether it is necessary to implement macroprudential measures to mitigate them and the most appropriate time to do so.

Diagram 1
Monitoring vulnerabilities and risks to financial stability



Source: CESF (2026), "Macroprudential Policy Strategy for Mexico," March 2026.

The first stage consists of identifying the risks and vulnerabilities that will be continuously monitored due to their potential to affect the stability of the financial system. Likewise, the transmission channels through which vulnerabilities can be magnified and spread shocks to financial markets or brokers are identified.

In the second stage, both quantitative and qualitative indicators are used, supplemented by the expert judgment of the various financial authorities to determine their current status.

In the third stage, stress tests are conducted to complement the quantitative analysis with a forward-looking perspective and to assess the resilience of financial institutions in the event of adverse macroeconomic scenarios—severe but plausible—that could broadly affect the stability of the financial system.

The process concludes when the authorities reach a conclusion regarding the state of the stability of the Mexican financial system as a whole.

[4] For further details on the composition of the Governing Boards of the financial authorities, see Table 2 of the "Macroprudential Policy Strategy for Mexico" published on the CESF website in March 2026.

In particular, Banco de México, in accordance with its objectives of promoting the sound development of the financial system and ensuring the proper functioning of payment systems, monitors vulnerabilities and risks in the following sectors: households, companies, the public sector, the external sector, and various financial institutions, including non-bank financial intermediaries.

Mexican financial authorities, including Banco de México, monitor the following vulnerabilities: 1) macroeconomic imbalances; 2) risk appetite (procyclicality) or market exposure; 3) leverage; 4) liquidity mismatches and maturity transformation; 5) interconnections and complexity; 6) concentration; 7) critical operational infrastructures for the proper and sound functioning of the financial system; and 8) exposure to financial fraud. Likewise, risks associated with global and national macro-financial conditions are monitored, as well as the risks faced by the financial system as a whole due to its intermediation function.[5] These authorities use various quantitative indicators to monitor risks and vulnerabilities.[6] These indicators are organized into several categories, such as: i) traditional risk indicators (credit, liquidity, market, etc.), ii) indicators to measure macrofinancial risks, iii) financial market risk perceptions, and iv) stress scenario simulations.

In this regard, Banco de México uses aggregate risk indicators to monitor vulnerabilities in the financial system as a whole; as well as macrofinancial risks. These indicators are:[7] the Financial Market Stress Index (IEMF, by its acronym in Spanish), the Financial Conditions Index (ICF, by its acronym in Spanish), the Mexican financial system risk map, and the Macrofinancial Vulnerabilities Index (early warning indicator).[8] It also uses other indicators to measure the risks inherent in the financial intermediation business, such as liquidity risk, credit risk, market risk, contagion risk, solvency risk, and operational risks for various banking and Non-Bank Financial Institutions. Additionally, it conducts stress tests to assess the resilience of the Mexican financial system against hypothetical adverse economic scenarios that are extreme but plausible.

The identification, monitoring, and analysis of vulnerabilities, transmission channels, and risks to financial stability is an ongoing task for Mexican financial authorities. This analysis is conducted across various time horizons. The results of this process are published once a year in the Annual Report of the Financial System Stability Council (CESF, by its acronym in Spanish), as well as in the reports issued by each of the authorities comprising the CESF, the frequency of publication of which varies by authority. In particular, Banco de México systematically reflects a significant portion of the monitoring of vulnerabilities and risks in the Financial Stability Report it publishes every six months.

IV. Macroprudential policy measures to mitigate the accumulation of vulnerabilities and risks

Macroprudential policy measures aim to mitigate vulnerabilities and risks, both procyclical and systemic, within the financial system. Banco de México, the CNBV, the CNSF, and the National Commission for the Pension System (Consar, its acronym in Spanish) are the authorities responsible for implementing macroprudential measures. The available macroprudential measures can be categorized based on the different types of vulnerabilities they seek to mitigate and the part of financial institutions' balance sheets they aim to modify to increase their resilience (capital, assets, or liabilities). In particular, Banco de México is empowered to implement the measures listed in the Table 2 .[9]

[5] For more information on the vulnerabilities, transmission channels, and risks monitored by each of the authorities, see Tables 4 and 5 of the "Macroprudential Policy Strategy for Mexico" published on the CESF website in March 2026.

[6] For further reference on the indicators used by the respective financial authorities, see Table 6 of the "Macroprudential Policy Strategy for Mexico" published on the CESF website in March 2026.

[7] Aggregate risk indicators summarize the combined evolution of various financial variables in a single index. The variables considered include those that capture market volatility, risk premiums, and interest rate spreads, as well as others that reflect the financing conditions faced by economic agents. For more information on the IEMF, see Box 2 of the 2013 Report on the Financial System. For the ICF for Mexico, see the Banco de México document (2015), "Estimation of a Financial Conditions Index for Mexico."

[8] The analysis of these indicators is presented every six months in the Financial Stability Report.

[9] For more information on the macroprudential measures available to each authority, see Table 3 of the "Macroprudential Policy Strategy for Mexico" published in March 2026.

Table 2

Banco de México's macroprudential measures

Balance	Mitigation of vulnerabilities	Macroprudential measures
Capital	Macroeconomic imbalances, risk appetite, and leverage	Analysis of the banking system's resilience using Stress tests.[1/]
Assets and Liabilities	Liquidity shortfalls and maturity transformation, changes in asset valuation	Liquidity Coverage Ratio
		Net Stable Funding Ratio
		Liquidity Requirements in Foreign Currency
		Foreign Currency Investment Requirement
		Investment funds: leverage limits for open-ended investment funds through repurchase agreements.
		Derivatives transactions: margin requirements for derivatives transactions that are not cleared and settled through clearinghouses.
Excessive growth in credit or business	Risk appetite, concentration, interconnections, and complexity	Commercial banks: minimum credit card payment.

Source: CESF (2026), "Macroprudential Policy Strategy for Mexico," March 2026.

1/ In the case of the Banco de México, stress tests are used as a tool to monitor vulnerabilities and risks to financial stability. These tests are not strictly a macroprudential policy measure, since the authority to set capital requirements lies with the CNBV. However, stress tests are a macroprudential stress exercise (a complementary tool) used by Banco de México to analyze the resilience of the system as a whole.

The stress tests implemented by Banco de México are a complementary tool for macroprudential analysis to assess the resilience of the system as a whole.

Second, the two liquidity requirements for commercial banks—both the Liquidity Coverage Ratio (LCR) and the Net Stable Funding Ratio (NSFR)—are documented in the Liquidity Provisions issued jointly by the CNBV and Banco de México. These requirements help mitigate vulnerabilities arising from liquidity mismatches and maturity transformation, and can be used as macroprudential measures to reduce, during crisis episodes, procyclical behavior among banks driven by the search for greater liquidity.

Third, Banco de México also establishes three foreign currency liquidity requirements to mitigate vulnerabilities arising from foreign exchange risk.[10] The macroprudential objective of these requirements is to prevent liquidity risk from materializing into systemic risk.

On the other hand, the macroprudential measures in place for the investment funds sector allow for greater flexibility on the limit on leverage through repurchase agreements.[11] In addition, bilateral margin requirements for derivative transactions help reduce the accumulation of unsecured exposures to strengthen the resilience of the financial system.[12] Finally, to mitigate vulnerabilities arising from excessive credit growth, Banco de México issues the Provisions for Determining the Minimum Payment for Credit Cards.[13]

Finally, each financial authority with macroprudential powers retains discretion to implement the macroprudential measures at its disposal and in accordance with its mandate (See Diagram 2).

[10] These requirements are: i) limits on foreign exchange risk exposure, ii) foreign currency investment regime (short-term liquidity requirement), and liability admission regime (structural liquidity requirement), which are regulated by Circular 3/2012 on Provisions Applicable to the Operations of Credit Institutions, regulated multi-purpose financial companies that maintain equity ties with credit institutions, and the National Farming, Rural, Forestry and Fisheries Development Bank.

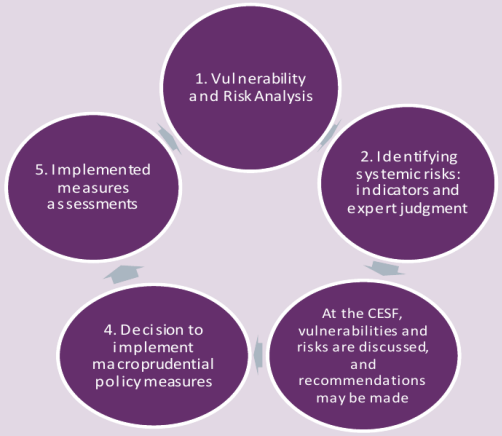
[11] This is based on the Rules to which credit institutions, broker-dealers, investment funds, specialized retirement fund investment companies, general warehouses, insurance institutions, surety institutions, regulated multi-purpose financial companies that maintain equity ties with a credit institution, and the National Farming, Rural, Forestry and Fisheries Development Bank must adhere in their repurchase agreement transactions, section 2.2.

[12] The regulatory basis for this requirement is: "Rules for the Conduct of Derivative Transactions" in Circular 2/2023 of the Banco de México.

[13] See Circular 13/2011 for further information.

Diagram 2

Analysis cycle for decision-making on the implementation of macroprudential policy



Source: CESF (2026), "Macroprudential Policy Strategy for Mexico," March 2026.

Conclusions

The publication of the macroprudential policy strategy by the CESF offers several benefits. Among them, it provides an opportunity to ensure clarity, transparency, and accountability regarding the macroprudential policy framework used by Mexican financial authorities. It also facilitates understanding of macroprudential policy in times of "peace" to enhance the effectiveness of implementing macroprudential measures in times of "crisis."

It is essential to maintain a macroprudential strategy that is consistent over time and incorporates lessons learned from crisis episodes, as well as new measures developed in times of peace. This strategy should update the framework for analyzing vulnerabilities and risks, as well as the processes followed by authorities when deciding which measures to implement, if any. In this way, the macroprudential policy strategy helps create a more resilient financial system in the face of stress scenarios.

The macroprudential policy strategy in Mexico is scheduled to be updated at least every five years (depending on the country's economic and financial situation); in particular, regarding: i) identified vulnerabilities (new ones and those still present), ii) lessons learned since the last review, including any measures that may have been implemented, iii) risks to be monitored in the medium- and long-term.

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IV. Financial system risks

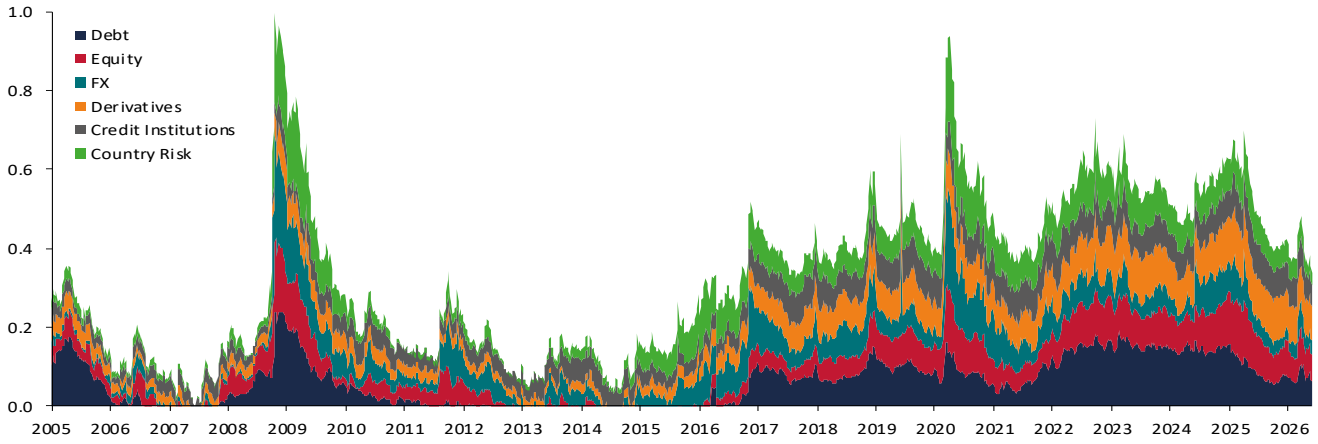
IV.1. Aggregate risk indicators

From the last *Report* until the start of the U.S. and Israeli military attack against Iran, the Financial Market Stress Index (*IEMF*, its acronym in Spanish) followed a downward trajectory. Subsequently, it began to rise due to increased stress observed in financial markets starting in March during the armed conflict; however, in early April, with the start of the ceasefire, the index resumed its downward trend due to reduced stress in the foreign exchange market. Compared to *the* previous *Report*, the index is at a lower level, which is explained by the decrease in stress observed across all of its components with exception of the foreign exchange market, which increased (Graph 31).[14]

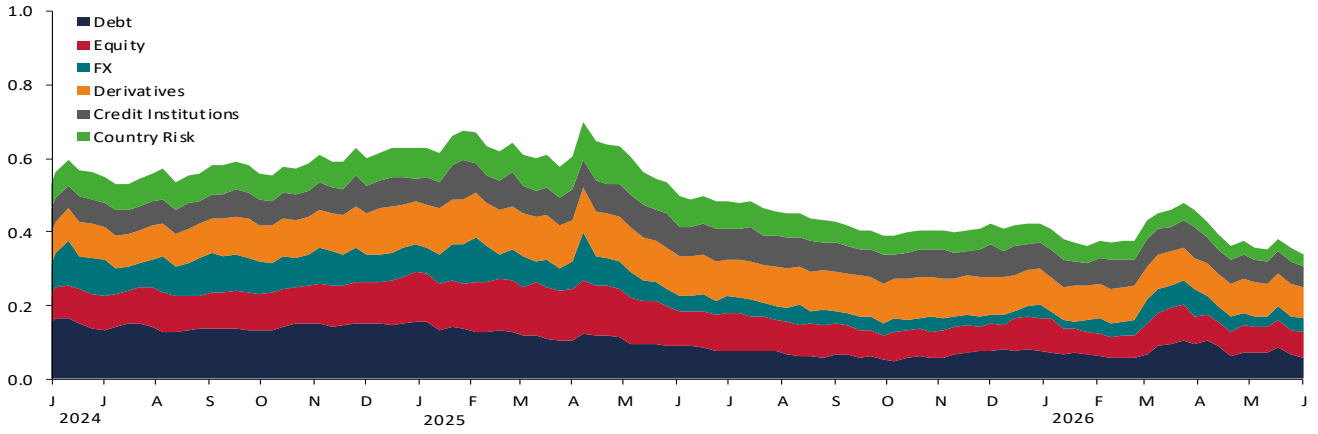
Graph 31

The Financial Market Stress Index [1/]

a) Stress level 2005-2026



b) Stress level 2024-2026[2/]



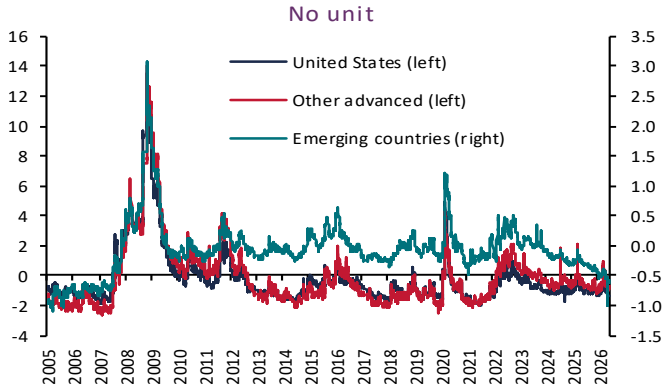
Data as of June 5, 2026.
Source: Banco de México.
1/ The index was estimated using a principal component analysis on 36 standard variables of Mexican financial markets grouped into 6 categories (debt market, equity market, FX market, derivatives market, credit institutions and country risk). Total components yields the index scaled at the [0,1] interval. A higher number represents higher financial stress.

Meanwhile, financial market stress indices for the United States and emerging countries declined compared to *the* last *Report,* while the index for other advanced economies increased. In all cases, their levels are below their historical average (Graph 32).

[14] The stress index for the financial markets is recalculated whenever new information becomes available; therefore, the levels obtained on each date may differ from those obtained in previous calculations.

Graph 32

Financial Stress Index for others countries or regions [1/]



Data as of June 8, 2026.

Source: Office of Financial Research (OFR).

1/ The Financial Stress Index is a daily market-based snapshot of stress in global financial markets. The FSI shows stress contributions by three regions: United States, other advanced economies, and emerging markets.

In May, financial conditions in Mexico eased compared to the previous *Report*, according to the Financial Conditions Index (*ICF*, its acronym in Spanish), and remained in the easing zone for the ninth consecutive month. This is due to the easing of variables related to the debt market and others, as well as macroeconomic variables (Graph 33).

Global financial conditions, as measured by the IMF's Financial Conditions Index, tightened in March, although they remain in the easing zone. The tightening is due to geopolitical uncertainty that has affected both advanced and developing economies.[15]

In May, growth-at-risk (GaR)[16] at a 10% confidence level, an indicator that links current financial conditions to the distribution of future annual economic growth, was estimated at -0.20%. This value corresponds to the 10th percentile of the distribution of possible future growth outcomes and reflects an improvement compared to the result observed six months earlier (-1.1%), attributable to the easing of financial conditions in Mexico.

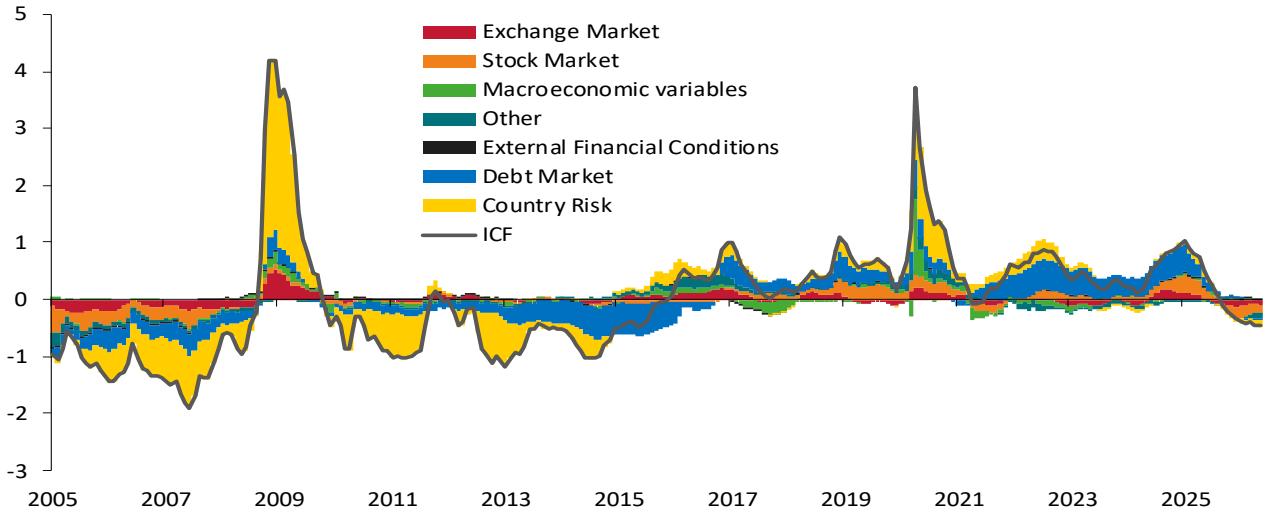
[15] See the IMF's Global Financial Stability Report, April 2026, Chapter 1, available here.

[16] This indicator represents the 10th percentile value of the distribution of future annual real GDP growth estimated based on the historical series of the ICF and current annual economic growth relative to the expectation of future annual growth. It allows for the identification of potential adverse growth scenarios, contingent on the state of current financial conditions. For methodological details on the calculation of GaR, see Box 2: Growth at Risk and Financial Conditions in Mexico in the Financial Stability Report, December 2019.

Graph 33

Financial Conditions Index[1/,2/]

Standard deviations



Data as of May 2026.
Source: Banco de México.
1/ For a description of the methodology see Box 2: Financial Conditions and Growth Risk, Financial Stability Report, December 2019.
2/ The contributions of each ICF variable are estimated using Kalman Filter.

The main results of the Systemic Risk Perception Survey,[17,18] are described below. Regarding the main sources of risk to the financial system, the most frequently cited external financial risks are: a decline in the global economy's growth outlook, protectionist policies and the weakening of trade agreements, as well as higher than expected inflation; the latter two were cited more frequently than in the previous survey. Regarding internal financial risks, the decline in the country's economic growth outlook is the most frequently mentioned risk, followed by higher-than-expected inflation and a downgrade in the credit rating for sovereign debt. Finally, for non-financial risks, the most frequently mentioned were political, geopolitical, and social risks; cybersecurity risks and technological risks; and climate risk (Table 1).

Table 1

Main sources of financial system risks

Percent of total institutions

	May-26[1/]	Nov-25[2/]
External financial risks		
Deterioration of global economic growth outlook	86	87
Protectionist measures and the weakening of trade agreements	81	76
Higher than expected inflation	81	74
Deterioration of foreign market conditions*	69	74
Disorderly changes in foreign interest rates	64	54
Domestic financial risks		
Deterioration of the domestic economic growth outlook	84	78
Higher than expected inflation	80	77
Deterioration of sovereign credit rating	75	64
Deterioration of public finances	64	70
Fiscal, financial and economic policies	55	56
Non-financial risks		
Political, geopolitical and social risks	91	91
Cybersecurity and IT risks	85	87
Climate risk	79	81
Violence and insecurity	69	72
Deterioration of the rule of law and impunity	55	61

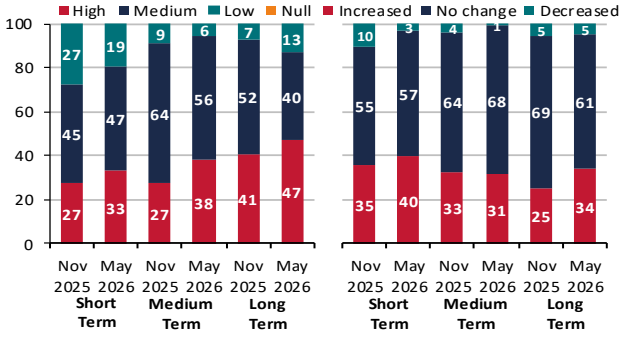
1/ In the last survey 108 institutions participated.
2/ In the previous survey 110 institutions participated.
* Exchange rate volatility, depreciation and lack of liquidity.

[17] The survey is conducted by Banco de México among risk management directors at various financial institutions. This semester's survey was carried out from April 29 to May 20, 2026. For further information, see Box 6, "Semiannual Survey on the Perception of Systemic Risk," in the Financial Stability Report, December 2019.

[18] The survey consists of a series of questions grouped into five blocks: i) main sources of financial (internal and external) and non-financial risks; ii) the perception of the occurrence of a high-impact event that could affect the proper function of the financial system at different time horizons; iii) institutions' expectations regarding the main idiosyncratic risk they face; iv) aspects related to their risk management. The survey was sent to 138 financial institutions (pension funds, insurance companies, commercial banks, development banks, broker-dealers, and investment funds), of which 108 responded.

Regarding the probability of an event occurring that would affect financial stability in the short, medium and long-term periods,[19] it is noted that the proportion of institutions considering this probability to be high increased, compared to the previous six-month period, across all time horizons. Finally, the proportion of institutions that consider the probability of such an event occurring to have increased rose in the short and long term, while it decreased in the medium term (Graph 34).

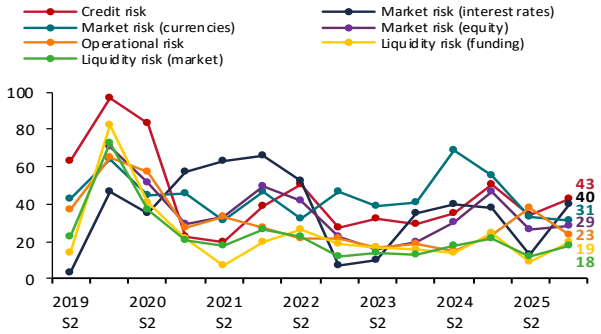
Graph 34
Probability of occurrence of a Systemic Event
Percentage of responses [1/]



Source: Banco de México.
1/ Certain figures may not add up to 100% due to rounding up.

Regarding institutions' expectations about the evolution of financial risks over the next six months, an increase is expected in credit risk, market (interest rates and equity instruments), funding liquidity, and market liquidity risks. In contrast, foreign exchange and operational market risks are expected to decrease (Graph 35).

Graph 35
Expectations regarding the evolution of risks in the following six months [1/]
Percent



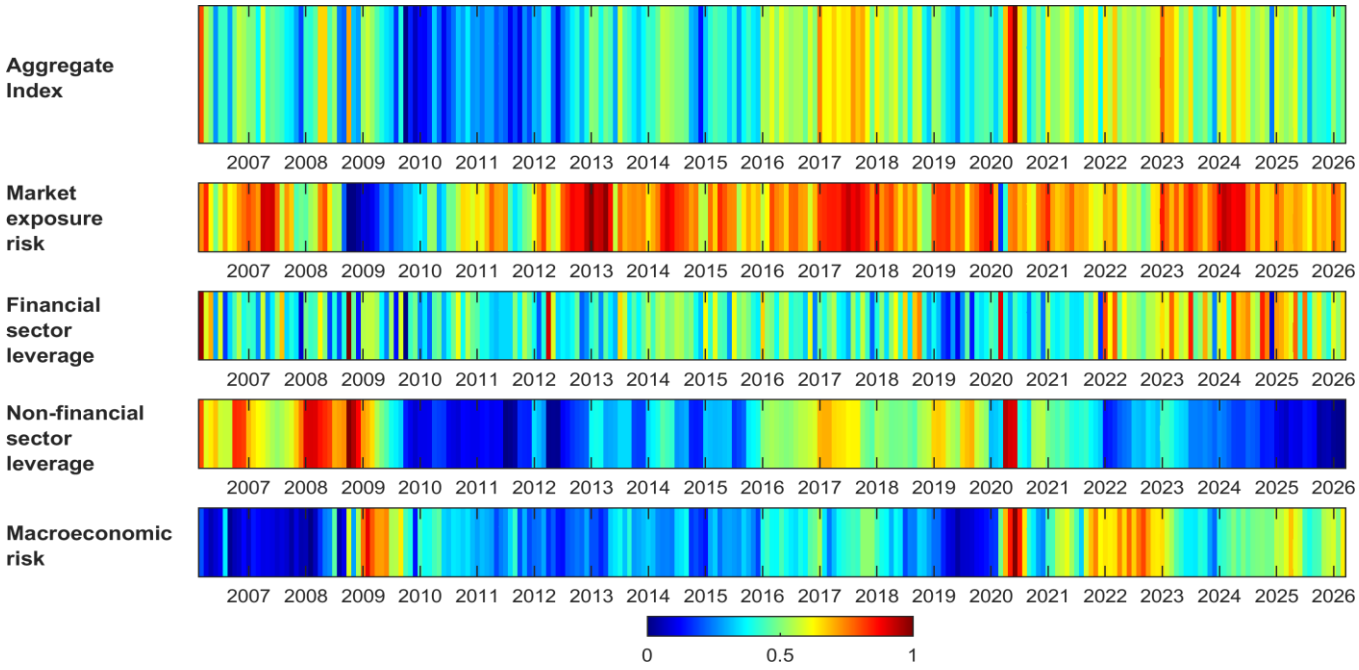
Data as of May 2026.
Source: Banco de México.
1/ The chart shows the difference between the percent of institutions that expect the risk to increase and the institutions that expect the risk to decrease.

[19] The short, medium- and long-term horizons should be understood as 0 to 6 months, 6 to 12 months, and 1 year or more, respectively. Institutions were asked whether the probability of occurrence was high, medium, low, or nonexistent for each time horizon.

The aggregate risk of the financial system, represented on the Heat Map, increased marginally. This is mainly explained by the rise in macroeconomic risks and financial sector leverage risks observed during this period. In contrast, market exposure risks and non-financial sector leverage risks decreased slightly (Graph 36).

Graph 36

Heat maps of risks in the Mexican financial system 1/ 2/



Data as of March 2026.
Source: Prepared by Banco de México using data from Banco de México, Bloomberg, Haver, and CNBV.
1/ Refer to Box 3 for a description of the methodology: Mexican Financial System Risks Heat Maps, Financial System Report 2018. The Exposure to Markets category relates to the Risk Appetite category of the Financial System Report 2018.
2/ The disaggregated map is provided in Annex 1.

Box 2: The Impact of Global Uncertainty on Financial Conditions in Mexico

I. Introduction

Financial conditions represent a key transmission channel between the global and the domestic economy. This link operates primarily through capital flows, adjustments in risk premiums, and the co-movement between financial asset prices in Mexico and those in advanced economies. Given this, it is important to have a measure that quantifies these financial conditions (Duca and Peltonen, 2013). Since 2019, Banco de México has published the Financial Conditions Index (ICF, its acronym in Spanish),[1] an indicator that synthesizes information from various macroeconomic and financial variables.

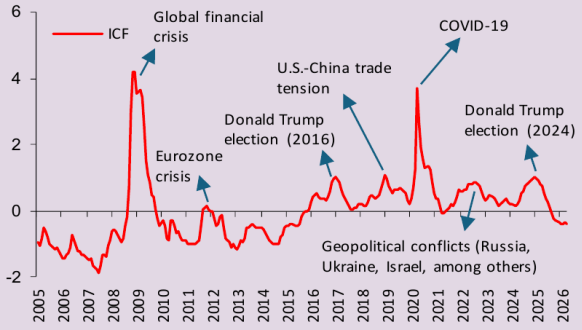
As part of the analysis and monitoring of systemic risk, efforts have begun to assess the impact of uncertainty on the performance of financial markets and economic activity. To this end, various indicators have been used, such as the U.S. Economic Policy Uncertainty Index (EPU), the U.S. Trade Policy Uncertainty Index (TPU), and the Global Geopolitical Risk Index (GPR) (Baker et al., 2016; and Caldara and Iacoviello, 2022).

This box analyzes how periods of high global uncertainty affect financial conditions in Mexico, providing relevant insights for monitoring and tracking financial stability and the economy's financing conditions.

II. Empirical Evidence for Mexico

The ICF estimate for Mexico suggests that some episodes of high uncertainty coincide with periods of tightening in financial conditions. Notable episodes include those with significantly more restrictive financial conditions during the global financial crisis and the health crisis caused by COVID-19. Likewise, pronounced tightening is observed in other relevant episodes, such as the sovereign debt crisis in Europe, trade tensions between the United States and China, the conflicts between Ukraine and Russia, as well as the 2016 and 2024 U.S. elections (Graph 1).

Graph 1
ICF and Events of Elevated Uncertainty
Standard deviations



Data as of April 2026.
Source: Elaborated by Banco de México with data from Bloomberg, Banco de México, BMV and INEGI.

III. Literature Review

Financial conditions refer to the state of financial variables that influence the decisions of economic agents (Hatzius et al., 2010). To monitor them, aggregate indicators have been developed that synthesize information from these variables to identify periods of tightening or easing in the financial market. [2]

Alongside the development of these indicators based on economic and financial time series, indicators have been developed using alternative sources of information to measure uncertainty.

Although there is no consensus on the best metric for capturing the effects of uncertainty, indicators based on text analysis—such as EPU, TPU, and GPR—have recently gained prominence (Baker et al., 2016; Caldara and Iacoviello, 2022). These indicators are constructed based on the frequency with which certain words associated with risk and uncertainty appear in news articles, allowing for the capture of different dimensions of both concepts. For example, the EPU quantifies uncertainty linked to U.S. economic policy,[3] the TPU approximates uncertainty

[1] See the Financial Stability Report – Second Half (December) 2019, Box 2, pp. 27–30. Banco de México.
[2] For a more detailed discussion of the literature on financial conditions indicators, see the Financial Stability Report – Second Half (December) 2019, Box 2, pp. 27–30. Banco de México.
[3] The EPU is constructed using news from selected newspapers, changes to tax code, and discrepancies among economic forecasts. Its algorithm identifies words associated with uncertainty and economic policy, taxes, regulation, budget, deficit, and central bank, among others.

associated with U.S. trade policy,[4] and the GPR measures the risk associated with global geopolitical events, geopolitical tensions, and threats.[5] Empirical evidence suggests that these indicators capture the effect that uncertainty has on economic performance and financial markets (Gulen and Ion, 2016; Baker et al., 2016; Aastveit et al., 2017; Li and Zhong, 2020; Cascaldi-García et al., 2023; IMF, 2025).

The literature documents that episodes of high risk or uncertainty can affect financial conditions through various channels. For example, Li and Zhong (2020) find that shocks from global economic policy uncertainty impact financial conditions, particularly during periods of crisis. Likewise, it has been found that, during episodes of high uncertainty, the volatility of certain financial asset prices increases (Kang et al., 2017; Ji et al., 2018; Sun et al., 2018) and bank credit contracts (Bordo et al., 2016).

IV. Methodology and Data Used

Episodes of high uncertainty are identified based on the IMF (2025) methodology. Specifically, for each uncertainty indicator, $y_{j,t}$, where $j = \text{EPU}, \text{TPU}, \text{GPR}$, the following first-order autoregressive model is estimated:

$$y_{j,t} = \alpha + \rho y_{j,t-1} + \varepsilon_{j,t}.$$

From this estimation, a time series of the estimated residuals for each indicator is obtained, denoted by $\hat{\varepsilon}_{j,t}$. Subsequently, a dummy variable $D_{j,t}$ is constructed, defined as:

$$D_{j,t} = \begin{cases} 1 \text{ if } \hat{\varepsilon}_{j,t} \geq 2\sigma_j \\ 0 \text{ if } \hat{\varepsilon}_{j,t} < 2\sigma_j \end{cases}.$$

Where σ_j represents the historical standard deviation of the estimated residuals of the indicator j. Thus, $D_{j,t} = 1$ indicates that the indicator j recorded an atypical increase over time t, which identifies the occurrence of an episode of high uncertainty.[6]

To measure the effect of these events on financial conditions, a linear regression approach was performed and employs the previously defined dummy variables.[7] Specifically, for each variable x_t used as an input in the ICF estimation, the following model is proposed:

$$x_t = \beta_0 + \beta_{EPU} D_{EPU,t-1} + \beta_{TPU} D_{TPU,t-1} + \beta_{GPR} D_{GPR,t-1} + \gamma' Z_{t-1} + u_t,$$

where Z_{t-1} is a vector of lagged control variables[8] capturing the behavior of global financial conditions. This vector includes the annual nominal return on the S&P 500, the S&P 500 volatility index (VIX), the yield spread between U.S. high-yield corporate bonds and Treasury bonds, the annual nominal return on the US dollar index (DXY), and the annual change in the yield on the 10-year Treasury bond (T-bond).

Under this econometric specification, the coefficients β_{EPU}, β_{TPU}, and β_{GPR} capture the average effect on each of the ICF variables given the occurrence of a high-uncertainty event in the preceding period.

Finally, these coefficients are incorporated into the calculation of the ICF as impacts on the input variables. This allows the estimation of a stressed ICF that reflects the dynamics of financial variables during episodes of high uncertainty. This methodological approach is related to the literature on global sensitivity analysis (Sobol, 2001; Saltelli et al., 2008). Specifically, the proposed methodology can be interpreted as a "what-if" scenario analysis, which evaluates the response of the aggregate indicator to shocks in its components. Thus, the methodology not only quantifies the index's

[4] The TPU is constructed using news from selected newspapers, press conferences on company financial reports, and data on tariffs. Its algorithm identifies words associated with trade policy, such as tariffs, import taxes, import barriers, and duties on imported goods, as well as terms related to risk and uncertainty: uncertainty, risks, potential danger, unclear, probable, among others.

[5] The GPR is constructed using news and articles from selected newspapers and magazines. Its algorithm identifies words associated with geopolitical tensions, such as wars, terrorism, sanctions, embargoes, and conflict escalation.

[6] Through these dummy variables, episodes such as the global financial crisis, the U.S. presidential elections, and COVID-19 are identified with respect to *the EPU*; trade tensions between the U.S. and China and Liberation Day with respect to *the* TPU; and conflicts and geopolitical tensions in North Korea, Israel, the Middle East, Turkey, and Ukraine with respect to *the* GPR.

[7] This specification is particularly useful for robustness checks the estimates when the variables of interest in our study exhibit extreme values in some periods, as is the case with the uncertainty indices analyzed.

[8] The lag is defined by the Akaike Information Criterion (AIC) for each control variable.

sensitivity but also provides a breakdown of the factors contributing to its dynamics.

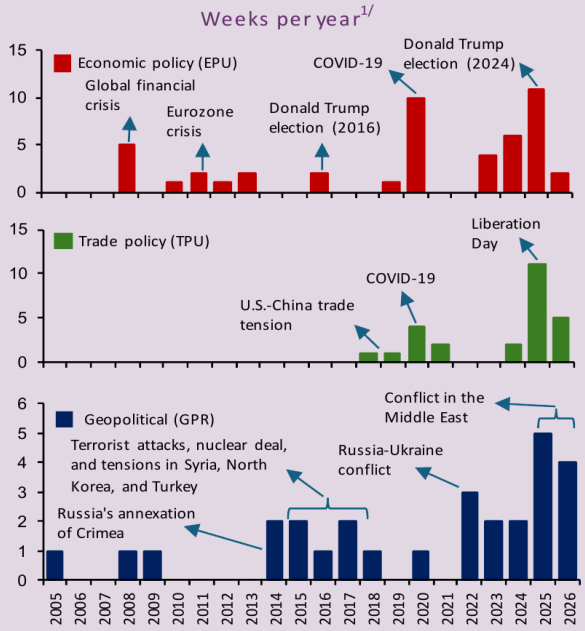
This analysis uses weekly data and covers the period from January 2005 to April 2026. The data sources for the ICF come from Bloomberg, Banco de México, the Mexican Stock Exchange (BMV, its acronym in Spanish), the U.S. Federal Reserve, and INEGI. The data sources for the EPU, TPU, and GPR come from Baker et al. (2016) and Caldara and Iacoviello (2022).[9]

V. Main Results

The proposed methodology for identifying high-uncertainty events captures relevant economic, political, and geopolitical episodes (Graph 2).

Graph 2

Events of Elevated Uncertainty Across Different Dimensions



Source: Elaborated by Banco de México with data from Bloomberg, Banco de México, BMV and INEGI.

Note: The count of events for 2026 is through April 2026.

1/ Number of weeks in a year in which episodes of elevated uncertainty are identified, according to the described methodology.

The results of the regression model estimation are presented in Table 1. These suggest that high-uncertainty events related to economic policy and, to a lesser extent, those associated with trade policy and geopolitical risk, are linked to a tightening in the variables used to estimate the ICF. In particular, the results suggest that the occurrence of these events is associated with statistically significant increases in the cost of sovereign and corporate debt, exchange rate depreciations along with higher volatility, and contractions in local stock market valuations. It is noteworthy that, while global uncertainty shocks do not have a statistically significant impact on short-term (3-month) sovereign rates, they do increase long term yields (10-year) by between 0.35 and 0.38 standard deviations, and widen the spread of corporate debt relative to the TIIE-28 by between 0.29 and 0.82 standard deviations.

Table 1

Effect of high-uncertainty events on the variables used in the construction of the ICF

Standard deviations (s.d.)

Variable	EPU	TPU	GPR
Money market:			
Interbank spread	-0.21	-0.38***	-0.07
Reference rate	0.32**	0.05	0.19
Sovereign debt market:			
3-month Mexico–U.S. yield spread	0.20	-0.26	0.10
10-year rate	0.11	0.38**	0.35*
10-year yield spread Mexico – United States	.15	.12	.22
Yield curve slope	-0.43***	.28*	0.02
Corporate bond market:			
Spread between high-quality short-term corporate bonds (AAA-AA) and the 28-day TIIE	0.29*	0.82***	0.41***
Country risk:			
EMBIG Mexico	0.27**	0.10	0.13
Stock market:			
Annual CPI change	-0.37**	-0.04	-0.09
90-day CPI volatility	-0.03	-0.01	-0.13
Financial system beta	0.10	0.39***	0.09
Foreign exchange market:			
Annual change in the peso/US dollar exchange rate	0.26*	0.12	0.01
Implied volatility of 3-month peso/US dollar exchange rate options	0.29***	-0.06	0.06
Other:			
Annual change in the price of Mexican crude oil	-0.25	-0.25	0.03
U.S. Financial Conditions Index	0.04	-0.08	0.05

Note: ***, **, and * indicate statistical significance at the 1%, 5%, and 10% levels, respectively. The variables are standardized. Standard errors were estimated using the Newey-West (1986) method with six lags to correct for serial autocorrelation and heteroscedasticity in the residuals.

To assess the sensitivity of the results to alternative specifications, various robustness tests were conducted. The results hold when using different identification thresholds for uncertainty events, as well as when incorporating control variables for exogenous shocks, such as the 2008 global financial crisis and the COVID-19 health crisis.

[9] Also available on the authors' websites: Economic Policy Uncertainty Index and Geopolitical Risk (GPR) Index.

When the estimated coefficients are incorporated into the ICF calculation, it is observed that, based on data as of April 2026, an event of high economic policy uncertainty would increase the ICF by 0.12 standard deviations. Meanwhile, the occurrence of events involving high trade policy uncertainty and geopolitical risk would lead to tightening of 0.04 and 0.01 standard deviations, respectively. Although the absolute magnitudes of the shocks are moderate, when compared with the historical distribution of monthly changes in the ICF, these changes would fall in the 82nd, 64th, and 56th percentiles of that distribution, suggesting a statistically significant impact on financial conditions.

VI. Concluding Remarks

Episodes of high global uncertainty have a significant impact on financial conditions. This study finds evidence that the occurrence of these events is associated with a tightening of financial conditions in Mexico. This tends to be reflected in more restrictive conditions in sovereign debt markets, a deterioration in country risk metrics, and in the stock and foreign exchange markets.

The results of the analysis highlight the importance of incorporating global uncertainty metrics into the monitoring of financial conditions in Mexico and the assessment of financial stability. In light of these developments and considering the current environment, it is important to track risk and uncertainty indicators and conduct a more in-depth analysis of their transmission channels within the financial system.

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Macrofinancial Vulnerability Index

Early warning indicators are metrics that enable national authorities and international organizations, such as the FSB and the IMF, to detect macrofinancial vulnerabilities in a timely manner.[20] These indicators allow for the monitoring of areas of fragility in an economy that, under adverse economic conditions, could eventually lead to episodes of stress or macrofinancial crisis.[21]

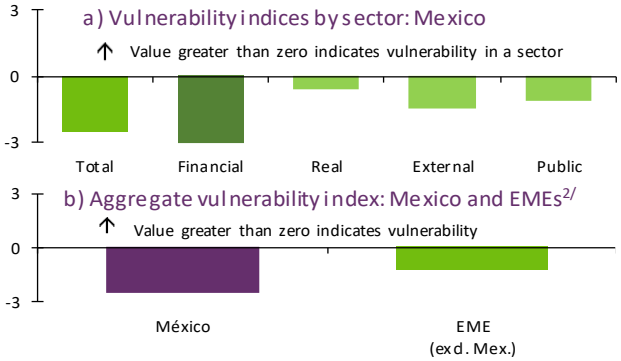
Early warning indicators are calculated for four sectors of the Mexican economy: financial, real, external, and public sector.[22] In all cases, the values are below their respective critical thresholds,[23] indicating that, in the current environment, no significant macrofinancial vulnerabilities have been identified and that the economy remains resilient in the face of a potentially adverse economic environment (Graph 37a).

Compared to the previous *Report*,[24] the indicators show a general improvement, reflected across the four sectors analyzed; with the most significant improvements observed in the external and real sectors. In the real sector, the progress is explained by the prospects for higher GDP growth in the Mexican economy in 2026 compared to 2025. In the external sector, the improvement is largely due to a higher reserve coverage ratio, indicating a strengthening of the economy's capacity to absorb external shocks. In the case of the public sector, the improvement is mainly associated with expectations of higher public revenues.

As for the financial sector, it continues to show the lowest levels of vulnerability, reflecting the strength of the Mexican economy. The improvement in this sector is primarily attributable to advances in bank capitalization (CAR) and returns on assets (ROA).

Graph 37

Macro-financial vulnerability indices[1/]



Data as of April 2026.

Source: Banco de México, Haver Analytics, IMF (World Economic Outlook and Financial Soundness Indicators).

1/ An index value of 0 indicates that the vulnerability threshold has been reached. Negative values imply lower vulnerability, while positive values indicate higher vulnerability.

2/ The group of emerging market economies includes Brazil, Colombia, Indonesia, the Philippines, South Africa, Thailand, and Türkiye.

To provide a comprehensive view of vulnerabilities, a composite indicator is calculated that synthesizes information from the four sectors. This indicator

[20] See the IMF Methodological Manual (2012), *The IMF-FSB Early Warning Exercise: Design and Methodological Toolkit*.

[21] Macrofinancial crises are defined as sudden capital outflows, financial stress, and abrupt fiscal adjustments. The definitions are based on the IMF Methodological Manual (2012) and Laeven and Valencia (2012). However, when analyzing the indicators, it should be noted that macrofinancial crises typically arise from simultaneous vulnerabilities across multiple sectors, and their likelihood depends on both the degree of internal fragility and the severity of external shocks.

[22] Eleven variables are used as indicators for emerging economies based on the latest available data: the current account balance, reserve coverage, export growth, the real effective exchange rate, the fiscal balance, changes in public revenues, the Capitalization Adequacy Ratio (CAR), Return on Assets (ROA), the Non-Performing Loan ratio (NPL ratio), the loan-to-deposit ratio, and real GDP growth. Composite indicators are obtained by calculating a weighted average of the distance of each indicator from its respective threshold, taking into account the importance of each variable in predicting crises.

[23] Thresholds centered at zero are defined by standardizing the indicators such that their historical average equals zero and their standard deviation measures the distance from that average. In this framework, positive values indicate that an indicator is above its historical level reflecting greater vulnerabilities, while negative values suggest lower risks. The value of zero represents the equilibrium point or reference point from which warning signs are assessed.

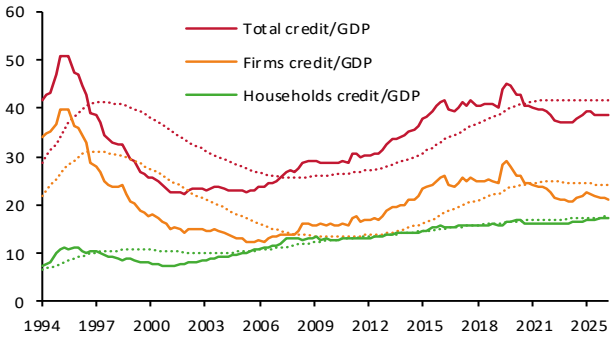
[24] The previous *Report* referred to vulnerabilities in 2026 and, therefore, to macrofinancial stability in 2025, whereas the current version of *the Report* refers to vulnerabilities in 2027 and, therefore, to macrofinancial stability in 2026.

shows an improvement compared to the previous *Report*, in line with the aforementioned progress. The composite indicator for other emerging market economies also improved; however, Mexico continues to exhibit a lower level of macrofinancial vulnerabilities. In this context, the Mexican economy maintains a solid position despite a challenging international environment (Graph 37b).

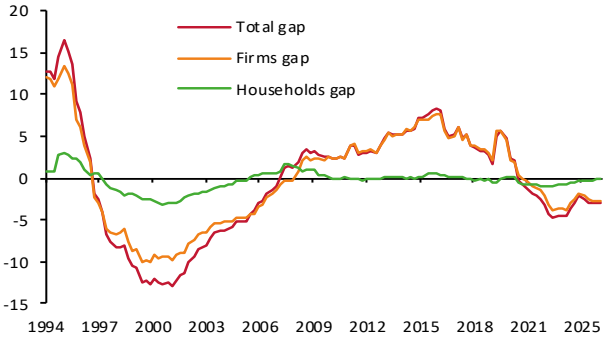
IV.2. Financial position of households, companies, and the public sector

The credit gap has remained negative for twenty consecutive quarters. During the first quarter of 2026, it widened to 3.0 percent of GDP (Graph 38b). Credit-to-GDP is at a level comparable to that observed in 2016, while the credit gap resembles that recorded in 2006 (Graph 39a).

Graph 38
Credit to non-financial system private sector
a) Share of GDP [1/]
Percent



b) Credit-to-GDP gap [2/]
Percent



Data as of March 2026.

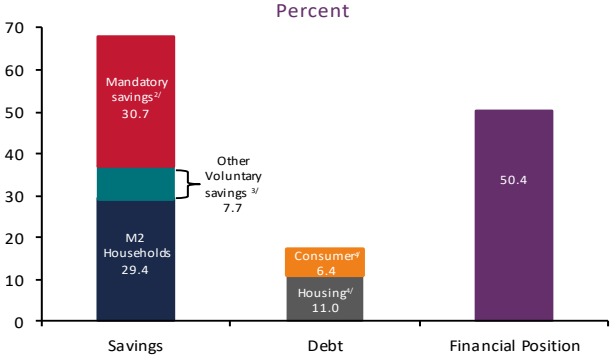
Source: Banco de México.

1/The dotted lines correspond to the long-run trend, which is computed using a one-sided Hodrick-Prescott filter with a smoothing parameter of 400,000.

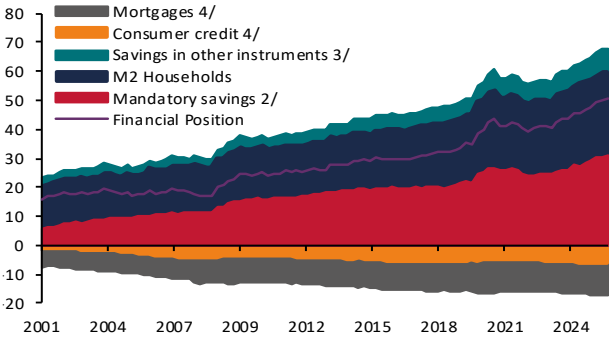
2/Refers to the difference between financing and its long-run trend.

Households' financial position improved compared to the second half of 2025, reaching 50.4% of GDP. This was due to an increase in both mandatory savings and savings in other instruments (Graph 39a). Savings reached their highest level, surpassing the previous half-year figure (Graph 39b).

Graph 39
Households financial position[1/]
a) Share of GDP
Percent



b) Share of GDP
Percent



Data as of March 2026.

Source: Banco de México.

1/ Totals may not add up to 100% due to rounding. Share of four quarters average nominal GDP.

2/ Includes housing and pension funds.

3/ Includes public securities, private securities, issued by states, municipalities, OyEs and Fonadin, as well as other banks liabilities held by households.

4/ Includes credit granted by commercial banks, development banks, non-bank savings and loans entities, credit unions and regulated financial companies.

At the end of the first quarter of 2026, total financing to the non-financial sector of the Mexican economy recorded marginal real annual growth (Table 2) and reached 103.9% of GDP. Of this total, 59.9% corresponds to the public sector, 24.8% to non-financial companies, and 19.2% to households. Although financing to the public sector increased, this growth was lower than that recorded in the previous

Report. Meanwhile, total financing granted to non-financial private sector companies contracted, in contrast to the growth observed in the previous *Report*. This slowdown is explained by the reduced dynamism of the domestic component, coupled with a contraction in the external component, marking a series of consecutive annual real contractions since the fourth quarter of 2020.

Table 2

Total Financing to Non-Financial Sectors of the Mexican Economy

a) Figures at March 2026

	Thousands of million Mexican Pesos	Per cent of sector	Per cent of GDP	Real annual percent change [Real annual percent change of balance is USD]		Per cent of financing denominated in Mexican pesos
				1Q26 vs 1Q25	1Q25 vs 1Q24	
Public sector [1/]	**21,232**	**100**	**59.9**	**1.8**	**13.2**	**77.6**
Securities	**18,662**	**87.9**	**52.6**	**4.4**	**13.9**	**80.7**
Issued in Mexico	15,061	70.9	42.5	8.5	10.2	100.0
Issued abroad	3,602	17.0	10.2	-9.7 [7.2]	29.0 [8.3]	0.0
Bank credit	**1,508**	**7.1**	**4.3**	**-9.7**	**7.3**	**2.7**
Commercial bank	61	0.3	0.2	-61.8	11.4	66
Development bank	1,134	5.3	3.2	0.9	-4.1	94
Foreign banks	314	1.5	0.9	-18.9 [-3.7]	59.9 [34.3]	0.0
Other [2/]	**1,062**	**5.0**	**3.0**	**-19.5**	**11.6**	**46.0**
Private sector	**13,640**		**38.5**	**-1.3**	**8.0**	**81.0**
Non-financial companies	**7,374**	**100**	**20.8**	**-4.5**	**10.5**	**65.1**
Securities	**2,219**	**30.1**	**6.3**	**-8.7**	**11.3**	**39.9**
Issued in Mexico	837	11.4	2.4	1.8	4.1	98.6
Issued abroad	1,382	18.7	3.9	-14.1 [2]	15.4 [-3.1]	4.4
Bank credit	**4,859**	**65.9**	**13.7**	**-3.5**	**10.6**	**75.8**
Commercial bank [3/]	3,857	52.3	10.9	-0.4	11.3	76.7
Development bank	536	7.3	1.5	-3.9	9.0	69.2
Foreign credit [4/]	465	6.3	1.3	-23.2 [-8.8]	8.3 [-9.1]	0.0
Other [5/]	**296**	**4.0**	**0.8**	**17.1**	**1.3**	**97**
Households	**6,265**	**100**	**17.7**	**2.7**	**4.9**	**100**
Consumer credit	**2,360**	**37.7**	**6.7**	**8.0**	**10.9**	**100**
Commercial bank [3/]	1,974	31.5	5.6	7.5	13.5	100
Development bank	47	0.7	0.1	-1.8	-4.5	100
Other [5/]	**339**	**5.4**	**1.0**	**12.7**	**-0.4**	**100**
Mortgages	**3,906**	**62.3**	**11.0**	**-0.2**	**1.8**	**100**
Commercial bank	1,549	24.7	4.4	0.6	3.0	100
Development bank	11	0.2	0.0	-3.4	-6.2	100
Other [6/]	**2,346**	**37.4**	**6.6**	**-0.7**	**1.1**	**100**
Memo: Non-regulated financial entities that grant financing by destination sector [7/]	**1,987**	**100**	**5.6**	**2.0**	**8.8**	**90.2**
Non-financial companies	1,432	72.1	4.0	0.7	10.0	88.7
Consumer credit	517	26.0	1.5	7.3	6.0	96.7
Mortgages	22	1.1	0.1	0.2	3.0	100.0
Public Sector	17	0.8	0.0	-24.4	4.9	0.0
Memo: Crowfunding financing [8/]	2.7	n.d.	0.0	143.4	7.2	n.d.
TOTAL	**36,862**		**103.9**	**0.6**	**10.9**	**79.5**

Data as of March 2026.

Source: Banco de México (CF 297), CNBV, SHCP, Condusef and BMV.

Note: in order to use comparable data in annual growth figures, they exclude loans from non-regulated entities for which data is not available, as they are in debt restructuring or liquidation processes.

1/ Considers the gross debt balance of the public sector based on the SHCP methodology. Includes financing received by the Federal Government, public enterprises and the development bank. As a source of financing, includes those granted by the development bank.

2/ Includes financing granted by international financial bodies, Pidiregas, the SAR savings fund, ISSSTE, Pemex and CFE obligations.

3/ Includes the portfolios of regulated sofomes for having equity links with banking institutions.

4/ Excludes financing from foreign suppliers.

5/ Includes financing granted by the Infonacot, as well as by regulated non-banking financial entities, such as socaps, sofipos, regulated sofomes for issuing debt, bonded warehouses and credit unions.

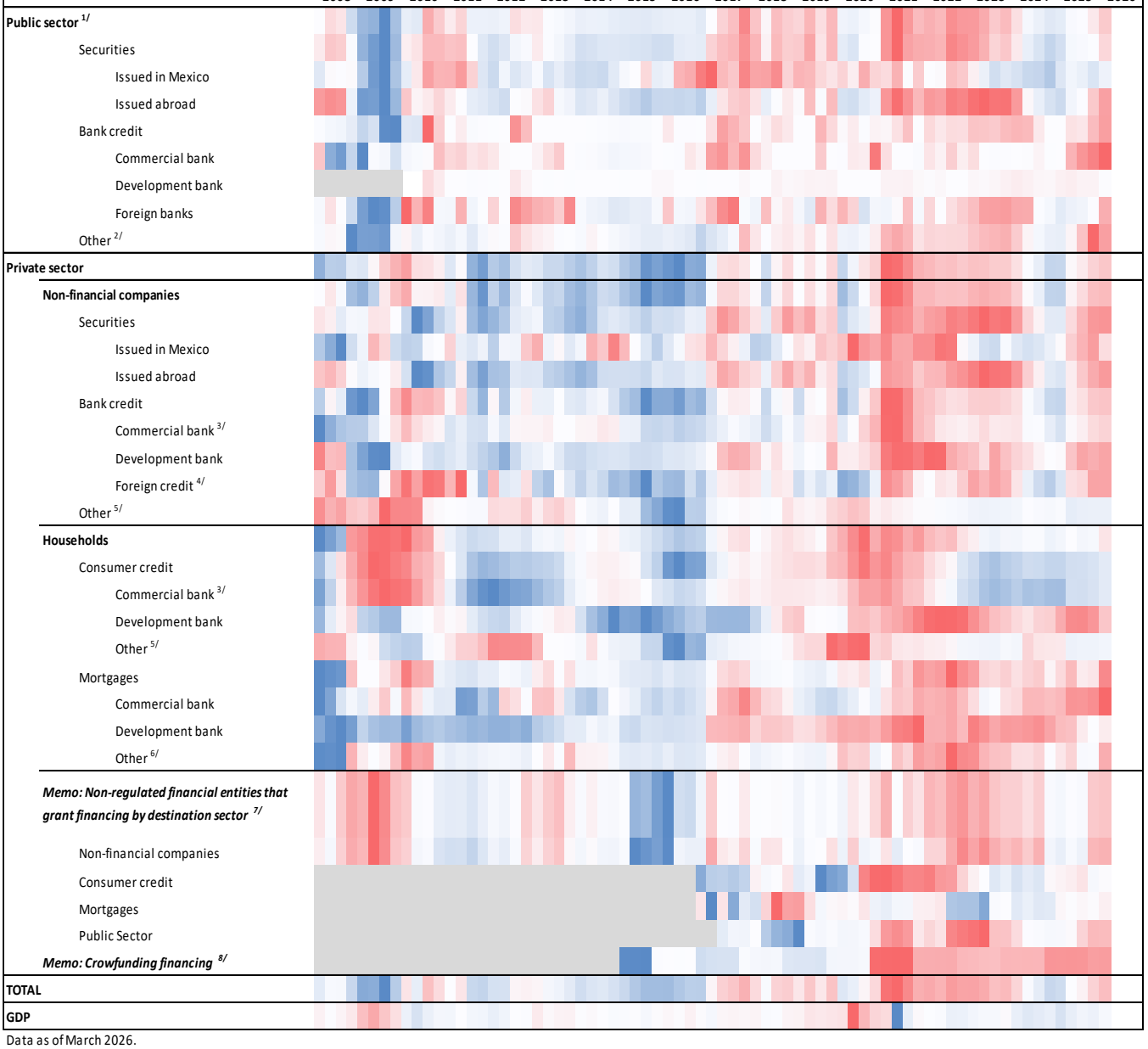
6/ Includes financing granted by the Infonavit, the Fovissste, as well as by regulated non-banking entities.

7/ Includes financing granted by non-regulated sofomes, corporate debt issuers engaged in granting financing (e.g., automotive), credit granted by listed department stores to their customers and in the case of private non-financial companies, financing from suppliers (listed companies only). A new and preliminary time series for non-regulated sofomes is now shown from June 2023 onwards, reflecting revisions made by entities to their data submissions.

8/ Includes the annual financing flow granted by crowdfunding institutions (CFIs) authorized by the CNBV, for which data are available as of December 2025.

Total Financing to Non-Financial Sectors of the Mexican Economy

b) Historical figures: percentil of the distribution of the real annual percent change



Data as of March 2026.

Source: Banco de México (CF 297), CNBV, SHCP, Condusef and BMV.

Note: The heat map shows the percentiles of the distribution of the real annual growth rate of financing. The highest percentiles are shown in blue and the lowest in red. The color of each indicator or row is based on the history of each series, which covered from Jan 07 to Sep 25, with the exception of those shown in gray, whose history is not available. In addition, in order to use comparable data in annual growth figures, they exclude loans from non-regulated entities for which data is not available, as they are in debt restructuring or liquidation processes.

1/ Considers the gross debt balance of the public sector based on the SHCP methodology. Includes financing received by the Federal Government, public enterprises and the development bank. As a source of financing, includes those granted by the development bank.

2/ Includes financing granted by international financial bodies, Pidiregas, the SAR savings fund, ISSSTE, Pemex and CFE obligations.

3/ Includes the portfolios of regulated sofomes for having equity links with banking institutions.

4/ Excludes financing from foreign suppliers.

5/ Includes financing granted by the Infonacot, as well as by regulated non-banking financial entities, such as socaps, sofipos, regulated sofomes for issuing debt, bonded warehouses and credit

6/ Includes financing granted by the Infonavit, the Fovissste, as well as by regulated non-banking entities.

7/ Includes financing granted by non-regulated sofomes, corporate debt issuers engaged in granting financing (e.g., automotive), credit granted by listed department stores to their customers and in the case of private non-financial companies, financing from suppliers (listed companies only). A new and preliminary time series for non-regulated sofomes is now shown from June 2023 onwards, reflecting revisions made by entities to their data submissions.

8/ Includes the annual financing flow granted by crowdfunding institutions (CFIs) authorized by the CNBV, for which data are available as of December 2025.

IV.2.1. Households

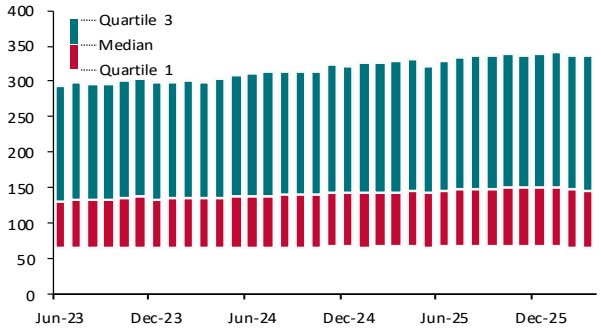
According to a sample of household loan records (consumer and housing), from both banking and non-banking institutions, the total debt balances of borrowers with higher levels of indebtedness increased marginally (Graph 40a). The distribution of leverage, measured as the proportion of monthly income allocated to debt repayment, shows a shift toward higher levels of leverage compared to a year ago. Furthermore, leverage is higher for borrowers with lower incomes (Graph 40b). Finally, based on information from these sample, a slight deterioration in borrowers' credit scores is observed, as assigned by these credit reporting agencies over the past year.

Graph 40

Distribution of leverage of a sample of households

a) Outstanding debt amount of borrowers with at least one bank loan [1/,2/]

Thousands of pesos in real terms

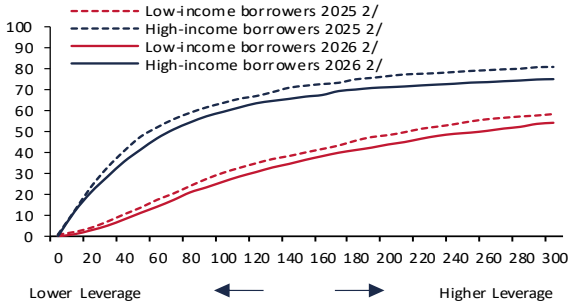


Data as of March 2026.
Source: Credit Bureau.
1/ Estimate using information from a sample of Credit Bureau loan records.
2/ Constant prices (March 2026 base).

b) Monthly payments to monthly income ratio of borrowers with at least one bank loan [1/]

Vertical axis: percent of accumulated loans' amount

Horizontal axis: monthly payments as a percentage of income reported



Data as of March 2026.
Source: Credit Bureau and Banco de México.
1/ Estimate using information from a sample of Credit Bureau loan records.
2/ "Low-income borrowers" are defined as those whose monthly income is below 20,000 Mexican pesos; this group represents 37% of the total loan balance and 59% of all borrowers.

Consumer Credit

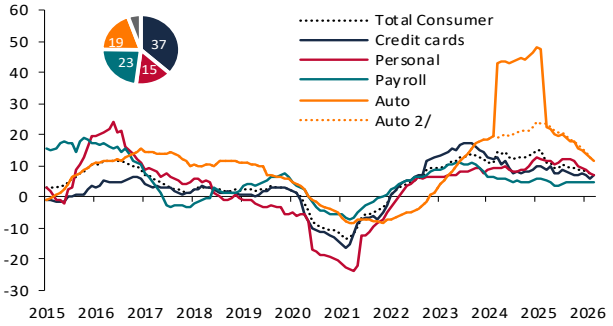
Total consumer financing showed lower real annual growth than that observed in the previous *Report* (Graph 43). By type of lender, banks and their related sofomes showed lower growth than that recorded last September. In the case of consumer financing granted by non-bank lenders, an increase in the growth rate was observed.

The outstanding balance of the consumer loan portfolio of banks and their related sofomes grew 7.1% year-over-year in real terms in March 2026. Although growth remains positive, a general slowdown was observed across all segments (Graph 41). The increase in the portfolio is explained by various factors: in the automotive and credit card segments, there was a greater addition of new borrowers (extensive margin); meanwhile, the expansion of personal loans was driven by increased lending to higher-income borrowers, while the growth in payroll credit portfolios reflected greater placement among lower-income borrowers (Graph 42).

Graph 41

Consumer credit portfolio of the banking system[1/]

Real annual change in percent



Data as of March 2026.

Source: CNBV.

1/ Includes sofomes regulated for having equity links with a bank.

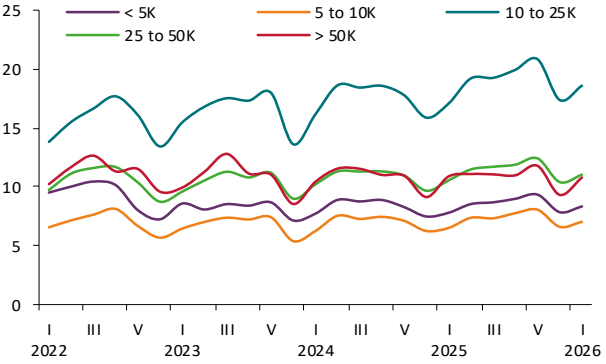
2/ Change excluding the impact of the sofom acquired by a banking institution in March 2024.

Graph 42

Newly granted loans according to borrower income [1/2/]

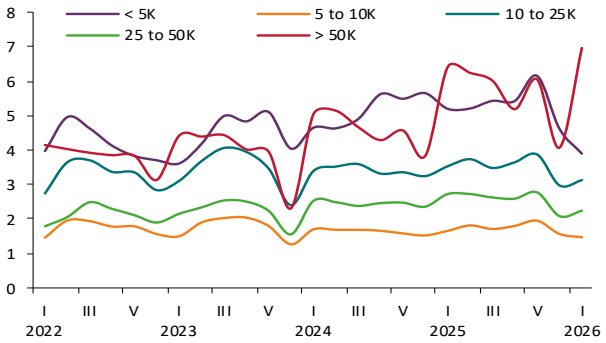
a) Payroll

Billions of pesos in real terms



b) Personal

Billions of pesos in real terms



Data as of first two-month period 2026.

Source: Banco de México.

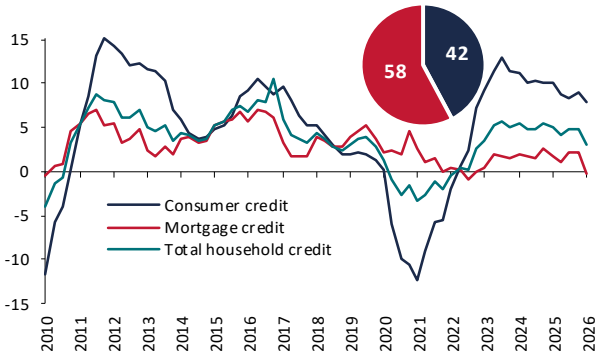
1/ Includes banks loans and linked sofomes loans.

2/ Gross monthly income in pesos.

Graph 43

Household credit growth [1/]

Real annual percent change



Data as of March 2026.

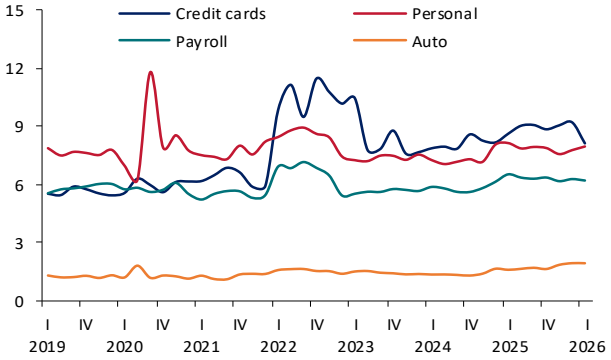
Source: Banco de México, BMV and Condusef.

Note: The percentages shown here consider the figures relating to non-regulated entities that grant financing and that are included at the bottom of Table 3 (Memo); therefore, the differ from those registered in the upper part of the same table. In addition, we exclude non-regulated entities figures for which data from stock echange is not available as they are in debt restructuring or liquidation processes.

1/ Includes credit granted by domestic banks, regulated sofomes linked to banks, socaps, sofipos, and credit unions, as well as financial entities that are no longer in operation, such as sofoles, leasing companies, and factoring companies. For mortgages, it also includes credit granted by Infonavit and Fovissste, while consumer credit figures also include financing provided by Infonacot. In addition, it includes financing granted by non-regulated entities, such as non-regulated sofomes, and by companies specialized in lending or leasing activities that issue debt but are not financial institutions under Mexican law, as well as credit extended by publicly listed department stores to their customers. The growth series are adjusted to account for the initial availability of financing data for non-regulated entities and regulated sofomes that issue debt in the period in which they first appear in the sample (2015–2016). A new and preliminary time series for non-regulated sofomes is now shown from June 2023 onwards, reflecting revisions made by entities to their data submissions.

Against this backdrop, the probabilities of default on new revolving and non-revolving loans, which indicate their degree of risk, remained limited (Graph 44). Thus, the stable levels of credit risk in loan portfolios contributed to a reduction in the interest rates at which new loans were granted for a large part of the consumer loan portfolio, in line with the trajectory of the reference rate.

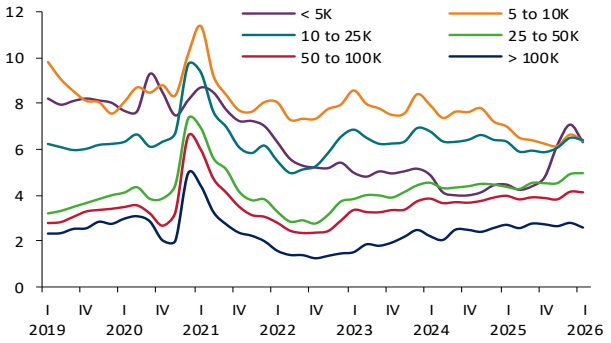
Graph 44
Probability of regulatory default for newly originated consumer loans 1/
Percent



Data as of first two-month period 2026.
Source: Banco de México.
1/ Includes banks loans and linked sofomes loans.

Within the consumer credit portfolio, the increase in the non-performing loan ratio (NPL ratio) in the lowest-income segment of personal loans, observed at the end of 2025, stands out (Graph 45).

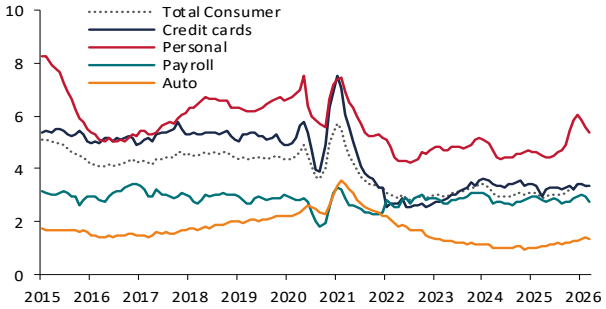
Graph 45
Delinquency rate for the personal loan portfolio by income level 1/
Percentage



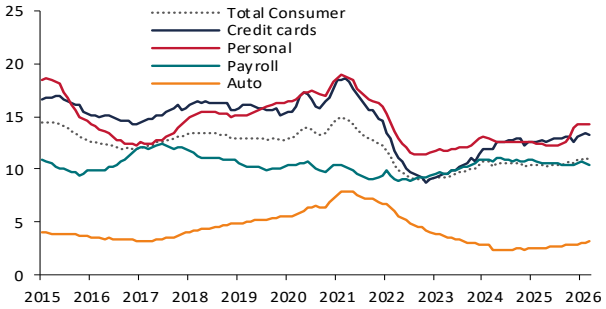
Data as first two-month period 2026.
Source: Banco de México.
1/ Includes banks loans and linked sofomes loans.

The NPL ratio of the consumer credit portfolio of commercial banks and their related sofomes increased across all segments compared to the previous *Report*. The increase in the personal loan portfolio is noteworthy; it is attributed to a small number of institutions whose borrower selection prior to the rise in the NPL ratio was riskier than in previous periods, without this resulting into a widespread deterioration in the system's risk conditions. When considering write-offs within the NPL ratio (Adjusted NPL ratio), a similar trend was observed, largely explained by the increase in the non-performing portfolio and write-offs, with personal loans being the segment with the most notable rise. The Adjusted NPL ratio for most consumer segments remains below its historical average between 2012 and 2026, with the exception of the payroll portfolio, which has historically had more stable levels of this indicator (Graph 46a and Graph 46b).

Graph 46
Non-performing loan ratio and adjusted non-performing loan ratio of consumer loan portfolio 1/
a) Non-performing loan ratio
Percent



b) Adjusted non-performing loan ratio
Percent



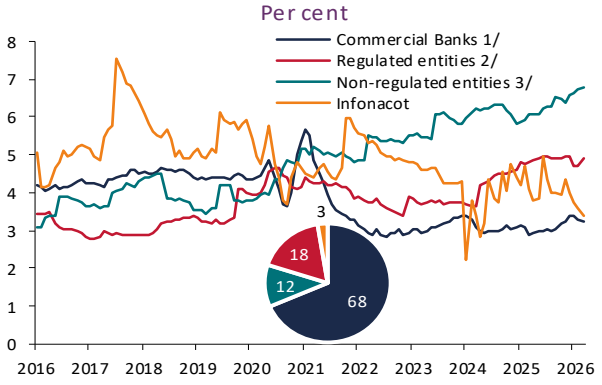
Data as of March 2026.
Source: CNBV.
1/ Includes sofomes regualted for having equity links with a bank.

On the one hand, the growth in financing granted by the non-banking sector increased compared to the last *Report*, due to stronger growth in the portfolio granted by non-regulated entities. In the case of the total balance extended through credit cards issued by department stores, the growth rate continued to rise, albeit at a slower pace. Within the credit card segment, there has been an increase in market share in recent years, both in the number of cards and in

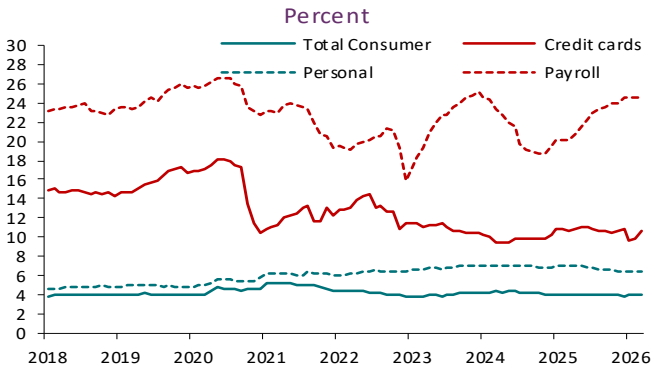
the balance extended through non-bank sources.[25] Meanwhile, auto loans granted by non-banking financial intermediaries, as a whole, also increased, driven by the recovery in the balance of auto loan companies' portfolios.

The NPL ratio in the consumer credit portfolio granted by non-banking financial intermediaries increased slightly since the last *Report*, mainly due to the rise in the non-performing loan ratio among non-regulated sofomes. Meanwhile, the NPL ratio at Infonacot decreased. In the sofipos sector, the NPL ratio remained stable (Graph 47). By type of sofipo, the NPL ratio among digital sofipos as a whole is at a lower level than in *the* previous *Report*, as the past-due portfolio of the sector's largest institutions decreased. Meanwhile, the NPL ratio among non-digital sofipos increased due to a rise in their non-performing portfolio.

Graph 47
Non-Performing Loan Ratio of Consumer Portfolio
a) By entity type of grantor



b) from regulated entities



Data as of March 2026.

Source: Banco de México (SIE), CNBV, BMV and Condusef.

1/ Includes the loan portfolio of regulated sofomes having an equity linked with a bank, whether subsidiaries of the latter or not.

2/ Includes the credit portfolio of regulated non-bank financial entities such as socaps, sofipos, and sofomes regulated due to debt issuance.

3/ Includes the credit portfolio of unregulated sofomes, that of financial companies that predominantly extend credit as part of their business activity, such as financial leasing companies or certain financial arms of automotive firms, and the total balance of non-bank credit cards, whose data source is the consolidated accounting balance sheets of department stores reporting to the BMV. In the case of non-bank credit card delinquency, the source is Buró de Crédito. A new series is presented with preliminary figures, resulting from corrections made to the information reported by unregulated sofomes as of Jun-23.

Mortgage loans

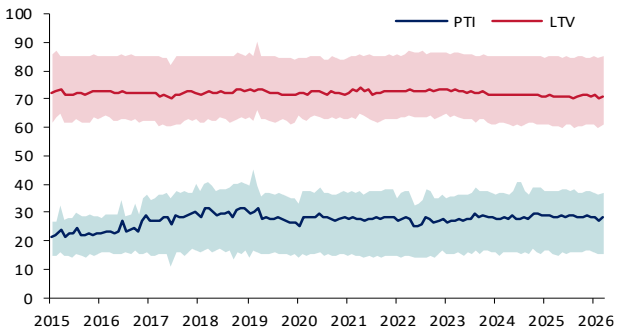
Total housing financing showed a marginal contraction compared to the same quarter of the previous year, which contrasts with the growth recorded in the last *Report*. By type of lender, commercial banks and their related sofomes showed lower growth than that recorded last September. On the other hand, Infonavit's housing portfolio recorded increased loan origination activity since the last *Report,* although primarily in small-amount loans, resulting in slightly lower growth in the balance of its total housing portfolio. Finally, Fovissste's total housing portfolio continued to contract.

The outstanding balance of the banking sector's housing loan portfolio grew at an annual real rate slightly lower than that reported in the previous *Report*. Regarding the granting of bank credit for the acquisition of housing, the Loan to Value ratio (LTV)

[25] Estimated based on data from credit bureau file samples.

and the Payment to Income (PTI) ratio remained relatively stable (Graph 48).

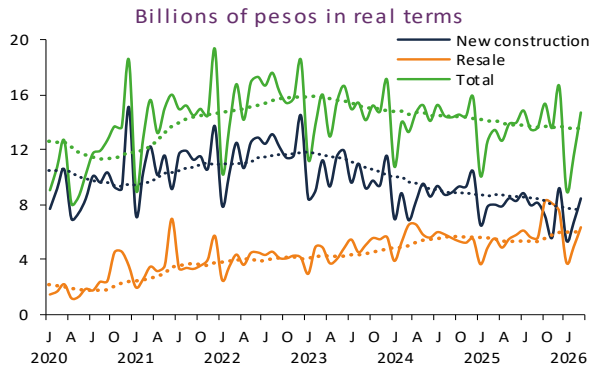
Graph 48
Loan-To-Value (LTV) and Payment-To-Income (PTI) of Mortgage Loans 1/, 2/



Data as of March 2026.
Source: CNBV.
1/ Recently-granted commercial bank mortgage loans.
2/ The shaded area represents the interquantile range of the respective metric.

During the second half of 2025 and the first quarter of 2026, a slowdown occurred in the granting of new mortgage loans by commercial banks, primarily in the new housing segment (Graph 49).

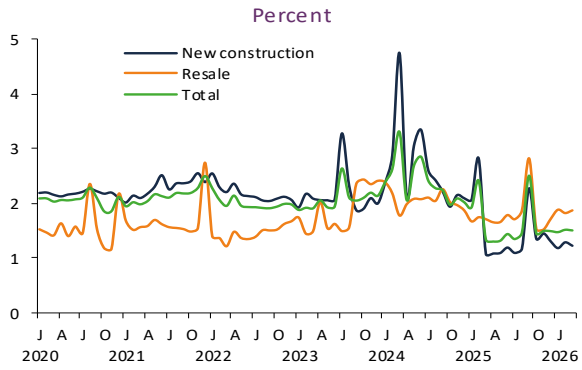
Graph 49
Newly originated banking loans by house conditions 1/



Data as of March 2026.
Source: CNBV.
1/ Includes banks loans and linked sofomes loans. The dotted lines correspond to the 12-month moving average.

The new mortgage loans exhibited limited risks. In particular, in the first three months of 2026, the probability of default remained stable after declining in early 2025 (Graph 50).

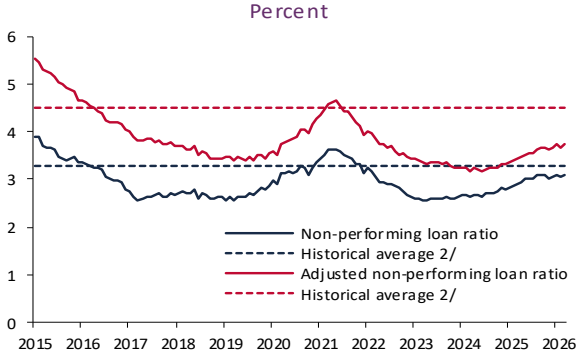
Graph 50
Probability of default for newly originated banking loans by house conditions 1/



Data as of March 2026.
Source: Prepared by Banco de México from CNBV information.
1/ Includes banks loans and linked sofomes loans.

The non-performing loans ratio (NPL ratio) of the bank mortgage portfolio stood at a similar level to that observed in the previous *Report*. Meanwhile, the adjusted NPL ratio continued to rise, although at a slightly slower pace than that recorded in the previous *Report*. Current NPL ratio levels are approaching the historical average recorded between 2006 and 2026, while the adjusted NPL ratio remains at low levels relative to its historical average during that period (Graph 51).

Graph 51
Non-performing loan ratio and adjusted non-performing loan ratio on bank mortgage loans 1/

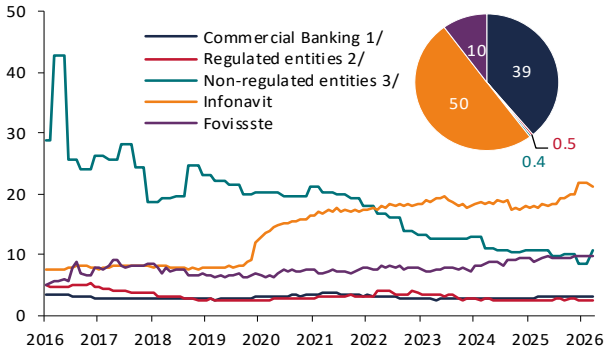


Data as of March 2026.
Source: CNBV.
1/ Total commercial bank mortgage loans.
2/ Includes data since January 2006.

The NPL ratio for the housing loan portfolios of both Infonavit and Fovissste rose due to an increase in the past-due portfolio. In both cases, this indicator

remains at high levels compared to its performance over the past five years (Graph 50).

Graph 52
Non-Performing Loan Ratio of Mortgage Portfolio
Per cent



Figures as of March 2026.

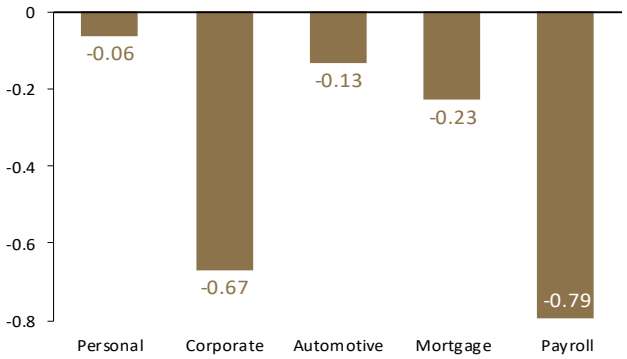
Source: Banco de México (SIE), CNBV, BMV and Condusef.

1/ Includes the loan portfolio of regulated sofomes having an equity linked with a bank, whether subsidiaries of the latter or not.
2/ Includes the credit portfolios of the development bank and of non-banking regulated financial intermediaries, such socaps, sofipos and sofomes regulated for issuing debt.
3/ Includes credit portfolio of non-regulated sofomes and financial corporations. A new and preliminary time series for non-regulated sofomes is now shown from June 2023 onwards due to corrections made by entities in their data submisions.

Decomposition of the Change in Non-Performing Loan Ratio by Gender

Access to credit has been subject to greater restrictions in the case of women; consequently, those women who manage to obtain financing have exhibited characteristics associated with better compliance with their credit obligations. This pattern is evident in the data: in Mexico, women show lower non-performing loan ratios than men when comparing loans under similar financing conditions (Graph 53). Therefore, this section analyzes the annual variation in the non-performing loan ratio across different loan portfolios, distinguishing between women and men.[26]

Graph 53
Difference between the delinquency rate of women and men according to the credit portfolio[1/]
Percentage points



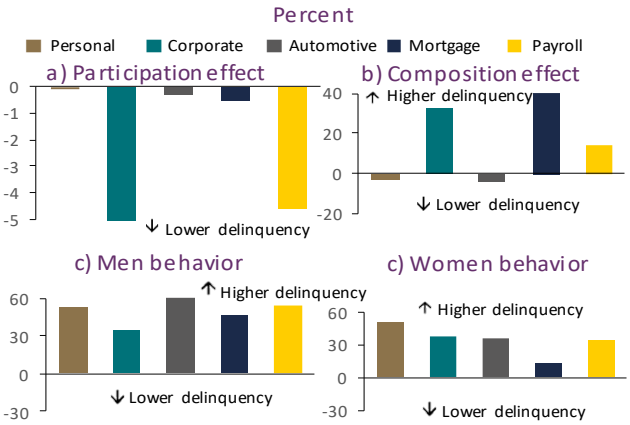
Data as of December 2024.
Source: Banco de Mexico

To this end, the annual variation in non-performing loan ratios is decomposed into three components. The first, the *participation effect*, reflects changes in the presence of women within each credit segment. Since women exhibit lower non-performing loan ratios than men, an increase in their participation tends to reduce the aggregate non-performing loan ratio of the corresponding segment. The second, the *behavior effect*, captures changes in non-performing loan ratios among women and men over a given period, holding their participation within each portfolio constant. Finally, the *composition effect* captures variations in non-performing loan ratios associated with changes in loan financing conditions, regardless of the borrower's gender.

Women's participation increased across all credit portfolios, exerting downward pressure on non-performing loan ratios in each of them (Graph 54a). This effect was particularly significant in the payroll and business segments, where the gap in non-performing loan ratios between women and men is wider and, therefore, an increase in female participation has a stronger impact on reducing the aggregate non-performing loan ratio (Graph 53). In business credit, moreover, this effect was reinforced by a more significant increase in female participation, causing the downward pressure on the non-performing loan ratio even greater than in the previous *Report*.

[26] In corporate credit, this refers to individuals engaged in business activities for whom gender can be identified.

Graph 54
Change in credit delinquency distinguishing between men and women[1/]



Source: Banco de México.
1/ Difference in NPL ratio between December 2024 and December 2025. Negative values imply downward pressure on delinquency.

The *behavioral effect* pushed the aggregate non-performing loan ratio upward across all credit portfolios and for both genders (Graph 54c). The fact that this pattern was observed across all credit segments, and for both men and women, suggests that this behaviour may be reflecting the influence of broader aggregate factors, such as the economic slowdown in 2025.

The *composition effect* showed heterogeneous behavior across portfolios, exerting downward pressure on the non-performing loan ratio in personal loans and automotive loans (Graph 54b). In these portfolios, there was a greater decline in financing costs, which may have explained the downward pressure on the non-performing loan ratio.

IV.2.2. Private non-financial companies

The balance of total financing to the country's private non-financial companies from external sources, denominated in US dollars, contracted, in contrast to the growth recorded in the previous *Report*. After adjusting for exchange rate effects, a contraction is also observed, and was greater than the one recorded previously (Graph 55);[27] it was driven in part by the peso's appreciation against the US dollar during the period. The decrease in the balance expressed in US dollars is explained by the lower balance associated with external credit, while issuance of international corporate debt increased slightly. Meanwhile, domestic financing grew marginally. This was due to the contraction observed in the balance of financing from credit institutions, while debt issuance in the local market increased. For the rest of the lenders, although this comes from a small base, the growth rate was slightly lower than that observed in the previous *Report*. In the case of commercial banks, financing contracted.

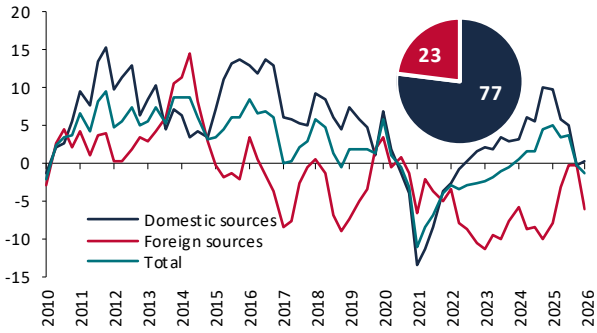
Debt issuance in the local market by non-financial companies increased during the first quarter of the year, driven mainly by long-term issuances. Most of these issuances will be used to refinance liabilities, although some companies will allocate them to investment projects and working capital.

[27] Excluding this adjustment, the growth in the external debt balance, expressed in peso terms, slowed at a faster rate than that observed in the previous *Report*.

Graph 55

Total financing to Private Non-Financial Companies 1/

Real annual percentage change



Data as of March 2026.

Source: Banco de México, BMV and SHCP.

Note: The percentages shown here consider the figures relating to non-regulated entities that grant financing and that are included at the bottom of Table 2 (Memo); therefore, the differ from those registered in the upper part of the same table. In addition, figures exclude non-regulated entities for which data stock echange is not available as they are in debt restructuring or liquidation processes.

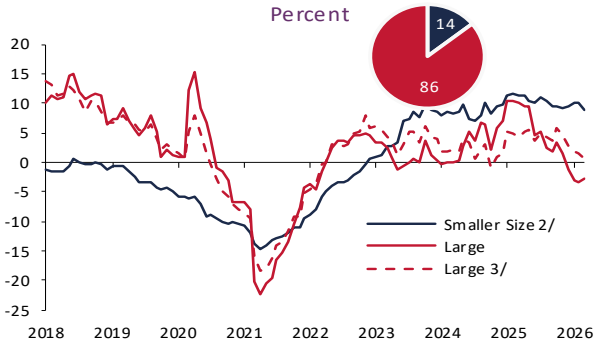
1/ Includes supplier financing, both domestic and external, granted to companies listed on domestic stock exchanges. It also includes financing granted by non-regulated entities, such as non-regulated sofomes, and by companies specialized in lending or leasing activities that issue debt but are not considered financial institutions under Mexican law. The growth series is adjusted to account for the initial availability of financing data for non-regulated entities and debt-issuing regulated sofomes in the period in which they first appear in the sample (2015–2016). External financing figures are adjusted for exchange rate effects. A new and preliminary time series for non-regulated sofomes is now shown from June 2023 onwards, reflecting revisions made by entities to their data submissions.

Commercial banks are the primary providers of financing to companies. During the period covered by this *Report*, the balance of the banking sector's non-financial corporate loan portfolio increased in real annual terms, albeit at a slower pace. This trend is explained by the decline in the portfolio extended to large companies, influenced by the effect of the peso's appreciation on the US dollar-denominated portion of the portfolio. Excluding exchange rate effects, growth in the large-firm corporate portfolio is higher, although at a slower pace than that observed in the last *Report* (Graph 56). The slowdown in credit is also observed in credit allocated to finance investment, a portfolio whose dynamics are closely related to the 12-month leading business confidence indicator, according to empirical evidence found.

Graph 56

Real annual portfolio growth by company size 1/

Percent



Data as of March 2026.

Source: CNBV.

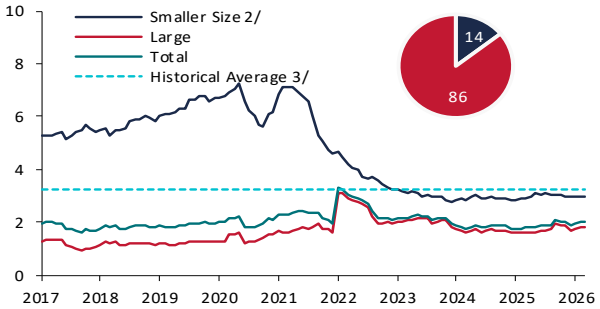
1/ Commercial bank loan portfolio. The pie chart shows the total percentage of the portfolio of each segment.

2/ Private-non-financial companies not listed on the Mexican Stock Exchange with maximum historical loans less than 100 million Mexican pesos.

3/ Values adjusted for exchange rate effects in the usd credit portfolio.

The non-performing loan ratio (NPL ratio) in the portfolio of loans granted by commercial banks to companies decreased slightly compared to the previous *Report*, mainly explained by the increase in the outstanding loan portfolio. This decrease in the non-performing loan ratio is observed in both the portfolios of large and smaller companies, as well as in the peso-denominated and US dollar-denominated portfolios. The adjusted NPL ratio) also declined. The levels of both NPL metrics remain low compared to their historical average between 2000 and 2026 (Graph 57).

Graph 57
Non-performing loan ratio by company size[1/]
Percent

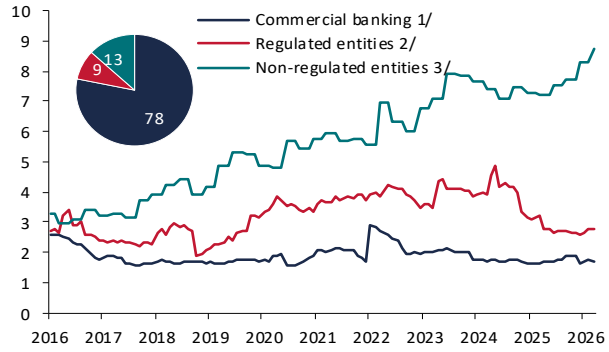


Data as of March 2026.
Source: CNBV.
1/ The pie chart shows the total percentage of the portfolio for each segment.
2/ Private-non-financial companies not listed on the Mexican Stock Exchange with maximum historical loans less than 100 million Mexican pesos as of March 2026.
3/ Includes data since December 2000.

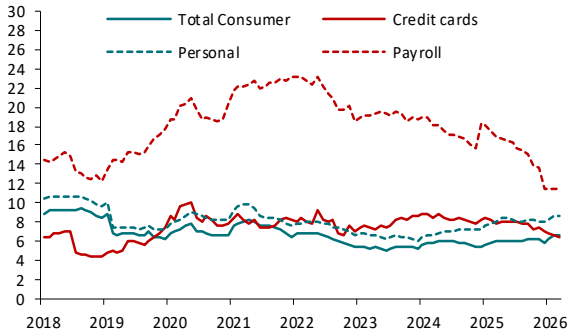
The NPL ratio for bank loans granted to economic sectors potentially affected by U.S. tariff policies, such as the steel and aluminum sectors and the automotive manufacturing sector, remains stable and at low levels.

Finally, the default rate on the banking portfolio granted to smaller companies continues to rise steadily and broadly across all sectors of economic activity, albeit from low levels.

Graph 58
Non-Performing Ratio of Corporate Loans Portfolio
a) By entity type of grantor
Per cent



b) from regulated entities
Percent



Data as of March 2026.
Source: Banco de México (SIE), CNBV, BMV and Condusef.

1/ Includes the credit portfolios granted by regulated sofomes for having an equity linked with a bank, whether subsidiaries of the latter or not.

2/ Includes the credit portfolio of financial entities.

3/ Includes the portfolio of unregulated sofomes and that of financial companies that predominantly extend credit as part of their business activity, such as financial leasing companies or certain financial arms of automotive firms. A new series is presented with preliminary figures, resulting from corrections made to the information reported by unregulated sofomes as of Jun-23.

The non-performing loan ratio for the corporate loan portfolio granted by non-banking financial intermediaries increased slightly compared to the rate recorded in the previous *Report*. The increase in non-performing loans was observed among both regulated and unregulated intermediaries; however, non-regulated sofomes contributed the most to this increase (Graph 58).

Listed private non-financial companies[28]

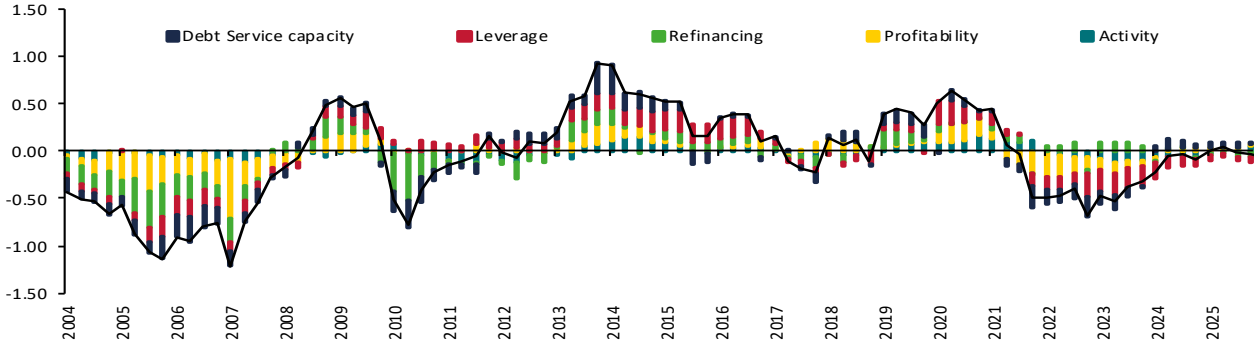
The vulnerability indicator for listed companies (IVEL) decreased slightly compared to the last *Report* and returned to the zone of lower vulnerability. This improvement in the indicator's level is explained by the evolution of variables associated with lower refinancing risk, greater debt service capacity, and improved corporate profitability (Graph 59).

[28] Includes information on companies listed on the bmv and biva.

Graph 59

Vulnerability Index for Listed Firms

No units



Figures as of the first quarter of 2026.

Source: Own calculations with data from Bloomberg.

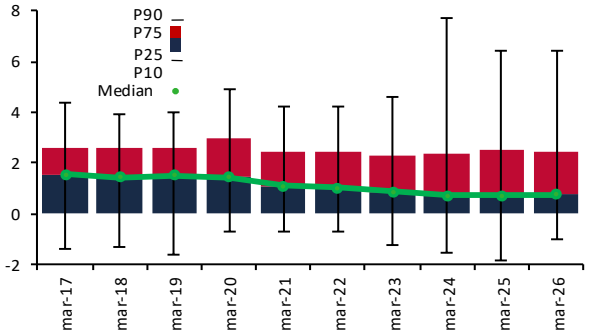
The generation of operating cash flow (EBITDA), on a 12-month rolling basis, for all listed private non-financial companies declined in real terms since the last *Report*. However, net debt decreased, which contributed to a slight improvement in the aggregate debt ratio (Graph 60). On the other hand, the indicator of companies' in-debt service costs saw a spike despite lower interest payments, as this decrease did not offset the decline in operating cash flow (Graph 61). Meanwhile, companies' liquidity position improved and remains sufficient to cover their short-term maturities. Finally, although the cash flow generated by companies increased, its use for investment spending decreased compared to the previous *Report*. In contrast, there was greater use of cash for debt repayment, as well as an increase in accumulated cash.

During the first quarter of 2026, listed private non-financial companies maintained high inventory levels, although a decrease was observed compared to the previous *Report*.

Graph 60

Listed private non-financial companies' indebtedness [1/]

Times EBITDA



Data as of March 2026.

Source: BMV and BIVA.

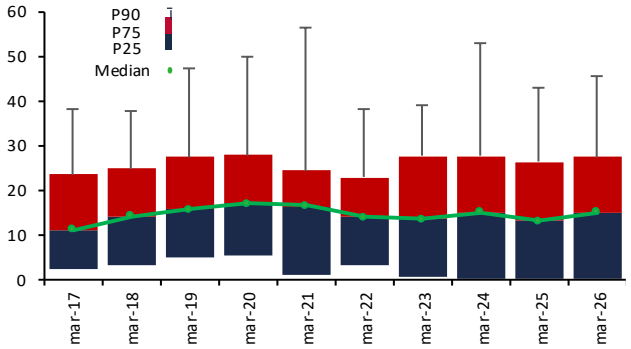
1/ Corporate indebtedness is measured using the net debt to EBITDA indicator and is calculated, for each company, as the ratio between net debt and annualized EBITDA. EBITDA stands for earnings before interest, taxes, depreciation, and amortization. Based on these individual ratios, the percentiles of the distribution are estimated.

Although the aggregate debt indicator improved, some listed companies have a high level of this indicator, which could suggest that they face financial vulnerabilities. The number of companies in this situation remained stable since the last *Report*.

Graph 61

Listed private non-financial companies' debt service [1/]

Percent of EBITDA



Data as of March 2026.
Source: BMV and BIVA.

1/ The debt service to EBITDA indicator is calculated, for each company, as the ratio between annualized interest paid and annualized EBITDA. EBITDA stands for earnings before interest, taxes, depreciation, and amortization. Based on these individual ratios, the percentiles of the distribution are estimated.

On the other hand, although the exchange rate has appreciated since the last *Report,* and associated volatility has recently decreased, an analysis of the foreign exchange hedges held by listed companies shows that the number of companies with foreign exchange mismatches decreased slightly. Furthermore, commercial banks' exposure to vulnerable companies or those with foreign exchange mismatches is low relative to their regulatory capital.

IV.2.3. Public sector

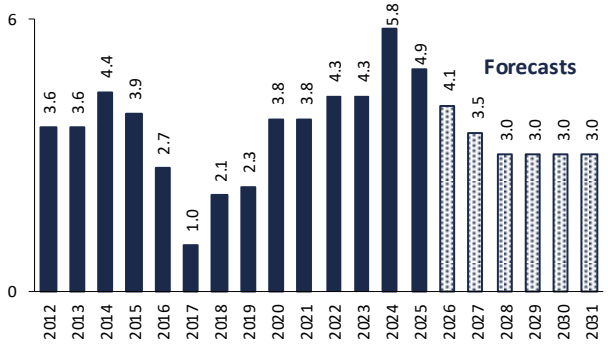
IV.2.3.1. Federal Government

The public sector balance for 2025 showed a deficit larger than projected in the Economic Package (3.9% of GDP versus 3.2%). At year-end, budgetary revenues and expenditures exceeded those projected in the 2025 Federal Income Law (*LIF*, its acronym in Spanish) and the 2025 Federal Expenditure Budget (*PEF*, its acronym in Spanish). Thus, Public Sector Financial Requirements (RFSP, its acronym in Spanish) recorded a deficit of 1.7 trillion pesos, equivalent to 4.9% of GDP (Graph 62), while the Historical Balance of the Public Sector Financial Requirement (*SHRFSP*, its acronym in Spanish) stood at 18.7 trillion pesos, equivalent to 53.2% of GDP (Graph 63).

Graph 62

Public Sector Financial Requirements

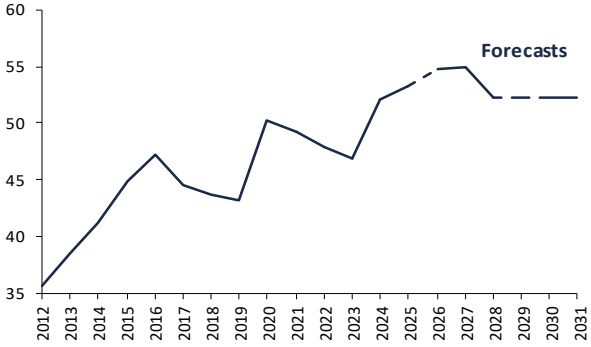
Percent of GDP



Data as of April 2026.
Source: Document relating to compliance with the provisions contained in article 42 section I of the Federal Budget and Fiscal Responsibility Law - Pre-Criteria 2027 -, by the SHCP (Ministry of Finance and Public Credit) for the information of 2009-2027, and the General Criteria of Economic Policy for the initiative of the Revenue Law and the Draft Budget of Expenditures of the Federation corresponding to the fiscal year 2025, SHCP for the estimates of 2028-2031.
Note: Figures include the Bank of Mexico's operating surplus; 2026 onwards are estimates from the SHCP.

As of the end of April 2026, the public sector recorded a deficit of 220.8 billion pesos. Budgetary revenues and expenditures were 2,954.8 billion pesos and 3,175.6 billion pesos, respectively. Thus, the RFSP recorded a deficit of 178.5 billion pesos, and the SHRFSP stood at 18.7 trillion pesos.

Graph 63
Public Sector Financial Requirements Historical Balance
Percent of GDP



Data as of April 2026.
Source: Document relating to compliance with the provisions contained in article 42 section I of the Federal Budget and Fiscal Responsibility Law - Pre-Criteria 2027 -, by the SHCP (Ministry of Finance and Public Credit) for the information of 2009-2027, and the General Criteria of Economic Policy for the initiative of the Revenue Law and the Draft Budget of Expenditures of the Federation corresponding to the fiscal year 2025, SHCP for the estimates of 2028-2031.
Note: Figures include the Bank of Mexico's operating surplus; 2026 onwards are estimates from the SHCP.

For the end of 2026, the Federal Government anticipates a federal government deficit of 3.6% of GDP (3.7% approved in the 2026 LIF) with budgetary revenues of 8.662 trillion pesos (23.2% of GDP), an amount lower (0.2 percentage points of GDP) than that approved in the 2026 LIF, and budgetary expenditures of 10.015 trillion pesos (26.8% of GDP), 0.3 percentage points of GDP below the amount established in the 2026 PEF. As a result, the RFSP and SHRFSP estimates are adjusted to 4.1% and 54.7% of GDP (54.3% approved), respectively (Graph 62 and Graph 63).

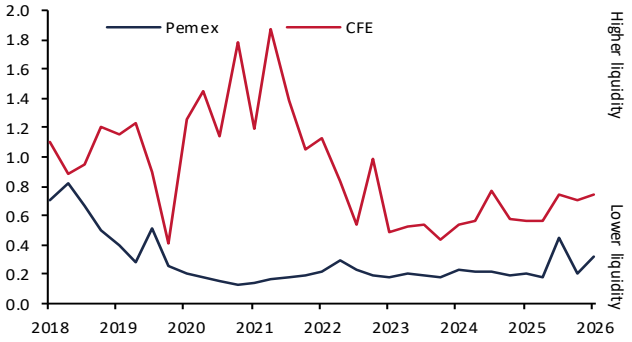
IV.2.3.2. State-owned companies

Mexican State oil company (Pemex)

As of the end of March 2026, Pemex reported a quarterly net loss that was lower than the one reported in the previous *Report* and slightly higher than the quarterly loss recorded in the same quarter of the previous year. On a twelve-month cumulative basis, the net loss was significantly lower than that recorded a year ago, which is explained, to a greater extent, by the foreign exchange gain associated with the peso's appreciation against the US dollar and, to a lesser extent, by the operational improvement due to lower cost of sales, which offset the decline in export sales, as well as lower tax payments.

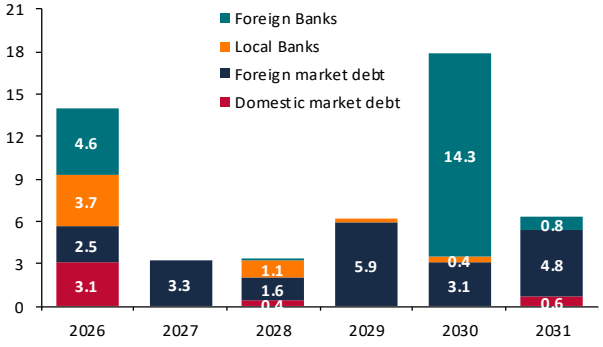
The peso balance of Pemex's total debt, which includes suppliers, decreased by 12.3% compared to the last *Report*. This reduction is explained by lower debt incurred with local and foreign banks, as well as lower debt issued abroad. Although short-term debt decreased, so did cash and cash equivalents; as a result, the liquidity indicator decreased (Graph 64). The company has improved its maturity profile; however, it still faces the maturity of 17.2% of its total debt during 2026 and 2027, excluding suppliers (Graph 65).

Graph 64
Liquidity position of Pemex and CFE [1/]
Times



Data as of March 2026.
Source: BMV.
1/ It is defined as the result of dividing short-term cash and accounts receivable by the sum of 12-month liabilities with suppliers and 12-month financial debt.

Graph 65
Pemex debt maturities [1/]
Percent of total debt



Data as of March 2026.
Source: BMV.
1/ It takes into account total debt without suppliers.

As of December 2025, seven Joint Development Contracts had been awarded to supplement financial, technical, and technological resources with the participation of private companies. Under these contracts, the private sector provides all the resources for the initial investment. Additionally, Pemex signed Contracts for Works and Services Developed and Financed by Third Parties (COSDFT), which also allow for the incorporation of production with third-party investment.

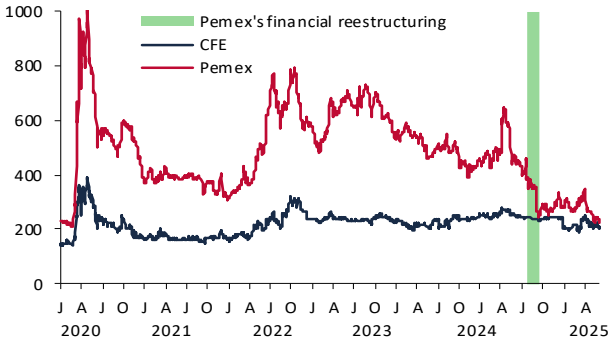
Furthermore, on February 13, 2026, Pemex issued debt in the local market for 31,500 million pesos, consisting of three transactions: the first was for 9,005 million pesos over 5.2 years at a floating rate; the second, for 16,999 million pesos with an 8.5-year term at a nominal fixed rate; and the third, for 5,496 million pesos with a 10.5-year term at a real fixed rate.[29]

Additionally, during the period, three rating agencies took rating actions. First, on February 13, 2026, a rating agency affirmed Pemex's credit rating.[30] Subsequently, on May 13, another rating agency confirmed the credit rating but changed the outlook from stable to negative as a result of the change in the outlook for the sovereign rating.[31] Finally, on May 22, another rating agency affirmed the company's current rating.[32] Lastly, in early June 2026, Pemex's five-year CDS spread narrowed compared to the previous Report (Graph 66).

Graph 66

USD 5-year Credit Default Swap of Pemex and CFE [1/]

Basis points



Data as of June 5, 2026.

Source: Markit.

1/ The green area represents Pemex's financial reestructuring which started on july 28 with the issuance of P-caps; it includes the Pemex's Strategic Plan 2025-2035 presented on August 5 and concludes with the international issuances made by SHCP on September 15 and 16 in order to back Pemex. For more details about Pemex's finance reestructuring see Box 3 in December 2025 edition of this *Report*.

Federal Electricity Commission (CFE, its acronym in Spanish)

As of the end of March 2026, CFE reported a quarterly net loss of nearly zero, in contrast to the profit reported in the previous *Report*. However, on a year-to-date basis, the company reported a record net profit, in contrast to the loss reported in the same quarter of the previous year. The cumulative profit is attributable to foreign exchange gains associated with the peso's appreciation against the US dollar during 2025. Likewise, there was a significant reduction in income taxes compared to the previous year. In addition to the above, the company partially mitigates the increase in the international price of natural gas for 2026, 2027, and through mid-2028 through derivative hedging strategies, given the price volatility caused by the conflict in the Middle East.

The company's total debt balance, expressed in pesos, decreased by 3.9% compared to the previous *Report* (data as of September); this decrease is explained by the short-term component, as the long-term component increased. Regarding the source of funds, debt contracted with local banks decreased, while debt with foreign banks increased. Meanwhile,

[29] View the press release here.

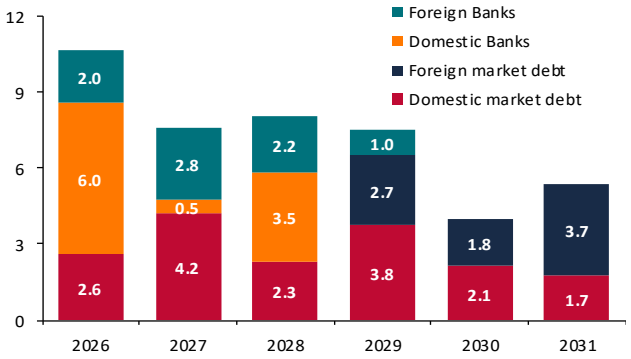
[30] View the press release here.

[31] View the announcement here.

[32] View the announcement here.

the company's liquidity position remained stable, as both cash and cash equivalents and short-term debt decreased in similar proportion. During 2026 and 2027, the company faces maturities amounting to 18.1% of its total debt, excluding suppliers (Graph 67).

Graph 67
CFE debt maturities [1/]
Percent of total debt



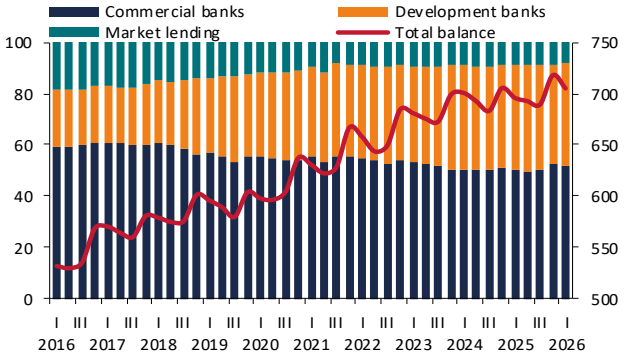
Data as of March 2026.
Source: BMV.
1/ It takes into account total debt without suppliers.

On the other hand, on January 28, 2026, CFE issued two bonds in the international market for a combined amount of 1.5 billion US dollars. The first was an 8-year bond with a coupon rate of 6.045%, the proceeds of which were used entirely to refinance external market debt.[33] The second consisted of a 25-year amortizing bond with a coupon rate of 6.5%, the proceeds of which will be used to finance investment projects throughout 2026.[34] Additionally, on May 13, 2026, a rating agency confirmed CFE's current credit rating; however, it changed the outlook from stable to negative as a result of the change in the outlook for the sovereign rating.[35] Subsequently, on May 21, another rating agency downgraded the company's rating.[36] Finally, in early June 2026, CFE's five-year CDS spread narrowed compared to the previous *Report* (Graph 66).

IV.2.3.3. States

During the first quarter of 2026, bank credit to sub-national governments increased around 1.3% compared to the same period in 2025. Commercial banks remained as the main creditor to these entities, with a share of more than half of total financing, while development banks accounted for 40%, a level close to that observed in the first quarter of 2025 (Graph 68).

Graph 68
Subnational government financing
Right axis: Billions of pesos
Left axis: Percent



Data as of first quarter 2026.
Source: SHCP.

At the end of the first quarter of 2026, state governments' long-term bank financing contracts showed a nominal increase of nearly 44% compared to the same period in 2025, this was the result of credit granted from commercial banks, as no credit was granted from development banks, while short-term borrowing contracted by approximately 60% (Graph 69).

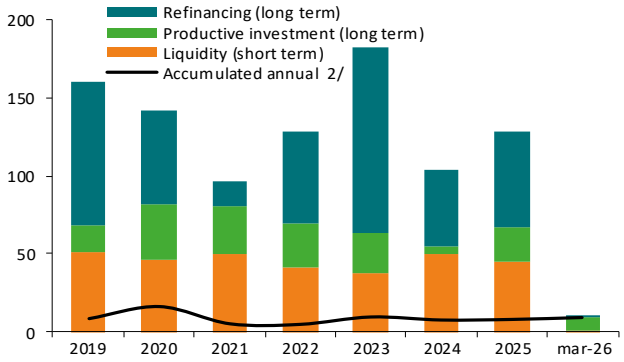
[33] Specifically, the bond with a coupon rate of 4.750% and an original maturity in February 2027 was repurchased for 490 million US dollars, and the bond with a coupon rate of 4.688% and an original maturity in May 2029 was repurchased for 510 million US dollars.

[34] View press release here.
[35] View press release here.
[36] View press release here.

Graph 69

Loans granted to state governments [1/]

Billions of pesos



Data as of March 2026.

Source: Prepared by Banco de México from state government released information.

1/ Posted information as of May 29th 2026 by state governments.

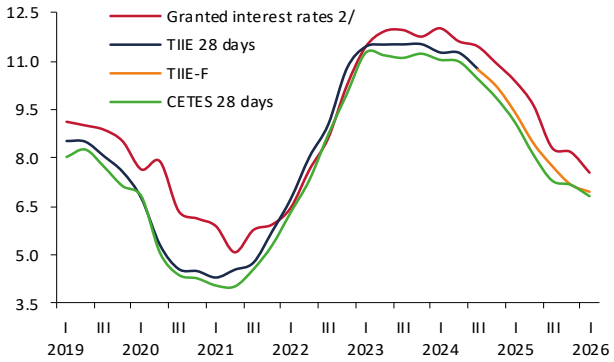
2/ This includes loans for liquidity and productive investment.

In the first quarter of 2026, in line with the cycle of monetary policy rate cuts, interest rates on bank loans contracted by state governments were lower than those observed in the fourth quarter of 2025. Against this backdrop, the average interest rate on new loans was around 64 basis points lower than that recorded in the previous quarter (Graph 70).

Graph 70

Weighted average interest rate on offers of bank loan to state governments [1/]

Percent



Data as of first quarter 2026.

Source: Prepared by Banco de México from state government released information.

1/ The Federal Entities and Municipalities Financial Discipline Law establishes that, for the sustainable management of public finances, federal entities must conduct competitive processes for public debt bidding and, once the related legal instruments have been executed, the public entity must post the results of such instruments on its official website.

2/ Posted information as of May 29th 2026 by state governments.

Between October 2025 and March 2026, three state governments saw improvements in rating agencies' perception of sub-national governments' credit risk, and none saw a deterioration. In the case of municipal governments, twenty-three improvements and five downgrades were observed. Additionally, during the same period, these rating agencies affirmed the credit ratings of 5 state governments and 35 municipal governments.

According to the *SHCP*'s alert system, as of the first quarter of 2026, state governments had recorded four consecutive quarters of sustainable debt, with no debt alerts classified as under observation or high debt (Figure 1a). On the one hand, as of the second half of 2025, 19 municipal governments showed debt levels under observation and two with high debt (Figure 1b). Thus, considering these indicators, the risks arising from financing for sub-national governments remain limited.

Figure 1

Subnational government debt sustainability [1/]

a) State governments, quarterly information [2/]



b) Municipal governments, half-yearly information

	2024-2	2025-2
SUSTAINABLE DEBT	593 municipalities [3/]	592 municipalities [3/]
OBSERVATION DEBT	21 municipalities	19 municipalities
	Aguascalientes, Chihuahua, Coahuila, Durango, Guerrero, Jalisco, México (3), Michoacán, Morelos, Nayarit, San Luis Potosí, Sonora (3), Tlaxcala, Veracruz (4)	Aguascalientes, Chihuahua (2), Durango, Jalisco (2), México (2), Morelos (2), Nayarit, San Luis Potosí (2), Sinaloa, Sonora (3), Veracruz (2)
HIGH DEBT	2 municipalities	2 municipalities
	Mapimí, Tlahualilo (Durango)	Tlahualilo (Durango), Caborca (Sonora)

Data as of first quarter 2026 for state governments and as of second half-yearly 2025 for municipal governments.

Source: Prepared by Banco de México from SHCP information.

1/ The result of the alert system, for its calculation, considers three indicators: i) Debt and obligations over unrestricted revenues; ii) Debt service and obligations over unrestricted revenues; iii) Short-term obligations, suppliers and contractors minus cash, banks and temporary investments over total revenues. The methodology can be found on the SHCP website: https://www.disciplinafinanciera.hacienda.gob.mx/es/DISCIPLINA_FINANCIERA/Entidades_Federativas_2026

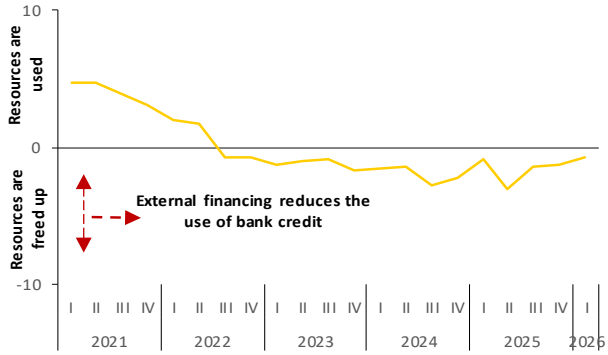
2/ The State of Tlaxcala has no loans and obligations since 2019.

3/ As of second half-yearly 2025, 59 municipalities had failed to provide information and 116 entitites had not been rated, while as of second half-yearly 2024, 73 municipalities had failed to provide information and 99 entities had not been rated.

IV.2.4. Foreign sector and capital flows

Capital flows allow sectors with access to external financing, such as the public sector, to rely less on domestic bank credit. Consequently, they can facilitate access to such credit for other sectors of the economy. The last quarter of 2025 recorded capital outflows, while the first quarter of this year capital inflows. This led the public sector to release a similar level of resources as in the previous *Report* (Graph 71).

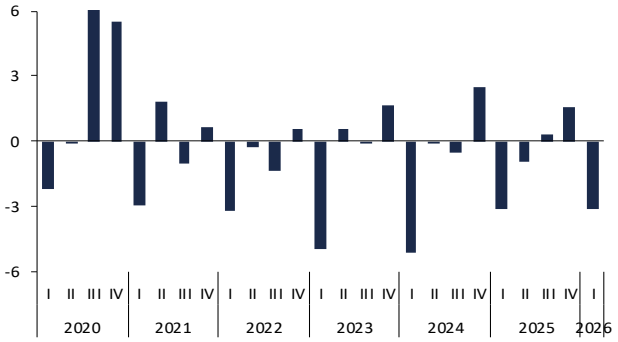
Graph 71
Contribution of net capital flows to real domestic financing growth of the Public Sector[1/]
Percentage points



Data as of the first quarter of 2026.
Source: Banco de México and CNBV.
1/ The contribution of capital flows to financing is obtained as the difference between the annual growth rate of real financing and the rate that would have been observed in the absence of these flows. The latter rate is obtained by assuming, in a vector autoregressive (VAR) model, that the coefficients associated with capital flows and the shocks to them are equal to zero. The model uses data from Q1 2010 to Q1 2026 and a moving window of 31 quarters. Capital flows are defined as the sum of net direct, portfolio and other investment flows.

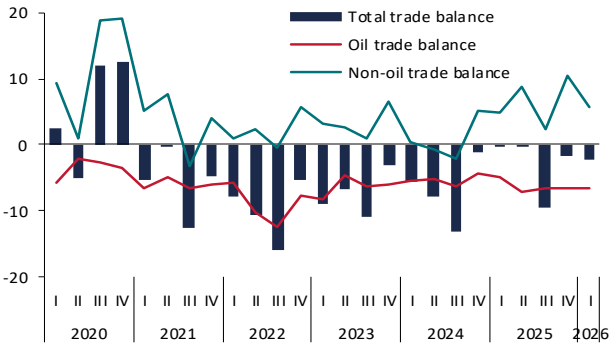
The current account recorded a surplus of 1.6% of GDP in the last quarter of 2025 and a deficit of 3.1% in the first quarter of 2026 (Graph 72). The commercial oil trade balance was in deficit while the commercial non-oil trade balance recorded a surplus in both quarters (Graph 73). The financial account registered net lending to the rest of the world in the last quarter of 2025, with capital outflows in both the foreign direct investment (FDI) and portfolio investment categories. In contrast, the first quarter of 2026 recorded net borrowing from the rest of the world, with capital inflows in both categories.

Graph 72
Current Account
Balance as a percentage of GDP



Data as of first quarter 2026.
Source: Banco de México.

Graph 73
Trade balance
Billions of dollars

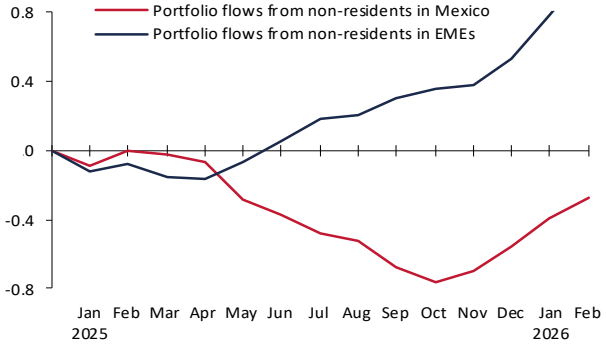


Data as of first quarter 2026.
Source: Banco de Mexico.

During the September–December 2025 period, timely data from the Institute of International Finance (IIF) recorded an inflow of non-resident portfolio flows into emerging market economies (Graph 74). This reflected a moderation in trade-related uncertainty after the United States began negotiations with some of its trading partners and as the effects of tariffs on economic activity came to be perceived as less adverse. This easing of uncertainty and the accompanying capital inflows extended into January and February of this year.

In Mexico, IIF data show capital outflows during September–October 2025. This was largely because these flows reflect purchases and sales of local-currency government securities, whereas sovereign debt issuance in September was conducted in foreign currency. In November 2025, IIF data once again recorded capital inflows, which continued through February 2026, linked to a more favorable global environment and greater appetite among non-residents for Mexican securities. In February, this pattern was reinforced by several factors, including the U.S. Supreme Court's ruling on the use of the International Emergency Economic Powers Act, which tended to be perceived as a factor reducing long-term trade uncertainty for Mexico, as well as a successful Pemex issuance in the local market. Meanwhile, the outflows and inflows in March and April 2026 were primarily associated with the outbreak of the conflict in the Middle East and the subsequent ceasefire (Graph 74).

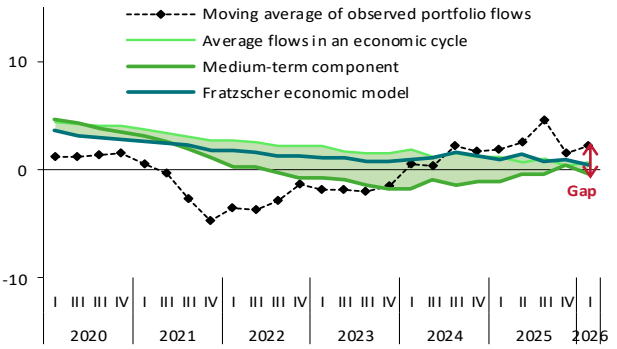
Graph 74
Acummulated non-resident portfolio flows to Mexico and EMEs[1/]
Percent of GDP



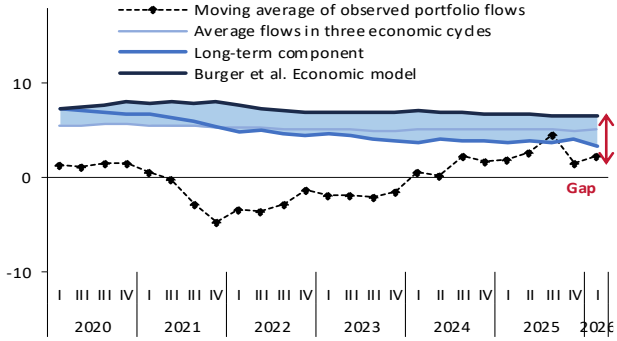
Data as of April 2026.
Source: Institute of International Finance (IIF).
1/ Cumulative flows since January 2024. The portfolio flow measure of emerging economies was obtained by summing the flows from Brazil, Chile, Hungary, India, Indonesia, Poland, the Czech Republic, South Africa, Thailand, and Türkiye and dividing it by the sum of their GDP in 2024. Those countries considered in the monetary policy and international financial markets section of the January-March 2021 Quarterly Report for which information was available from the IIF were included.

In this context, the scope for future inflows or outflows of non-resident portfolio flows is analyzed. To do so, the cumulative value or portfolio flows over the previous year is compared with its natural level.[37] In the first quarter of 2026, the measure of portfolio flows accumulated over the previous 12 months increased, reflecting capital inflows, after having declined in the first quarter of this year. Following these movements, this measure stood above its short- and medium-term natural value but below its long-term natural value, indicating that there is room for portfolio flows to continue entering Mexico driven by factors linked to its structural performance or other longer-term horizon (Graph 75a and Graph 75b).

Graph 75
Range of natural flows[1/]
a) Medium-term
Billion dollars



b) Long term
Billion dolars

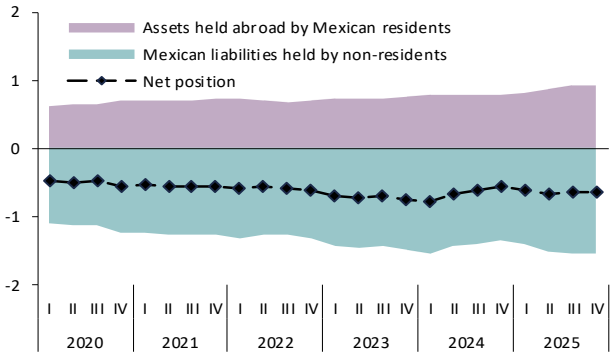


Data as of first quarter of 2026.
Source: Banco de México, IMF, Bloomberg, IIF and UBS.
1/ One year moving average.

Regarding the international investment position, on the asset side, residents' investments abroad increased by 19.2%, while on the liability side, investments from abroad grew by 16.2% (Graph 76). However, in absolute terms, the increase in investments was smaller for residents than for non-residents. As a result, Mexico recorded an increase in its net debtor position in the fourth quarter of 2025 compared to the same period in 2024.

[37] The natural level measures the component that is independent of conjunctural factors. This value measures the portion of flows that is not subject to temporary factors but is instead influenced solely by persistent and structural factors. See Box 3 of the Financial Stability Report – June 2023.

Graph 76
International investment position[1/]
Trillions dollars



Data as of the fourth quarter of 2025.
Source: Banco de México.
1/ It refers to the international investment position at the end of the period. The net international investment position includes derivatives, but these are not recorded as assets or liabilities. Mexican liabilities in the hands of non-residents are recorded with a negative sign, which implies a change in sign compared to their mesurement in the international investment position statistics of the balance of payments.

The global macrofinancial environment is particularly complex. Trade and geopolitical uncertainty remain elevated, while episodes of financial volatility have become more frequent. This poses challenges for emerging economies, whose assets have traditionally been perceived as riskier. Nevertheless, this environment also presents opportunities. The consolidation of a sound and credible fiscal and monetary framework, along with the establishment of the foundations for long-term growth, can help Mexico continue to stand out and offer investment opportunities that are more attractive not only than those of other emerging economies, but now even than those of some advanced economies. This could allow Mexico to continue expanding its capacity to attract capital despite an adverse international economic outlook.

IV.3. Institutions

As of the end of March 2026, total assets in the financial system increased in real annual terms, although at a slightly lower rate than that recorded in previous quarters. Performance varied across institution types. In particular, total assets contracted at commercial banks[38], development banks, broker-dealers, credit unions, and development trusts; while the remaining institutions recorded growth.

Among the institutions that recorded growth, regulated non-consolidated SOFOM and electronic payment fund institutions stood out, as they experienced an acceleration in growth compared to the previous *Report*; the rest grew at lower rates. In particular, regulated non-consolidated SOFOM increased their loan portfolios supported by higher liabilities combined with increased capital.

Among development institutions, in addition to development banks, development trusts recorded a general contraction in their assets (Table 3)[39] .

[38] These assets include the accounting consolidation of banks with their subsidiary sofomes.

[39] It includes information on the following trusts: fovi, FIFOMI, and FIRA (FEGA, FEFA, and FOPESCA).

Table 3

Mexican Financial System Structure [1/]

	Number of entities in operation[2/]	Share of total assets		Real annual growth rate of assets	Share of Top 5 largest entities[3/]
		in the Fin. Syst.	in GDP		
	No units	Per cent	Per cent	Per cent	Per cent
Commercial banks [4/]	53	41.4	44.8	-0.4	61.0
Siefores (afores) [5/ 6/]	118 (10)	21.7	23.5	10.3	77.5
Investment Funds (Managers) [7/]	636 (32)	12.9	13.9	4.3	68.9
Insurance Companies	113	8.2	8.8	5.3	43.4
Development banks	6	7.7	8.3	-8.0	95.8
Broker dealers	35	3.0	3.3	-7.4	57.1
Non-regulated sofomes [8/]	1,777	1.7	1.9	7.2	18.0
Regulated sofomes [9/]	22	0.9	0.9	16.4	78.3
Savings and Loan Cooperatives (socaps)	153	0.9	0.9	6.5	56.3
Development trusts [10/]	3	0.7	0.7	-0.5	n.a.
Popular Finance Corporations (sofipos) [11/ 12/]	35	0.6	0.6	6.1	83.2
Credit Unions	61	0.2	0.2	-9.5	56.7
Bond warehouses	15	0.1	0.1	5.3	94.6
Crowdfunding Institutions [13/]	25	0.0	0.0	6.2	75.4
Electronic Payment Fund Institutions [13/]	49	0.2	0.2	43.4	75.7
Total System	**2,389**	**100.0**	**108.3**	**2.3**	**n.a.**
Memo: Infonavit, Fovissste and Infonacot	3	8.5	9.2	3.8	n.a.
Fondo de Pensiones para el Bienestar	1	0.1	0.2	12.1	n.a.
Fondo Mexicano del Petróleo	1	0.1	0.1	-19.1	n.a.

Data as of March 2026.

Source: Banco de México, Mexican Stock Exchange (BMV), National Banking and Securities Commission (CNBV), National Insurance and Surety Commission (CNSF), National Retirement Savings Commission (Consar), National Commission for the Protection and Defense of Financial Services Users (Condusef), and the Ministry of Finance and Public Credit (SHCP).

1/ This table includes direct financing provided by the listed financial institutions, which may not align precisely with the direct and indirect financing reported in the Development Banking section.

2/ In this edition, the number of entities corresponds to the number of operating institutions, whereas previous editions reported the number of operating institutions with assets greater than zero.

3/ The five institutions with the highest concentration of assets within their respective sectors are: Commercial banking: BBVA México, Santander, Banorte, Banamex, and HSBC. Afores: Profuturo, XXI-Banorte, SURA, Banamex, and Coppel. Investment fund management companies: BBVA Bancomer Gestión, Impulsora de Fondos Banamex, Operadora de Fondos Banorte, SAM Asset Management, and Operadora Actinver. Development institutions: Banobras, Nafin, Bancomext, Banjército, and FIRA. Insurance and surety companies: BBVA Seguros México, Pensiones Banorte, Grupo Nacional Provincial, Seguros Banamex, and BBVA Pensiones México. Brokerage firms: Banorte, Finamex, Goldman Sachs México, Actinver, and Morgan Stanley México. SOFOM E.N.R.: Binmtec, Cashahora, Prosperity Factor, BMW Financial Services de México, and Findep. SOFOM E.R.: GM Financial, Arrendadora Banorte, Element Fleet, Ford Credit, and Traton (formerly Navistar). Socaps: Caja Popular Mexicana, Caja de Ahorro de los Telefonistas, Caja Morelia Valladolid, Cooperativa Acreimex, and Caja Popular Cerano. Sofipos: Nu México, Financiera Sustentable, Libertad, Stori, and Klar. Credit unions: Ficein, Agricultores de Cuauhtémoc, Industrial y Agropecuario de la Laguna, Para la Contaduría Pública, and Alpura. General deposit warehouses: Afirme, Mercader, Banorte, Sur, and Accel. Collective financing institutions (IFC): Capital Funding, CIEN LADRILLOS, Play Business, Red Girasol, and SFC SNOWBALL. Electronic payment fund institutions (IFPE): Mercado Pago W, STP, Peibo, Spin by OXXO, and Ares.

4/ Total assets of commercial banks include those of regulated sofomes that are consolidated with the corresponding bank when they are subsidiaries. Compared with the previous semester, a new operating bank has been incorporated: Banco Plata. In addition, one bank authorized by the authorities in 2025 is not yet in operation: Nubank (currently operating as a Sofipo). Banco Intercam is under temporary management intervention by the CNBV. CI Banco reported zero assets as of March.

5/ The group of pension funds managed by the 10 Afores encompasses 118 specialized retirement funds (Siefores).

6/ From January 2020, there was an increase in the number of Siefores due to the transition to a new Generational Fund-based Siefore Investment Regime following regulatory changes issued on December 13, 2019, by Consar. More information is available here: https://www.gob.mx/cms/uploads/attachment/file/517105/BP-32-2019_TDF_transicio_n_VF_2_.pdf

7/ A total of 32 investment fund operators manage 636 investment funds.

8/ Figures on the number of SOFOM E.N.R. are obtained from the Fee Registry (RECO) maintained by Condusef. New information is presented with preliminary figures resulting from corrections made to the information reported by unregulated sofomes since June 2023. For counting purposes, only SOFOM E.N.R. with a positive loan portfolio are considered. Loan portfolios of unregulated sofomes that grant credit exclusively to related parties or affiliates are excluded, as they are not strictly credit intermediaries. As of December 2025 (latest available date), the Financial Institutions Bureau includes information on 2,336 SOFOM E.N.R. entities with operating status, including those that grant credit exclusively to related parties or affiliates. Asset figures refer to the total loan portfolio granted by these entities and reported to Condusef. SOFOM E.N.R. Préstamos Felices en 15 minutos is excluded due to failure to provide information for the comparison period.

9/ Includes SOFOM E.R. that are regulated because they have an ownership link with a bank but are not subsidiaries of that bank and therefore do not consolidate their assets. Some belong to a financial group. It also includes SOFOM E.R. that are regulated because they issue publicly traded debt securities on the BMV.

10/ Includes FIRA, FOVI, and FIFOMI.

11/ In December 2022, Nu México, a Fintech institution specializing in credit cards, merged its business with a sofipo that was no longer operating and that it had acquired in December 2021. As of December 2022, its assets are recorded within the sofipo sector, making it the largest institution in the sector, with a 40% share of total assets and increasing the concentration of the five largest entities in the sector to 79%. Prior to this migration, information on this institution was unavailable because it was a private financial company.

12/ As of December 2025, Sofipo Trafalgar is operating according to the Mexican Financial System Directory and is already reporting information to the CNBV.

13/ As of March 2026, there are two collective financing institutions and twelve electronic payment fund institutions that have been authorized but are not yet operating. The figures correspond only to those Financial Technology Institutions (ITFs) that published their financial statements on their websites as of December 30, 2025. All debt-based collective financing institutions holding an ITF license are included. Information for Lendera and Capital Funding Lab is omitted due to inconsistencies in the reported data. Afluenta and M2Crowd have not updated their information since the fourth quarter of 2024. These institutions do not perform credit intermediation on their balance sheets; in the case of collective financing institutions, the financing that investors channel through the platform to projects is recorded in memorandum accounts.

IV.3.1. Commercial banks

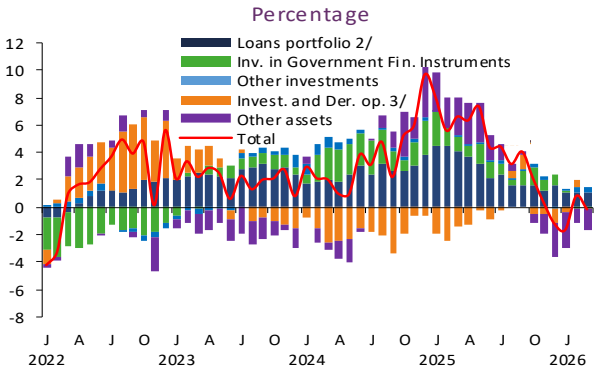
In late 2025 and early 2026, the growth in commercial banks assets slowed in relation to the levels observed a year earlier. This trend was primarily driven by the evolution of derivative transactions and accounts receivable (Graph 77a).

Likewise, commercial bank liabilities showed a reduction in annual terms in the final months of 2025 and in the first quarter of 2026, which primarily reflected a decrease in liability-side derivative transactions and accounts payable (Graph 77b).

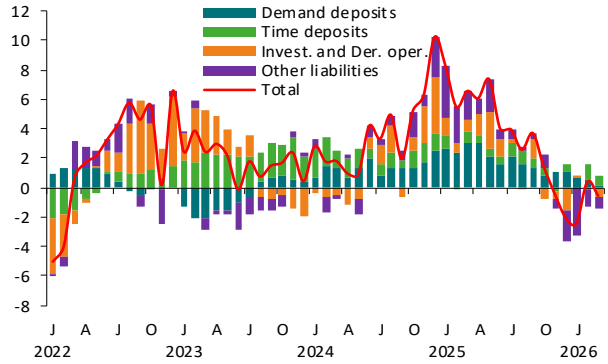
Graph 77

Assets and liabilities real annual contribution growth [1/]

a) Assets



b) Liabilities



Data as of March 2026.

Source: CNBV.

1/ Unbound commercial banks.

2/ Net loans portfolio includes allowances for credit risks, deferred items and acquired collection rights.

3/ Includes purchase operations value considering to receive cash at maturity, when the entity acts like a buyer.

In this context, traditional banking operations continued to show dynamism. In particular, the loan portfolio and sight and term deposits posted an annual increase in the second half of 2025 and early 2026 and increased their share of the banking sector's assets and liabilities, respectively.

In April 2026, Citigroup announced the completion of the sale of 22.6% of its stake in Banamex, a percentage that is part of the sale—announced in February of this year—of 24% of its stake in the bank to a group of institutional investors; the remaining 1.4% is expected to be finalized in the coming months. Thus, Citigroup will have sold 49% of Banamex's shares.

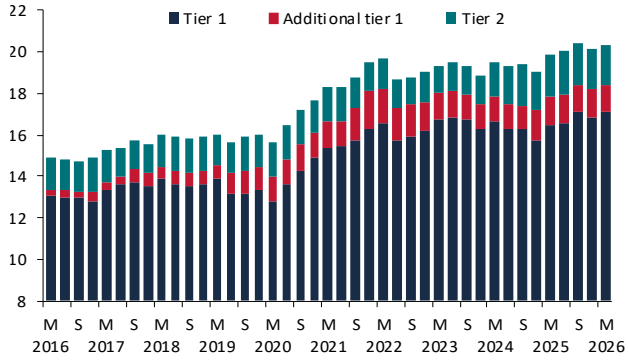
Solvency

Between September 2025 and March 2026, commercial banking institutions as a whole reported capitalization levels above the minimum levels required by regulation, although the Capital Adequacy Ratio (CAR) for banking institutions declined from 20.38% in September to 20.32% in March. This decrease was the result of an increase in risk-weighted assets that more than offset growth in regulatory capital. As for the increase in risk-weighted assets, this reflected growth in all its components, particularly in assets subject to credit risk, as a result of the expansion of banking institutions' loan portfolios. Meanwhile, the expansion in regulatory capital stemmed particularly from higher Tier 1 capital levels, which were partially offset by dividend payments from some institutions (Graph 78 and Graph 79).

Graph 78

Capital Adequacy Ratio (CAR) integration by type of bank regulatory capital 1/

Percentage



Data as of March 2026.

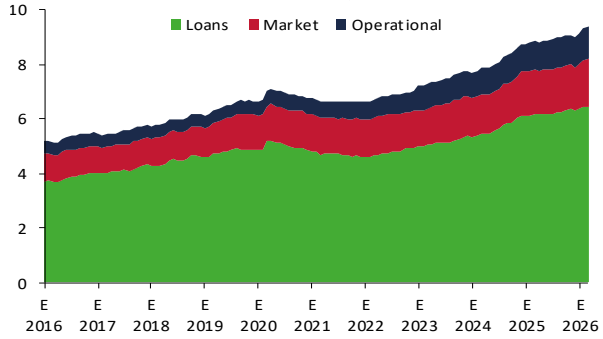
Source: Banco de México.

1/ Capital Adequacy Ratio, is calculated by dividing net capital by risk weighted assets. Net capital is the regulatory capital that includes the Tier 1, Additional tier 1, and the Tier 2 capital. Tier 1 includes earned capital and shareholder contributions, and has the major ability to absorb potenial losses. Additional tier 1 includes perpetual subordinated bonds, and therefore has a lower ability to absorb potential losses, while Tier 2 includes specif term subordinated bonds and surplus reserves, and therefore has a lower ability to absorb possible losses.

Graph 79

Risk weighted assets 1/

Trillions of pesos



Data as of March 2026.

Source: Banco de México.

1/ Credit Risk weighted assets are a risk measure associated to default credit compromises, or receive payments of obligations regarding assets operations. Market risk weighted assets are a risk measure that a banking institution holds due to market factors to which are their assets exposed; while operational risk weighted assets are a risk measure for possible losses due to inadequacies or failures in internal processes, personal and internal systems or due to external factors.

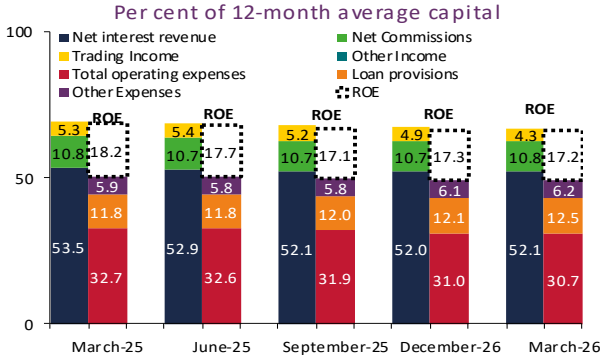
Profitability

The banks´ profitability as a whole, measured as the ratio of twelve-month net income to average shareholders' equity (*ROE*), increased marginally compared to the level reported in the previous *Report*. This increase occurred despite the fact that the twelve-month cumulative Net income figure recorded a real annual contraction due to lower revenues in February, a contraction that was partially offset by a rebound in March. Meanwhile, average shareholders' equity increased over the same period. The decline in the cumulative Net income was due to the fact that net interest income grew at a more moderate pace and that credit loss provisions increased at a higher rate, so that net interest income adjusted for credit risks rose only slightly. In addition, other income[40] also grew at a rate close to zero (Graph 80). Meanwhile, operating expenses decreased slightly. At the individual level, significant differences in profitability levels among institutions are observed.

Graph 80

Commercial Banks Profitability Components (12-month flow)

Per cent of 12-month average capital



Data as of March 2026.

Source: CNBV.

Financial Indicators at Risk

Historical data on banking financial indicators enables the identification of risks and the construction of projections,[41] allowing for a determination of which indicators carry greater uncertainty in their

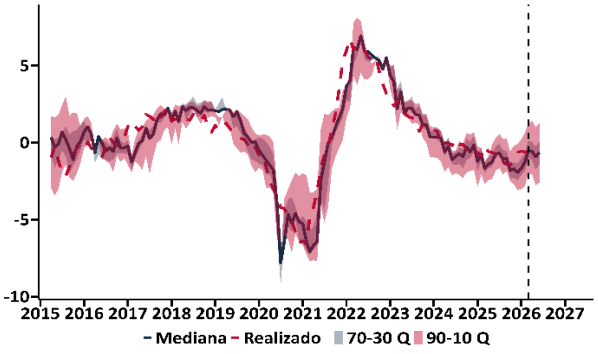
[40] The following are included: net commissions, trading income, and other operating income (expenses).

[41] The methodology used is described in Box 6, "Risk Metrics for Banking and Credit Indicators," published in the June 2022 Financial Stability Report.

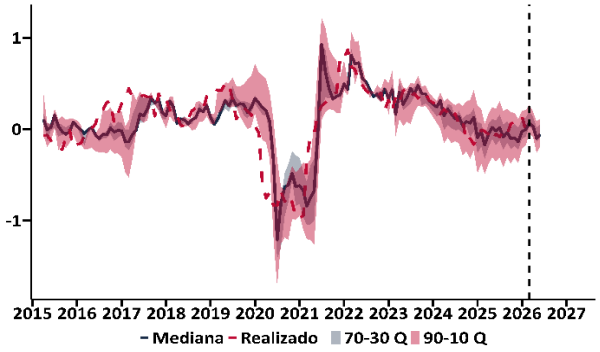
estimates, which often translates into increased risk levels going forward.[42]

Profitability indicators reveal, on the one hand, a declining trend in *Return on Equity* (ROE) (Graph 81a) and a projection with greater uncertainty. On the other hand, there is a slight decrease in the net interest margin[43] (Graph 81b), albeit with lower uncertainty.

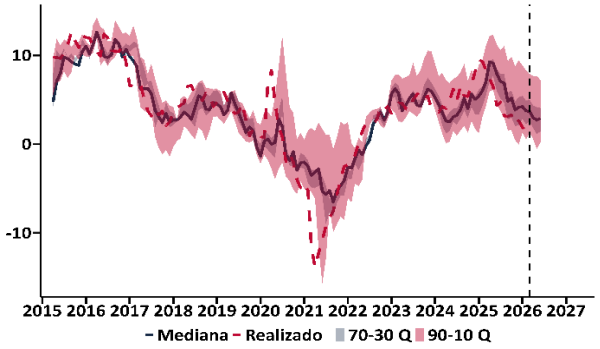
Graph 81
Three month horizon out of sample forecast
a) ROE
Percentage points



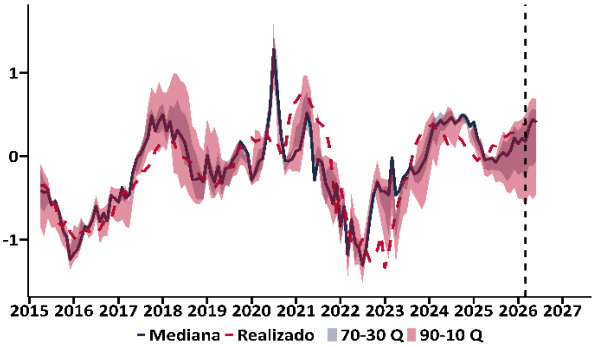
b) Net interest margin
Percentage points



c) Real credit growth
Percentage points



d) Adjusted non-performing ratio
Percentage points



Data up to March 2026 and forecasts through June 2026.
Source: Banco de México.

The projection for portfolio growth (Graph 81c) shows a downward trend, although with greater uncertainty, given the wider dispersion of the projections. Finally, there is an increase in the portfolio's adjusted non-performing loans rate (NPL ratio) (Graph 81d), accompanied by an increase in its dispersion.

These indicators point to a slowdown in the portfolio, accompanied by persistent profitability and an increase in the non-performing loan ratio in the coming months, barring any events that alter this expected trajectory.

Credit risk

The banking sector's credit risk, measured by the 99.9% conditional value at risk (*CVaR*)[44] over a one-

[42] For each indicator, forecasts are presented over a three-month horizon based on quantile regressions.
[43] Net interest income consists of the difference between interest income and interest expense, increased or decreased by the net monetary position result related to net interest income items (in an inflationary environment).

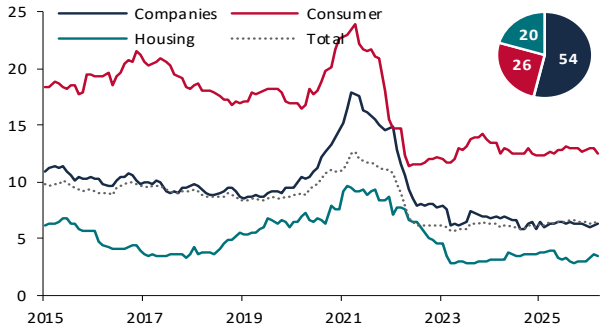
[44] Conditional Value at Risk (CVaR) allows for the analysis of losses at the tail of the distribution, as it represents the expected value of the loss

year horizon as a proportion of the credit portfolio, declined from September 2025 to March 2026, driven by the decrease in risk in the consumer portfolio (Graph 82a), which in turn is associated with a lower default correlation and, to a lesser extent, with a decrease in the concentration of this portfolio (Graph 82b).[45]

Graph 82

a) Conditional Value at Risk (CVaR) by type of portfolio [1/]

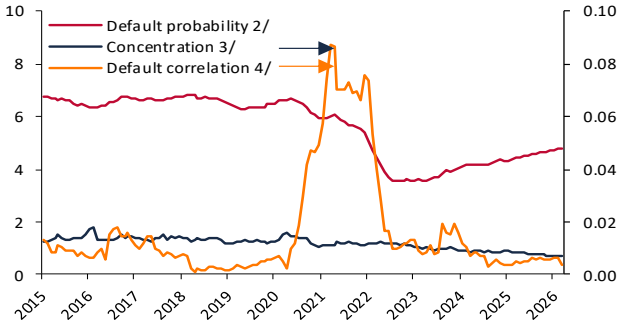
Percent of portfolio's value



Data as of March 2026.
Source: Banco de Mexico, CNBV and Credit Bureau.
1/ Using a time period of one year and a confidence level of 99.9%. The pie chart shows the total percentage of the current balance for each portfolio segment.

b) Portfolio concentration, default probabilities and default correlation[1/]

Percent



Data as of March 2026.
Source: Banco de México, CNBV and Credit Bureau.
1/ Components used as inputs to compute the CVaR of the portfolio.
2/ Average default probability of the portfolio on annual horizon.
3/ Portfolio concentration measured using the Herfindahl-Hirschman Index.
4/ Average default correlation of the portfolio on annual horizon.

The distribution of potential credit losses in the portfolio of commercial banks[46] shows that the consumer portfolio contributes the most to total *CVaR*,[47] exceeding the contribution of the corporate portfolio. Furthermore, the consumer portfolio's contribution to credit risk exceeds its share of the total portfolio (Graph 83 a and Graph 83 b). The level of credit *CVaR* has remained stable and in check relative to the regulatory capital of banks as a whole. This indicates the banking sector's capacity to absorb unexpected losses arising from credit defaults in its portfolios under an extreme scenario.

when it exceeds VaR. VaR represents the percentile associated with a given confidence level in the probability distribution of losses for a portfolio of risk-weighted assets. Credit CVaR is calculated using the "Capitalization and Credit Risk" (CyRCE,, its acronym in Spanish) model. Among its main elements are the probability of default for each loan, the structure of variances and covariances of potential defaults, as well as the concentration level of the loans comprising the portfolio. An explanation of the model can be found in Banco de México (2006), Report on the Financial System, May 2007, pp. 64–67, and in Javier Márquez Diez-Canedo, A New Perspective on Credit Risk, third edition, Limusa (2024).

[45] The default probabilities and correlations used in the model are estimated based on observed historical default rates for loans, which can be found in Banco de México (2006). "Estimation of Default Probabilities and Correlations." Report on the Financial System, May 2007, Box 10, pp. 66

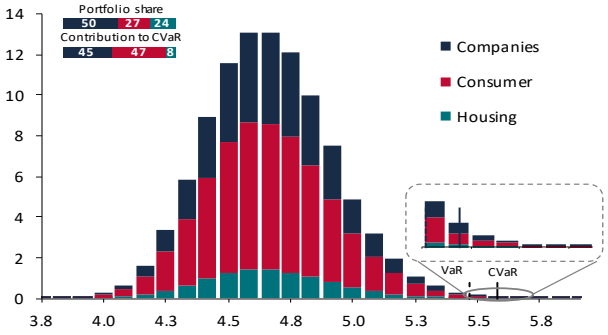
[46] This distribution is generated using the loss simulation methodology for a loan portfolio. It can be found in Banco de México (2022). "Measuring the Credit Risk of a Portfolio through Monte Carlo Simulation." Financial Stability Report, June 2022, Box 7, pp. 74.

[47] The contribution to CVaR is determined as the percentage of loss in the portfolio segment relative to the loss of the total portfolio, within the extreme losses of the distribution (for example, losses exceeding VaR).

Graph 83

a) Simulated credit loss distribution of the system

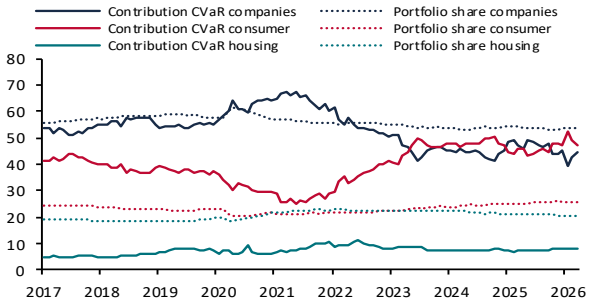
Horizontal axis: Percent of portfolio's value [1/]
Vertical axis: Percent



Data as of March 2026.
Source: Banco de México, CNBV, and Credit Bureau.
1/ The percentage of loss for each portfolio is relative to the total loss, within each interval. The VaR and CVaR levels are 99.9%.

b) Contribution to CVaR[1/] by portfolio segment[2/]

Percent



Data as of March 2026.
Source: Banco de México, CNBV and Buró de Crédito.
1/ Annual credit CVaR at the 99.9% confidence level.
2/ Only considering the outstanding performing portfolio.

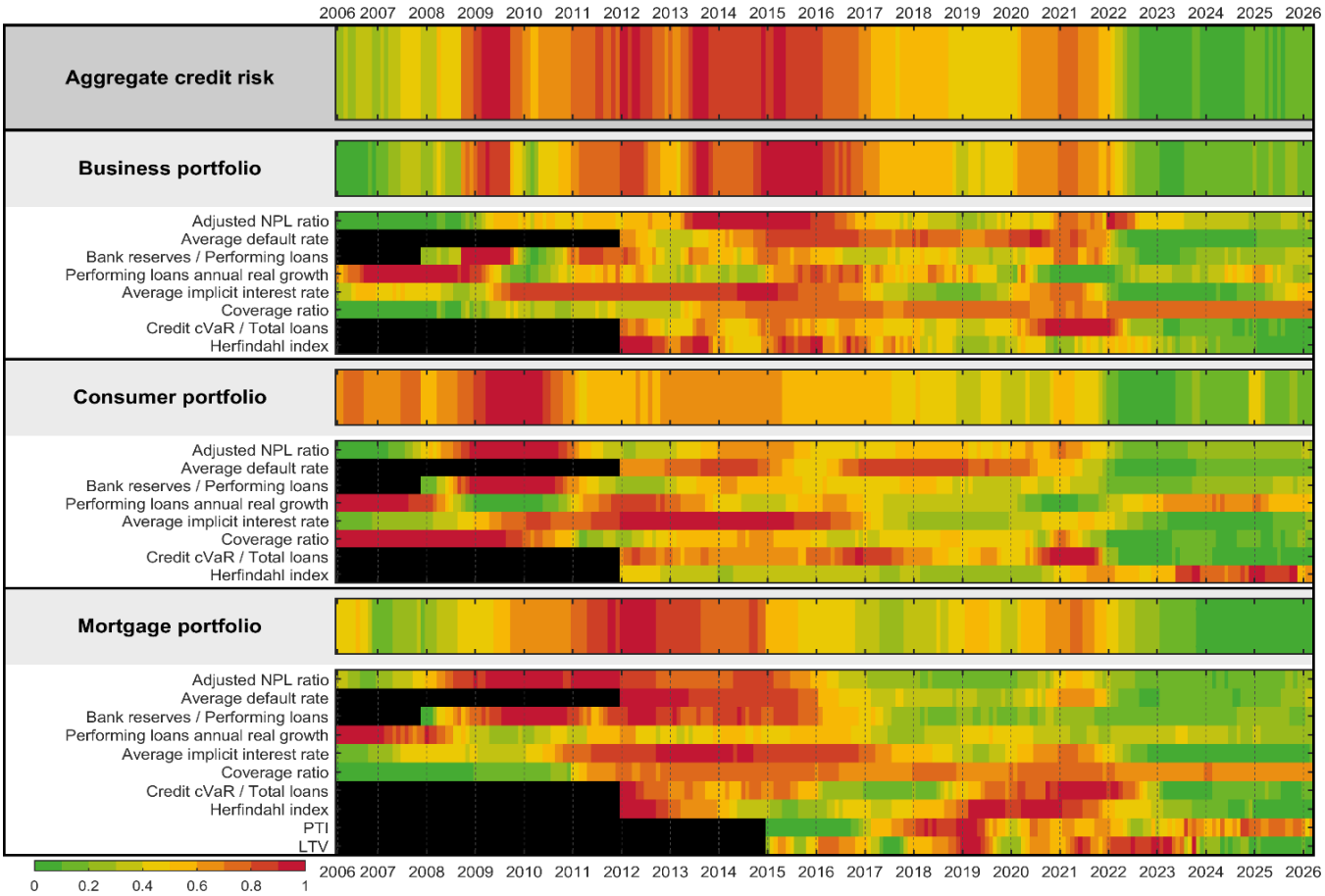
Bank credit risk map

Aggregate credit risk, represented by the bank credit risk heat map,[48] which considers both forward-looking and backward-looking indicators, shows that these have remained stable and at low levels for the three types of portfolios compared to the previous *Report* (Graph 84).

[48] See: Banco de México (2024). "Bank Credit Risk Map." Financial Stability Report June 2024, Box 4, pp. 62–63.

Graph 84

Bank credit risk map



Data as of March 2026.

Source: Banco de México, CNBV and Credit Bureau.

Box 3: The Banking Credit Cycle in Mexico

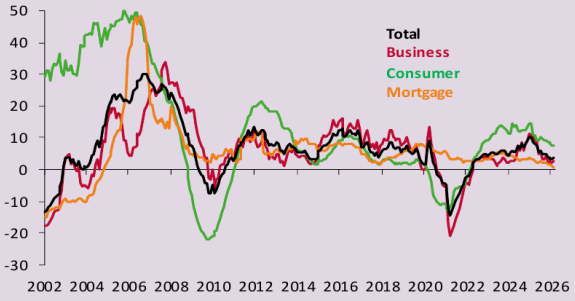
I. Introduction

The banking credit cycle (BCC) refers to the periodic fluctuations of credit through expansions and contractions (Gorton and He, 2008). Identifying it is relevant to financial stability, as it allows an assessment of whether credit growth reflects a healthy expansion of financing or an accumulation of risks. This is important, given that sustained credit booms are often linked to deep recessions and severe financial crises.[1]

In Mexico, monitoring the BCC is particularly relevant because, although the level of bank credit is low compared to other countries, certain segments of the portfolio may experience episodes of accelerated growth. One example is consumer credit, which recorded high real growth between 2023 and 2025 relative to other portfolios (Graph 1). This dynamism highlights the need to assess potential vulnerabilities within the financial system.

Against this backdrop, this *Box* presents an estimate of the credit cycle in Mexico using a robust and flexible methodology applied to both the total loan portfolio and the corporate, consumer, and mortgage loan portfolios. This approach makes it possible to identify the duration, amplitude, and phase of each cycle, which helps to determine the persistence and intensity of credit expansions, as well as the current stage of the cycle for each portfolio. It also examines the relationship between the credit cycle and macroeconomic variables such as the Global Economic Activity Index (IGAE, its acronym in Spanish), in particular by considering that excessive credit expansions tend to precede deeper recessions and slower recoveries (Jordà et al., 2012). Finally, the impact of credit cycle shocks on the non-performing loan ratio is assessed, validating its role as an early indicator of risks to financial stability.

Graph 1
Real annual growth of bank credit in Mexico
Percent



Data as of March 2026.
Source: Prepared by Banco de México using data from CNBV and SIE Banco de México.

II. Literature Review

Two methodological approaches coexist in the analysis and measurement of business cycles and financial cycles. The first suggests that fluctuations respond to external shocks (real, monetary, or financial). In contrast, the second posits that the phases of the cycle are endogenous processes in which each stage generates the conditions for the next (López-Enciso, 2017). This paper adopts the latter approach for measuring credit cycles.

Within the literature on endogenous cycles, Galati et al. (2016) distinguish three main methodologies: 1) turning points, which identify peaks and troughs of the cycle, following the tradition of Burns and Mitchell (1946), and which are widely used by institutions;[2] 2) nonparametric filters, such as those by Hodrick and Prescott (1997), Baxter and King (1999) and Christiano and Fitzgerald (2003), focused on extracting the cyclical component from predefined frequencies; and 3) unobserved component models, based on Harvey (1990) and Durbin and Koopman (2012), which estimate the trend, cycle, and seasonality as latent variables through the Kalman filter.

[1] The Basel Banking Supervision Committee (*BCBS*) recommends monitoring credit growth when is excessive and it is associated with systemic risk (BCBS, 2010). Likewise, the Financial Stability Board (FSB), the Bank for International Settlements (BIS), and the International Monetary Fund (IMF) emphasize that early warning indicators help identify vulnerabilities before episodes of stress (FSB, BIS, and IMF, 2016). Empirical evidence links credit booms to financial instability, deeper recessions, and interactions between financial and business cycles (Jordà et al., 2011, 2012; Claessens et al., 2012; Borio et al., 2018).

[2] As in the National Bureau of Economic Research (NBER) and the *Euro Area Business Cycle Dating Committee*

Based on this classification, this study employs modeling of unobserved components—such as trend, cycle, and seasonality—because the Kalman filter allows for the estimation of these latent variables within a flexible statistical framework. This methodology is based on Galati et al. (2016), originally developed at the Dutch Central Bank (*De Nederlandsche Bank*), and was adapted to the Mexican context by estimating cycles by type of bank portfolio: total, business, consumer, and mortgage. The contribution of this box is the measuring and classifying the phases of the credit cycle, and in addition it analyzes their relationship with macroeconomic variables and assesses the impact of their shocks on the non-performing loan ratio, directly linking the measurement of the BCC to the monitoring of systemic risks in Mexico.

III. Data and Methodology

To extract the credit cycle, the credit portfolio balance (BC_t) is modeled as the sum of four unobserved components: trend (T_t), cycle (C_t), seasonality (S_t), and measurement error (ε_t):

$$BC_t = T_t + C_t + S_t + \varepsilon_t \,. \qquad (1)$$

Each component is represented by a state-space formulation, which allows us to study its dynamics based on historical data. The trend is modeled stochastically using a level (T_t) and a slope (P_t), which incorporate local variations or errors ($\varepsilon_{t+1}^{(T)}$ and $\varepsilon_{t+1}^{(P)}$):

$$T_{t+1} = T_t + P_t + \varepsilon_{t+1}^{(T)}, \qquad (2)$$

$$P_{t+1} = P_t + \varepsilon_{t+1}^{(P)}. \qquad (3)$$

In turn, seasonality is incorporated through dichotomous variables associated with each month of the year, whose coefficients may be constant or exhibit random variations over time ($\varepsilon_{t+1}^{(S)}$):

$$S_{t+1} = S_t + \varepsilon_{t+1}^{(S)}. \qquad (4)$$

The cycle is modeled using an autoregressive dynamic, which induces a cyclical pattern characterized by specific periods and irregularities in the cycle:

$$\begin{pmatrix} C_{t+1} \\ C_{t+1}^* \end{pmatrix} = \begin{pmatrix} \cos\lambda & \sin\lambda \\ -\sin\lambda & \cos\lambda \end{pmatrix} \begin{pmatrix} C_t \\ C_t^* \end{pmatrix} + \begin{pmatrix} \varepsilon_{t+1}^{(C)} \\ \varepsilon_{t+1}^{(C)*} \end{pmatrix}, \qquad (5)$$

$$\text{where: } \lambda = \frac{2\pi}{period}.$$

It is assumed that the measurement error (ε_t) and other irregular components of each equation ($\varepsilon_{t+1}^{(T)}, \varepsilon_{t+1}^{(P)}, \varepsilon_{t+1}^{(S)}, \varepsilon_{t+1}^{(C)}$, and $\varepsilon_{t+1}^{(C)*}$) are independent of one another and follow a normal distribution with mean zero and homoscedastic variances. Based on the defined period and the estimated variances of the irregular components, the Kalman filter recursively estimates the unobserved variables ($T_t, C_t, S_t, P_t, C_t^*$),[3] for each credit portfolio using the real balance series.

Based on Heath (2012) definitions of growth cycles and the logic of INEGI's Business Cycle Clock, the cycle (C_t) is classified into four phases according to its sign, its 95% confidence intervals, and the direction of its trajectory. The cycle is considered significantly positive if the lower limit of its confidence interval is greater than zero, and significantly negative if the upper limit is less than zero. Thus, the phases are defined as follows: slowdown, when the cycle declines after reaching a peak but remains at significantly positive levels; stagnation, when it crosses into significantly negative territory and moves toward the deepest part of a trough; recovery, when it rises after that trough but remains significantly negative; and expansion, when it moves into significantly positive territory and advances toward a new peak. In addition, the duration and amplitude of the cycles are characterized: the former corresponds to the period estimated by the model, that is, the time of a complete oscillation, while the latter measures the absolute deviation of the outstanding loan balance from its trend,[4]reflecting the relative deviation of the portfolio. This classification facilitates an organized assessment of

[3] The period and variances of the irregular component distributions are estimated using the Kalman filter. Furthermore, the model is complemented by a wavelet analysis, which allows for the identification of the dominant periods of the series and their evolution over time, guiding the choice of seasonality and the main cycle period. See Aguiar-Conraria and Soares (2011).

[4]The amplitude is the average of the absolute value of the cycle relative to its trend. Hereafter, the ratio of the cycle to the trend is referred to as *the adjusted cycle*. This transformation provides a more stable and comparable measure across portfolios and facilitates its relationship with macroeconomic variables in line with Flamini et al. (2019), as well as its use in cross-correlation and bivariate VAR analysis.

each portfolio's status and supports credit analysis for the purpose of monitoring systemic risk.

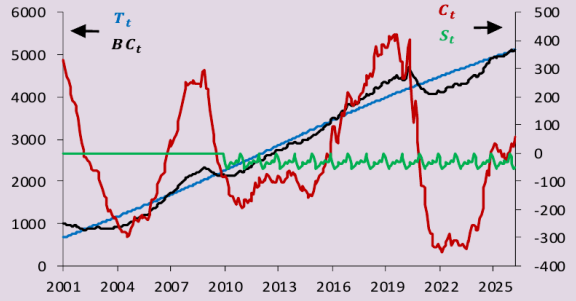
To estimate the credit cycle, we use monthly data on the outstanding loan balance granted by commercial banks and their subsidiary sofomes, expressed in constant prices, broken down by loan portfolio type, and reported by the CNBV for the period from January 2001 to March 2026. Outstanding loan balances are deflated using INEGI's core National Consumer Price (CPI) Index to express them in constant 2018 prices. The total portfolio balance is used rather than the performing or nonperforming portfolio balance, since the definitions of the latter two have varied over time in regulations.

IV. Main Results

Description of the Bank Credit Cycle

Based on the methodology described above, Graph 2 shows the estimated decomposition of the total bank portfolio. In this case, the model separated the trend, the seasonal component, and the cyclical component, the latter responsible for capturing deviations from the trend.

Graph 2
Decomposition of the bank credit cycle into unobservable components
Billions of constant pesos



Data as of March 2026.
Source: Prepared by Banco de México using data from CNBV and SIE Banco de México.

Although the model is flexible, the estimate may be sensitive to the specification, the initial values, and the bias of the last observations in the sample. Therefore, the assumptions regarding the model's residuals were validated, and robustness tests were conducted with satisfactory results. Among these, a comparison with the HP filter (λ = 400,000), predictive capacity exercises, and a wavelet analysis were considered to confirm the cycle's duration.

By applying this decomposition analogously to each portfolio, the estimated bank credit cycles were identified, with results shown in Table 1 and in Graph 3.

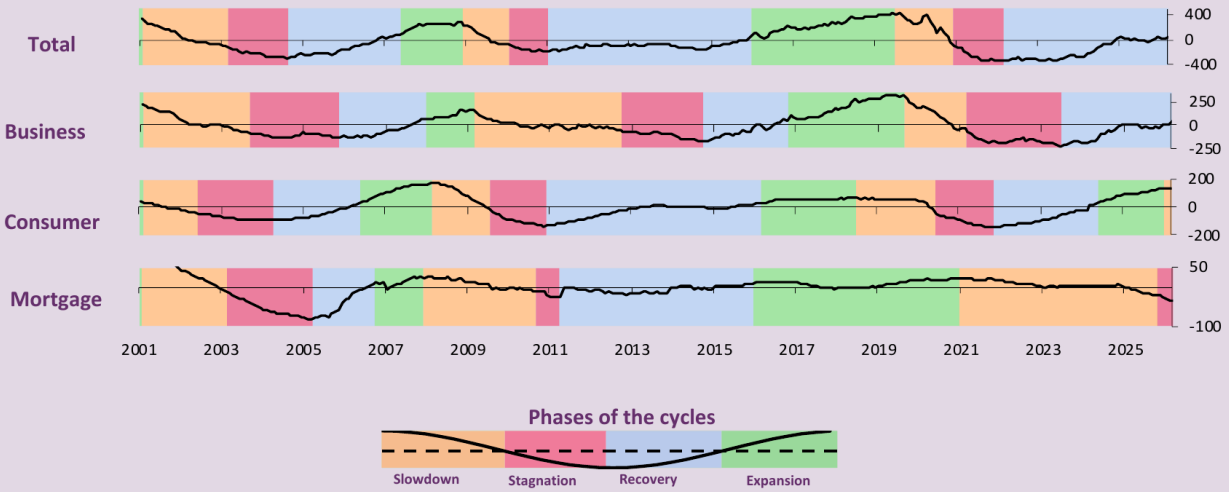
Table 1
Description of the cycles

Cycle	Amplitude (%)	Duration (years)	Current phase
Total	7.6	9	Recovery
Business	7.7	8	Recovery
Consumer	12.6	8	Slowdown
Mortgage	6.1	8	Stagnation

Source: Prepared by Banco de México using data from CNBV and SIE Banco de México.

The cycles exhibit heterogeneous dynamics: credit portfolios do not necessarily coincide in their phases of expansion, slowdown, stagnation, or recovery, nor in the timing of their peaks and troughs. According to the model's estimated parameters, the cycle duration is approximately 9 years for the total portfolio and 8 years for the business, consumer, and mortgage portfolios, exceeding the durations typically observed in Mexico's business cycles (Sánchez-Juárez, 2019). This difference is consistent with the literature on financial cycles, which documents that these tend to be longer than traditional business cycles. In terms of cycle amplitude, the results show that it is greater in the consumer and business portfolios than in the mortgage portfolio. As for the current phases of the cycles, there is a slowdown in consumer credit after it has expanded for more than a year; there is recovery in business portfolio credit, while mortgage credit remains stagnant.

Graph 3
The banking credit cycle and its phases
Billion constant pesos



Data as of March 2026.
Source: Prepared by Banco de México using data from CNBV and SIE Banco de México.

The banking credit cycle and macroeconomic variables

To analyze the relationship between the credit cycle and the business cycle, cross-correlations were estimated between the *adjusted cycles*[5] of the different loan portfolios and the cyclical components of the global indicator of economic activity (IGAE by its acronym in Spanish), unemployment, and other macroeconomic variables estimated by INEGI.[6] This analysis evaluates the co-movement of the series, as well as their leads and lags. In this way, macroeconomic variables are identified that act as leading, coincident, or lagging indicators with respect to the bank credit cycle.

TheTable 2 presents the cross-correlations between the total BCC and various macroeconomic cycles estimated by INEGI. In all cases, the strongest association occurs when these macro cycles precede the credit cycle. In particular, theTable 2 and theGraph 4 show that the IGAE cycle leads the total BCC by approximately 13 months, while unemployment leads it by 7 months.

Table 2
Cross-correlations of total BCC with macroeconomic cycles

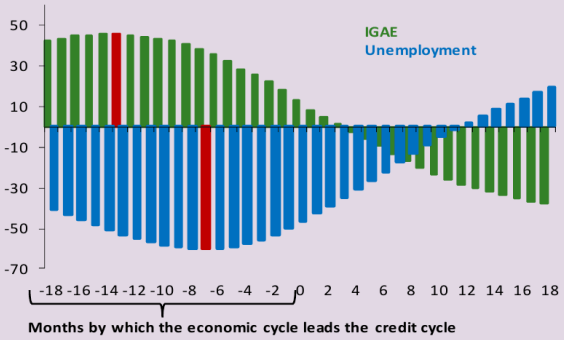
Business cycles	Months in which maximum correlation is reached	Maximum correlation (%)
IMSS Insured Persons	6	78
Unemployment	7	-60
Industrial activity	16	48
IGAE	13	46
TIIE 28	9	49

Note: The reported lag corresponds to the number of months in which the highest cross-correlation is reached between each macroeconomic cycle and the total BCC. In the cases presented, the maximum is observed when the macroeconomic variable precedes the total BCC. For unemployment, the negative correlation with the highest absolute value is reported.
Source: Prepared by the Banco de México using data from the CNBV, SIE Banco de México, and INEGI's business cycle clock

[5] The adjusted cycle refers to the ratio of the cycle to the trend. This transformation provides a measure that is comparable across portfolios and facilitates its relationship with macroeconomic variables in line with Flamini et al. (2019), as well as its use in the statistical analysis of cross-correlations and bivariate VAR.

[6] This exercise is inspired by Ramírez (2018). The business cycles of the IGAE, unemployment, and other macroeconomic variables are obtained from INEGI's Economic Cycle Clock, which estimates business cycles as deviations of annual growth from its long-term trend by applying the Hodrick-Prescott filter in two stages.

Graph 4
Pearson cross-correlation: bank credit portfolio cycle and the economic cycle
Percent



Data as of February 2026.
Note: The red bar indicates the lag at which the maximum correlation in absolute value is reached.
Source: Prepared by Banco de México using data from CNBV and SIE Banco de México.

The banking credit cycle and the adjusted nonperforming loans (NPL) ratio (of loan portfolio

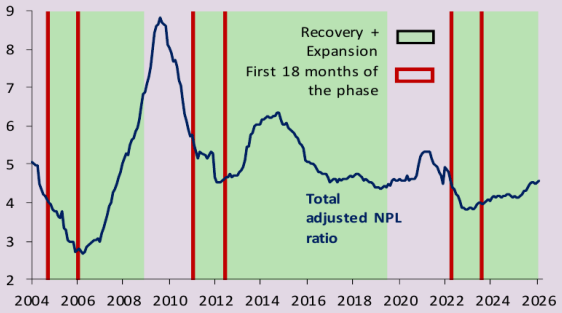
To validate whether the cycle is an early indicator of risks to financial stability, we first analyzed its relationship with adjusted NPL ratio (Graph 5). Empirically, we observe that the recovery and expansion phases of the credit cycle tend to precede subsequent increases in the adjusted NPL ratio, suggesting that credit growth precedes delinquency.

Subsequently, bivariate VAR models were estimated between the *adjusted cycle* and the adjusted NPL ratio by portfolio type,

$$Y_t = A_0 + A_1 Y_{t-1} + \cdots + A_p Y_{t-p} + B X_{t-3} + u_t \quad (6)$$

where the vector Y_t contains the *adjusted cycle* and the adjusted NPL ratio; X_{t-3} groups macroeconomic variables (annual change in the IGAE, annual differences in the 28-day TIIE, annual inflation, and the seasonally adjusted unemployment rate), all incorporated with a three-month lag; A_0, A_i, and B are model parameters, and p is the number of lags in the VAR.[7]

Graph 5
Adjusted nonperforming loan ratio and phases of the bank credit cycle
Percent



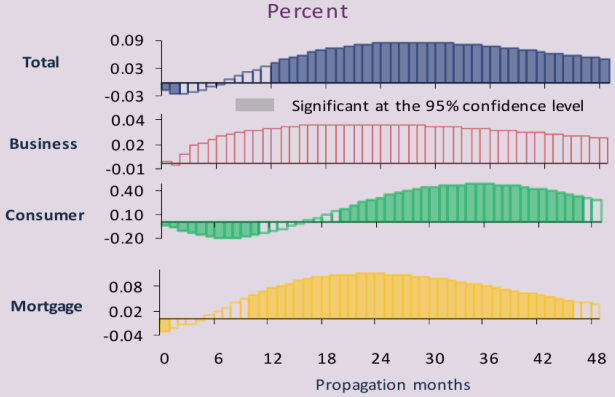
Data as of March 2026.
Source: Prepared by Banco de México using data from CNBV and SIE Banco de México.

Based on the bivariate VAR models, impulse-response functions were estimated (Graph 6), which allow for an analysis of the trajectory of the adjusted NPL ratio in the face of a positive shock to the *adjusted credit cycle*, with statistically significant results for the total portfolio, consumer portfolio, and mortgage portfolio. According to these results, a positive shock to the cycle generates an initial slight reduction in the adjusted NPL ratio. However, the indicator shows a greater deterioration starting in month 8, with a greater impact between months 18 and 30, when the effect on the past-due portfolio predominates.[8] These results are statistically significant at the 5% level for the total portfolio and for the consumer and mortgage portfolios, but not for the business portfolio.

[7] In line with Beck et al. (2015). Macroeconomic data are drawn from the SIE Banco de México, and the adjusted NPL ratio from the CNBV's information portfolio. The three-month lag of the macroeconomic variables is estimated by standardizing the various individual lags that maximized the cross-correlation of each macroeconomic variable with the banking indicators.

[8] The VARs were estimated with p = 4 lags, as suggested by the Akaike criterion, for the total portfolio. Subsequently, stability and the absence of residual autocorrelation were verified using the LM test up to lag 12. The impulse-response functions are orthogonalized using a Cholesky decomposition, with the adjusted cycle ordered before the non-performing loan ratio, thereby allowing the cycle to simultaneously affect delinquency, but not the other way around.

Graph 6
Effect of an increase in bank credit portfolio cycles on the adjusted NPL ratio



Data as of March 2026.
Source: Prepared by Banco de México using data from CNBV and SIE Banco de México.

V. Concluding Remarks

The analysis of the bank credit cycle is an important tool for the proactive monitoring of risks to financial stability and can provide input for the calibration of macroprudential tools, such as the countercyclical capital buffer, as well as for segmented credit monitoring schemes by portfolio (BCBS, 2010; FSB, imf, and BIS, 2016). The results of this study show that phases, durations, and magnitudes of the cycles vary across loan portfolios: while the consumer and business segments exhibit more pronounced movements, the mortgage segment shows a more gradual tenor. In the recent period, no signs of excessive credit expansion have been identified; the total portfolio and business portfolios do not show an accelerated recovery, while the consumer and mortgage portfolios are in a phase of slowdown and stagnation, respectively.

As for the business cycle, approximated by the IGAE and unemployment cycles, it has been observed that this tends to lead the credit cycle by approximately 13 months. This suggests that a deterioration in economic activity or the labor market precedes a slowdown in bank credit growth. Finally, the evidence indicates that a credit expansion foreshadows an increase in the nonperforming loan ratio, especially in the total portfolio and in the consumer and mortgage segments, with the maximum impact materializing between 18 and 30 months later.

Finally, as potential avenues for future research, it would be worthwhile to analyze in greater depth whether peaks in the credit cycle precede financial crises or economic recessions, which would require longer time series. Furthermore, given that credit issuance in Mexico may be driven by both local and global factors, another study could distinguish the domestic component of the banking cycle from that associated with external conditions.

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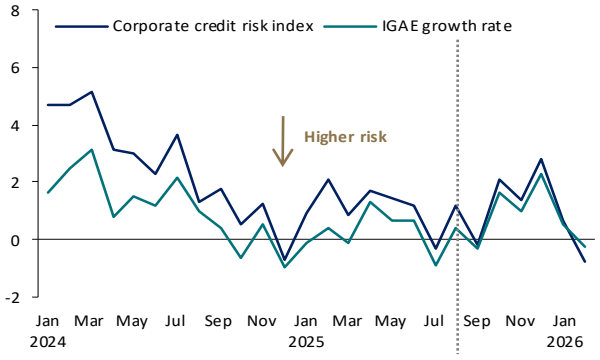
Banks´ Exposure to Changes in Inflation, Economic Activity, and Formal Employment

This section examines how developments in economic activity, formal employment, and inflation have affected credit risk since the last *Report*. The analysis covers corporate, payroll, mortgage, auto, personal, and ABCD (durable consumer goods financing) credit portfolios.

For the corporate portfolio, an indicator is used that signals higher risk when economic activity declines, either at the aggregate level or in the sectors that account for the largest shares of the credit portfolio.[49] The indicator shows a decline, signaling an increase in risk compared to the last edition of this *Report* (Graph 85). This higher risk reflected two factors: (i) a slowdown in economic activity, as evidenced by lower growth in the Global Economic Activity Index (*IGAE*, its acronym in Spanish) since the previous edition of this *Report*; and (ii) a more pronounced slowdown in certain sectors that carry greater weight in credit than in production, such as professional and business support services, waste management, and remediation. This latter factor caused the deterioration in the risk indicator to be greater than that observed in the IGAE.

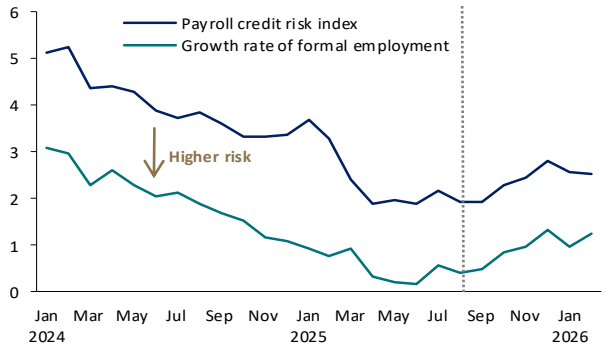
[49] The risk indicator is calculated as the weighted average of economic growth across the various sectors. The weight assigned to each sector is equal to its share of corporate credit.

Graph 85
Corporate portfolio credit risk due to changes in economic activity
Annual variation in percent



Data as of February 2026.
Source: Banco de México and INEGI.

Graph 86
Payroll portfolio credit risk due to changes in formal employment
Annual variation in percent



Data as of February 2026.
Source: Banco de México and IMSS.

For the payroll, mortgage, and automotive portfolios, an indicator is used that signals higher risk when formal employment declines, either at the aggregate level or within labor market segments that account for a larger share of those portfolios.[50] In the payroll portfolio, the indicator increased, reflecting lower credit risk, as a result of stronger formal employment growth (Graph 86). In contrast, for the mortgage and automotive portfolios, the indicator decreased, signaling higher risk due to the slowdown in employment among higher-income workers, who represent a larger share of these portfolios. Furthermore, due to the higher share of these workers in the mortgage sector, the increase in credit risk for this portfolio was greater than for auto loans.

For the personal and ABCD credit portfolios, the indicator reflects credit risk arising from changes in inflation, as measured by the National Consumer Price Index (INPC). Inflation is used as a risk benchmark because borrowers in these portfolios generally have lower purchasing power and are therefore more vulnerable to price increases.[51] Thus, the indicator signals higher risk when the annual inflation rate rises, whether for overall inflation or in those categories in which borrowers spend a large proportion of their income.[52] The indicators increased compared to the previous *Report*, reflecting higher credit risk (Graph 87). In the ABCD portfolio, this increase was smaller than that of headline inflation, as in the regions with a larger share of this portfolio, such as the State of Mexico, price growth slowed, resulting in a smaller impact on purchasing power. In the personal credit portfolio, the increase in the risk indicator was smaller than that observed for ABCD portfolio and, therefore, also smaller than the increase of headline inflation. This was mainly due to the fact that: (i) borrowers allocate a relatively larger share of their spending to housing,

[50] To construct the indices related to formal employment, the share of credit corresponding to each state, by gender and wage level, is calculated using information on workers affiliated with the IMSS. The high-wage threshold is defined as the median of the historical wage distribution of borrowers.

[51] See Box 1, "Inflation and Non-Performing Loan Ratio in Non-Revolving Consumer Credit," in the Financial Stability Report—December 2022.

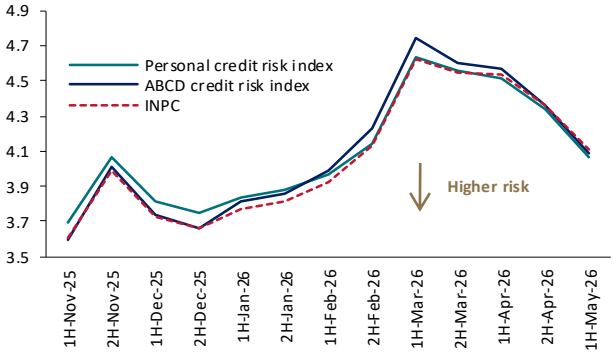
[52] To construct the indices for the personal and ABCD portfolios, each municipality's exposure to inflation is first estimated, and then a national average is calculated by weighting each municipality according to its share in each portfolio. The classification by expenditure category and economic activity by state from the INPC is used, which presents disaggregated information on expenditure components such as food, education, recreation, and housing, among others. This classification allows for a detailed analysis by state level and expenditure category. This information differs from that provided by the INPC, its core and non-core subindices, and their respective breakdowns. An illustrative example is the housing component: in the classification by expenditure category, this component includes items such as electricity and fuels. However, under the INPC's core and non-core subindices classification, the housing category (within the core subindex) excludes these items, which are instead classified in the non-core subindex as energy products.

and (ii) prices in this category increased less than the INPC.

Graph 87

Personal and ABCD credit exposure index to the INPC

Percentage points



Data as of the first half of May 2026.
Source: Banco de México and INEGI.

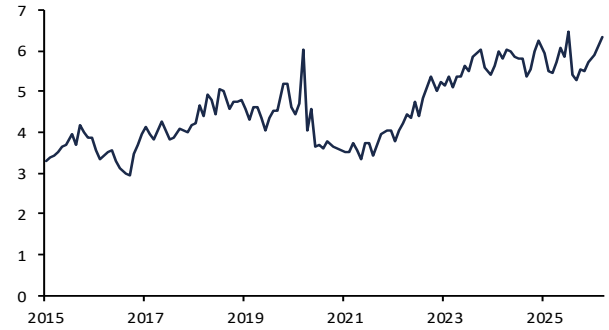
Market Risk

The banking sector's market risk, measured by the 99.9% *CVaR* over a one-month horizon as a proportion of regulatory capital, increased from 5.3% in September 2025 to 6.3% in March 2026. This is explained by changes in the composition of the banks' portfolios, particularly in positions sensitive to interest rate movements. The level of market *CVaR* is low relative to the regulatory capital of the banks as a whole, and indicates their ability to absorb unexpected losses arising from market risk in their portfolios under an extreme scenario (Graph 88).[53]

Graph 88

99.9% CVaR for commercial bank's market risk

Percent of regulatory capital



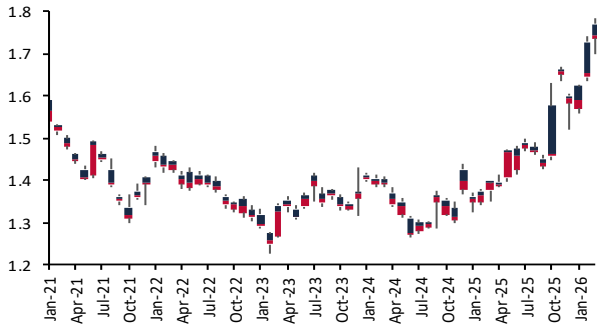
Data as of March 2026.
Source: Banco de México, CNBV, BMV, Bloomberg and Valmer.

The sensitivity of the debt instruments portfolio to changes in interest rates, measured by duration based on market data, increased from 1.46 years in September 2025 to 1.79 in March 2026. This is explained by the rebalancing of portfolios toward longer-term debt instruments. However, most of its investments are concentrated in short-term government securities, which limits their sensitivity to changes in market risk factors (Graph 89).

Graph 89

Average monthly duration of commercial bank's position

Years



Data as of March 2026.
Source: Banco de Mexico and Valmer.

Liquidity Risk

The commercial banks, as a whole, maintain ample liquidity positions, at levels above regulatory minimums.

The aggregate Liquidity Coverage Ratio (LCR) for the banking sector[54] was close to 180 percent during the period covered by this *Report* (Graph 90). In other words, the banking sector as a whole has sufficient liquid assets to meet the liquidity needs estimated under the stress scenario outlined by the LCR, nearly double the regulatory minimum of 100 percent. In this regard, liquidity does not pose an obstacle to the prudent growth of the loan portfolio. Individually, each bank maintained an LCR above the regulatory minimum (Graph 91).

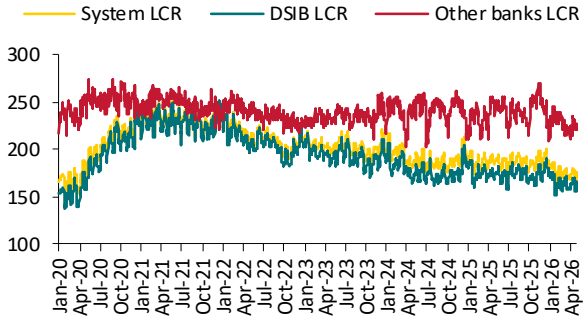
[53] *CVaR* represents the 99.9th percentile of the loss distribution generated by simulating historical changes in risk factors over 20-day periods since 2004, applied to the positions as of the date in question. Given the number of observations, the behavior of *CVaR* is explained almost entirely by changes in portfolio composition, with a marginal effect from recent changes in risk factors.

[54] An indicator of a bank's liquidity sufficiency to face a hypothetical severe stress event for thirty days.

Graph 90

Daily LCR of the banking system and by groups of banks [1/]

Percentage



Data as of April 30, 2026.

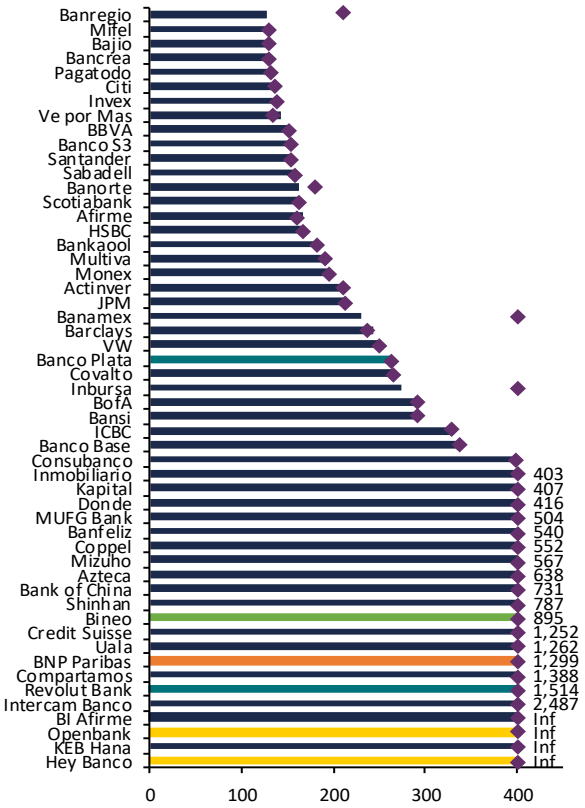
Source: Banco de México.

1/ As of April 2025, the CNBV designated Banco Citi Mexico as Domestic Systemically Important Banks (DSIB), in accordance with the CNBV Press Release 08. In the chart, Citi Mexico is classified within the DSIB group at all times to give continuity to the series.

Graph 91

LCR of commercial banking institutions [1/]

Percentage



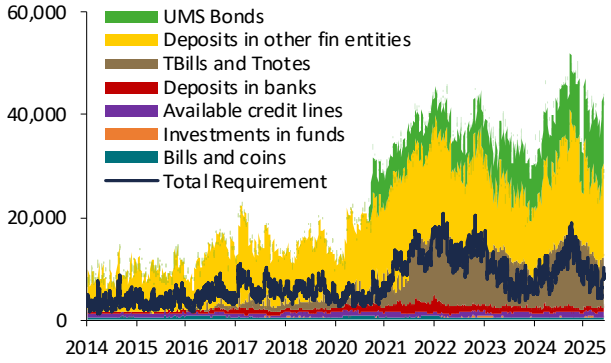
Data from January to March 2026.

Source: Banco de México and CNBV.

1/ The graph shows the quarterly average of the LCR for each bank from January to March 2026. The bar shows the consolidated LCR and the rhombus the individual LCR. In accordance with the regulation, banks marked in dark blue must meet a minimum LCR of 100%, banks marked in orange a minimum of 90%, banks marked in green a minimum of 70%, banks marked in yellow a minimum of 60%, and banks marked in turquoise are not yet subject to a minimum requirement.

The banking sector as a whole also maintains a substantial surplus of liquid foreign currency assets relative to the regulatory requirement. Each of the banks in Mexico complied with the regulatory requirement for foreign currency during the period covered by this *Report* (Graph 92).

Graph 92
Liquidity requirement in foreign currency and liquid assets
Millions of USD

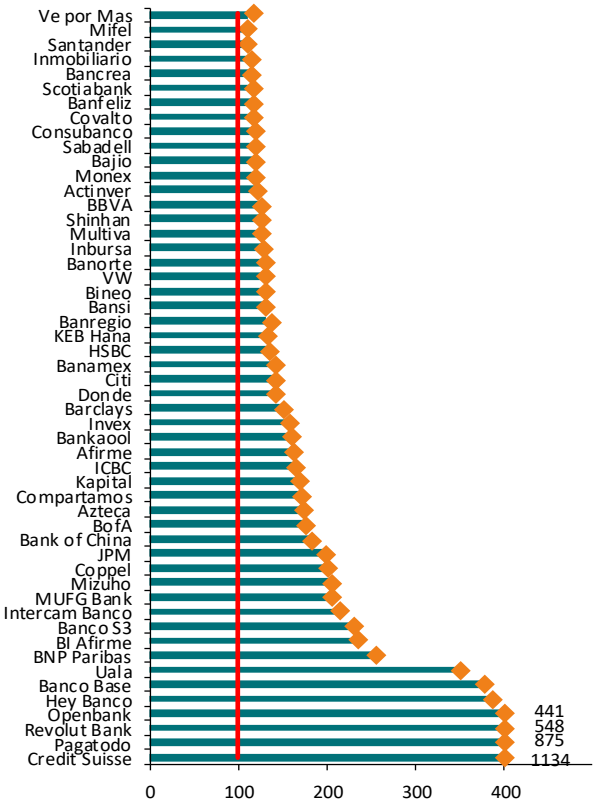


Data as of April 30, 2026.

Source: Banco de México.

Regarding the banking sector's structural liquidity position, the current level of the Net Stable Funding Ratio (NSFR) suggests that banks maintain a balance sheet structure with sufficient stable funding to finance less liquid and longer-term assets. All banks maintained an NSFR above the regulatory minimum of 100% in the first quarter of 2026 (Graph 93). This indicator has remained relatively stable and above the regulatory minimum since its implementation in March 2022 (Graph 94).

Graph 93
NSFR of commercial banking institutions [1/]
Percentage

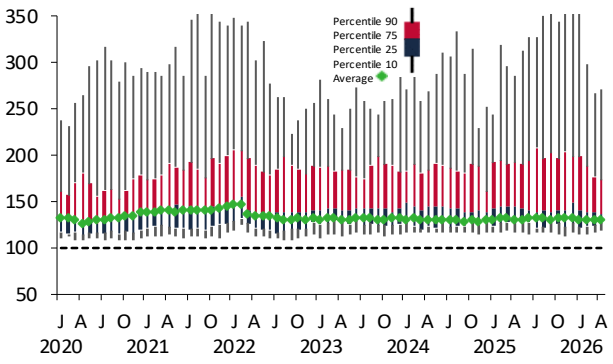


Data from January to March 2026.

Source: Banco de México and CNBV.

1/ The graph shows the quarterly average of the NSFR for each bank from January to March 2026. The bar shows the consolidated NSFR and the rhombus at a stand alone level.

Graph 94
NSFR Distribution
Percentage



Data as of April 2026.

Source: Banco de México.

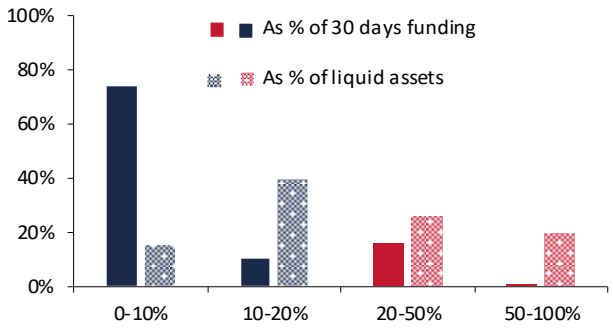
Funding concentration has remained generally stable. On an aggregate basis, banks' liquid assets would be sufficient to withstand a significant withdrawal of deposits from the ten largest non-bank depositors.[55] However, on an individual basis, some medium-sized and small banks exhibit a significant concentration of their funding in large depositors, which represents a vulnerability should one or more of those depositors decide to withdraw their funds. Monitoring large depositors, as well as diversifying funding sources, is essential to avoid the risk of a sudden deterioration in the liquidity of those institutions highly concentrated in large depositors or a small number of creditors. Nevertheless, the level of systemic risk associated with funding concentration remains limited (Graph 95).

Graph 95

Funding concentration of the 10 largest counterparts due within 30 days [1/, 2/]

Horizontal axis: percentage of the funding from the 10 largest counterparts as a proportion of liquid assets and 30 days funding

Vertical axis: proportion of total assets of the system



Data as of April 30, 2026.

Source: Banco de México.

1/ Concentrated counterparts consider only those funding counterparts whose total funding at the end of the month is at least 200 million pesos or amounts 0.5% of the bank's total liabilities.

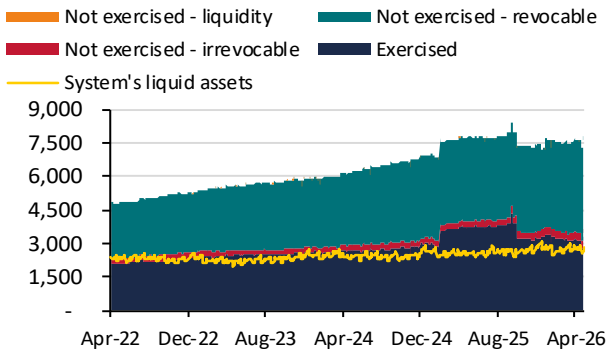
2/ Observations in which the 10 largest counterparts represent more than 20% of the liquid assets or of 30 days funding are identified in red.

Another risk factor lies in exposure to contingent liquidity requirements. For example, if a significant proportion of borrowers simultaneously draw down on credit lines granted by commercial banking institutions. The total balance of these lines has increased since 2022, as has the unused portion of those lines. Although part of these balances comes from available credit on credit cards, which have a low probability of simultaneous drawdown and do not represent a significant liquidity risk, some banks would see their liquidity under pressure if a significant proportion of these lines were drawn down. While most of these are uncommitted lines, canceling or denying the use of such lines can be complicated and would entail operational challenges as well as reputational costs (Graph 96).

Graph 96

Undrawn credit lines granted by banks

Billions of pesos



Data as of April 30, 2026.

Source: Banco de México.

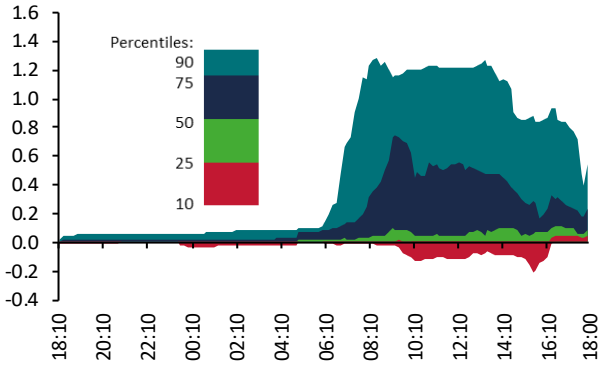
Regarding intraday liquidity, although all banks maintain sufficient liquid assets to cover their intraday liquidity overdrafts, some small banks experience relatively large needs relative to their available liquid assets. Meanwhile, the net liquidity flow[56] suggests that, in general, banks can meet their liquidity needs during the hours with the highest demand for payments and transfers (Graph 97).

[55] Outflows equivalent to the 90th percentile of historical outflows.

[56] Intraday liquidity risk is monitored through specific indicators designed for this purpose. One of these indicators is the net cumulative intraday liquidity position, which refers to payments received minus payments sent, measured throughout the day (intraday operation). This indicator makes it possible to identify the times when total payments sent exceed total payments received and their magnitude with respect to available liquidity.

Graph 97
Net cumulative intraday liquidity position (received payments minus sent payments) 1/

Horizontal axis: Hours (10-minute intervals)
Vertical axis: Percentage of deposits in Banxico



Data from January to March 2026.

Source: Banco de México.

1/ Net cumulative intraday liquidity position refers to intraday payments received minus payments sent, it allows identifying times of the day with liquidity deficit and its magnitude with respect to available liquidity. The total payments sent and received are normalized as a proportion of liquidity in Banco de México (DRM, unencumbered deposits in pesos and dollars). The graph presents the percentiles of distribution per hour in 10-minute intervals, considering average observations for the quarter.

Repurchase agreements (repo) and unsecured funding

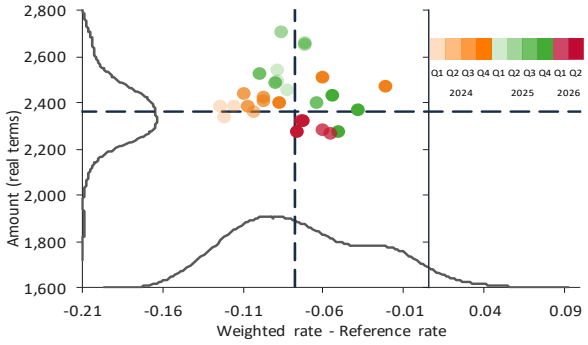
The repo market remains dynamic, serving as an important source of funding for the securities positions of the banking sector and broker-dealers.

During the first and second quarters of 2026, the amount of repo funding to commercial and development banks, in real terms, stood slightly below the median calculated since 2017. This represents a modest decline relative to most observations from the third and fourth quarters of 2025.

The rate spread hovered around the historical median, remaining stable compared to previous quarters. It should be noted that, in the second quarter of 2026, the weighted average repo rate for commercial and development banks stood 0.09 percentage points below the reference rate (Graph 98).

Graph 98
Repo market 1/
Commercial and development banks 2/, 3/

X axis: Percentage points
Y axis: Billions of pesos



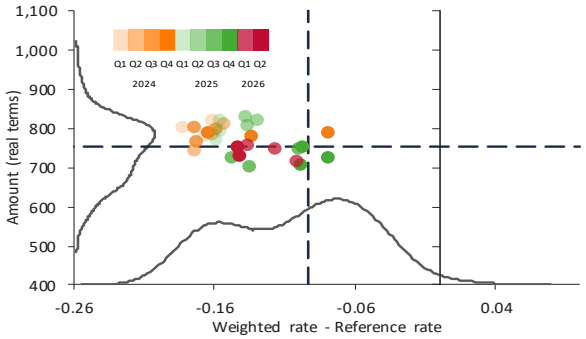
Data as of May 2026.

Source: Banco de México.

1/ Data includes commercial and development banks; all authorized counterparties and all types of collaterals.
2/ Data points correspond to monthly weighted average of the daily observations for rate spread and simple monthly average for the amount.
3/ Dotted lines correspond to medians calculated since 2017.

For broker-dealers the amount of repo funding received, in real terms, remained stable relative to the last two quarters of 2025, aligning closely with the median calculated since 2017. The interest rate spread stood below the median. Consistent with historical trends, in this sector, the weighted average repo rate typically stands lower than that of the banking sector. In the observations for the second quarter of 2026, the rate stood at0.14 percentage points below the reference rate (Graph 99).

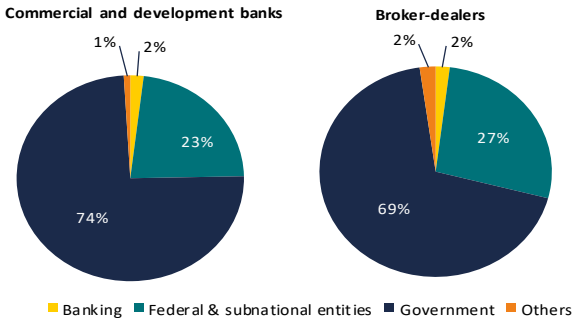
Graph 99
Repo market [1/]
Broker-dealers[2/, 3/]
X axis: Percentage points
Y axis: Billions of pesos



Data as of May 2026.
Source: Banco de México.
1/ Data includes all authorized counterparties and all types of collaterals.
2/ Data points correspond to monthly weighted average of the daily observations for rate spread and simple monthly average for the amount.
3/ Dotted lines correspond to medians calculated since 2017.

Regarding the type of collateral used in the repo market, the vast majority consists of federal government securities,[57] although broker-dealers use instruments issued by federal and subnational entities[58] and state and municipal securities to a greater extent than credit institutions (Graph 100).

Graph 100
Collaterals in the repo market
Percent



Data as of May 2026.
Source: Banco de México.

Additionally, the average maturity of repo transactions for credit institutions increased slightly, showing a weighted average of 2.03 days between January and May 2026, compared to 2.01 days in the second half of 2025 (Graph 101).

A comparable increase was observed for broker-dealers in the same period, whose weighted average maturity rose from 1.61 days in the second half of 2025 to 1.65 days year-to-date (Graph 101).

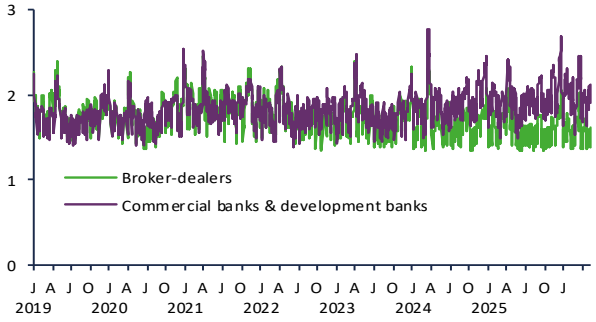
Given the recent regulatory amendments to the repo agreements for credit institutions and broker-dealers,[59,60] it is important to continue monitoring the evolution of this market to assess their impact, with special emphasis on the maturity horizon.

[57] Federal government securities: bondes D, bondes F, bondes G, udibonos, development bonds; federal government certificates; BREMS.
[58] Federal government institutions (Banking and Deposit Insurance and Resolution Agency -*IPAB*, its acronym in Spanish), federal public administration entities (development banks), state-owned public companies (Pemex and CFE), and state and municipal entities.
[59] Banco de México Circular 7/2024: Amendments to the rules applicable to credit institutions, broker-dealers, investment funds, specialized retirement fund investment companies, general deposit warehouses, insurance companies, surety companies, regulated multiple-purpose financial companies that maintain equity links with a credit institution, and the National Agricultural, Rural, Forestry, and Fisheries Development Bank, in their repo transactions.
[60] See Box 2: "Rules for Repurchase Agreement: Modifications to incorporate international standards and practices" in the Financial Stability Report – June 2024. Banco de México published the modifications to the Repurchase Agreement Rules (Circular 13/2024 of Banco de México, published in the Official Gazette of the Federation on November 14, 2024).

Graph 101

Term of securities traded in the repo market [1/, 2/]

Days



Data as of May 2026.

Source: Banco de México.

1/ Weighted average by traded amount.

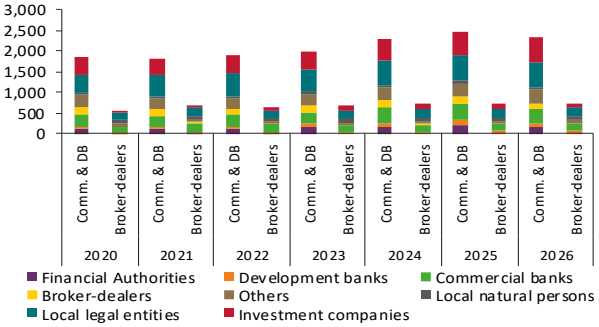
2/ 9-day moving average.

By transaction amount, domestic legal entities[61] rank as the primary counterparties for credit institutions, followed by investment companies. For broker-dealers, the primary counterparties consist of domestic legal entities and commercial banking institutions (Graph 102). Regarding the interconnections between groups of institutions and counterparties within the system, repo funding from investment companies to development banks predominates, alongside flows from legal entities to Domestic Systemically Important Banks (DSIBs) and broker-dealers (Graph 103).

Graph 102

Amount traded in the repo market by counterparties [1/, 2/]

Billions of pesos



Data as of May 2026.

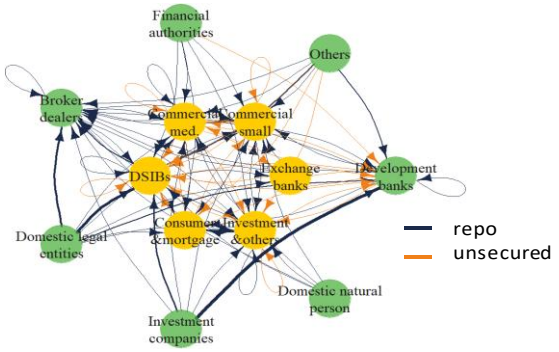
Source: Banco de México.

1/ Amounts correspond to the annual average of the total daily trades for each counterparty.

2/ Others: lessor, surety, siefores, insurance, treasury companies.

Graph 103

Interconnections in the repo and unsecured market [1/, 2/, 3/]



Data as of May 2026.

Source: Banco de México.

1/ A ⟶ B: group B receives funding from group A.

2/ Arrow thickness reflects the average daily volume of transactions by group in 2026.

3/ Arrows with amounts below the 20th percentile were removed for better visualization.

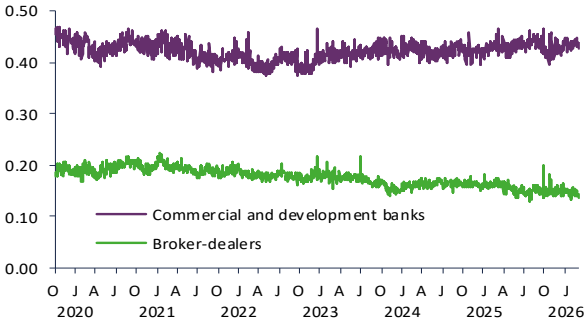
Network densities[62] for credit institutions and broker-dealers in the repo market have exhibited a stable structure historically, with limited connectivity. In the first half of 2026, density for commercial and development banks stood at around 0.44%, compared to 0.15% for broker-dealers. These low levels suggest that institutions operate with a

[61] Legal entities resident in Mexico (other than reserve funds, financial brokers, and treasury departments), economic development funds and trusts, and brokerage service companies.

[62] Network density is defined as the number of observed interconnections relative to the total number of possible interconnections between all institutions. A low network density, such as those shown in the graph, indicates that only a small proportion of intermediaries are interconnected.

restricted number of counterparties, which vary across institutions (Graph 104). During this period, each credit institution (34 credit institutions operating, on average, per day) interacted, on average, with 27 counterparties; while each broker-dealer (26 broker-dealers operating, on average, per day) operated, on average, with 12 counterparties.

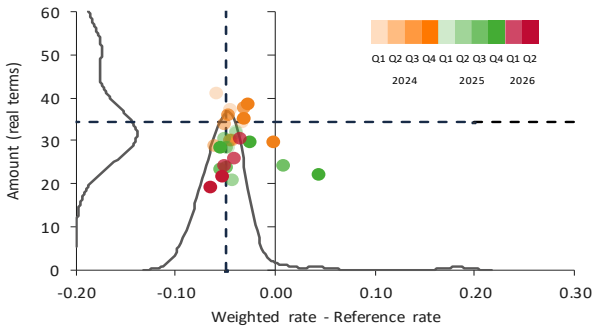
Graph 104
Network density in the repo market [1/]
Percent



Data as of May 2026.
Source: Banco de México.
1/ Data includes all institutions that trade in the repo market as counterparties.

Conversely, funding in the unsecured market has remained at historically low levels since 2025, while the rate spread relative to the reference rate has hovered around the median (Graph 105).

Graph 105
Unsecured market
Commercial and development banks [1/, 2/]
X axis: Percentage points
Y axis: Billions of pesos



Data as of May 2026.
Source: Banco de México.
1/ Data points correspond to monthly weighted average of the daily observations for rate spread and simple monthly average for the amount.
2/ Dotted lines correspond to medians calculated since 2017.

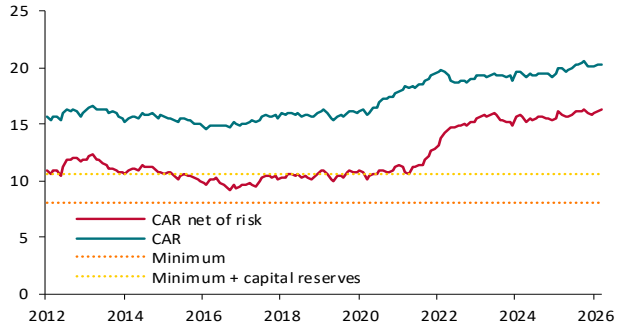
Net-risk CAR and LCR at risk

As of the end of March, most banking institutions maintain adequate levels of capital and liquid assets to withstand stress episodes. This conclusion is based on the results of the net-risk Capital Adequacy Ratio (net-risk CAR) and the Liquidity Coverage Ratio (LCR) at risk.

The net-risk CAR for commercial banks increased marginally as a result of the decline in credit risk in the loan portfolio (Graph 106). The index levels for the financial system remain well above the regulatory minimum, showing the banking sector's capacity to absorb unexpected losses arising from credit defaults in its portfolios.[63]

[63] These estimates are based on historical conditions observed to date; therefore, this indicator serves as a benchmark rather than a forecast of potential losses that might occur under current conditions.

Graph 106
Net-risk CAR [1/]
Percent



Data as of March 2026.
Source: Banco de México, CNBV and Credit Bureau.
1/ Estimated as the capitalization ratio that results from reducing the CVaR at a 99.9% confidence level, both from the net capital and risk weighted assets. This indicator assumes that the credit portfolio incurs losses in an amount equivalent to a CVaR of 99.9% and such losses are absorbed by the banks and then reflected in their capital levels without affecting reserves, and that this portfolio is weighted at 100% to determine their capital requirements.

On the other hand, according to the results of the LCR at risk,[64] the banking system shows a solid liquidity position. Most institutions, which together account for around 92% of total assets, maintain levels of LCR at risk above the regulatory minimum of 100%, even under extreme deposit withdrawal scenarios (Table 4). The main stress factor in this exercise stems from retail deposit outflows, which are assumed to be considerably more severe than in the LCR calculation. Thus, in aggregate terms, the Mexican banking system has sufficient liquid resources to withstand stress episodes associated with significant deposit withdrawals.

Table 4
Bank groups by LCR at risk[1/]

Group	Criteria	Assets of the bank groups as a share of total commercial banks assets
1	LCR ≤ 65	2.6%
2	65 < LCR ≤ 100	5.6%
3	LCR > 100	91.8%

Data as of March 2026.
Source: Banco de México.
1/ Total assets data for commercial banks refer to those released by the CNBV at the end of March 2026.

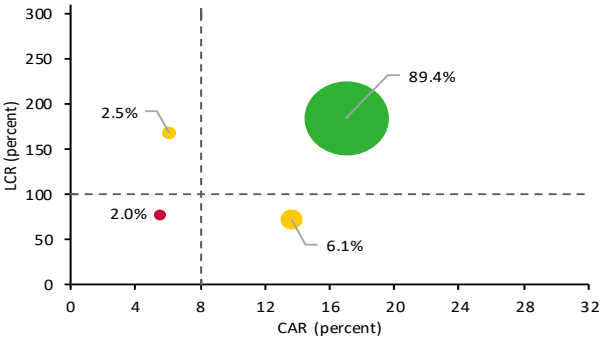
Finally, when considering together the results of the LCR at risk and the net-risk CAR, it is observed that, as of the end of March, most institutions (which represent approximately 89.4% of the system's assets) remained above the regulatory thresholds for both indicators under the stress scenarios analyzed (Graph 107).

[64] The purpose of the LCR at-risk exercise is to assess whether commercial banking institutions have sufficient liquid assets (cash and high-quality debt securities) to meet their net outflows over a 30-day stress period. To this end, outflow factors are estimated based on historical data on each bank's deposits (95% CVaR). Additionally, the potential impact on the value of liquid assets is considered under three historical scenarios, three macroeconomic scenarios (Section V.1), and two scenarios related to climate change (Section V.3).

Graph 107

LCR at risk and net-risk CAR of commercial banks [1/]

Asset-weighted average



Figures as of March 2026.

Source: Banco de México.

1/ The lines show the regulatory thresholds for the liquidity requirement (LCR = 100 %) and the minimum capitalization requirement (CAR = 8 %). The bubbles depict the total assets for the group of institutions within each quadrant, and the percentage is its proportion with respect to the commercial banks' total assets, where the centroid is the asset-weighted average. The red, yellow and green colors denote those institutions that: fail to comply with both requirements; fail to comply with one of the two requirements; and comply with both requirements.

Contagion Risk

This section analyzes the risk of contagion[65] in the Mexican financial system based on the network of exposures[66] of financial institutions in the interbank market. The analysis identifies the mechanisms through which a default by one institution can spread to the rest of the financial system, considering both domestic interconnections and exposures to international counterparties. The data used consists of daily series of exposures between domestic financial institutions and between domestic and foreign institutions.

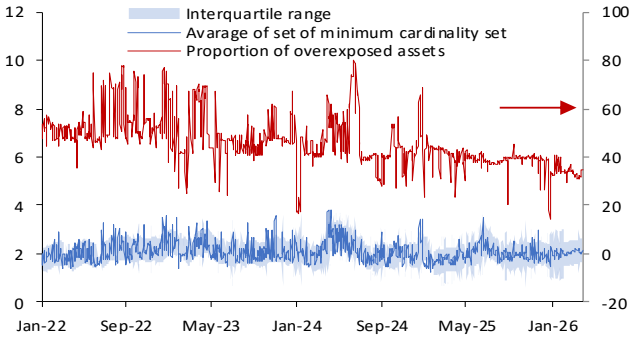
Analysis of the exposures reveals that the proportion of assets held by financial institutions (banks and broker-dealers) that are overexposed[67] —those that could see their capital compromised by the default of all their financial counterparties— has remained stable and downwards, at around 40%, since mid-2024. Likewise, the minimum cardinality set[68] has remained close to the historical average of two counterparties (Graph 108). The risk associated with an overexposed institution also depends on the concentration of that exposure with other overexposed counterparties. However, less than half of these institutions would suffer losses that would cause their CAR to fall below the regulatory minimum in the event of default by their overexposed counterparties, and this number has declined since mid-2024.

Graph 108

Minimun Cardinality Set and Overexposed Assets[/1]

Left axis: Number of institutions

Right axis: Percent



Data as of March 31, 2026.

Source: Banco de México.

1/ The blue series relates to the simple average of the set of the minimun cardinality set for all the overexposed institutions.
The red series relates to the proportion of overexposed assets of Banks and Brokerage Firms.

The counterfactual exercise shows that contagion risk, measured by the percentage of institutions (banks and broker-dealers) that could be most severely affected in terms of their capitalization levels in the worst contagion chains[69] , has shown a downward trend in recent months similar to that

[65] Interbank contagion risk refers to the possibility that the difficulties a bank faces in meeting its financial obligations will spread to other banks, either directly or indirectly.

[66] This includes information on exposures within the interbank network arising from: (i) the purchase and sale of securities; (ii) deposits and loans; (iii) market transactions, such as derivatives and repurchase agreements; and (iv) foreign exchange transactions.

[67] A broker is overexposed if the total of its interbank exposures exceeds the amount of capital it has available to absorb such losses, without falling below the regulatory minimum.

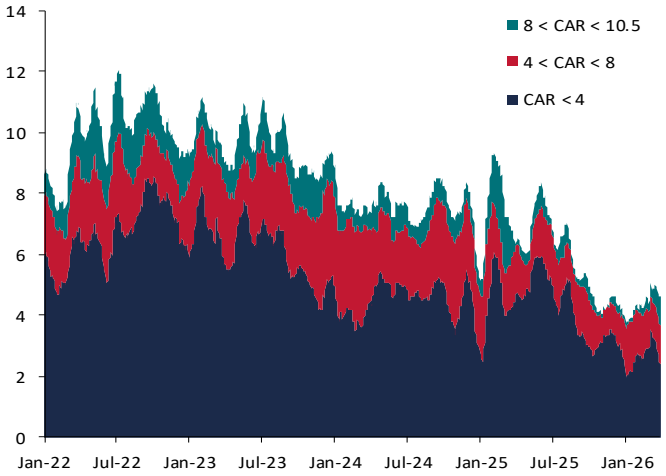
[68] The minimum cardinality set of an overexposed institution is the smallest number of institutions whose simultaneous default would cause the institution to fail. That is, the smaller this set is, the lower the diversification of exposures and the greater the institution's contagion risk.

[69] To determine the worst contagion chains, a counterfactual exercise is conducted to assess the impact that the failure of each of the analyzed brokers would have on the financial system. The worst contagion chain is the one in which the greatest losses are observed.

observed since 2022, despite the spike observed during the first half of 2025 (Graph 109).

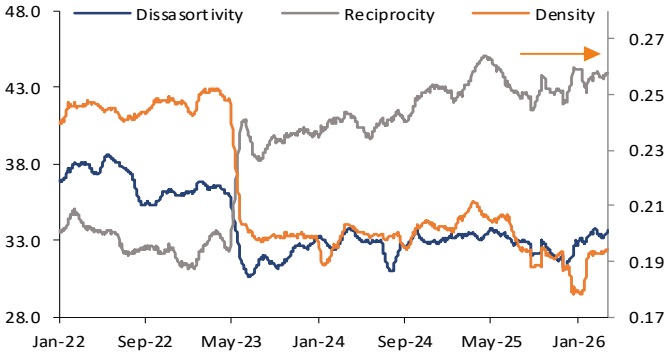
The structure of the interbank exposure network has shown little change over the latest period. Since the previous *Report*, disassortativity[70] and reciprocity have registered a slight increase, while density has shown a downward trend (Graph 110). This behavior suggests that, in the latest period, the network has become less connected, with less dispersed connections and a tendency for large institutions to concentrate exposures among themselves. The changes indicate that network metrics are returning to pre-2025 levels.

Graph 109
Share of institutions by final CAR level under the worst contagion scenarios
Per hundred



Data as of March 31, 2026.
Source: Banco de México.
1/ The graphed series relates to the simple 21-days moving average of the original series.

Graph 110
Measures of the interfinancial exposure network 1/
Percent



Data as of March 31, 2026.
Source: Banco de México.
1/ The graphed series relates to the simple 21-days moving average of the original series.

IV.3.2. Development banks and other financial institutions

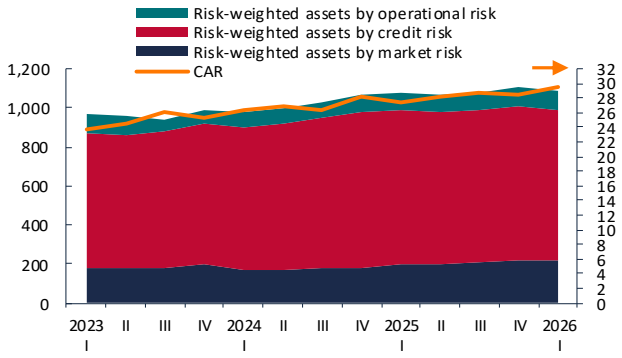
As of March 2026, the development bank system (DB)[71] continued to demonstrate financial strength. The system showed favorable evolution across key financial statement items, notably including positive net income, a strengthened Capital Adequacy Ratio (CAR), and a growing financing balance.

As of the date indicated, the CAR of development banks reached 29.5%, representing an increase of 199 basis points (bp) compared to the level recorded in March 2025. This performance is due to the 8.6% annual increase in net capital, resulting from profits earned and net capital contributions; meanwhile, total risk-weighted assets grew by 1.3% over the past year, primarily due to the increase in assets subject to market risk, followed by those subject to operational risk (Graph 111). In addition, the upward trend in CAR is noteworthy, which is linked to profit generation.

[70] Disassortativity is defined as a greater propensity for brokers—generally those with few interconnections—to seek greater relationships with highly interconnected brokers, while suspending interrelationships with others that have few interconnections.

[71] This refers to the six development banks (Bancomext, Banco del Bienestar, Banjercito, Banobras, Nafin, and SHF) and FIRA.

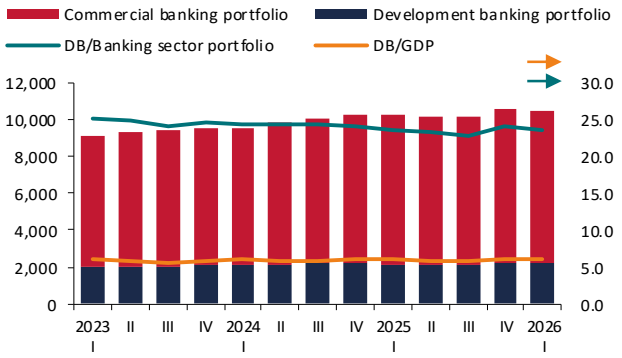
Graph 111
Development banks Capital Adequacy Ratio
Left axis: billions of pesos
Right axis: percentage



Data as of March 2026.
Source: CNBV.

At the end of the first quarter of the year, the development bank system recorded a balance of direct and induced financing[72] of 2,177 billion pesos (Figure 2), equivalent to 24% of the banking sector's total financing and 6.0% of GDP. Over the past year, its market share of both in the banking sector and GDP remained virtually unchanged from the previous year (Graph 112).

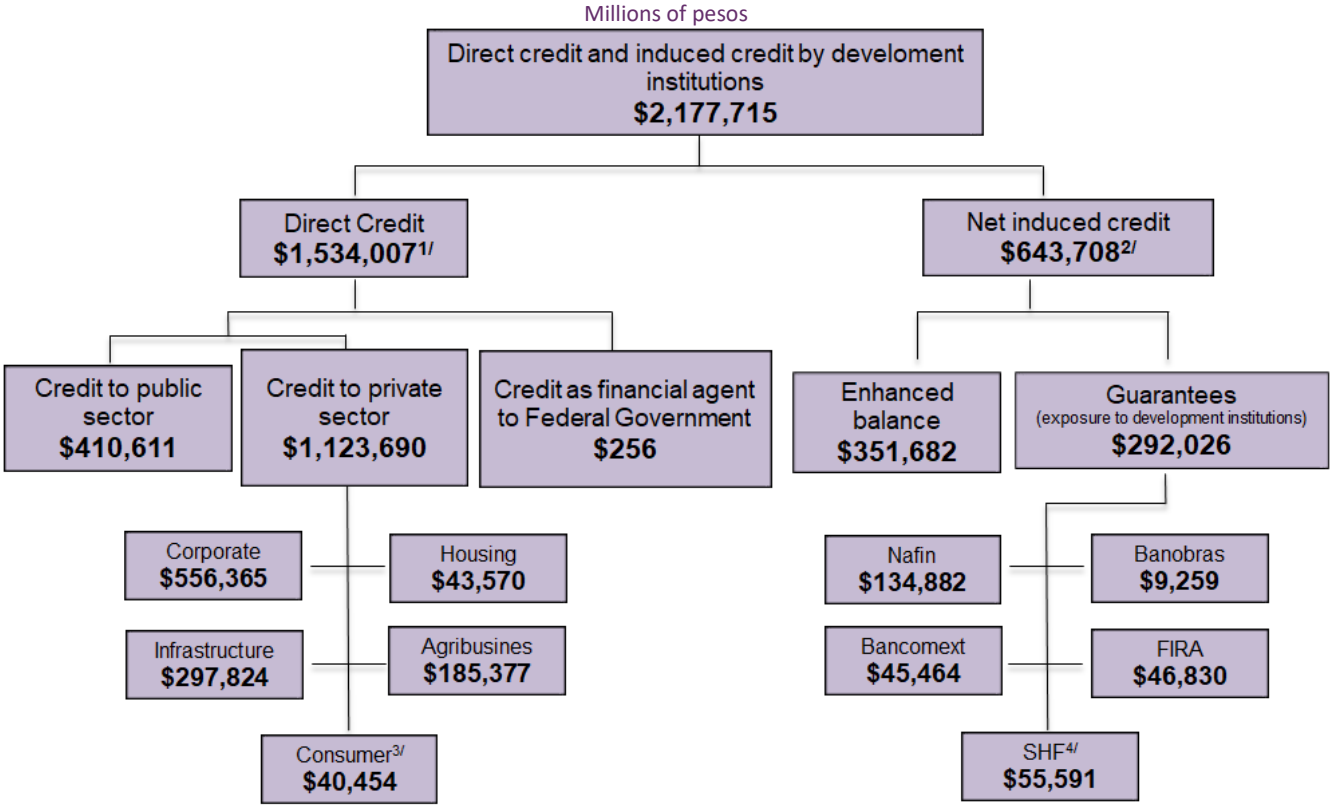
Graph 112
Development banking system market share in the banking sector and GDP
Left axis: Billions of pesos
Right axis: percentage



Data as of March 2026.
Source: CNBV.

[72] Development banks and other financial institutions fulfill their mandate by: a) providing financing through direct credit (first- and second-tier credit) and induced credit (provision of guarantees), which refers to the final credit amount backed by a percentage of guarantee coverage; b) operating special development programs; c) providing technical assistance; and d) acting as a financial agent.

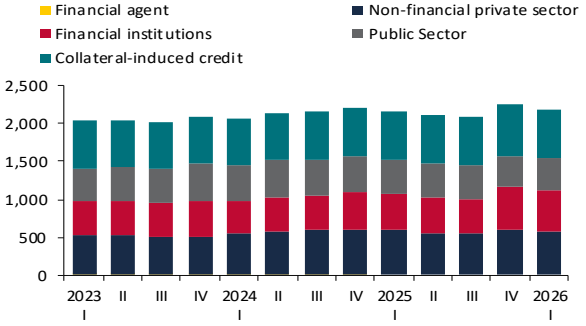
Figure 2
Direct and Induced Credit from Guarantees Granted by Development Banks and Other Financial Institutions
Millions of pesos



Data as of March 2026
Source: Banco de México
1/ Credit balance on the balance sheets of development institutions.
2/ Net induced credit refers to the total credit balance extended by various private financial institutions that is partially guaranteed by development banks and FIRA, and which is not funded by development institutions.
3/ Consumer credit consists of credit to the armed forces provided by Banjercito.
4/ Includes guarantees from the SHF's Housing Credit Insurance Agency (SCV).

The total financing balance of the development banks (direct and induced) recorded a real annual increase of 0.8%; in contrast, the commercial banking balance grew by 1.6% in real terms. This performance is explained by the 14.9% increase in second-tier credit, offset by a 4.8% real decline in first-tier credit and a 0.6% real decrease in induced credit (Graph 113).

Graph 113
Evolution of financing balance (direct and induced credit) of development banking system
Billions of pesos

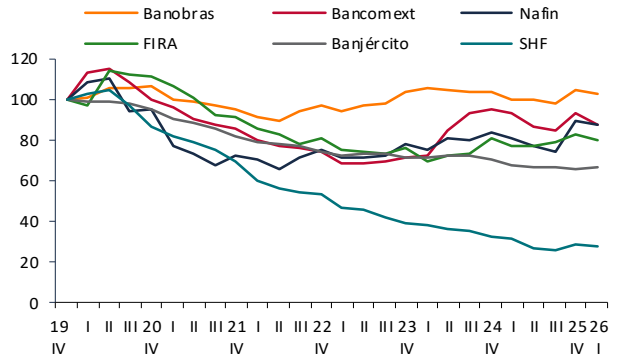


Data as of March 2026.
Source: CNBV.

The financing balance consists of 70% direct credit and 30% of guarantee-induced credit. The

outstanding balance of the direct credit portfolio increased by 1.3% in real terms over the past year because lending exceeded repayments; however, performance varied amongst institutions. Nafin, Banobras, and FIRA recorded real annual increases of 8.9%, 2.9%, and 3.0% in their loan portfolios, respectively, while SHF, Bancomext, and Banjercito saw real decreases of 13.3%, 5.9%, and 2.2%, respectively (Graph 114).

Graph 114
Evolution of loan portfolio by institution
Index (December 2019 = 100)

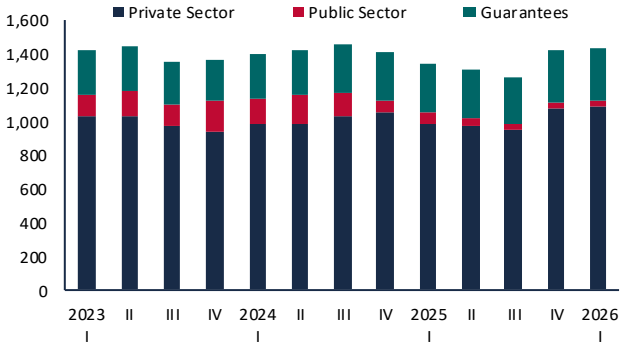


Data as of March 2026.
Source: CNBV and Banco de México.

As of March 2026, the balance of credit induced by guarantees declined, which was caused by the decrease recorded at Banobras, SHF, and FIRA. This was partially offset by the increase in the balances recorded at Nafin and Bancomext. Induced credit represented 2.2 times the contingent balance.

The flow of credit and guarantee placements, defined as the amount disbursed over the past 12 months, showed a real annual increase of 6.1% as of the end of March 2026; this was due to higher credit and guarantee placements in the private sector, offset by a decrease in placements in the public sector (Graph 115). It is of note that the increase in credit placement concentrated primarily at Banobras and FIRA; regarding the granting of guarantees, Nafin and Bancomext reported real increases.

Graph 115
Loan and guarantee placement flows from development banking system (12M)
Billions of pesos



Data as of March 2026.
Source: CNBV and Banco de México.

The concentration of the development bank's loan portfolio in private-sector borrowers is relatively low; furthermore, indicators have remained at similar levels to those of recent years.[73] As of March 2026, the majority of the portfolio balance was concentrated in the highest regulatory credit ratings (A1/A2 *CNBV* Scale).

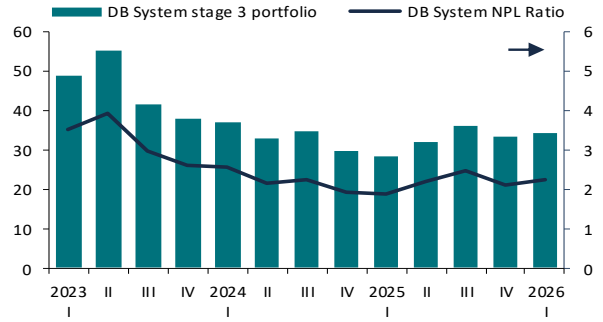
As of March 2026, the Stage 3 portfolio balance stood at 34.152 billion pesos, representing a 20.1% real annual increase, driven by the default of 4 borrowers. This trend does not reflect a widespread deterioration of the portfolio, as 50% of the Stage 3 portfolio balance was concentrated among 10 counterparties.

The non-performing loan ratio (NPL ratio) for development banks was 2.22%, 34 basis points higher than that recorded in March 2025 (Graph 116). For reference, the non-performing loan ratio (NPL ratio) for the commercial portfolio of commercial banks increased by 5 basis points, reaching 1.44% on the same date.[74] Preventive reserves linked to the loan portfolio increased by 6.4% in real terms over the past year due to the growth of the Stage 3 portfolio.

[73] The Herfindahl-Hirschman Index was 107 on an aggregate basis, with the highest levels among development banks corresponding to SHF at 489 and Banobras at 308. Thus, exposure to the ten borrowers with the highest balances per institution represents between 27% and 55% of their total portfolio, as well as between 0.7 and 3.9 times their core capital (tier 1)

[74] The figure for commercial banks also includes the loan portfolio of regulated sofomes that have an equity link to a bank, whether or not they are subsidiary sofomes of the latter.

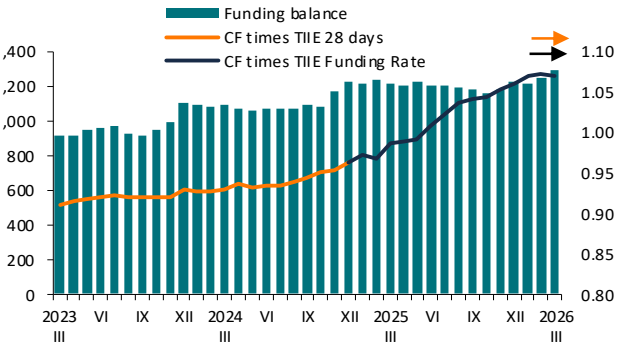
Graph 116
Evolution of "Stage 3" portfolio from development banking system (DB)
Left axis: billions of pesos
Right axis: percentage



Data as of March 2026.
Source: CNBV and Banco de México.

Funding for development banks remained stable. The main sources of funding were promissory notes with yields payable at maturity (PRLV) and issued securities, accounting for 65% and 32%, respectively. The cost of funding stands at 1.07 times the TIIE Funding Rate (*TIIE Fondeo*, its acronym in Spanish)[75] ; the upward trend in recent years is mainly explained by the increase in the costs of CEBURES issuances (Graph 117).

Graph 117
Development banks funding evolution
Left axis: billions of pesos
Right axis: times



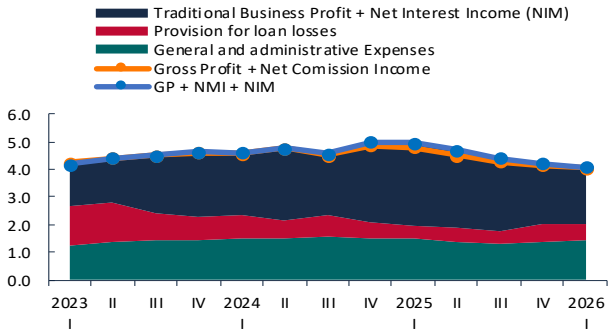
Data in current prices.
Source: Banco de México.
CF: Funding in times of TIIE 28 days/TIIE Funding Rate.

Liquidity conditions in the development banks have remained stable, with internal indicators within established limits, thus maintaining a sound profile.[76]

Regarding market risk, Banobras, Nafin, and Bancomext accounted for 73% of total investments by development banks in securities. The market position has remained stable in recent years, with the majority of investments in government securities with adjustable rates.

The net interest margin as of March 2026 was 13.0% lower in real terms compared to the previous year, mainly explained by lower interest income from credit and market operations. However, interest income is sufficient to cover interest expenses and the creation of provisions for credit risks (Graph 118).

Graph 118
Performance indicators (proportional to Net Productive Assets)
Percentage



Data as of March 2026.
Source: CNBV and Banco de México.
Cumulative data from the last 12 months.

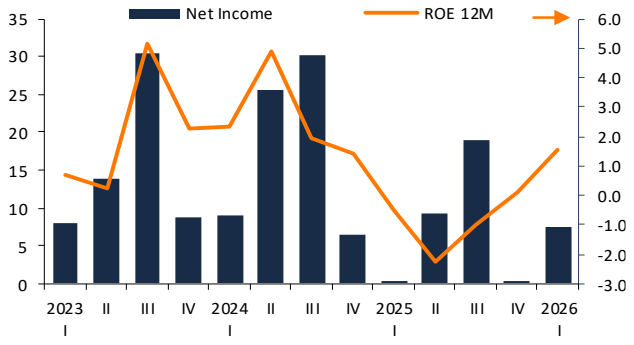
As of the same date, the development banks reported a net income of 7.402 billion pesos. No withdrawals of capital were recorded during the first quarter.[77] The system's annualized ROE indicator stood at 1.5% (Graph 119).

[75] The 28-day forward composite TIIE Funding Rate (TIIE Fondeo, its acronym in Spanish) is used, which is a reference rate published by Banco de México.

[76] The Liquidity Coverage Ratio does not apply to development banks. However, development banks report it to the CNBV.

[77] During the first quarter of 2026, there was no withdrawal of funds (*aprovechamientos* in Spanish) from the development banks, unlike during the same period in 2025, when 13.5 billion pesos were drawn.

Graph 119
Net income and ROE (12M) from development banking system
Left axis: billions of pesos
Right axis: percentage



Data as of March 2026.
Source: CNBV and Banco de México.

The goals established in the 2025-2030 institutional programs of the development banks, published in the fourth quarter of 2025, broadly outlined three indicators: achieving an average annual growth of 6.5% in the loan portfolio, promoting financial inclusion (through financing, technical assistance, and greater access to financial products and services), as well as promoting investment tools with a sustainable focus. The institutions will monitor these three metrics in the coming years

Infonavit and Fovissste

Infonavit

Infonavit is the country's leading provider of housing financing, both in terms of the number of loans it originates and the outstanding balance of loans granted. It provides mortgage loans to claimants at fixed interest rates that vary based on their income. In addition, it administers the resources of the National Housing Fund for workers and is part of the retirement savings system, as it manages the investment of funds held in the housing subaccounts of claimants.[78]

In March 2026, the real annual growth rate of Infonavit's total portfolio contracted, whereas the latest *Report* (data as of September) showed growth. Although the current housing portfolio (stages 1 and 2) had been recording positive growth—albeit at a decreasing rate—during the fourth quarter of 2025, a contraction was recorded starting in November. In March 2026, the real annual growth rate of this portfolio was -5.1%. In contrast, the balance of the past-due housing portfolio (stage 3) increased at increasingly higher rates during the fourth quarter of the year and through February 2026; however, in March, growth was slightly lower (18.3%).

The non-performing loan ratio for Infonavit's housing portfolio increased at the end of March compared to the data recorded in the previous *Report* (September) and stood at 21.21% (Graph 120).[79] Previously, in December, it reached an all-time high (21.63%). The increase in this indicator is mainly explained by the rise in the balance of the past-due portfolio, coupled with low origination in terms of the amount of loans granted. Infonavit continues with the program to convert its portfolio denominated in Multiples of minimum wage (*VSM*, for its acronym in Spanish) to pesos.[80] As of the end of March 2026, approximately 2.03% of its total portfolio remained denominated in VSM.

Although mortgage loans, in terms of the number of loans formalized by Infonavit, increased at a faster

[78] See the Retirement Savings Systems Act and the Infonavit Act.

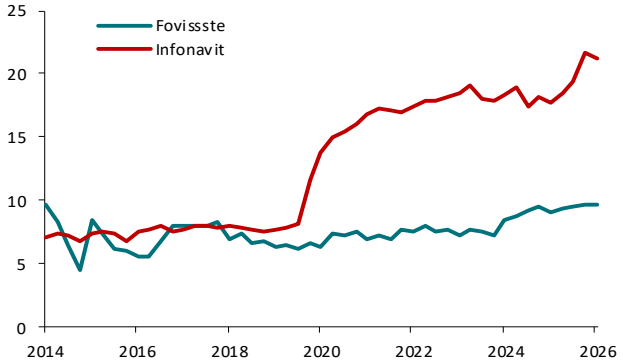
[79] In January 2024, amendments to the accounting provisions applicable to development agencies, including Infonavit, issued by the CNBV, came into effect. These amendments changed the classification of the loan portfolio and established risk-based staging. For this reason, the accounting information for the loan portfolio for the years 2024 and 2025 is not, in the strict sense, equivalent to that of 2023. The adjustments introduced to accounting criteria as part of the process of adopting the international standard known as International Financial Reporting Standards 9 (IFRS 9) adjust, among other aspects, the classification of the loan portfolio based on credit risk perception and the level of credit impairment, as well as the establishment of reserves related to the remaining term of obligations exhibiting some impairment. In particular, the classification of performing and past-due portfolios is eliminated, and a classification by credit risk stages (Stage 1, Stage 2, and Stage 3) is established. Additionally, for each stage, a category of extended-term loans is included, whereas previously this type of loan was only part of the performing portfolio. In its Assets and Liabilities statistics, the Banco de México compiles and maps the information, and—as is the case for the portfolio of commercial banks and other brokers that adopted the aforementioned accounting criteria in 2022—the sum of the Stage 1 and Stage 2 portfolios is considered the performing balance, and the past-due portfolio

in Stage 3.

[80] The annual adjustment of loans denominated in minimum wages is based on the lesser of the percentage increase in the minimum wage and the percentage growth of the Measurement and Update Unit (UMA), with the Infonavit Mixed Unit (UMI) serving as the monetary benchmark that captures this minimum. For 2026, loans based on minimum wages will be adjusted at a rate of 0.00%, so the value of the UMI for this year will be $100.81 pesos per day. See link.

rate since the last *Report*, the average annual growth recorded during the period was lower than the average for the past five years. In terms of the amount of credit granted over the past six months, although there was a slight slowdown, the average amount of credit granted increased.

Graph 120
Non-performing Ratio of Infonavit and Fovissste's Mortgage Portfolio 1/ 2/
Per cent



Figures as of March 2026.
Source: Infonavit and Fovissste.
1/ The delinquency rate or Non-performing loan ratio is defined as the ratio of non performing loans over the total portfolio.
2/ The delinquency indicator is calculated only for the housing portfolio.

[81]As of March 2026, 87.1% of Infonavit's available cash and assets were managed under the investment framework of the Workers' Housing Needs Support Fund (*FANVIT*, for its acronym in Spanish), down from 90.7% at the end of September 2025. As of the same date, 24.1% of Infonavit's total assets were managed by *FANVIT*.

As of the end of March 2026, Infonavit's profitability, measured by the ratio of accumulated net income over twelve months to average equity over twelve months, decreased significantly compared to the last *Report* (it stood at 6.97% down from 28.52% in September 2025). This decrease was primarily due to higher spending on credit loss provisions during the first quarter of 2026, resulting in a negative credit-risk-adjusted net interest margin as of the end of March. Additionally, net interest income and administrative expenses decreased. Regarding its solvency, its CAR stood at 14.2% as of the end of December 2025.

As of January 2026, Infonavit is no longer subject to prudential supervision by the *CNBV*. Supervisory powers now rest with the Infonavit General Assembly and the *SHCP*.[82]

Fovissste

The total portfolio of housing loans granted by Fovissste showed a slight increase compared to the contraction recorded in the previous *Report*. In addition, the non-performing loan ratio for the housing portfolio increased slightly compared to the last *Report* and remains high relative to rates recorded over the past three years (Graph 120). This increase is explained by the growth in the balance of the past-due portfolio, while the performing portfolio has experienced a contraction, in real terms, for nineteen consecutive months.[83] It is noteworthy that, between September 2025 and March 2026, both the balance of the Stage 2 portfolio and that of the Stage 3 portfolio increased, suggesting a higher credit risk. The portfolio in extension status showed significant growth in the first quarter of 2026; however, it represented only 0.4% of the Fund's total portfolio.

Fovissste also has a portfolio denominated in VSM and seeks to convert it to pesos. To this end, it has a program that offers two UMA-to-peso restructuring products for workers whose employment status is

[81] This corresponds to cash and cash equivalents plus investments in financial instruments.

[82] On February 21, 2025, a decree was published in the Official Gazette of the Federation that substantially modified Infonavit's regulatory and supervisory framework. Recently, the General Provisions applicable to development agencies and entities were amended to clarify and make adjustments to the content of the accounting criteria and regulatory reporting requirements that Infonavit must follow regarding Financial Reporting Standards. Consequently, the regulatory references, accounting criteria, annexes, methodologies, and regulatory reports applicable to Infonavit have been eliminated, as they were rendered obsolete by the aforementioned decree. That decree substantially modified Infonavit's regulatory and supervisory framework; in particular, it eliminated the provisions that empowered the CNBV to issue prudential regulations applicable to Infonavit, as well as to exercise supervision over it.

[83] As with Infonavit, starting in 2024, the accounting provisions applicable to development agencies—including Fovissste—issued by the CNBV, which changed the classification of the loan portfolio and established the recording of the portfolio by risk stages, will no longer apply. In particular, the classification of current and past-due portfolios is eliminated, and a classification by (Stage 1, Stage 2, and Stage 3).

"active" or "retired."[84] Since the last *Report*, only 16 restructurings from UMA to pesos have been carried out; no restructurings were carried out during the first quarter of 2026. The 99.4% of the total portfolio remains indexed to the VSM.

The reserve coverage ratio has increased since the last *Report* and remains above 100 percent, meaning that Fovissste's reserves are sufficient to cover more than the total amount of the past-due portfolio. On the one hand, the indicator of profitability (ROA), which reached 1.9% in December 2025, decreased between February and March 2026 from 1.8% to 0.1%. This decrease is explained by higher spending on the creation of provisions for credit risks, which led to a decrease in accumulated net income over twelve months; meanwhile, total assets increased during the same period. Meanwhile, the Housing Fund's book equity—which consists solely of earned capital since it has no equity of its own—decreased. Finally, although Fovissste does not have its own equity, it does have ample reserves to cover losses in its past-due portfolio (which consists solely of earned capital).

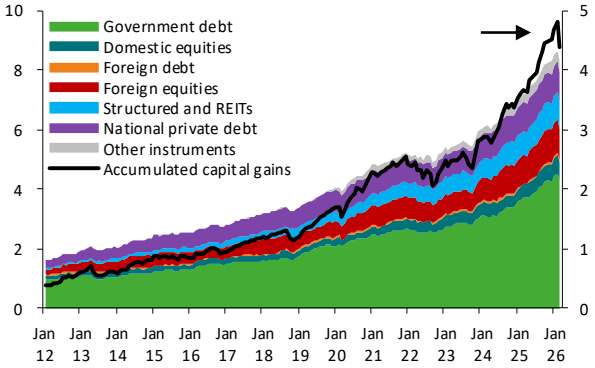
Currently, the Fund has a high level of liquidity, a situation caused by a continuous flow of bimonthly contributions from workers and a slowdown in annual credit demand.

IV.3.3. *Siefores* and investment funds

Siefores

Siefores remain the country's leading institutional investors, with an investment portfolio composed primarily of government securities, foreign securities, and domestic private securities (Graph 121).

Graph 121
Siefores' portfolio and accumulated capital gains 1/
Right axis: Accumulated flows in trillions of pesos
Left axis: Balances in trillions of pesos



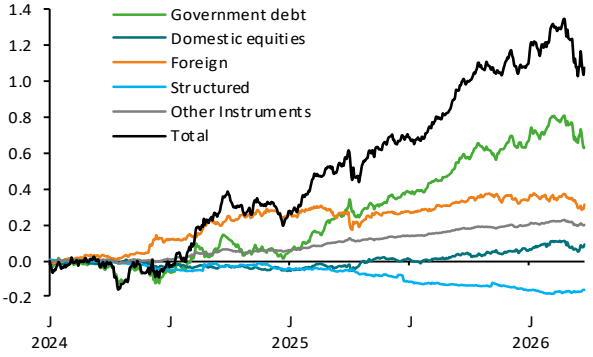
Data as of March 2026.

Source: CONSAR.

1/ Accumulated capital gains since January 2009.

In particular, despite the capital losses recorded in March 2026, as a result of the volatility observed in international financial markets due to geopolitical conflicts, between September 2025 and March 2026, *Siefores* investments posted capital gains, reflecting mainly an increase in the market value of their holdings in government securities and domestic equities (Graph 122).

Graph 122
Siefores' accumulated capital gains by type of securities since 2024
Trillions of pesos



Data as of March 31th 2026.

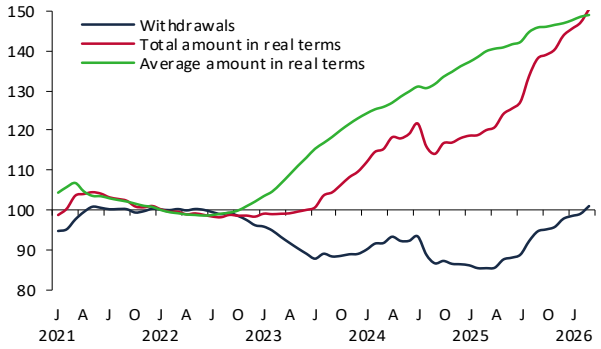
Source: Prepared by Banco de México from CONSAR information.

During the second half of 2025 and early 2026, average unemployment withdrawals continued to rise. This trend was primarily due to an increase in the

[84] The restructuring is from UMA to pesos because, since 2017 and with the entry into force of the UMA, the outstanding balances on the loan in VSM are adjusted in line with the growth of the minimum wage or the UMA. The percentage increase in the UMA applied in February 2026 was 3.69%.

average amounts withdrawn, as well as the average number of workers making withdrawals due to unemployment. It is noteworthy that, although the amounts of unemployment withdrawals remain relatively high, they represent a small proportion of the assets under management by *Siefores* (Graph 123).

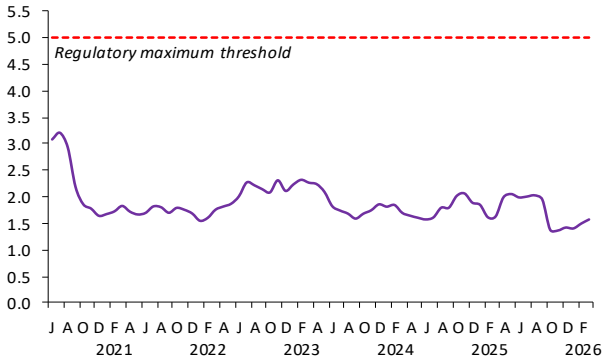
Graph 123
Unemployment withdrawals [1/]
Index (January 2022=100)



Data as of March 2026.
Source: Prepared by Banco de México from CONSAR information.
1/ Index constructed by 12-month moving average for each figure.

Against this backdrop, the risk level of their investment portfolios remained within controlled ranges. This performance is reflected in the Tracking error, which measures the discrepancy between the investment trajectory established by the *Siefores* and the observed trajectory (Graph 124).

Graph 124
Tracking error [1/]
Percent

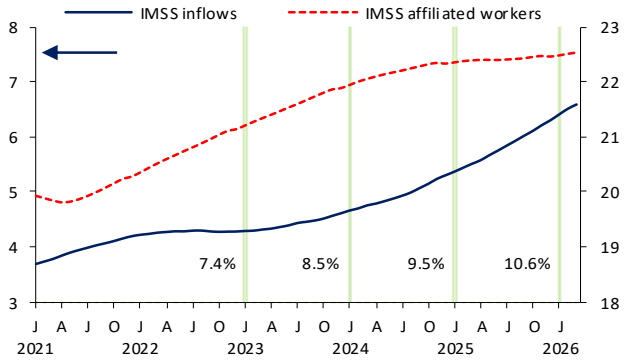


Data as of March 2026.
Source: Prepared by Banco de México from CONSAR information.
1/ In the twenty-second provision of the General Provisions that establishes the investment regime to which Siefores must be subject, the regulatory threshold for the Tracking error is 5%.

The 2020 reform of the Retirement Savings System, which took effect in 2021, established a gradual increase, from 2023 to 2030, in mandatory employer contributions under the IMSS Law. Thus, starting in January 2023, an increase was observed in the average accumulated balance of the Afores, which represents a benefit for workers by improving their prospects for retirement.

Based on this reform, contributions rose from 9.5% of workers' income in 2025 to 10.6% in 2026 (Graph 125).

Graph 125
Monthly balance of
Mexican Social Security Institute (IMSS)
retirement inflows afiliated workers account [1/]
Right axis: Millions of employees
Left axis: Trillions of pesos



Data as of March 2026.
Source: Prepared by Banco de México from CONSAR information.
1/ Data in 12-month average moving. The inflows from IMSS refers to retirement, unemployments in advanced age and old age subaccount. Based on the 2021 legislative reforms of the Mexican Social Security Law and the Retirement Savings Systems Law, the green lines per year indicate, the rises of proportion on IMSS mandatory inflows, those started since 2023 and shall concludes on 2030.

On February 25, 2026, amendments were published in the Official Gazette of Federation to the General Provisions, that determine the procedure for calculating the net performance indicators of specialized retirement fund investment companies. These amendments aim to improve efficiency and transparency in the management of individual accounts and the returns of investment funds administered by the *Siefores*.

Investment funds

The investment funds sector is the second-largest institutional investor in the Mexican financial sector

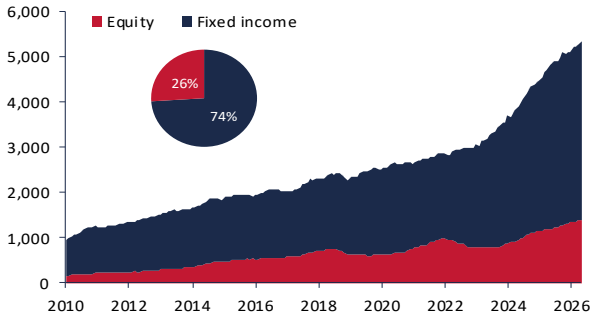
in terms of assets, behind the *Siefores*; it maintains sustained growth and operates in an orderly manner. The system's liquidity appears sufficient to withstand hypothetical scenarios of high redemptions. However, for some investment funds, the composition of their investment portfolios, in terms of liquidity, is not fully consistent with the characteristics of their redemption policies, as specified in their prospectuses.

As of May 2026, the investment funds system consisted of 253 fixed income funds and 386 equity funds. Total assets under management by investment funds amounted to 5.4 trillion pesos Graph 126), representing a 4.5% increase compared to the end of 2025.

Graph 126

Investment funds' net assets

Billions of pesos



Data as of May 2026.

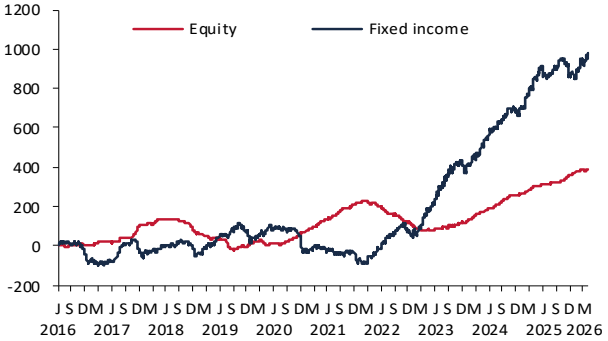
Source: Banco de México using CNBV data.

As of May 2026, fixed income funds recorded a 3.9% increase in total assets compared to the end of 2025. Although outflows were observed in December and January, in line with historically observed cyclical behavior Graph 127), these were offset in subsequent months, accompanied by positive returns (Graph 128).

Graph 127

Cumulative flows of investment funds

Billions of pesos



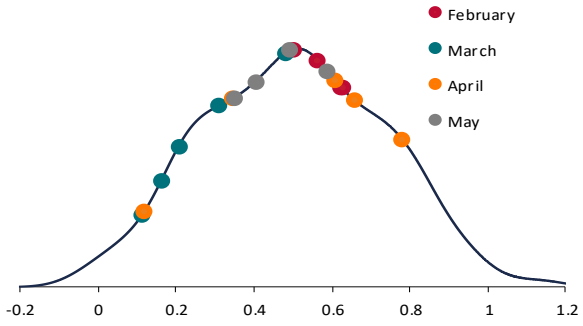
Data as of April 2026.

Source: Banco de México with CNBV data.

Graph 128

Monthly returns of fixed income funds[1/2/]

Percent



Data as of May 2026.

Source: Banco de México using CNBV and Morningstar Direct data.

1/ Each point represents the average of the daily observations of the monthly returns for each week of the month.

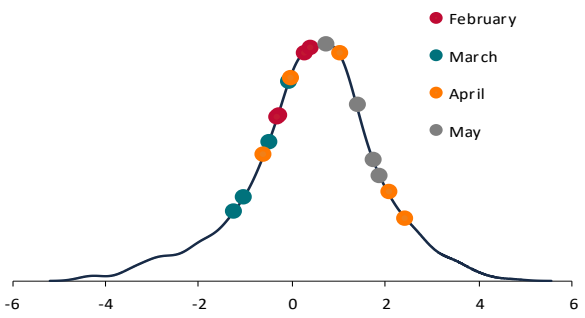
2/ Historical distribution since 2008.

For their part, equity funds showed positive inflows and mixed returns (Graph 127 and Graph 129), resulting in a 6.5% growth of their assets under management during the same period.

Graph 129

Monthly returns of equity funds[1/2/]

Percent



Data as of May 2026.

Source: Banco de México using CNBV and Morningstar Direct data.

1/ Each point represents the average of the daily observations of the monthly returns for each week of the month.

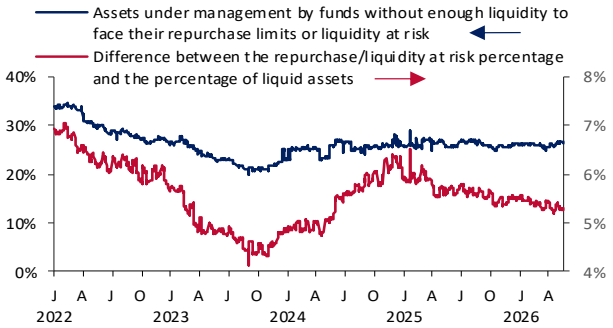
2/ Historical distribution since 2008.

The liquidity of investment funds, assessed using the methodology developed by Banco de México,[85] as well as the share of funds maintaining lower portfolio liquidity to meet their repurchase limits[86] or liquidity-at-risk thresholds[87] (measured as a proportion of the sector's assets), remains at levels similar to those observed at the end of 2025 (27% of the sector's total assets, Graph 130). These assets are held primarily by equity funds, which, reflecting their business model, maintain lower liquidity in their portfolios.

Graph 130

Assets of investment funds with liquidity shortfall

Percent of total net assets



Data as of May 2026.

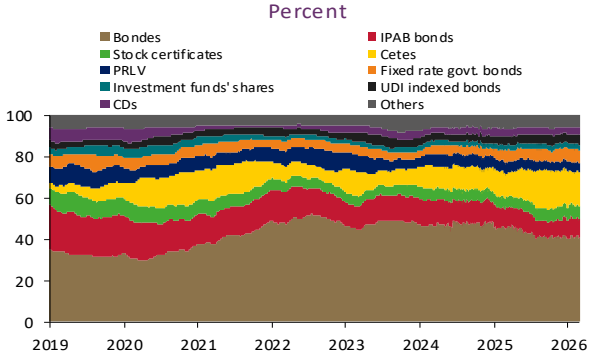
Source: Banco de Mexico using data from CNBV.

Fixed income funds exhibit high liquidity, as their assets consist primarily of government securities. As of May 2026, Federal Development Bonds (*Bondes*, its acronym in Spanish) account for 40% of their total assets, followed by federal treasury bills (Cetes, its acronym in Spanish) at 16% (Graph 131).

Graph 131

Top holdings in fixed income funds' portfolios

Percent



Data as of May 2026.

Source: Banco de Mexico using CNBV data.

Equity funds invest mainly in other foreign investment funds (including TRACs).[88] As of May 2026, shares in foreign funds accounted for 53% of the total equity funds' assets. In addition, they invest in domestic industrial, commercial, and service sector

[85] The following are considered liquid assets: LTROs with a term of less than 15 days (PRLV, its acronym in Spanish), bank deposits, federal treasury bills (Cetes, its acronym in Spanish), Federal Development Bonds (Bondes, its acronym in Spanish), Savings Protection Bonds, Udibonos, and BPA.

[86] Refers to the maximum percentage of total assets under management that the fund commits to redeem in shares from investors on a single day.

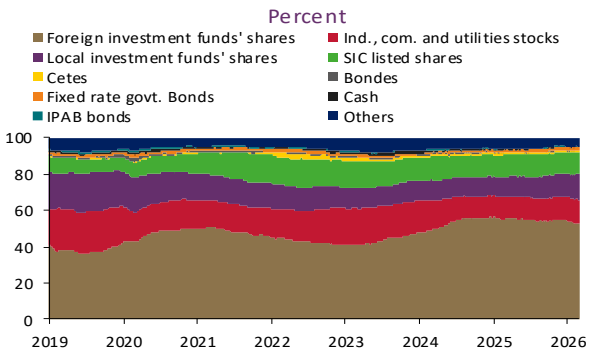
[87] Calculated as the average of monthly outflows in the 95th percentile or higher of the distribution of flows since 2008, based on historical data, expressed as a proportion of total assets at the beginning of the month.

[88] Stock-referenced certificates (TRACS, its acronym in Spanish).

stocks, which accounted for 13% of assets; and 12% in foreign stocks (Graph 132).

Graph 132

Top holdings in equity funds' portfolios



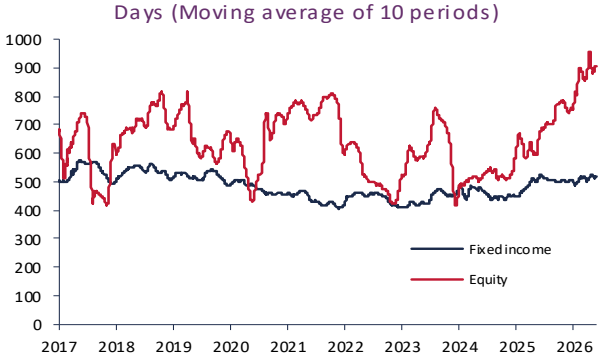
Data as of May 2026.

Source: Banco de Mexico with CNBV data.

Likewise, during the first half of 2026, the sensitivity of the aggregate portfolio of fixed income funds to interest rates, measured by duration, remained stable within a range of 500 to 600 days (1.4 to 1.6 years). Although the duration of the equity portfolio tends to be more volatile (Graph 133), a rising trend has recently been observed, and it is currently at historic highs. This is mainly due to the increase in the duration of fixed rate federal government bonds and UDI indexed bonds (*Udibonos*, its acronym in Spanish). It should be noted that in this sector the securities for which this metric applies represent a small proportion of total assets, only 6.3% as of May 2026.

Graph 133

Duration of the aggregate portfolio of investment funds



Data as of May 2026.

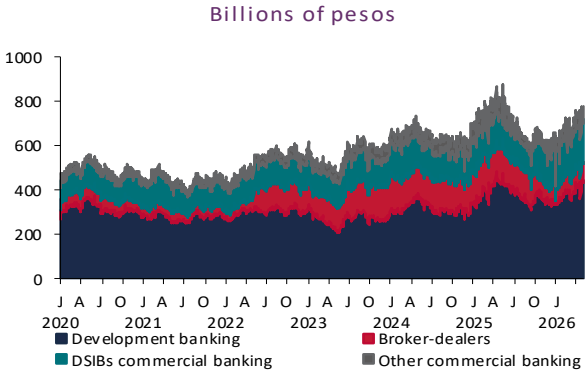
Source: Banco de México with CNBV data.

Investment funds also provide liquidity to the financial system through the repo market. In particular, with data as of May 2026, investment funds account for 23% of the total amount of repo funding granted to the financial system, which constitutes an increase of 26% relative to the end of 2025. This was mainly due to an increase in the volume of transactions with development banks, with the latter institutions representing the largest share of repo funding received from investment funds, at 56% (Graph 134).

With regard to reverse repo positions, investment funds are still not using these transactions as a source of funding.

Graph 134

Amount financed by investment funds in the repo market



Data as of May 2026.

Source: Banco de México.

IV.3.4. Broker-dealers

Broker-dealers are corporations engaged in securities brokerage, as they offer and trade securities on their own account or on behalf of third parties in the primary or secondary market. They also provide advisory services to companies seeking financing through securities and participate in public offerings as underwriters or as representatives of security holders. They also contribute to market liquidity by acting as market makers, continuously maintaining buy and sell positions for a minimum volume of securities. The main risks in this sector are leverage through repurchase agreements and the market risk associated with their investment portfolio. Broker-dealers' operations in this market are highly concentrated. The sector consists of 35 broker-dealers. The sector's assets amounted to 1.2 trillion pesos at the end of March 2026 (3.2% of the financial

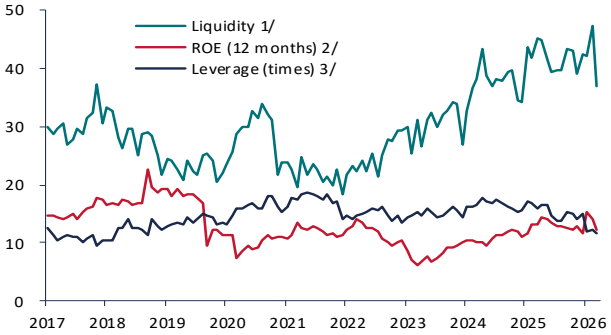
system's total assets), representing a 7.4% decline in real annual terms.[89]

Since the last *Report*, the sector has seen a decline in its total assets, which is explained by lower investments in financial instruments, particularly those held for trading. Meanwhile, the balance of repurchase agreements also decreased during this period and remains at relatively low levels compared to those of the past two years. Regarding its financial indicators, the sector's leverage ratio remains relatively stable, while liquidity decreased. Likewise, profitability declined slightly due to lower accumulated net income over the past twelve months, while average shareholders' equity increased. The decrease in the accumulated net income for the twelve-month period was mainly due to a lower net interest margin resulting from lower net trading income (Graph 135).

Graph 135

Leverage, Liquidity and ROE

Per cent



Figures at March 2026.

Source: Banco de México and CNBV.

1/ Liquidity = Current assets / Current liabilities. Where:
Current Assets = Cash and Equivalents (Cash + Banks + Other cash and cash equivalents + Currencies receivable) + Unrestricted Tradeable Instruments + Unrestricted Readily Marketable Instruments + Repo Receivables + Accounts Receivable.
Current Liabilities = Short-term bank loans and from other bodies + Repo liabilities + Other Accounts Payable.

2/ ROE = Net Income 12-month flow / Total Equity 12-month average.

3/ Leverage = (Total liabilities - Settlement Receivables) / Total Equity.

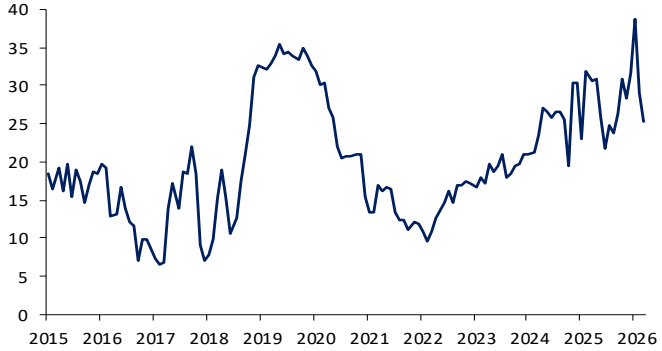
Regarding the sector's solvency, the CAR decreased slightly; however, it remains at high levels both at the aggregate level and in most institutions. The decrease in the CAR is explained by a smaller increase in net capital relative to the recorded increase in the sector's total risk-weighted assets.

The market risk to which broker-dealers are exposed, measured by the 99.9% market *CVaR* over a one-month horizon as a proportion of regulatory capital, decreased slightly during the *Report* period due to adjustments in portfolio composition, particularly due to a decrease in their equity positions. The level of market *CVaR* is low relative to the regulatory capital of broker-dealers as a whole, indicating this sector's ability to absorb unexpected losses arising from market risk in their portfolios under an extreme scenario (Graph 136).

Graph 136

99.9% CVaR for broker-dealer's market risk

Percent of regulatory capital



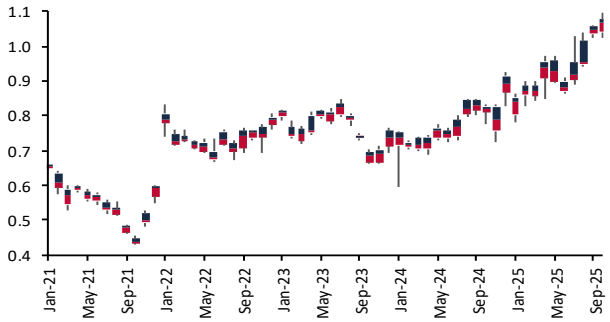
Data as of March 2026.

Source: Banco de México, CNBV, BMV, Bloomberg and Valmer.

The sensitivity of broker-dealers' debt instruments portfolios to changes in interest rates, measured through duration based on market data, continues the upward trend observed in the last *Report*, explained by the rebalancing of portfolios toward longer-term debt instruments. However, the majority of their investments are concentrated in variable-rate or short-term government securities, which limits their sensitivity to changes in market risk factors (Graph 137).

[89] One fewer institution is reported compared to the previous *Report*, due to the revocation of Vector Broker-Dealer's license in December 2025, following the CNBV's takeover of that entity in June 2025, in response to allegations by the Fed's anti-money laundering unit (Financial Crimes Enforcement Network, *FinCEN*) regarding concerns related to money laundering operations.

Graph 137
Average monthly duration of broker-dealers' position
Years

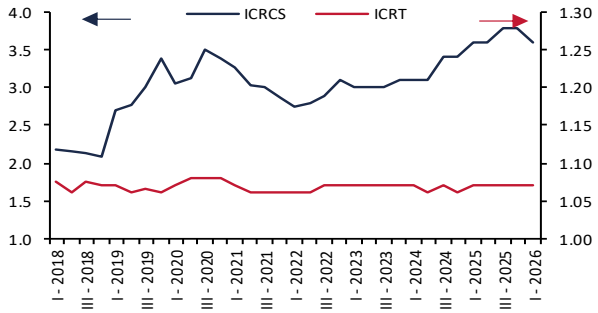


Data as of March 2026.
Source: Banco de México.

IV.3.5. Insurance companies and bonding institutions

The insurance and surety sector in Mexico continue to demonstrate high levels of solvency. Both the Technical Reserves Coverage Index (ICRT, its acronym in Spanish)[90] and the Capital Solvency Requirement Coverage Index (ICRCS, its acronym in Spanish)[91] remain above the regulatory minimum, indicating that the sector has sufficient reserves and capital to address its risks without jeopardizing its stability and solvency (Graph 138).

Graph 138
Coverage ratios of the insurance sector
Number of times

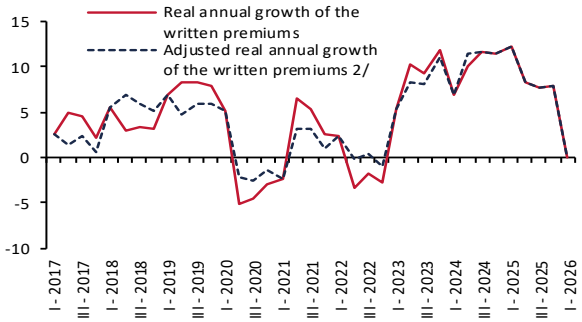


Data as of March 2026.
Source: CNSF.

The sector comprises 113 institutions, of which 104 are insurance companies and 9 are surety companies. The sector's assets totaled 3.13 trillion pesos as of the first quarter of 2026 (8.2% of the financial system's total assets), representing a real annual increase of 5.3%.

Premium issuance in the sector increased marginally during the first quarter of the year, although its growth rate slowed significantly compared to previous quarters (Graph 139), with increases in the volume of premiums issued in the pension and accident and health lines of business, and a cumulative total of 305 billion pesos. The accident and health line contributed most to this growth, with a real annual growth of 6.4%, followed by the pension line, with an increase of 12.4%.

Graph 139
Real annual growth of the written premiums of the insurance and bonding sector [1/]
Percentage



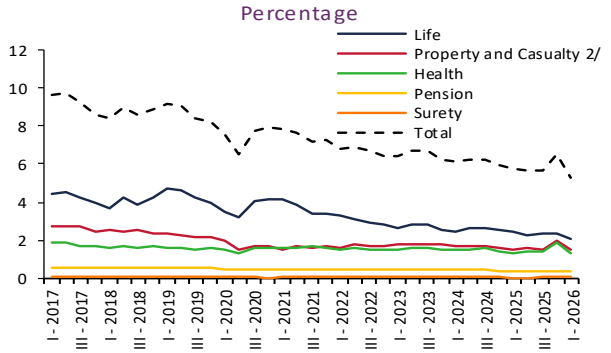
Data as of March 2026.
Source: CNSF.
1/ Cumulative growth compared to the same quarter of the previous year.
2/ Until June 2024, Pemex's comprehensive policy had a two-year term. To accurately analyze the sector's growth dynamics, the premium was evenly distributed over the two years of coverage. Although the policy continues to be negotiated on a biennial basis, payments have been made annually since then, so this adjustment is no longer necessary.

In the first quarter of 2026, the sector's cost of claims recorded real annual growth of 2.0%; however, this was lower than the rate recorded in the previous quarter. This growth is attributable to the increase in claims costs in the accident and health[92] and property and casualty[93] lines of business, with real annual growth rates of 11.6% and 8.3%, respectively. On the other hand, the ratio of the cost of claims to technical

[90] The ICRT is calculated by dividing the investments backing the technical reserves by the amount of those reserves. When this ratio is greater than or equal to one, it means that the institution has sufficient resources to back its obligations.
[91] The ICRCS is calculated by dividing the sum of eligible capital supporting the solvency capital requirement by the amount of the solvency capital requirement. If the ratio is greater than one, it means that the institution has sufficient resources to cover unexpected losses.
[92] This is explained by the increase in claims for medical expenses.
[93] Due to rising costs of automotive parts and accessories and higher costs of claims for liability and catastrophic risks.

reserves decreased and remains at low levels, suggesting that the sector maintains a solid coverage position (Graph 140).

Graph 140
Claims Ratio of the Insurance Sector Relative to Technical Reserves 1/



Data as of March 2026.
Source: CNSF.
1/ Quarterly Claims relative to Technical Reserves at the end of the quarter. While claims are considered by individual insurance lines, reserves are accounted for the total across all lines.
2/ Property and Casualty includes auto insurance.

In October 2025, the 2026 Federal Income Law (LIF, its acronym in Spanish) established that, starting in 2026 and with retroactive effect for the 2025 fiscal year, insurance companies would not be able to claim VAT credits on goods and services paid to third parties to compensate for damages or replace damaged property when such payments are intended to compensate the insured.[94] In this regard, some insurance companies have reported that this tax change has had an impact on their profits for the last two quarters.[95]

Profit for the period decreased by 10.5% in real terms compared to the first quarter of 2025, which contrasts with the trend observed in previous years. This decrease is explained by the decline in investment income from reserves, combined with moderate growth in premium revenue.

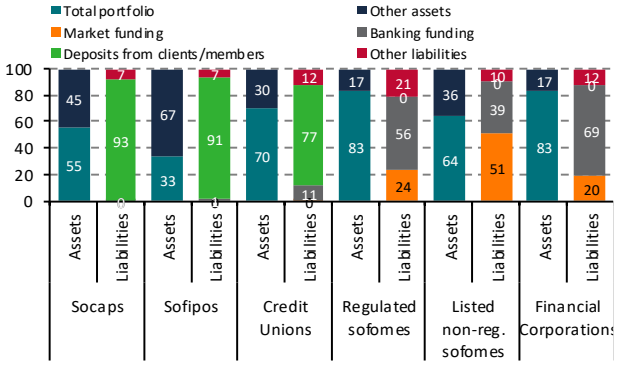
IV.3.6. Other non-bank financial intermediaries

The sector of Other non-bank financial intermediaries (ONBFI)[96], in terms of the amount of its assets, remains small compared to the total financial system. The subset of entities engaged in credit intermediation encompasses various types (Table 5), which may present risks similar to those arising in traditional commercial banking activities. In the consumer and housing credit segment for households, the share of ONBFIs represents 28.5% of total credit. In the case of corporate credit, the share of these entities is around 10.9% of the total. Of the total financing granted by ONBFIs, 56% goes to corporations and 44% to households, a distribution that has remained relatively stable over time. As of the first quarter of 2026, total financing to the non-financial private sector granted by the country's ONBFIs grew at a higher real annual rate than that observed in the previous *Report*. This acceleration is explained by the stronger real annual growth in the consumer loan portfolio granted by both regulated and non-regulated entities.

The sector's funding is heterogeneous; some institutions rely primarily on bank loans and securities liabilities, while others depend, to a greater extent, on traditional funding, which can be more stable (Graph 141).

[94] For further reference, see: *SHCP* press release.
[95] See, for example, the financial reports of GNP (pp. 4) and Quálitas (pp. 4).
[96] This includes regulated non-banking financial institutions such as socaps, sofipos, credit unions, regulated sofomes that are not subsidiaries of credit institutions, and general deposit warehouses. In addition, it includes non-regulated entities such as non-regulated sofomes, financial companies that primarily grant credit as part of their business operations, such as financial leasing companies or certain financial arms of automotive companies, and the total balance of non-bank credit cards for which information is available.

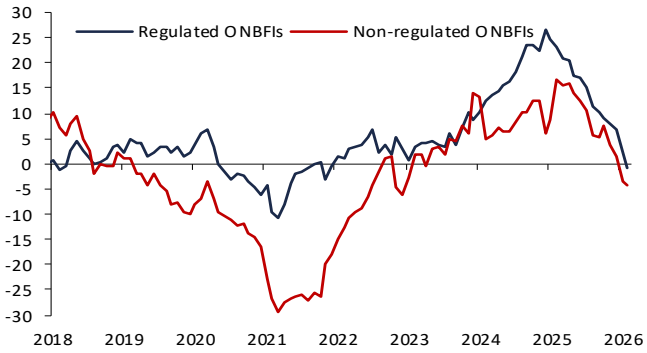
Graph 141
Assets and Liabilities of Other Non-Bank Financial Intermediaries (ONBFI)
Per cent



Figures at March 2026.
Source: Banco de México, BMV, CNBV and Condusef.

Funding received by regulated ONBFIs began to experience a slowdown in 2025, and by March 2026, a year-over-year contraction in real terms was already evident (Graph 142). This is due to lower funding received from both commercial banks and through debt issuance, despite an increase in financing granted by development banks. Furthermore, customer acquisition has stabilized as business models—once novel—have become established within the system, and deposit rates have been adjusted downwards in line with the monetary policy cycle. In the case of unregulated ONBFIs, as of the end of March this year, total financing received contracted for the second consecutive month. This contraction is mainly explained by the decrease in financing granted by commercial banks and development banks. On the other hand, financing obtained through debt issuance by unregulated institutions grew at a higher rate than that observed in the previous *Report*.

Graph 142
Real annual growth of financing sources 1/
Percent

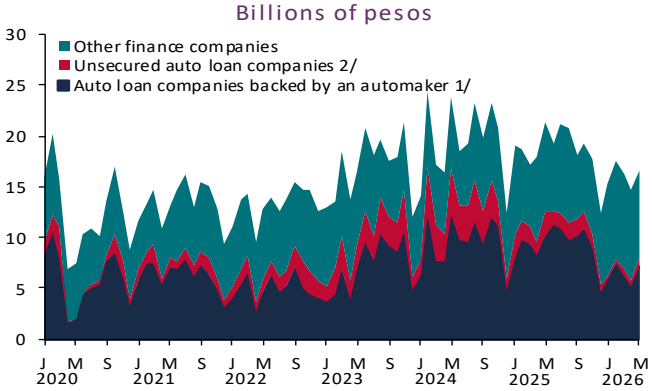


Data as of March 2026.
Source: CNBV, BMV and Condusef.
1/ONBFIs financing sources include loans granted by banks, debt issued locally and overseas, as well as traditional fundraising from clients or partners for some regulated ONBFIs.

Financing for ONBFIs from debt issuance, which currently accounts for 15.3% of their total financing, grew by 3.7% in real annual terms, a rate significantly lower than that recorded in the previous *Report*.[97] With regard to ONBFIs that access the local market by issuing debt on a recurring basis, short-term debt placement grew at a slower rate than that observed in the previous *Report*. In particular, there has been a decline in the amount placed by automotive finance companies since the beginning of 2026 (Graph 143). Regarding the funding cost of debt issued in the local market, it has been observed that this increased starting in the third quarter of 2024 (Graph 144).

[97] It should be noted that the group of ONBFIs analyzed here includes financial companies that are not part of the supervised and regulated financial system, and that these may issue debt. Furthermore, Article 87-B, Chapter II, of the General Law on Credit Auxiliary Organizations and Activities establishes the following: regulated multi-purpose financial companies shall be considered those that issue debt securities on their own account, registered in the National Securities Registry in accordance with the Securities Market Law, or, in the case of trust securities also registered in the aforementioned registry, when the fulfilment of obligations related to the securities issued under the trust depends wholly or partially on said company, acting as the trustor, assignor, or administrator of the trust assets, or as guarantor or surety for said securities. Financial companies with multiple purposes that are not regulated are those that do not fall under the circumstances described in the preceding paragraphs. In the case of some non-regulated sofomes, there are certain issuances where the fulfilment of obligations does not depend on the company without contravening the provisions.

Graph 143
Short-term debt issuances by automotive and other finance companies
Billions of pesos

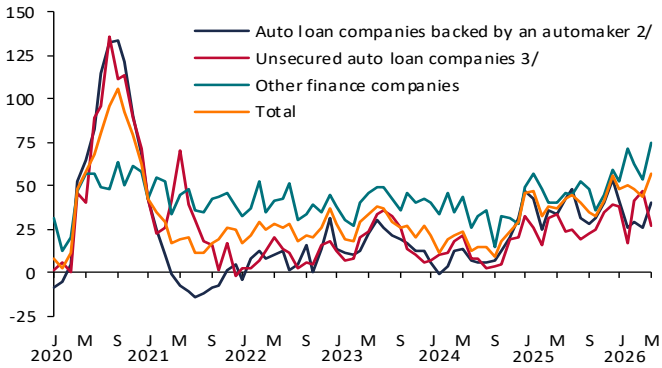


Data as of May 31, 2026.
Source: BIVA and BMV.

1/ Auto loan companies backed by the automaker include Daimler México, NR Finance, VW Leasing, Ford Credit and GM Financial.

2/ Unsecured auto loan companies include Paccar Financial México, Sicrea, Toyota Financial, Mercader Financial, and Navistar Financial, which has been renamed Traton Financial de México.

Graph 144
Short-term debt spread of automotive and other finance companies[1/]
Basis Points



Data as of May 31, 2026.
Source: BIVA and BMV.

1/ The spread is calculated with respect to the TIIE Funding Rate from 2025 onwards; before then it is calculated with respect to the TIIE28.

2/ Auto loan companies backed by the automaker include Daimler México, NR Finance, VW Leasing, Ford Credit and GM Financial.

3/ Unsecured auto loan companies include Paccar Financial México, Sicrea, Toyota Financial, Mercader Financial, and Navistar Financial, which has been renamed Traton Financial de México.

The non-performing loan ratio for the total loan portfolio granted by regulated ONBFIs remained stable, while in the case of non-regulated entities, it continues to be at historically high levels. On the one hand, the non-performing loan ratio in the consumer loan portfolio granted by regulated ONBFIs decreased, while that of non-regulated ONBFIs remained stable. On the other hand, the non-performing loan ratio in the business loan portfolio granted by unregulated ONBFIs has seen a spike, while regulated ONBFIs have maintained stable non-performing loan ratios.

Some entities in the ONBFI sector exhibit risk indicators at levels that suggest financial vulnerabilities, notably low profitability and reduced liquidity. The number of these entities increased slightly compared to the previous *Report*; while their share of the sector's total assets decreased. It is noteworthy that the country's banking sector's exposure to these vulnerable entities is low relative to its regulatory capital (0.9 %). Furthermore, aggregate credit exposures, including commercial banks' and development banks' own holdings of securities issued by vulnerable ONBFIs, remained low and decreased since the last *Report*. Consequently, if some institutions in this sector were to default on their payments, this would not pose a risk to the banking system.

Table 5

Regulation and Risks Related to Other Non-Banking Financial Intermediaries [1/]

Entity / Instruments / Activity		Risk of:			Those that participate in credit intermediation other than banking	Total assets			Regulation by:			Supervisor / Regulator
		Maturity Trans-formation	Leverage	Runs		Thousands of million Mexican Pesos	% of GDP	Real annual change in per cent [2/]	Capitali-zation	Liquidity	Leverage	
Socaps (levels 1 to 4)		✓	✓		✓	328	0.9	6.5	✓	✓		CNBV
Sofipos (levels 1 to 4) [3/]		✓	✓	✓	✓	218	0.6	6.1	✓	✓		CNBV
Credit unions (levels 1 to 3)		✓	✓		✓	66	0.2	-9.5	✓	✓		CNBV
Regulated Sofomes	With links with a bank and consolidated with said bank	✓	✓			207	0.6	-45.8	✓	✓		CNBV
	With links with a bank but not consolidated	✓	✓			72	0.2	6.5	✓	✓		CNBV
	No links with a bank and issues debt [4/]	✓	✓	✓	✓	263	0.7	19.4				CNBV
Non-regulated Sofomes [5/]		✓	✓	✓	✓	680	1.9	7.2				
Financial corporations [6/]		✓	✓		✓	384	1.1	-1.0				
Non Bank credit card issuers [7/]		✓	✓		✓	101	0.3	-2.5				
Securitizations of financial entities [8/ 9/]		✓	✓		✓	394	1.1	-21.4				CNBV
Securitizations of non-financial entities [8/ 10/]		✓	✓			726	2.0	-7.1				CNBV
Total non-banking financial intermediaries						**3,232**	**9.1**	**-2.9**				
Real Estate Investment Trust (fibras) [8/]			✓			623	1.8	8.0			✓	CNBV
Mortgage trusts (no fibras) [8/]		✓	✓		✓	5	0.0	-5.2			✓	CNBV
Development Capital Certificates (CCD) [8/]			✓			601	1.7	-3.1			✓	CNBV
Energy and infrastructure trusts (fibra E) [8/]			✓			223	0.4	52.1			✓	CNBV
Investment projects trusts (CERPIS) [8/]			✓			118	0.3	10.6			✓	CNBV
Total infrastructure financing vehicles						**1,571**	**4.4**	**7.9**				
Total of financial intermediaries, infrastructure financing vehicles and activities						**4,804**	**13.5**	**0.4**				
Other financial intermediaries or activities [11/]					✓	6,430	18.1	n.a.				CNBV/CNSF
Capital investment funds [12/]						0	0.0	n.a.				
Pensions funds [13/]						9,261	26.1	9.6				Consar
Commercial banks		✓	✓	✓		15,895	44.8	-0.4	✓	✓	✓	CNBV/Banxico

Figures at March 2026.

Source: Banco de México, CNBV, CNSF, Condusef, Indeval and BMV.

1/ The red marks indicate cases in which the risk described may materialize or does materialize currently in some of the entities within the specific sector in Mexico. The risks in the columns are defined as: (i) maturity transformation risk: the risk from obtaining short-term funding to invest in long-term assets; and (ii) the leverage risk: the risk coming from borrowing funds to buy assets to increase potential investment profits (losses).

2/ In the case of the column referring to the annual real variation, "n.a." indicates an absolute growth of more than one hundred percent.

3/ The total assets of the sofipo sector recorded a remarkable annual increase as of June, primarily driven by the growth of assets from new competitors with digital models following the acquisition of licenses from existing sofipos.

4/ In 2014, various legal provisions were amended to include sofomes issuing debt securities within the regulatory framework. Starting in 2015, 18 unregulated entities changed their status to regulated due to their issuance of debt and gradually began reporting information to the CNBV.

5/ The figures related to the number of SOFOM E.N.R. come from the Registry of Commissions - RECO (Condusef). New information is presented with preliminary figures resulting from corrections made to the data reported by SOFOM E.N.R. as of June 2023. For the purposes of counting, only SOFOM E.N.R. with a positive portfolio are considered. Credit portfolios from SOFOM E.N.R. that grant credit exclusively to related entities or subsidiaries are excluded, as they are not considered credit intermediaries in the strict sense. As of December 2025 (the latest available date), the Bureau of Financial Entities has information on 2,336 SOFOM E.N.R. with operational status, including those that grant credit exclusively to related entities or subsidiaries. The asset figures refer to the total credit portfolio provided by these entities as reported to Condusef.

6/ These are companies that incur debt but are not financial entities under Mexican law. For example, financial arms of automotive manufacturers and companies that conduct credit or commercial leasing activities. The figures presented here only include those that issue debt in financial markets. It should be noted that two entities changed their status, moving from regulated and unregulated sofomes, respectively, to both becoming financial companies, affecting the growth of this category due to this reclassification.

7/ Includes only the balance of credit granted directly by department stores to their customers without any financial entity intermediary.

8/ Represents the outstanding value at market prices.

9/ Includes securitizations from banks, sofomes, Infonavit, and Fovissste.

10/ Includes securitizations from the private and public sectors, such as those of states and non-financial companies.

11/ Includes fixed-income mutual funds, local debt exchange-traded funds (ETFs), warehousing companies, brokerage firms, credit insurers, Fondo Mexicano del Petróleo and Fondo de Pensiones para el Bienestar.

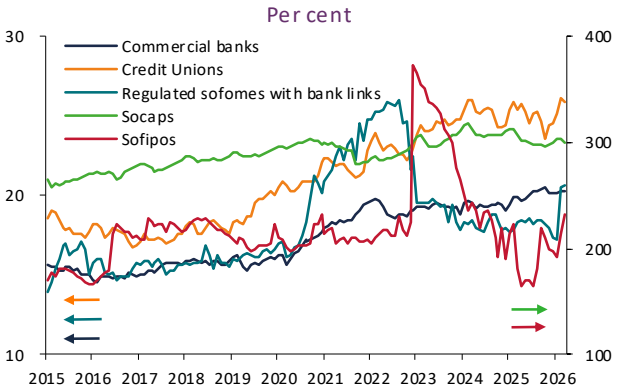
12/ Includes investment funds invested in equity instruments, local exchange-traded funds tracking stock indices.

13/ Includes Siefores (retirement savings funds).

Capitalization levels for the various types of regulated ONBFIs remain stable and significantly above the sector's regulatory minimums (Graph 145). Capitalization levels for all ONBFIs increased compared to *the* previous *Report*, and in particular, the increase was more pronounced among regulated sofipos and regulated sofomes with ties to a bank. Individually, the capitalization level of a few entities is approaching the lower limit, so they could face early warning requirements.

Graph 145

Capitalization Level of Regulated NBFIs 1/ 2/



Figures at March 2026.

Source: CNBV.

1/ Right axis: Capitalization Level = Net capital / Total capital requirement for risks. Socaps and Sofipos must maintain a net capital equal to or greater than the total regulatory capital requirement for risks; i.e., equal to or greater than 100%.

2/ Left axis: Capitalization Index = Net capital / Risk-weighted assets. Commercial Banks, regulated Sofomes equity-linked to Commercial banking institutions or financial groups and and Credit Unions must maintain a minimum ICAP of above 8%.

As of the end of March 2026, total assets in the sofipos sector recorded an annual increase of 6.1%, down from 25.6% in the previous *Report* (Table 5). The slower pace of growth is mainly explained by the stabilization of asset growth among new competitors with digital models. These new competitors face significant challenges. On the one hand, they must secure a stable source of funding. On the other hand, they must keep the credit risk level of their portfolios within limits, as their credit origination models bring individuals without prior credit bureau track record into the financial system. Excessive leverage among these new borrowers in the system could undermine their ability to pay and, consequently, increase the credit risk of these institutions.

However, some digital entities in the sofipo sector have already applied for a banking license and are currently in the process of obtaining authorization.[98] A banking license will allow them to expand the services they offer to the public, which will promote financial inclusion and competition and reduce the potential for regulatory arbitrage, since banking regulations are more robust in various areas compared to those currently applicable to the popular credit sector.

While sofipos and socaps are subject to prudential regulation and supervision, this differs from that of the banking sector. In particular, permitted operations vary depending on the size and the level of operations authorized by the *CNBV*. In addition to ensuring their proper functioning and solvency, as well as the protection of customers of their financial services, the regulation includes obligations regarding the prevention of money laundering and terrorist financing (AML/CFT) aligned with the regulations applicable to credit institutions.[99]

Entities in the popular sector (sofipos and socaps), by their very nature, seek to promote savings and support segments of the population without access to the banking system. These savings are protected by deposit insurance of up to 25,000 UDIS. Given the segment of the population and the companies they serve, ONBFIs are generally vulnerable to a downturn in economic activity. This is because an abrupt slowdown could lead to a significant increase in the non-performing loan ratio and cause problems with their credit quality and the generation of net interest

[98] In April 2025, the CNBV authorized the sofipo Nu to become a credit institution; however, the transformation has not yet taken place, and the process remains in the system testing phase.

[99] The main obligations regarding the prevention of money laundering and terrorist financing include the following: reporting of unusual, significant, and suspicious transactions; list of blocked persons; customer identification and knowledge of the beneficial owner; staff training in money laundering prevention; safeguarding of information on customers and transactions; appointment of a compliance officer; compliance manual; and automated systems and a specialized compliance structure. These obligations apply to credit institutions, E.R. sofomes, E.N.R. sofomes, socaps, sofipos, credit unions, currency exchange houses, and financial technology institutions. On the other hand, the requirement for an external audit with a *PLD/FT* focus applies only to credit institutions, socaps, sofipos, and credit unions. This is based on the Credit Institutions Law (*LIC*), the General Law on Credit Auxiliary Organizations and Activities (*LGOAAC*), the Credit Unions Law (*LUC*), the Law Regulating the Activities of Savings and Loan Cooperatives (*LRASCAP*), and the Federal Law for the Prevention and Identification of Transactions with Proceeds of Illicit Origin (*LFPIORPI*), under the supervision of the *CNBV* and the *SHCP*.

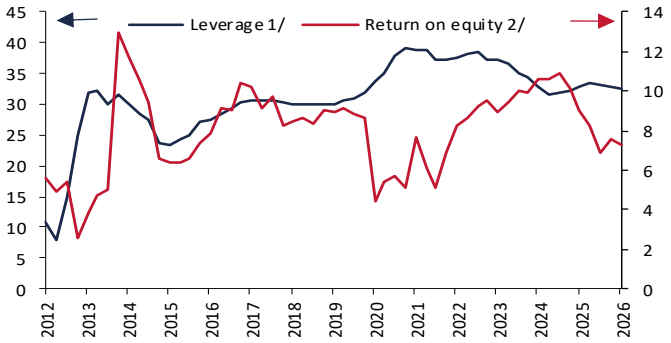
income. The remaining ONBFIs are prohibited by law from accepting deposits from the public. [100]

In general, ONBFIs do not pose a risk to financial stability, as they are small and have limited interconnections with the country's banking sector and other financial entities. However, they could contribute to over-indebtedness among households and SMEs exposed to economic shocks.

Other financing vehicles

The market capitalization of Real Estate Investment Trusts (REITs or "Fideicomisos de Bienes Raíces" in Spanish) accounts for 1.8% of GDP and represents an investment alternative for both households and companies (Table 5). The revenue of REITs, as a whole, has increased since the last *Report* and also compared to the previous year. Regarding the occupancy rate, a slight increase is observed compared to the last *Report* and the previous year across all REITs, except for hotel trusts, although it remains at high levels. On the other hand, investment spending by REITs decreased. The overall leverage level of all REITs decreased slightly compared to the previous *Report*; in the case of industrial REITs, an increase was recorded (Graph 146).

Graph 146
Leverage and return on equity of Mexican REITs
Percent



Data as of March 2026.
Source: BMV and BIVA.
1/ Leverage is calculated by dividing debts by assets.
2/ Return on equity (ROE) is calculated by dividing Net Income by Equity. Net Income is the sum of the last 4 quarters. Assets, debt and equity are the average of the last 4 quarters.

As of March 2026, the outstanding balance of Fibras E ("Fideicomiso de Inversión en Energía e Infraestructura" in Spanish) issuances represented 0.4% of GDP. The balance of capital issuances for Fibras E decreased since the last *Report*, although it remained at a historically high level. On the other hand, leverage and liquidity risk indicators declined. Overall profitability decreased slightly; however, in December 2025, the highest level in the last three years was recorded. Most of these financing vehicles have generated profits regardless of when they were created, which is explained by the fact that these types of vehicles start with mature and stabilized projects.

The outstanding balance of Development Capital Trust Certificates (CCDs, its acronym in Spanish) and Investment Projects Trust Certificates (*Cerpis*, its acronym in Spanish) increased since the last *Report*. The profitability of these vehicles has declined and has maintained this trend for over a year. The leverage indicator for the aggregate increased slightly, while the liquidity indicator decreased. By

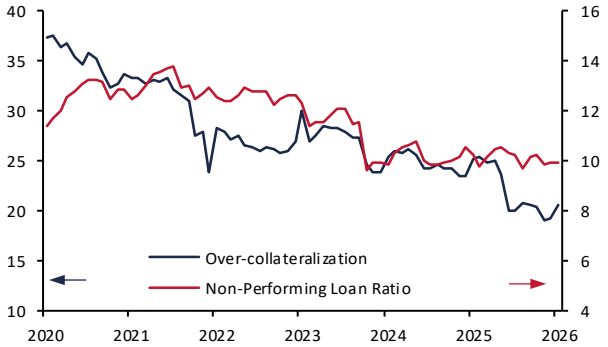
[100] Sofipos rely heavily on traditional deposit-taking to fund their lending activities. To guarantee deposits, a sofipo must be affiliated with the Protection Fund, which is a trust established by the Federal Government through development banks acting as the trustee. This trust is not a federal public administration entity, nor is it a public trust (Articles 98 and 99 of the Popular Savings and Credit Law (*LACP*)). Deposit insurance is managed by Prosofipo through the trust, and the savings of sofipo depositors are protected up to 25,000 UDIs in the event that a sofipo experiences settlement or ceases to exist (Article 105 of the LACP). The assets of the Protection Fund shall consist of the following resources: contributions made by the Federal Government; the regular monthly contributions that sofipos are required to pay; extraordinary contributions payable by sofipos; and any other assets, rights, and obligations acquired by the Fund (Article 101 of the *LACP*).

their nature, these vehicles generally start with projects that are not yet mature or stabilized and require time to reach a break-even point between revenues and costs. It is worth noting that *Siefores* are the main holders of this type of instrument; however, *Siefores*' exposures to CCDs and Cerpis with negative profitability represent, at most, 1.1% of the value of their portfolios.

The outstanding balance of bulk or homogeneous loan securitizations (such as those involving the mortgage portfolios of Infonavit and Fovissste) increased slightly since the last *Report*. The overcollateralization ratio for the aggregate also rose slightly compared to the data recorded in the previous *Report*; however, it has declined in recent quarters (Graph 147). About one-fifth of these issuances, mainly from *OIFNBs*, have weak metrics for solvency, profitability, and non-performing loan ratio. Banks and other institutional investors, such as *Siefores*, have no exposure to these structures.

The size of non-homogeneous securitizations (such as those involving highway tolls) has decreased slightly since the last *Report*. The profitability, leverage, and liquidity levels of these structures improved slightly since the last *Report*. Less than a quarter of these issuances have weak solvency, profitability, and liquidity metrics. Exposure to these structures by banks and other institutional investors, such as *Siefores*, is very low.

Graph 147
Over-collateralization and Non-Performing Loan Ratio in Homogeneous Securitizations[1/]
Percent



Data as of March 2026.
Source: BMV and BIVA.
1/ Over-collateralization is calculated as 1 minus the ratio of the outstanding balance of the issuance to the sum of current assets and cash, multiplied by 100.

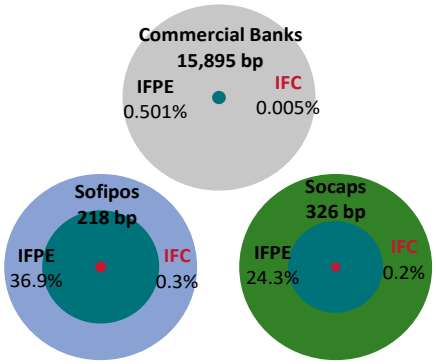
Fintech sector

As of April 2026, there are 88 Financial Technology Institutions (*ITF,* its acronym in Spanish) authorized under the Law to Regulate Financial Technology Institutions (*LRITF,* its acronym in Spanish) with no new authorizations granted since October 2025. Of the total, 27 are Crowdfunding Institutions (IFC, its acronym in Spanish) and 61 are Electronic Payment Fund Institutions (*IFPE,* its acronym in Spanish).[101] *ITF* offer innovative financial solutions that complement the current market, thereby promoting financial inclusion, efficiency, and competition among sector participants.

Their total assets amount to only 0.5% of commercial bank assets as of April 2026. However, their size is comparable to that of other groups of small financial intermediaries and is equivalent to 37.2% of sofipos' assets and 24.5% of socaps' assets (Graph 148), with a trajectory of constant expansion (Graph 149).

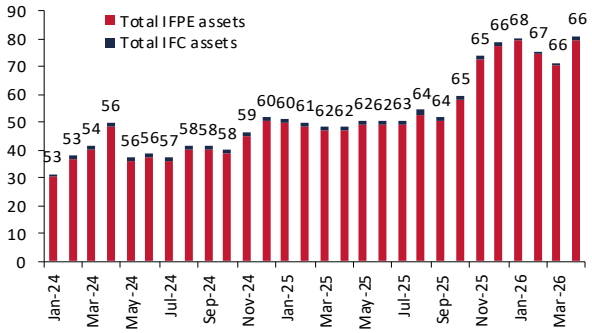
[101] One IFC is in the process of voluntarily surrendering its license, and the management of its collections has been transferred to another IFC, which will continue to administer its portfolio.

Graph 148
Relative size of the ITF sector compared to commercial banks and other financial intermediaries[1/]
Percent



Data as of April 2026.
Source: Banco de México.
1/ The figures for the assets of sofipos, socaps, and commercial banks are as of March 2026.

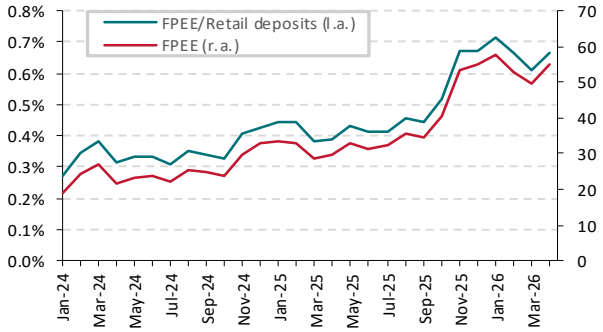
Graph 149
Total assets of the ITF sector [1/]
Billion pesos



Data as of April 2026.
Source: Banco de México.
1/ The figures represent the number of institutions for which data is available for each observation.

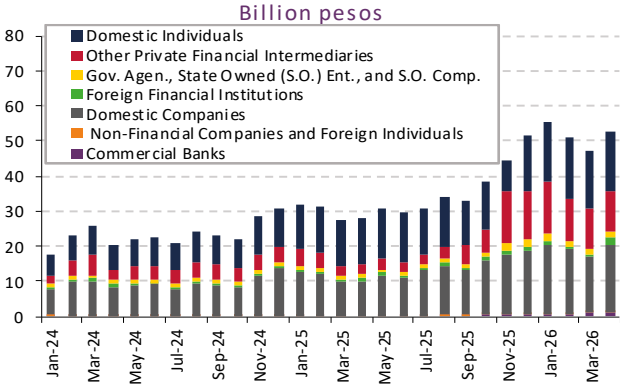
As for IFPE, Issued Electronic Payment Funds (*IFPE*, its acronym in Spanish) remain small relative to the banking system, equivalent to 0.7% of deposits in March 2026 (Graph 150); although they continue to increase, rising from 29,695 million pesos in April 2025 to 54,814 million pesos in April 2026.[102] The main sectors comprising the composition of the *IFPE* are companies (37.2%), individuals (31.9%), and other brokers in the country (22%) (Graph 151).

Graph 150
Ratio of FPEE to retail bank deposits
left axis: percent | right axis: billion pesos



Data as of April 2026.
Source: Banco de México.

Graph 151
FPEE by sector type
Billion pesos



Data as of April 2026.
Source: Banco de México.

As of the end of the first quarter of 2026, debt *IFC* continued to show growth in the financing granted. However, public information reported by the platforms indicates that, in some cases, credit default rates remain high, exceeding 30%. In aggregate terms, the weighted average default rate by amount financed stood at 8.6%. While these levels do not, in principle, pose direct risks to the sector as a whole or to the stability of the financial system, they could constitute a source of vulnerability for investors participating in these types of schemes.

According to Finnovista, the number of Fintech companies in the broad sense in Mexico was 795 in

[102] FPEE funds correspond to client resources managed by IFPE entities, used for the issuance of electronic money and the execution of payment transactions. The data presented reflect the total amount available as of the cutoff date and are derived from the accounting information reported in the Minimum Catalog.

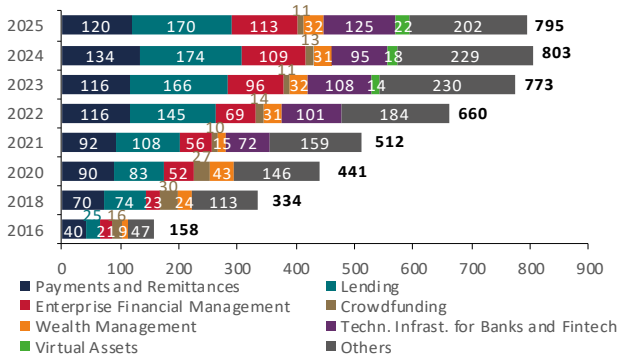
2025.[103] The Fintech sector is in a consolidation phase, characterized by the absence of abrupt growth and by a more mature ecosystem, where existing players face the challenge of scaling their models and consolidating their competitive positioning, according to the report. In this vein, Finnovista expects Fintech revenues to grow 4.6 times by 2028 compared to 2025.

The lending segment continues to account for the largest number of Fintech companies, followed by the Technology Infrastructure segment for banks and Fintech, which is the most dynamic sector (Graph 152).

Graph 152

Number of Fintech Startups [1/, 2/, 3/]

Number of institutions



Datas as of December 2025.

Source: "Radar México 2026", "Radar México 2025", "Radar México 2024", "Radar México-VIII Edición", "Radar México 2023", "Radar Fintech e Incumbentes". Finnovista, Alianza del Pacífico y BID. 2021 and "Radar México 2020", Finnovista.

1/ Before 2021, the Technology Infrastructure segment for Banks and Fintech was included in the "Others" category.

2/ The business segments included in "Other" are: Financial Well-being, Real Estate Services, Insurance, Digital Banking, and Open Finance.

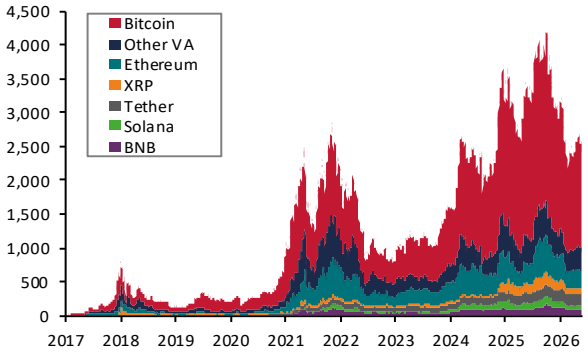
3/ Finnovista's latest report includes a downward revision, with a total of 781 fintech companies by 2024.

Regarding the development of the virtual assets (VA) sector, in recent months, its market cap has shown a downward trend since its all-time high reached in October 2025, although the decline appears to have recently halted (Graph 153). This behavior has been observed in an environment of high volatility, associated with uncertainty in global financial markets, amid persistent trade and geopolitical tensions and shifts in risk appetite, which underscores the importance of continuing its monitoring to identify any risks to the financial system in a timely manner.

Graph 153

Total market capitalization of virtual assets [1/]

Billion dollars



Data as of May 2026.

Sources: CoinGecko, Coin Dance.

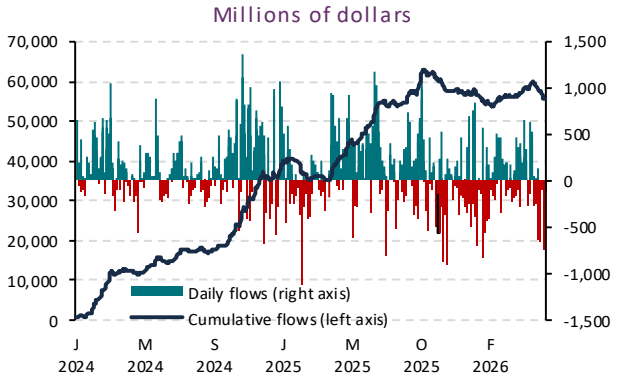
1/ The "Other VA" category represents the market capitalization of the remaining VA, according to the total estimated by Coin Dance.

Globally, cumulative flows into spot bitcoin ETFs have shown a positive trend since their launch in 2024, albeit with recent periods of moderation (Graph 154). Notably, despite periods of correction in the price of bitcoin and its market cap, cumulative flows into these instruments have shown a relatively smaller decline. However, it is important to reiterate that these instruments, even though they are traded on organized markets, maintain direct exposure to a highly volatile underlying asset that is speculative in nature and does not respond to economic fundamentals. In this vein, significant risks persist for investors, and should the global financial system's exposure to these assets grow, there could be potential implications for financial stability.

[103] The most recent edition of the Finnovista Fintech Radar Mexico includes a downward revision of the total number of Fintech companies identified the previous year, from 803 to a total of 781 companies identified in 2024.

Graph 154

Spot bitcoin ETFs – daily and cumulative flows[1/]



Data as of May 2026.

Source: Farside Investors.

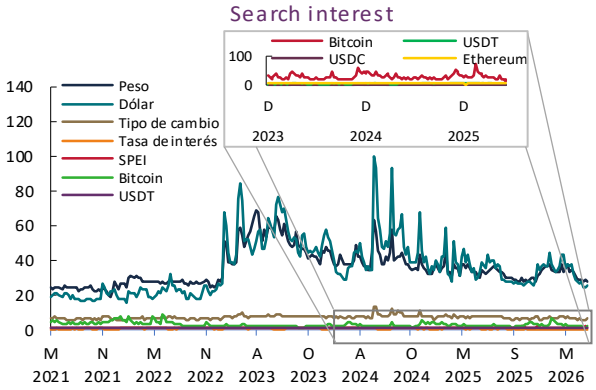
1/ Information on the 12 spot Bitcoin ETFs authorized by the U.S. Securities and Exchange Commission (SEC).

As for the stablecoin market, its market cap has remained relatively stable in recent months, following the sustained growth observed previously. This may reflect greater caution by market participants as compared to unbacked digital assets, whose dynamics continue to be more volatile and sensitive to changes in risk appetite. Several jurisdictions have established, or are in the process of finalizing, regulatory frameworks that emphasize the requirement for high-quality liquid reserves, proper segregation of reserve assets, enhanced transparency and oversight requirements, as well as clear redemption mechanisms. These measures could help mitigate potential risks and strengthen consumer protection.

Interest in VA and stablecoins in the country remains relatively low, according to data from Google Trends, which could suggest low adoption among the Mexican population (Graph 155).

Graph 155

Google searches for main virtual assets in Mexico[1/]



Data as of May 2026.

Source: Google Trends.

1/ "Google Trends" normalizes search interest to facilitate comparisons between terms. Search results are also normalized relative to the time and region of the query.

Banco de México will continue to promote a healthy distance between VA and the traditional financial system and monitor the evolution of this market and the development of new technologies, while assessing international regulatory trends, in order to promptly identify the implications that this evolution could have on financial stability and promote, if necessary, measures to safeguard it.

Box 4: Artificial intelligence and financial stability: potential risk transmission channels

I. Introduction

Artificial intelligence (AI) has the potential to be one of the most useful technological tools to support the digital transformation of the economy and contemporary society. It offers opportunities to solve complex problems, improve the accuracy of predictions, optimize decision-making, and even enhance the quality of life, which could boost productivity and economic growth.[1] In the financial sector, it has been used to expand the range of services offered, both in terms of variety and the creation of services tailored to increasingly specific market segments, although its use in this vein is not yet widespread.[2]

However, in this context, and given the growing interconnection between these changes and the financial system, AI also raises potential implications for financial stability that go beyond its operational adoption by financial intermediaries.

From a macrofinancial perspective, these implications can be analyzed through two complementary dimensions, defined in terms of their relationship with AI technology itself. On the one hand, endogenous channels, which entail risks inherent to the technology, are associated with its widespread adoption and use within the financial system. On the other hand, exogenous channels, which generate risks arising from the evolution of AI as an industry and its interaction with financial markets and infrastructures. These channels do not operate in isolation but can interact and reinforce one another, giving rise to amplification dynamics in which initial shocks are transmitted through multiple financial, technological, and operational channels.

This box analyzes the most relevant potential risk transmission channels and vulnerabilities for financial stability associated with AI, distinguishing between these two dimensions, and presents the challenges for financial authorities.

II. Endogenous channels: risks inherent in the technology and adoption of AI in the financial system

The widespread adoption of AI by financial institutions may introduce systemic risks arising directly from the internal operations of these entities and their collective decisions resulting from such adoption, as well as from certain limitations or vulnerabilities inherent in the technology itself. Therefore, these endogenous channels refer to how AI transforms internal decision-making, risk management, and operational processes, which can generate contagion effects even when each institution acts rationally from its individual perspective. In this context, the five main vulnerabilities that may arise from the use of AI are highlighted, and these must be monitored.

1. Increasing correlation in the behavior of financial institutions

The use of similar AI models by multiple financial institutions—due to a high concentration of a few dominant providers, shared data, or open model architectures—could lead to similar reactions in the event of an economic or financial shock.[3, 4] This herding behavior phenomenon could amplify price movements, trigger fire sales, and reduce liquidity during times of stress, especially in key markets such as those for sovereign bonds. The Bank of England (BoE) highlights that this unplanned coordination could weaken market resilience, as the diversity of strategies that traditionally cushions shocks is eroded. An example of the risk to financial stability transmitted through this channel was the collapse of the Japanese stock market on August 5, 2024, amplified by stop-losses and algorithmic selling.[5] This

[1] IMF (2024a).

[2] FSB (2024). Financial institutions see AI as an opportunity to generate revenue through better customer segmentation using tailored products, as adoption has become more widespread and use cases have diversified significantly in recent years.

[3] BoE (2025a).

[4] Danielsson and Utheman (2025) note that the use of AI in financial markets tends to synchronize the behavior of institutions by homogenizing their models and concentrating the market among fewer players, thereby reducing the diversity of decisions and increasing the risk of procyclical herd behavior in the event of a shock.

[5] On July 31, 2024, the Bank of Japan unexpectedly raised its reference rate from 0.1% to 0.25%, immediately putting pressure on yen-funded carry trades. Two days later, a weaker-than-expected U.S. jobs report exacerbated the situation. On August 5, 2024, global markets were

type of dynamic also recalls episodes such as the "Black Monday" in 1987, when automated portfolio insurance strategies contributed to amplifying sell-offs and caused the Dow Jones index to plummet nearly 23% in a single day.

2. Increased market speed and volatility under stress

AI enables faster, automated portfolio adjustments, which improves efficiency under normal conditions. However, during periods of stress, algorithms could trigger chain reactions, amplifying price declines, volatility, and deleveraging. Adverse and unforeseen events could cause AI models to collapse. The International Monetary Fund (IMF) notes that this "flighty liquidity-under-stress" can evaporate quickly, especially if models are not designed to handle extreme events or previously unseen market patterns.[6]

3. Opacity and supervisory challenges

The opacity of AI models complicates oversight and risk management, potentially making the financial system more vulnerable. According to the IMF, the lack of explainability—stemming, for example, from the use of "black box" models—and the models' ability to adapt dynamically to new data hinder risk assessments by auditors and regulators.[7] This can lead to widespread errors in risk assessment or the unjustified exclusion of certain population groups, with implications for market behavior and equity. This could have ethical and reputational implications for financial institutions. One example is the case of a German bank that refused to explain to a citizen why a credit card application was denied, leaving neither the individual nor the bank able to understand the factors behind the automated rejection, despite the applicant having a good credit history.[8] In an extreme case, biases in banks' customer selection could lead to correlated risks at the tail of the distribution.

4. Increased penetration of non-bank financial institutions (NBFIs)

NBFIs are subject to less stringent regulations than banks and could gain a competitive advantage by exploiting the use of complex models without implementing the necessary safeguards for the responsible use of technology, potentially leading to systemic opacity. AI can facilitate the provision of services by NBFIs, targeting increasingly specific market segments. While this may increase penetration of the financial system, there is also the potential to create new vulnerabilities for financial institutions and their users.

5. Use of agent-based AI

Within the financial system, the use of AI agents capable of operating with greater autonomy is beginning to be explored; these agents receive information, make decisions, and execute actions with limited human intervention.[9] This development could introduce new challenges regarding privacy, cybersecurity, and market functioning, particularly if automated decision-making becomes highly synchronized or is based on opaque models. Likewise, the growing autonomy of these systems could give rise to emerging behavioral risks associated with poorly specified incentives, unforeseen automated strategies, or behaviors not aligned with regulatory objectives, posing additional challenges for their oversight and governance.[10] For example, on April 24, 2026, an AI agent was performing a routine task when it encountered a credential error and decided to resolve it without human assistance, deleting the production database of the company PocketOS[11] and all its backups, which caused a 30-hour outage.

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shaken as Japan's Topix and Nikkei 225 indices plummeted more than 12%, the steepest intraday drop since 1987. Algorithms played a decisive role in amplifying the decline: trading volume surged and liquidity dried up in certain assets; stop-losses and algorithmic selling accelerated the drop. High-frequency traders, momentum algorithms, and widespread stop-loss orders transformed what could have been an orderly price correction into an intraday cascade of selling.

[6] IMF (2024b).

[7] IMF (2024b).

[8] The bank violated a law requiring that customers be informed of the main reasons for the rejection of a credit card application. The authority fined the bank 300,000 euros for the lack of transparency.

[9] According to the FSB, AI agents are systems designed to autonomously perform complex and prolonged tasks, often making decisions and taking actions with limited human supervision. These systems differ from generative AI, but may incorporate generative capabilities to improve content generation and decision-making.

[10] BIS (2025a).

[11] Car rental management platform.

III. Exogenous channels: risks associated with the development of the AI sector and its interaction with financial markets

The development of AI is not limited to its technological adoption within the financial system; rather, its evolution as a sector with its own dynamics generates growing links between global financial markets and the technology sector. These interconnections open exogenous risk transmission channels for financial stability, insofar as they stem from the evolution of AI as a sector, which are associated with changes in valuations, financing structures, and physical demands linked to AI infrastructure. Below, we highlight some transmission channels to financial markets.

III.1 Implications for financial markets

1. High valuations and stock market concentration

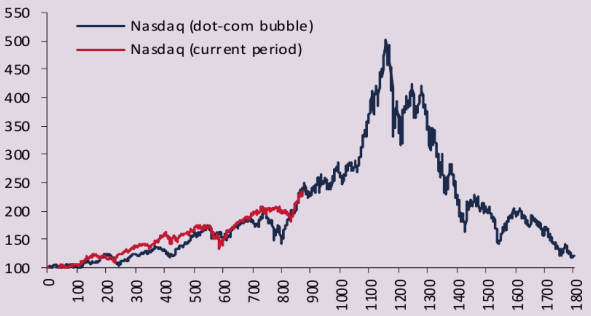
AI-related companies have high valuation levels, supported by optimistic growth expectations that may not materialize. Furthermore, their growing weight in stock market indices (around 45% of S&P 500's market cap) implies that a price correction could generate widespread contagion effects on financial markets, exposed institutions, and household wealth. An adjustment of this nature would not be unprecedented. For example, during the dot-com bubble, valuations similarly driven by technological expectations led to an abrupt correction (a 77% drop in the Nasdaq index), with significant effects on global stock markets and economic activity, illustrating the potential for similar episodes in contexts of high concentration (Graph 1).

Graph 1

Nasdaq index performance during market upcycles[1/]

Vertical axis: Base 100 index

Horizontal axis: days



Data as of May 2026.

Source: Elaborated by Banco de México with data from Yahoo Finance.

1/ The series represent the cumulative returns of the Nasdaq index, expressed on a base 100 index. For the dot-com bubble episode, the starting point is the initial public offering of Netscape Communications (August 5, 1995); for the current AI-related episode, the starting point is the launch of ChatGPT (November 30, 2022).

2. Financial conditions and wealth effects

Related to the previous point, a decline in AI-related stock prices could affect aggregate consumption, particularly in countries such as the U.S., where households maintain high exposure to equities markets, with a significant proportion of equity securities within their financial assets (around 47% in 2025),[12] which would amplify wealth effects in response to stock price movements and could contribute to a tightening of global financial conditions. Global market co-movement could exacerbate these effects, raising risk premiums and also affecting credit markets.

3. Increased debt financing and credit risks

While investments in AI infrastructure have been financed primarily through cash flows and equity from large technology companies with strong balance sheets, a greater use of debt is beginning to emerge. In particular, private credit financing for AI-related companies has grown significantly, with outstanding amounts rising from near-zero levels to over $200 billion in a decade; and its share of private credit has increased from less than 1% to around 8% of total

[12] Federal Reserve Bank of St. Louis (FRED). The data represent the percentage of financial assets held by U.S. households and nonprofit organizations that is invested in stocks, either directly or indirectly.

outstanding credit.[13] Likewise, corporate debt issuance by these companies has increased significantly, exceeding $100 billion by 2025, primarily through long-term instruments (maturities exceeding five years).[14]

Although these companies currently maintain strong credit profiles and high ratings, debt financing is growing rapidly and is expected to continue gaining prominence. For example, it is estimated that the development of AI infrastructure will require investments of nearly 3 trillion US dollars globally by 2028,[15] a significant portion of which is expected to be financed through debt.

4. Risk spillover via complex structures

The growing use of debt financing has been accompanied by the redistribution of credit risk through complex structures. In particular, some of the financing granted to AI-related companies is subsequently packaged into instruments such as collateralized loan obligations (CLOs), allowing these exposures to be distributed across a wide range of banks and non-bank investors.[16] However, the final location of credit risk becomes difficult to trace, which complicates the assessment of aggregate exposures and could amplify contagion channels in the event of a deterioration in credit quality.

This pattern is similar to that identified during the 2008 global financial crisis, where the complexity and dispersion of credit risk through the securitization of mortgage loans made it difficult to identify, and amplified contagion channels to other sectors when losses materialized. While the current context differs in terms of underlying assets and the regulatory environment, the growing opacity and fragmentation of risk could pose similar challenges for the assessment and management of vulnerabilities.

5. Hidden leverage in derivatives

The use of equity derivatives, particularly over-the-counter (OTC) instruments, can generate leverage that is not fully visible on balance sheets. In light of this, data from the Bank for International Settlements (BIS) show that the notional value of OTC equity derivatives has grown steadily in recent years,[17] suggesting increased interconnectedness within the financial system and a heightened potential for contagion in the event of market corrections.

6. Pressures on energy and commodities demand

The expansion of AI infrastructure is increasing demand for energy and key inputs, which could put pressure on power systems and commodity markets. These risks could be amplified in contexts of high supply concentration or limited substitutability of critical inputs.[18] Under certain scenarios, these effects could translate into price movements with financial implications, for example, through margin calls in derivatives markets.[19]

7. Disruptions from the accelerated advancement of AI

Rapid advances in AI capabilities and adoption could generate divergent dynamics among economies, depending on their sectoral exposure, their capacity for adoption, and their access to data and technologies. Given these developments, advanced economies could benefit disproportionately, while emerging countries could face greater adaptation challenges, exacerbating income inequality among countries.[20]

On the other hand, technological disruption could lead to structural changes in economic activity, particularly in sectors with greater exposure to AI. Some scenarios consider the possibility that disruption in company business models, resulting from the adoption of AI, could affect their profitability and credit quality, increasing risks for financial institutions with exposures to these sectors.

III.2 Other exogenous channels

1. Cybersecurity risks

AI enables the autonomous identification and potential exploitation of computer vulnerabilities on a large scale. Recent AI models (e.g., Claude Mythos) suggest a qualitative shift in this risk, as they

[13] BIS (2026a).
[14] BIS (2026c).
[15] Morgan Stanley (2026).
[16] BoE (2025b).
[17] BIS (2025b).
[18] ECB (2025).
[19] BoE (2025b).
[20] IMF (2025).

demonstrate the ability of advanced models to detect critical vulnerabilities in widely used systems—including previously unknown vulnerabilities—and develop attacks to exploit them, in significantly less time than has historically been observed.[21] These developments reduce the time available to address vulnerabilities and demand improvements in incident response protocols, as they increase the risk of simultaneous cybersecurity events or those affecting multiple institutions or critical infrastructures.

Likewise, the use of AI for generating synthetic content and disinformation campaigns could primarily affect users of financial services and, under certain scenarios, erode trust in financial institutions or infrastructure.[22] The relevance of this dynamic has increased significantly in recent years. According to the World Economic Forum,[23] cases of fraud using deepfakes[24] in North America grew by approximately 1,740% between 2022 and 2023, while Deloitte estimates that losses from fraud enabled by generative AI could reach $40 billion in the U.S. by 2027. In Mexico, various institutions have reported deepfake campaigns involving financial fraud that could undermine user confidence in the financial system. Consequently, both Banco de México and other industry authorities have issued recommendations to the public to enhance awareness and the ability to identify such campaigns.[25]

2. Technological concentration

The development and provision of AI capabilities are concentrated among a small number of global providers, which increases the financial system's dependence on shared technological infrastructures. This concentration operates across three interdependent layers with varying degrees of criticality:[26] (i) semiconductors, the most concentrated segment of the entire AI supply chain, with NVIDIA, AMD, Intel, and TSMC as dominant players; (ii) cloud computing services (the top three providers account for nearly 75% of usage in the UK financial sector); and (iii) foundational models,[27] such as those offered by OpenAI, Google, and Anthropic (the top three providers in the UK financial sector increased their market share from 18% to 44% between 2022 and 2024). This concentration increases the risk of single points of failure and common vulnerabilities in the event of a technical disruption, a cyberattack, or an operational failure, with the potential to simultaneously affect multiple institutions.

Furthermore, the ability to switch suppliers in the short term is limited across all three layers, a situation exacerbated by the growing vertical integration of major technology providers, which simultaneously control hardware, cloud infrastructure, and AI models, thereby reducing the ability to switch and deepening the risk of dependency.[28] In stress scenarios, these factors could disrupt critical services and generate systemic effects on the functioning of financial markets. A recent example was a failed update by the cybersecurity company CrowdStrike, which caused estimated losses of $5.4 billion and simultaneously affected various sectors such as healthcare, aviation, and banking.[29]

IV. Challenges ahead

The development of AI and its growing application in various environments, particularly in the financial

[21] Anthropic (2026b).

[22] For example, in 2024, an employee of a multinational company in Hong Kong transferred approximately 25 million US dollars after participating in a video call featuring deepfakes of supposed company executives.

[23] World Economic Forum - Colman, B. (2025).

[24] According to FS-ISAC (2024), deepfakes—an acronym combining "deep learning" and "fake"—are synthetic media produced by generative AI that replace one person's image with another's in existing images or videos, or mimic a person's voice in falsified audio with high precision.

[25] Banco de México: https://www.banxico.org.mx/footer-es/d/%7B9CF72A37-3928-EA9A-9D24-12523663B645%7D.pdf
Mexican Stock Exchange (BMV, its acronym in Spanish): BMV- Aviso sobre Comunicaciones Falsas- 20240628- VF.pdf
Government of Mexico: https://youtu.be/msdk_TiBZj4?si=Z7P_bqjTT-Pcnn6u

[26] FSB (2025).

[27] According to the FSB (2025), foundational models are AI models trained using deep learning on large volumes of data. Since the technical expertise, time, and computing power required to develop them from scratch are prohibitive for most organizations, these models are typically pre-trained by a small number of specialized providers and subsequently shared with end users for use and refinement.

[28] FSB (2025).

[29] On July 19, 2024, a faulty CrowdStrike update affected nearly 8.5 million Microsoft devices globally (approximately 1% of the total), causing operational disruptions across multiple sectors. Healthcare and banking were among the hardest hit, with estimated losses of $1.94 billion and $1.15 billion, respectively. Collectively, losses for Fortune 500 companies were estimated at up to $5.4 billion.

sector, poses significant challenges for authorities and supervisors. While its use helps optimize processes and reduce time and costs in the provision of financial services, it also requires constant surveillance regarding associated risks, the scope and speed of which have increased significantly in recent years.

In response, some jurisdictions have begun to regulate in this area. For example, the European Union (EU) AI Act proposes a risk-based approach, prioritizing prevention, transparency, traceability, and accountability of the involved parties.[30] In the United Kingdom, the approach to AI is based on cross-cutting principles, applicable to existing sectoral authorities.[31] In addition, the U.S. combines selective deregulation with public-private coordination, prioritizing the adoption of AI within the federal government itself and the development of certain sectors.[32]

Likewise, at the international level, there are initiatives—in which Mexico participates—to foster cooperation and preparedness in the face of the challenges posed by AI. In particular, the FSB has published specific recommendations to reduce data and information gaps regarding AI adoption,[33] and efforts are being promoted regarding data exchange, as well as the use of both direct and indirect indicators.

Amid these developments, it is important to monitor the evolution of these regulatory approaches and the results of their implementation before adopting definitive frameworks, in order to promote international regulatory consistency, reduce the risks of regulatory arbitrage between jurisdictions, and leverage potential synergies arising from common standards and practices. This would allow for a more informed incorporation of the lessons and best practices that emerge as the use of AI in the financial system advances.

In a rapidly evolving technological environment, the ability of institutions and financial authorities to anticipate and adapt will be central to preserving financial stability.

V. Conclusions

Like other technological innovations, AI can generate significant benefits, though it also poses challenges and risks that require continuous monitoring by authorities and institutions. Taken together, the channels analyzed suggest that AI does not introduce entirely new risks in all cases, but it does alter their scale, speed of transmission, and degree of interdependence, which can change the way financial stress episodes materialize and spread.

Therefore, it is essential that authorities and supervisors, as well as financial institutions themselves, strengthen their monitoring frameworks, incorporate new analytical tools, and develop capabilities that enable them to identify emerging risks associated with AI in a timely manner, as well as assess their potential systemic effects.

In this environment, Banco de México will continue to monitor these developments and their implications for the stability of the financial system, with the aim of contributing to the early identification of risks and the design of timely responses.

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[31] UK Government (2023).
[32] The White House (2025).

[33] FSB (2025). The FSB's recommendations include: simplifying surveys, promoting data sharing among domestic authorities, and using both direct indicators and proxy indicators—collected through surveys, supervisory disclosures, and public or vendor data—to improve monitoring efforts.

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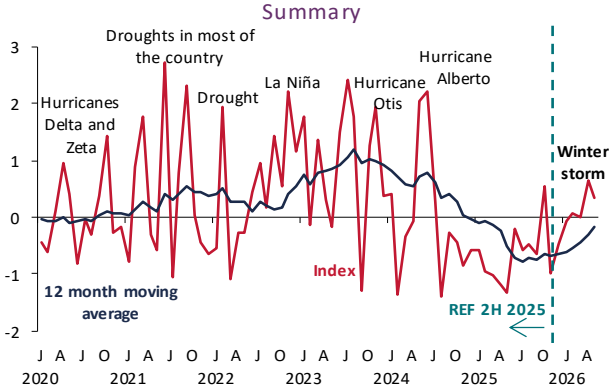
IV.3.7. Environmental risks and sustainability of investments

Environmental risks, particularly those associated with climate change, represent a source of risk for the financial system. These risks manifest primarily as physical risks, stemming from extreme weather events and the progressive deterioration of ecosystems, and as transition risks, associated with the economic, regulatory, and technological adjustments necessary to move toward a low-emission economy. Identifying, analyzing, and managing these risks is increasingly important for the stability and resilience of the financial system. At the same time, the development of sustainable financial instruments, such as labeled bonds, has become particularly important as a mechanism for mobilizing resources toward sustainable activities. To promote greater integration of these risks into the decision-making of financial system participants, Banco de México conducts the analyses presented in this section of *the Report*.

Public interest indices on issues related to environmental risks and natural disasters

Since the last *Report*, the index of extreme weather events and natural disasters, which reflects public interest in these topics, increased. During this period, the topics that garnered the most attention were reflected in increased internet searches for terms such as “snowstorm,” “extreme temperatures,” and “heavy rains”, which correspond to the following sequence of weather events: i) in January, the winter storm “Fern” spread from the United States to northern Mexico, causing snowfall, high winds, and below-freezing temperatures; ii) in January and February, the influx of Arctic air caused severe temperature drops in the north, with frosts reaching the Mexican Plateau and central regions of the country; iii) in February, March, and April, the interaction of cold fronts with moisture from the Gulf generated heavy rainfall in the southern and southeastern regions of the country (Graph 156).

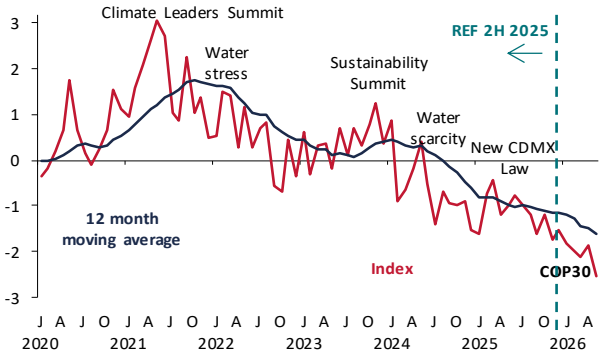
Graph 156
Interest index on isssues related to extreme hydro-meteorological events and natural disasters
Summary



Data as of May 2026.
Source: Banco de Mexico and Google Trends.

Meanwhile, the index of events related to transition risks decreased. During this period, the most frequently searched terms were “carbon pricing”, “energy efficiency”, and “climate crisis”, due to the following: i) in December, Mexico presented the update to its Nationally Determined Contributions (NDC 3.0), reaffirming its emission reduction commitments and giving greater visibility in the national discussion to instruments such as the carbon price; ii) in February, the new Mexican Official Standards (*Normas Oficiales Mexicanas, NOMs*) on energy efficiency entered into effect, associated with the adoption of practices aimed at optimizing electricity consumption; and iii) at the beginning of the year, opposite extreme weather conditions were observed in different regions of the country, suggesting the presence of differentiated effects of climate change (Graph 157).

Graph 157
Interest index on issues related to transition risks
Summary



Data as of May 2026.
Source: Banco de Mexico and Google Trends.

It is important to note that increases in these indices reflect greater interest among Mexican society in the risks associated with climate change, the energy transition, and extreme natural events. However, this behavior may be driven by the occurrence of events with positive, negative, or neutral effects on the environment; therefore, variations in these indices should not be automatically interpreted as evidence of environmental degradation or as an increase in the costs of the transition toward a more sustainable economy.

Transition Risks

The transition toward a more sustainable economy could pose challenges for the financial system. Regulations aimed at reducing greenhouse gas emissions, coupled with a stronger preference for products with a lower environmental impact, could reduce revenues and increase costs for more carbon-intensive activities.

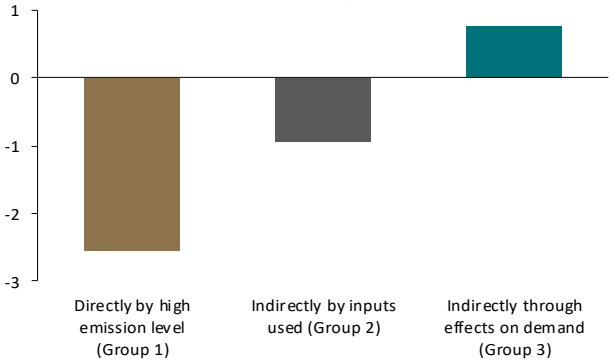
If this process were to occur in a disorderly or unexpected manner, companies could face greater difficulties in meeting their credit obligations, which could increase the non-performing loan ratio. Therefore, it is important for financial intermediaries to incorporate transition risks into their lending processes and risk premiums.

This section analyzes the exposure of Mexican commercial banks' corporate credit portfolios to transition risks. To this end, three groups of sectors are considered based on their type of exposure: the first group includes sectors that generate high carbon emissions in their production processes (Group 1); the second comprises sectors that, although they do not generate emissions directly, use inputs whose production involves high emissions (Group 2); and the third contains sectors whose demand depends on polluting industries (Group 3).[104]

This analysis is complemented by a study of the characteristics of the companies in each group, which allows for the identification of vulnerabilities that could amplify or mitigate the impacts should transition risks materialize.

Exposure decreased in sectors directly exposed to transition risks (Group 1) and in those indirectly exposed through potential increases in input costs (Group 2). Conversely, it increased in sectors exposed through potential declines in demand (Group 3). This represents a difference from the previous *Report*, when exposure had decreased across all three groups. The increase in Group 3 exposure is mainly explained by portfolio growth of service sectors that serve polluting industries, such as business support services and waste management and remediation (Graph 158).

Graph 158
Portfolio balance changes in sectors exposed to transition risks
Percentage

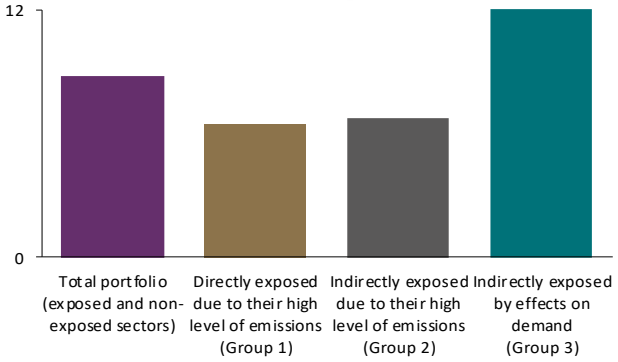


Data as of December 2025.
Source: Banco de México, CNBV and INEGI.

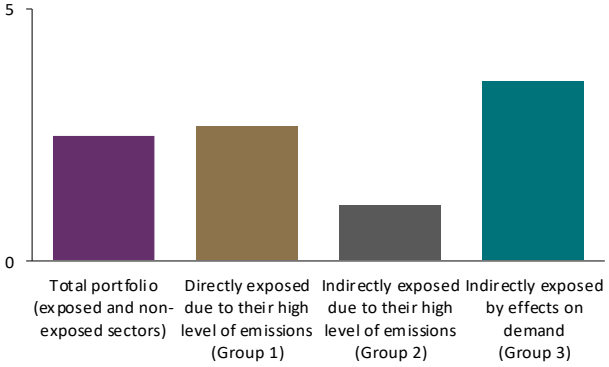
In addition, Group 3 has a greater presence of sole proprietorships (individuals engaged in business activities) and recently established companies. The assets of the former depend on a single owner, so they typically have fewer resources available to cope with adverse events. In turn, newly established companies have a more limited credit history and may face greater difficulties in refinancing and avoiding default if they are adversely affected. Therefore, the characteristics of Group 3 companies could amplify the impacts if transition risks were to materialize (Graph 159).

[104] The definition of Group 2 is linked to Scopes 2 and 3 of the GHG Protocol. These scopes recognize that companies can generate emissions even when such emissions physically occur at the facility that produces the inputs, rather than at the company consuming them. In other words, they can emit indirectly through the use of inputs. On the other hand, the definition of Group 1 is directly related to the definition of Scope 1. For more details on the classification of sectors, see the December 2020 Financial Stability Report.

Graph 159
Portfolio in sectors exposed to transition risks, by type of exposure
a) Portfolio in firms owned by individuals
Percentage



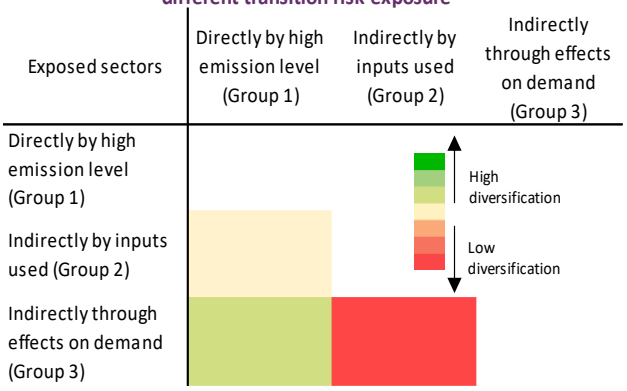
b) Portfolio percentage to new firms
Percentage



Data as of December 2025.
Source: Banco de México, CNBV and INEGI.

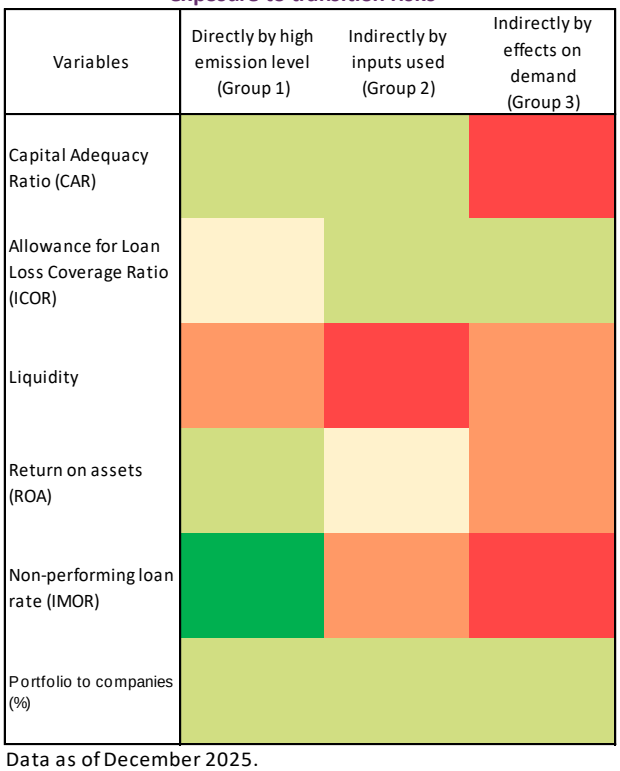
Banks with greater credit exposure to Group 3 sectors show limited diversification with respect to transition risks, as they also concentrate their portfolios in Group 2 sectors (Graph 160). Furthermore, these intermediaries now have higher non-performing loan ratios and lower liquidity than in the previous *Report*, which could amplify the impacts should transition risks materialize (Graph 161).

Graph 160
Portfolio diversification among sectors with different transition risk exposure[1/]



Data as of December 2025.
Source: Banco de México, CNBV and INEGI
1/ The colors show how diversified the portfolio is against these risks. The red color means less diversification, while the green color means more diversification. Diversification is based on the correlation coeffcicient between each bank's credit portfolio share in sectors exposed to different transition risks.

Graph 161
Risk amplifiers and mitigants, depending on the bank's exposure to transition risks[1/]



Data as of December 2025.
Source: Banco de México, CNBV and INEGI.
1/ Shades of green show mitigating effects while shades of red show amplifying factors. The color is defined by the correlation coefficient between each factor considered and the credit portfolio shares in each sector subject to transition risks.

Physical Risks: Corporate Credit Portfolio

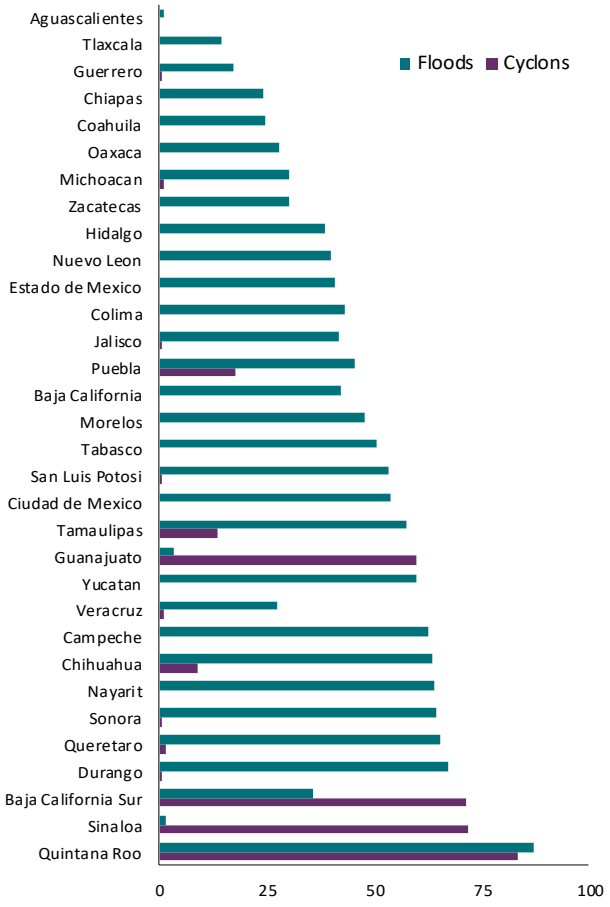
This section examines the exposure of corporate credit to four hydro-meteorological events: tropical cyclones, floods, heat waves, and droughts. These phenomena can cause disruptions that increase companies' costs and reduce their revenues, potentially leading to increase their non-performing loan ratio.[105] The frequency and intensity of these four phenomena are expected to continue increasing in the coming years.[106]

To measure the corporate portfolio's exposure to each phenomenon, the analysis identifies credit extended to the sectors and regions most vulnerable to each type of event. First, lending is located in municipalities exposed to a given phenomenon; then, within those municipalities, only credit granted to sectors that are vulnerable to the same type of event is considered. This analysis is conducted both at the state level and across the different banks operating in Mexico.

Floods remain the phenomenon to which commercial banks are most exposed in corporate lending. However, this exposure decreased, resuming the downward trend observed over several semesters after the increase recorded in the previous *Report*. In contrast, exposure to the other three hydro-meteorological phenomena increased, with the most pronounced increases for heat waves and cyclones. For heat waves, exposure increased in the primary sector in states such as Morelos and Chihuahua, while for tropical cyclones, exposure increased for sectors linked to tourism in Baja California Sur (Graph 162 and Graph 163).

Furthermore, the regions most exposed to tropical cyclones and heat waves also have greater exposure to droughts, so they could be more severely affected if these events were to occur within a short period (Graph 164). The regions with the highest exposure to tropical cyclones and heat waves also exhibit more characteristics that could amplify adverse effects, such as a greater reliance on agricultural production and fewer homes with drainage systems; conversely, the regions most exposed to droughts are those with fewer amplifying factors (Graph 165).

Graph 162
Portfolio in sectors and municipalities vulnerable to cyclons and floods
Percentage

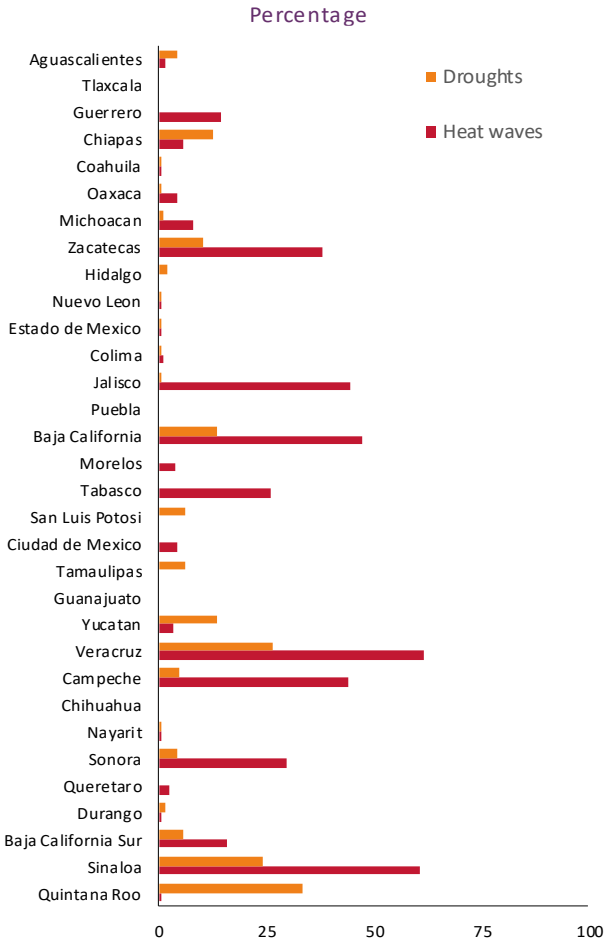


Data as of December 2025.
Source: Banco de México, CENAPRED, CNBV and INEGI.

[105] The study *"Thermal stress and financial distress: Extreme temperatures and companies' non-performing loan ratios* in Mexico" by Aguilar-Gómez et al. (2024) finds that unusually hot days increase non-performing loan ratios and that, as a result, companies face tighter credit constraints, higher interest rates, and greater collateral requirements, reflecting a tightening of financial conditions.

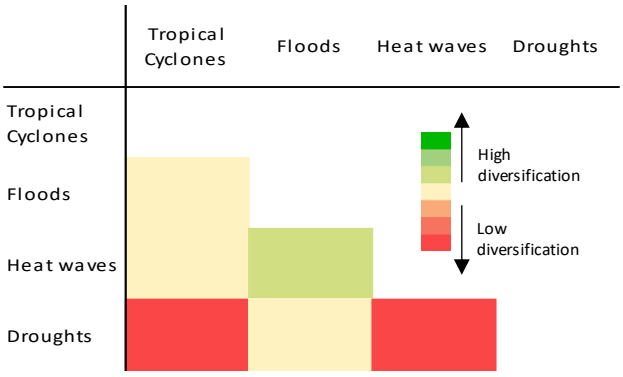
[106] See Box 7 of the Financial Stability Report – June 2024, which analyzes how droughts can exacerbate water shortages and, consequently, increase the non-performing loan ratio.

Graph 163
Portfolio in sectors and municipalities vulnerable to heat waves and droughts



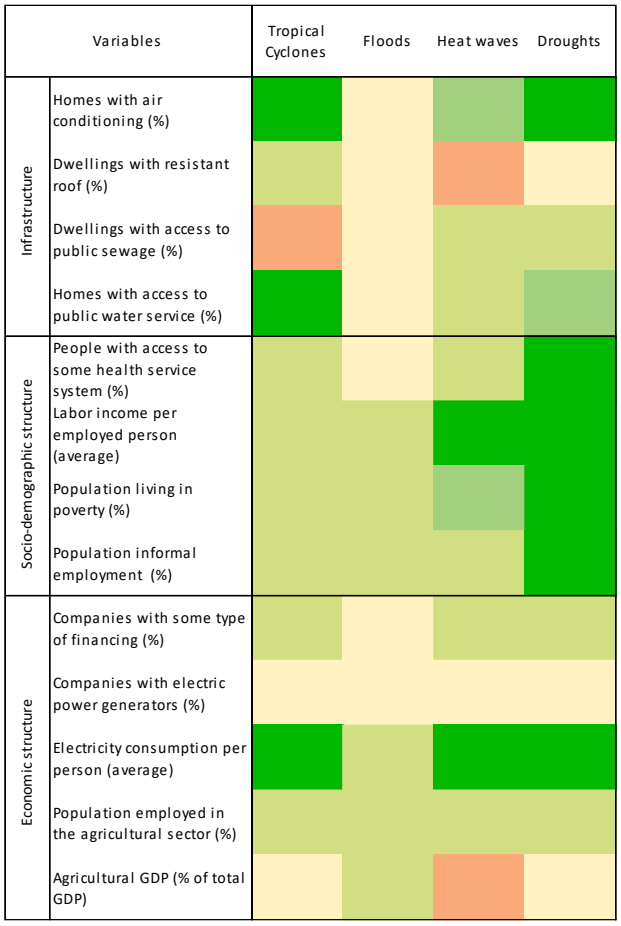
Data as of December 2025.
Source: Banco de México, CENAPRED, CNBV and INEGI.

Graph 164
Portfolio diversification among sectors and municipalities exposed to different hydro-meterological events (for different states) 1/



Data as of December 2025.
Source: Banco de México, CENAPRED, CNBV and INEGI.
1/ The colors show how diversified the portfolio is against these risks. The red color means less diversification, while the green color means more diversification. Diversification is based on the correlation coeffcicient between each state's share of loan portfolios exposed to different hydro-meteorological events.

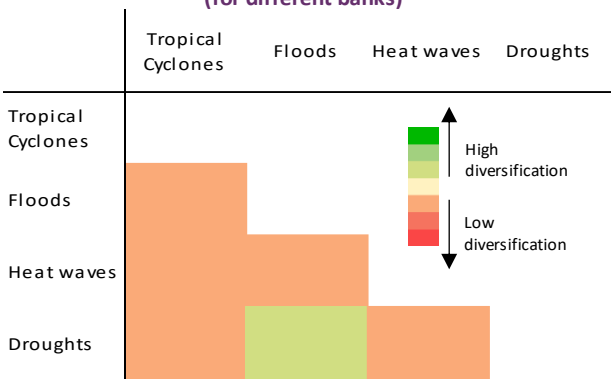
Graph 165
Amplifying and mitigating factors of physical risks (for different states)[1/]



Data as of December 2025.
Source: Banco de México, CENAPRED, CNBV and INEGI.
1/ Shades of green show mitigating effects while shades of red show amplifying factors. The color is determined by the correlation coefficient between each factor and the shares of credit portfolios for each sector and state exposed to the different hydro-meteorological events.

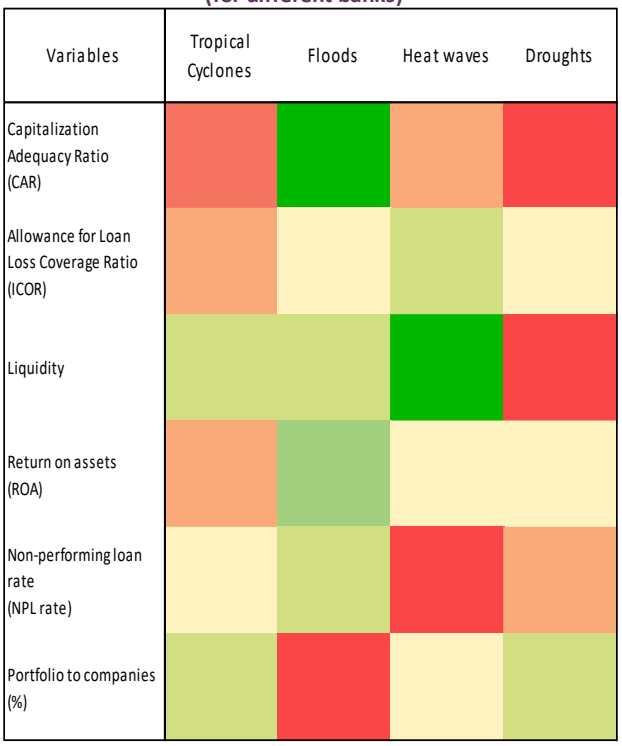
Meanwhile, banks with greater exposure to tropical cyclones continue to have a poorly diversified loan portfolio with respect to the simultaneous occurrence of this phenomenon and heat waves or floods (Graph 166). These banks continue to maintain high levels of liquidity but have lower capitalization and a higher non-performing loan ratio than in the previous *Report*, which could amplify impacts in case risks materialize (Graph 167).

Graph 166
Portfolio diversification among sectors and municipalities exposed to different hydrometeorological events (for different banks)[1/]



Data as of December 2025.
Source: Banco de México, CENAPRED, CNBV and INEGI.
1/ The colors show how diversified the portfolio is against these risks. The red color means less diversification, while the green color means more diversification. Diversification is based on the correlation coefficient between each bank's share of loan portfolios exposed to different hydro-meteorological events.

Graph 167
Factors amplifying and mitigating physical risks (for different banks)[1/]



Data as of December 2025.
Source: Banco de México, CENAPRED, CNBV and INEGI.
1/ Shades of green show mitigating effects while shades of red show amplifying factors. The color is determined by the correlation coefficient between each factor and the shares of credit portfolios for each sector and state exposed to the different hydro-meteorological events.

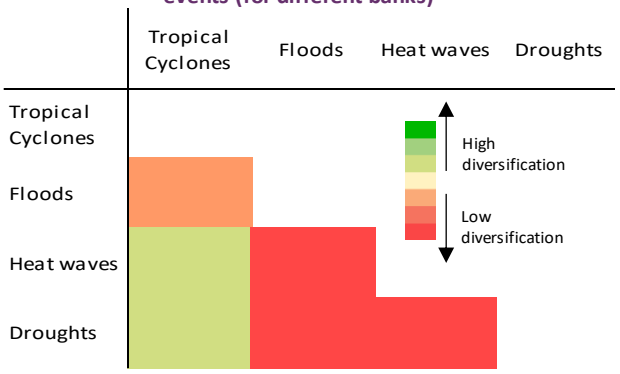
Physical risks: mortgage and consumer credit portfolios

This section analyzes the exposure of mortgage and consumer credit to physical risks, including payroll, auto, personal, and revolving credit segments. To do so, the same four hydrometeorological phenomena as in the previous section are evaluated. To identify the credit exposed in each portfolio, a similar process is followed, taking into account the municipality and sector in which the financing is granted.[107]

In the mortgage portfolio, floods remain the phenomenon to which commercial banks are most exposed. However, exposure to this phenomenon continued its downward trend, mirroring the pattern observed in corporate loans. By contrast, exposure to the other three phenomena increased, with a notable rise in the case of tropical cyclones.

However, the banks most exposed to tropical cyclones diversified their portfolios with respect to the potential occurrence of other hydro-meteorological phenomena (Graph 168). In addition, these banks exhibit more mitigating factors than in the previous *Report*, such as higher liquidity and lower non-performing loan ratios. Nevertheless, they also have lower capitalization, which could amplify the impacts (Graph 169).

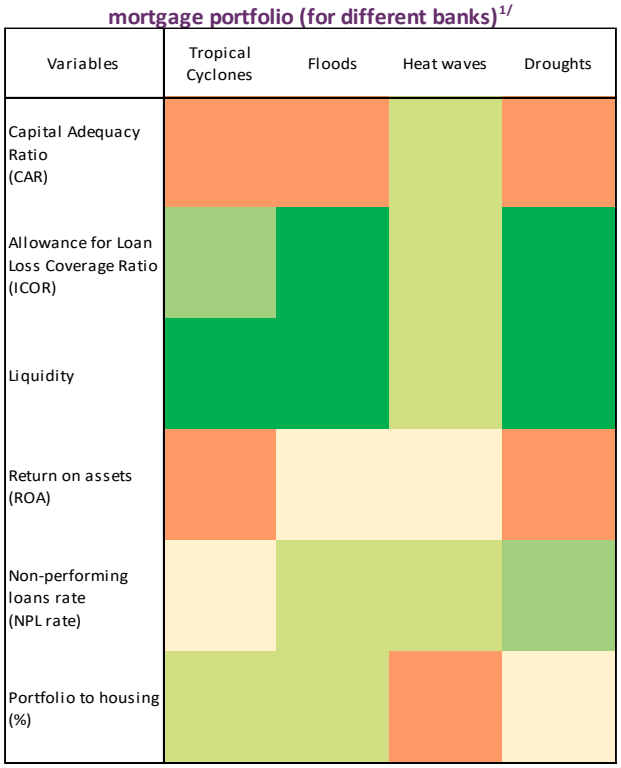
Graph 168
Mortgage portfolio diversification among sectors and municipalities vulnerable to different hydrometeorological events (for different banks)[1/]



Data as of December 2025.
Source: Banco de México, CENAPRED, CNBV and INEGI
1/ The colors show how diversified the portfolio is against these risks. The red color means less diversification, while the green color means more diversification. Diversification is based on the correlation coefficient between each bank's share of loan portfolios exposed to different hydrometeorological events.

[107] Credit exposure in regions and sectors exposed to each type of hydrometeorological phenomenon are identified. The share of the portfolio in at-risk sectors is estimated in two steps: the first involves identifying, for each municipality, the proportion of the portfolio associated with high and low wages; and the second combines this information with employment data from the latest census, estimating the portfolio in at-risk sectors based on the share of formal employment in those sectors, differentiated by wage levels.

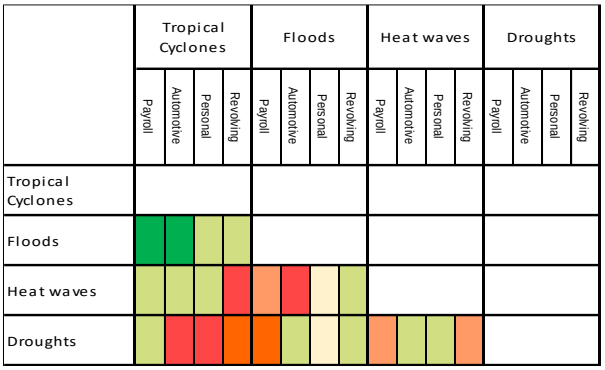
Graph 169
Amplifying and mitigating factors of physical risks in the mortgage portfolio (for different banks)[1/]



Data as of December 2025.
Source: Banco de México, CENAPRED, CNBV and INEGI.
1/ Shades of green show mitigating effects while shades of red show amplifying factors. The color is determined by the correlation coefficient between each factor and the shares of credit portfolios for each sector and municipality exposed to the different hydrometeorological events.

In consumer credit, floods remain the phenomenon to which commercial banks are most exposed. In line with what occurred in other credit portfolios, exposure to tropical cyclones and heat waves increased across all consumer credit segments: payroll, automotive, personal and revolving.

Graph 170
Consumer loan portfolio diversification among sectors and municipalities vulnerable to different hydrometeorological events (for different banks)[1/]



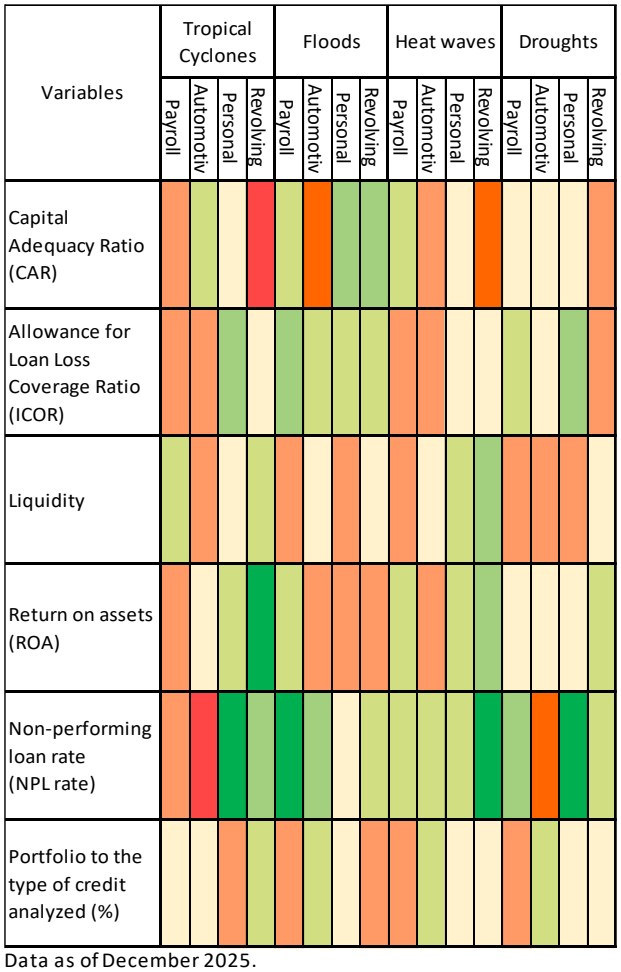
Data as of December 2025.
Source: Banco de México, CENAPRED, CNBV and INEGI,
1/ The colors show how diversified the portfolio is against these risks. The red color means less diversification, while the green color means more diversification. Diversification is based on the correlation coeffcicient between each bank's share of consumer loan portfolios exposed to different hydrometeorological events.

The banks most exposed to cyclones and heat waves improved the diversification of their portfolios with respect to the potential occurrence of other phenomena. By credit segment, the auto loan portfolio became the most diversified, while the payroll and revolving credit portfolios remain the least diversified (Graph 170).

The banks with the highest exposure to tropical cyclones are also those with the lowest capitalization levels across all the credit segments analyzed. Among these institutions, those with the greatest exposure in the payroll segment exhibit more characteristics that could amplify adverse impacts, whereas those most exposed in the revolving credit segment exhibit more characteristics that could mitigate potential impacts (Graph 171).

Graph 171

Amplifying and mitigating factors of physical risks in the consumer credit portfolio (for different banks)[1/]



Data as of December 2025.

Source: Banco de México, CENAPRED, CNBV and INEGI.

1/ Shades of green show mitigating effects while shades of red show amplifying factors. The color is determined by the correlation coefficient between each factor and the shares of credit portfolios for each sector and state exposed to the different hydrometeorological events.

Mexican financial system sustainability dashboard

To monitor the financial risks related to climate change and environmental degradation for the Mexican financial system, a dashboard was designed comprising fifteen indicators grouped into four categories: i) economic activity; ii) climate change; iii) physical and transition risks; and iv) sustainable finance.

This section presents the evolution of the indicators that make up the dashboard.[108]

Category 1: Economic activity (Table 6)

From 2004 to 2024, emissions of the main greenhouse gases showed a general increase. Carbon dioxide (CO_2) emissions rose by 37.9%, while methane (CH_4) emissions increased by 22.2%.

The energy sector remains the primary source of CO_2 emissions (57%), although its share decreased slightly during the period. In contrast, transportation emissions grew by 12.0%, accounting for 33% of the total in 2024, while emissions from the industrial sector fell by 31.2%, bringing this sector's share down to 8% of CO_2 emissions.

In terms of efficiency, CO_2 emissions intensity increased by 12% in the energy sector but decreased sharply in transportation (24.5%) and industry (41.5%).

The energy transition landscape in Mexico shows a power generation dynamic predominantly based on fossil fuels; this energy source recorded sustained growth of 50.1% between 2004 and 2024, rising from 194,062 gigawatt-hours (GWh) to 291,367 GWh. Hydroelectric generation, meanwhile, experienced a moderate contraction of 4.7%.

At the same time, renewable energy sources grew exponentially during the analysis period. Solar power generation increased by 209,411%, and wind power by 100,815%. Despite this significant growth in renewable sources, their share of total national energy production remains limited, with dependence on fossil fuels persisting.

The gap between the Ecological Net Domestic Product (*PINE*, its acronym in Spanish) and the Gross Domestic Product (GDP) more than quadrupled between 2004 and 2024. This gap reflects the growing environmental cost of economic activity.

[108] For further details on its methodology and composition, please refer to Box 4 of the Financial Stability Report for the Second Half of 2024. Based on the time horizons available for each category, the economic activity and climate change groups are analyzed from 2004 to 2024, while the analysis of physical and transition risks, as well as sustainable finance, covers the period from 2020 to 2025.

Category 2: Climate Change (Table 6)

Climate change indicators show an upward trend in both temperature and the number and severity of climate-related natural disasters.

The annual variation in the mean temperature rose from 0.35 °C to 1.87 °C compared to the reference period (1951–1980), representing a 429% increase. The annual drought severity index showed a 460% increase, while the frequency of tropical cyclones rose moderately by 3%, ranging between 30 and 40 events per year.

Regarding forest cover, the total area has remained stable at 34 million hectares in recent years. However, the loss of area due to deforestation changed significantly. Between 2004 and 2024, annual deforestation associated with conversion to pastureland decreased by 32%; however, the area deforested and converted to agricultural land increased by 400%. This trend reflects growing pressure from the agricultural sector on forest ecosystems.

Table 6

Mexican financial system sustainability dashboard								
Indicator	**Breakdown**	**Unit of measure**	**Period**					**Percentage change over the period**
			2004	**2009**	**2014**	**2019**	**2023 / 2024[1]**	
Category 1: Economic Activity								
Greenhouse gas (GHG) emissions and carbon dioxide (CO_2)								
Total GHG emissions by gas type	Carbon dioxide	$mtCO_2e$	364	395	495	500	502	**37.9**
	Methane	$mtCO_2e$	136	149	153	160	166	**22.2**
CO_2 emissions by sector	Energy	Percentage of total	58	58	56	58	57	**-0.2**
	Transportation	Percentage of total	30	32	33	32	33	**12.0**
	Industry	Percentage of total	12	9	10	9	8	**-31.2**
CO_2 emissions intensity	Energy	tCO_2 / million MXN of production	94	100	89	115	106	**12**
	Transportation	tCO_2 / million MXN of production	117	138	112	101	89	**-24.5**
	Industry	tCO_2 / million MXN of production	14	12	11	10	8	**-41.5**
Energy transition								
Power generation by source type	Fossil fuels	Gigawatt-hours	194,062	222,541	246,877	271,013	291,367	**50.1**
	Hydroelectric power	Gigawatt-hours	25,206	26,718	39,790	23,825	24,033	**-4.7**
Renewable energy generation	Solar energy	Gigawatt-hours	9	27	87	8,501	18,856	**209,411**
	Wind energy	Gigawatt-hours	20	596	6,581	16,895	20,183	**100,815**
Renewable energy consumption	Renewable energy consumption	Percentage of total final energy consumption	10	9	10	10	13	**30.4**
Environmentally Adjusted Net Domestic Product (PINE)								
Gap between PINE and GDP	Total	Billion pesos at market prices, 2018 base	1,863	2,753	3,762	5,767	7,834	**320.4**
Category 2: Climate Change								
Annual Temperature								

Mexican financial system sustainability dashboard								
Indicator	Breakdown	Unit of measure	Period					Percentage change over the period
			2004	2009	2014	2019	2023 / 2024[1]	
Year-over-year change in the mean temperature relative to the 1951–1980 reference period	Total	Celsius degrees	0.35	1.04	0.87	1.32	1.87	**429.1**
Climate-related disasters								
Climate-related natural disasters by type of disaster	Tropical cyclones	Number of tropical cyclones	32	31	30	40	33	**3.1**
	Droughts	Annual index of drought severity	664	2.525	598	2,532	3,717	**459.6**
Forests and Carbon	Total forest area	Hectare	35	35	34	34	34	**-3.7**
Deforestation								
Annual deforested area by transition type	Pastureland	Hectare	120,660	168,850	260,941	139,264	82,045	**-32.0**
	Agricultural land	Hectare	5,387	95,608	76,200	82,125	26,914	**399.6**

Data as of April 2026.
Source: Banco de México, using data from the IMF, ECB, Bundesbank, Network for Greening the Financial System (NGFS), World Bank, INEGI, CONAGUA, SAMOF, SENER, and SEMARNAT.
1/ Data from 2024, except for the following indicators: Total GHG emissions by gas type and forest area, with the latest available year being 2023; renewable energy consumption, with the latest available year being 2022.
2/ Energy generation indicators with data from SENER (2010–2025) and the IMF (years prior to 2010).
3/ $mtCO_2e$: metric tons of CO_2 equivalent. CO_2 equivalent is a standardized measure that compares the global warming potential of a greenhouse gas to that of CO_2.
4/ The energy sector includes CO_2 emissions from fuel combustion, electricity generation, oil refining, petrochemicals, minerals, and fugitive emissions from fuel manufacturing, among others.
5/ The industrial sector includes CO_2 emissions from industrial processes and product use in: the minerals, chemical, metals, electronics, and manufacturing industries, among others.

Category 3. Physical and transition risks (

Table 7)

In 2025, Mexico recorded an INFORM Risk Index[109] score of 4.8, which is classified as a medium risk level, ranking 64th among the 191 countries assessed. This level of risk was driven by very high exposure to hazards,[110] moderate vulnerability of the population and the socioeconomic system,[111] and strong institutional and infrastructural capacity to respond to disasters.[112]

Between 2020 and 2025, Mexico's aggregate risk remained at the mean level. During this period, hazard exposure remained very high, vulnerability showed a slight increase, and institutional response capacity improved modestly; taken together, high exposure and vulnerability continue to drive the risk.

Category 4: Sustainable Finance (

Table 7)

The issuance of bonds with sustainability labels showed an upward trend between 2020 and 2025,

[109] The INFORM Risk Index is a global risk assessment comprising three dimensions: hazard and exposure, vulnerability, and lack of coping capacity.

[110] The "Hazards and Exposure" category measures the probability and intensity of events (natural and anthropogenic) and how much of the population/assets are in the affected area. In 2025, Mexico scored 7.8 in this category, which is classified as "very high."

[111] The "Vulnerability" category reflects the inherent susceptibility of the population and the socioeconomic system to disasters, including socioeconomic vulnerability and the presence of particularly exposed groups. In 2025, Mexico scored 4.3 in this category, which is classified as "medium."

[112] The "Lack of Coping Capacity" category measures deficiencies in institutional capacity and infrastructure to prevent, respond to, and recover from disasters. In 2025, Mexico scored 3.4 in this category, which is classified as "low." This implies a greater capacity to cope with disasters and recover.

although with a slight contraction in the volume issued in 2025 compared to the previous year. Issuances of these bonds have been driven to a greater extent by government and corporate issuers.

In terms of institutional commitments, the number of signatories to the Principles for Responsible Investment in Mexico increased from 22 to 37 between 2020 and 2024, demonstrating a growing commitment to integrating sustainability practices into investment strategies. Similarly, the number of signatories to the Banking Sustainability Protocol in Mexico rose from 39 to 43 institutions over the past five years, reflecting the banking sector's commitment to incorporating sustainability criteria.

Table 7

Mexican financial system sustainability dashboard								
Indicator	**Breakdown**	**Unit of measure**	**Period**					
			2020	**2021**	**2022**	**2023**	**2024**	**2025**
Category 3: Physical and transition risks								
Physical Risk Index								
INFORM Risk Index	Total	Index	4.8	4.8	4.8	4.9	4.8	4.8
Category 4: Sustainable Finance								
Labeled bonds								
Amount of labeled bonds issued by issuer type	Development banks	Billion pesos	13.5	37.3	33.4	41.1	89.4	50.2
	Commercial banks			2.5	10.0	12.0	16.3	18.6
	Multilateral banks		8.0	7.5	5.5	8.5	2.5	
	Corporate		26.4	104.9	65.2	78.8	48.0	23.9
	Government		18.8	33.2	107.3	123.8	82.3	87.0
	State-owned entities (Paraestatales)				46.0	20.0	38.9	20.5
	Total		66.7	185.5	267.4	284.2	277.4	200.2
ESG (Environmental, Social and Corporate Governance) Principles Frameworks								
Signatories to the Principles for Responsible Investment in Mexico	Total	Number of signatories	22	27	33	36	37	
Signatories to the Banking Sustainability Protocol in Mexico	Total	Number of signatories		39	40	42	42	43

Data as of April 2026.
Source: Banco de México, using data from the IMF, CMFS, PRI, and the Mexican Banks´ Association (ABM).
1/ Blank cells indicate that no information is available or that the breakdown is not provided.

Sustainable Finance Committee (CFS, its acronym in Spanish)

The Sustainable Finance Committee (CFS, its acronym in Spanish), within the Financial System Stability Council (CESF, its acronym in Spanish), continued to meet during the first half of 2026. Likewise, the working groups established by the CFS continued to develop assessments, proposals, recommendations, and training on various aspects of sustainable finance, such as: taxonomies, integration of environmental and social risks, mobilization of sustainable financing, and disclosures of Environmental, Social and Corporate Governance factors by issuing companies and financial institutions.

During this period, the CFS published its Fourth Annual Report, which describes the current state of sustainable finance and the activities carried out by the CFS.[113]

[113] The fourth report is available on the Financial System Stability Council website at https://www.cesf.gob.mx/es/CESF/Publicaciones_e_informes

Box 5: Mexico's Energy Mix

I. Introduction

Climate change and policies to mitigate it can have significant impacts on the global economy and financial stability. According to the Intergovernmental Panel on Climate Change (*IPCC*, 2023), human activities have caused a 1.1 °C rise in temperature compared to the pre-industrial era, driven primarily by greenhouse gas (GHG) emissions linked to energy use and consumption patterns. Furthermore, the International Energy Agency (*IEA*) attributes approximately 75% of these emissions to energy production and consumption, positioning the energy sector as the primary driver of climate change, encompassing both chronic effects and extreme events.

These changes create new financing opportunities, but they also increase financial institutions' exposure to losses in carbon-intensive sectors.

In this context, the composition and evolution of the national energy mix[1] is a key factor that central banks and financial authorities must monitor to assess systemic risks and sectoral vulnerabilities.

This box describes Mexico's energy profile against the backdrop of the sector's global transformation and its alignment with national climate commitments. It also analyzes how this configuration impacts economic activity and the financial system's exposure, with an emphasis on sectoral credit concentration.

II. Transformation of the Energy System[2]

On a global scale, the energy system continues to grow and change. In 2024, global demand increased by 2.2%, above the average for the past decade; more than 80% of that increase came from emerging economies.

Electricity at the center. The expansion of energy consumption is being driven primarily by electricity demand, which currently accounts for about 21% of final energy consumption. In 2024, electricity consumption grew by 4.3%, outpacing economic growth, driven by the electrification of transportation and industrial processes, the expansion of digital infrastructure (data centers), and increased use of cooling systems in response to extreme temperatures. According to the *IEA*, global electricity demand could rise by around 40% by 2035, and even more in scenarios of an accelerated transition to net-zero emissions.

Although fossil fuels remain significant, their relative share is declining (oil fell below 30% of global energy demand). In 2024, renewables accounted for most of the growth in supply; nearly 80% of the increase in electricity generation came from renewables and nuclear power. Solar and wind power expanded at record rates, contributing to a more electrified and diversified energy mix.

This transformation is driven by demand factors—economic growth, population, urbanization, and industrial expansion, particularly in China, India, and Southeast Asia—as well as technological and climate factors: digitalization and AI, data centers, falling costs of clean technologies, decarbonization targets, and energy security considerations. Extreme temperatures have increased the use of cooling, while falling costs and decarbonization policies have accelerated investment in renewables, grids, and storage.

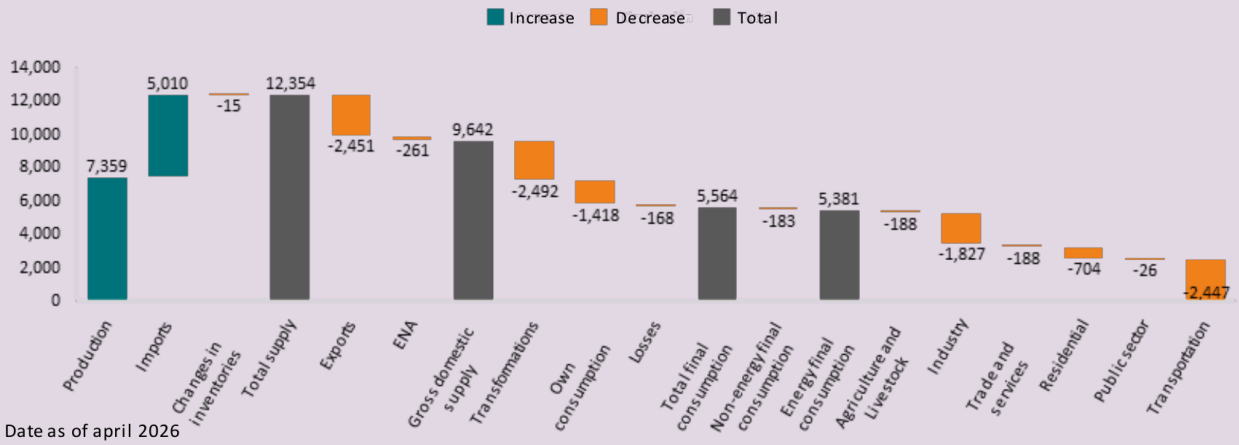
III. National Energy Balance

The country's energy profile in 2024 features the following key aspects:

[1] In this box, the energy mix refers to the structural representation of the origin and destination of energy resources (supply, transformation, and final consumption) which, according to the 2024 National Energy Balance Report published by the Ministry of Energy (SENER), serves as an essential descriptive tool for analyzing the sector's performance.

[2] This section is based on information from the IEA's World Energy Outlook 2025.

Graph 1
National Energy Balance Waterfall Chart, 2024
Petajoule (PJ)



Date as of april 2026
Source: Prepared by Banco de México from SENER information.
1/ ENA (its acronym in Spanish): Energy not utilized.

Supply (Graph 1)

Primary production. Primary energy production amounted 7,359 petajoules (PJ),[3] dominated by fossil fuels, with crude oil being the main source, accounting for 49.7% of the total. Natural gas followed with a 25.4% share, while condensates represented 8.7%. Renewable energy sources such as hydropower, solar, and wind accounted for a smaller share, collectively representing 10% of primary energy production.

Overall, Mexico's primary energy production declined by 27.9% between 2010 and 2024. Hydrocarbons stand out: crude oil decreased by 38.4% and natural gas by 37.0%.

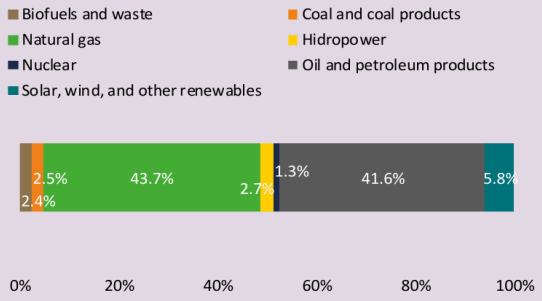
Total supply. Total energy supply was 12,354 PJ, resulting from the sum of primary energy production and imports of refined energy products (5,010 PJ), which consist mainly of gasoline, diesel, dry natural gas, and LP gas.

Although natural gas is the second-most produced energy source in the country, its processed derivative, dry natural gas, accounts for the largest volume of imports, resulting in a trade balance deficit of 2,569 PJ.[4]

Gross Domestic Energy Supply. Gross Domestic Energy Supply reached 9,642 PJ, representing the total energy available in the country for domestic consumption after subtracting exports (2,451 PJ) and unutilized energy (261 PJ). It is noteworthy that approximately 76% of exports consist of crude oil.

Mexico's gross domestic energy supply (Graph 2) is dominated by hydrocarbons: natural gas, crude oil, and petroleum products together account for more than 85% of the total.

Graph 2
Gross domestic energy supply, 2024
Percent



Date as of april 2026
Source: Prepared by Banco de México from SENER information.

[3] One petajoule is equivalent to one quadrillion joules (10^{15}joules). It is approximately equal to 278 GWh.

[4] This is followed by petroleum products: gasoline and naphtha (-1,080 PJ) and diesel (-509 PJ).

In summary, from the supply-side perspective, Mexico's 2024 National Energy Balance reveals an energy system that remains dependent on fossil fuels and crude oil exports, while facing refining constraints that necessitate imports of refined petroleum products. The limited share of renewable energy highlights the urgency of diversifying the energy mix to enhance the country's sustainability and energy security.

Demand

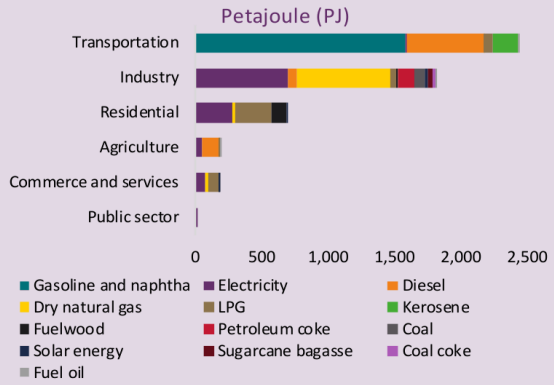
Transformation and own use: This category includes energy sent to transformation facilities, the fuels and electricity produced, the energy's sector own consumption, and losses in transmission and distribution.

In 2024, energy transformation processes[5] accounted for 2,492 PJ; approximately 81% of that energy was used for electricity generation. After accounting for transformation processes, the energy sector's own consumption (1,418 PJ), and transformation and distribution losses (168 PJ), final energy consumption was 5,381 PJ.

Regarding electricity generation, dry natural gas is the primary source with a 64.2% share, followed by coal (4.3%), nuclear energy (3.8%), and renewable sources such as hydropower (7.7%), wind (6.5%), and solar (6%).

Final consumption. (Graph 3) By sector, transportation is the largest consumer, accounting for 45.7% of the total, followed by industry, at 34.1%.

Graph 3
Breakdown of final energy consumption by sector, 2024



Date as of april 2026

Source: Prepared by Banco de México from SENER information.

The transportation sector relies primarily on liquid fossil fuels (88.7%),[6] while the industrial sector mainly uses dry natural gas and electricity. In the residential sector, electricity and liquefied petroleum gas (LPG) are the primary energy sources, although fuelwood still accounts for a significant share (16.3%). The agricultural sector relies on diesel (67.5%) and the commercial sector on LPG and electricity; finally, the public sector relies exclusively on electricity.

Overall, Mexico's energy demand remains heavily concentrated in fossil fuels, with electricity generation dominated by natural gas and transportation relying almost exclusively on petroleum products. Although the industrial and residential sectors show greater diversification, decarbonization faces the dual challenge of transforming the electricity mix and consumption patterns in transportation and manufacturing.

IV. Climate Commitments and Their Importance for the Financial Sector

In Mexico, climate policy is developed in line with the international commitments the country has undertaken. These commitments are reflected in the Nationally Determined Contribution (NDC), a document that establishes the country's goals and action plans regarding climate change mitigation and adaptation, and which was updated in 2025 (NDC 3.0)

[5] Energy transformation is the process of converting a primary energy source into a usable secondary energy product, for example: refineries that process crude oil and condensates into petroleum products, or power plants that use natural gas, diesel, or renewable resources to generate electricity.

[6] Gasoline and naphtha account for 65% of its energy demand, followed by diesel at 23.7%.

to define the national climate pathway through 2035.[7]

To achieve the goals set out in NDC 3.0, the allocation of mitigation efforts through 2030 is guided by the principle of historical responsibility. Consequently, the sectors with the highest levels of GHG emissions are assigned the most ambitious abatement targets, namely transportation (23%), electricity generation (19%), industry (18%), and the agricultural sector (17%).[8]

Key GHG mitigation actions[9] identified for these sectors, include the following:

Transportation sector. It prioritizes a structural transformation based on electrification, modal shift,[10] and energy efficiency. The most relevant actions include the technological renewal of the vehicle fleet, progressively replacing fossil fuel vehicles with electric and hybrid vehicles in public transportation, freight transport, and motorcycles. These efforts are supported by the deployment of charging infrastructure and domestic vehicle production.

Electricity generation sector. The sector prioritizes decarbonization through the massive incorporation of clean energy, aiming to achieve a 38.5% share in generation by 2030 and 43.3% by 2035, driven primarily by solar and wind projects under the Electricity Sector Development Plan (PLADESE). Key strategies include the gradual replacement of high-carbon fuels (such as fuel oil) with natural gas in high-efficiency power plants, the phased retirement of obsolete thermal power plants, and significant investment in the modernization and expansion of the National Transmission Grid to reduce technical losses.

To illustrate the scale of the required investments, the National Electricity System Strengthening and Expansion Plan (2025–2030), presented on the Proyectos México platform,[11] envisions a total investment of approximately 624.6 billion pesos. This investment is distributed primarily across generation (68%), transmission (20%), and distribution (12%). With this, the plan is to add 29,074 MW[12] of total capacity to the system, through a combination of new public sector generation capacity and private sector contributions to the energy transition.

Industrial sector. The aim is to promote the electrification of medium- and low-temperature industrial processes and the replacement of fossil fuels with biofuels, biomass, and renewable energy sources. Specific actions are established by subsector; for example, the cement and steel industries are encouraged to increase the use of alternative materials, expand scrap recycling, and adopt electric arc furnaces.

Agricultural sector. Key actions include promoting water and energy efficiency in irrigation, forest fire prevention, optimizing the use of synthetic fertilizers, and fostering sustainable fisheries and aquaculture through the electrification of processes and the use of renewable energy sources.

Relevance for the financial sector

Based on the composition of the credit portfolio, "Table 1" details the financial system's exposure to the sectors identified as priorities for emissions mitigation under NDC 3.0.

Table 1
Sectoral Share of GHG Emissions and the Credit Portfolio

Sector	Contribution to GHG emissions	Share in the loan portfolio
Transportation	23%	7%
Electricity generation	19%	2%
Industry	18%	19%

[7] In NDC 3.0, Mexico commits to achieving unconditional net emissions of between 364 and 404 $MtCO_2e$ by 2035, a target that will place the country on a pathway toward carbon neutrality by mid-century. For context, the new mitigation target is equivalent to reducing 65% of GHG emissions from the transportation sector (which emitted 191.2 $MtCO_2e$ in 2022).

[8] The remaining sectors identified in NDC 3.0 are: Waste: 9%, Oil and gas: 8%, Land use, land-use change, and forestry: 3%, and Residential and commercial: 3%

[9] While this Box focuses on mitigation measures aimed at reducing emissions, NDC 3.0 also includes a robust adaptation component. The latter does not directly aim for decarbonization, but rather to reduce the country's structural vulnerability to climate impacts (such as droughts and crop loss) through six strategic pillars ranging from food and water security to infrastructure protection, laying the groundwork for Mexico's first National Adaptation Policy.

[10] It refers primarily to the expansion of freight and passenger rail transportation.

[11] Information accessed on June 2 from the Proyectos México website.

[12] This figure is equivalent to approximately 28.7% of the permitted electricity generation capacity operating in 2024, according to the National Energy Balance.

Agriculture and livestock	17%	4%
Total	**77%**	**32%**

Source: Banco de México, based on data from NDC 3.0.

These four sectors, which account for 77% of national GHG emissions, collectively represent 32% of total credit extended.

A gradual and well-planned transition would facilitate the orderly adaptation of these sectors, mitigating potential adjustments and helping to preserve the stability of the credit portfolios in the face of transition risks.

V. Final Considerations

Trends in the transformation of the global energy system suggest that, even in the absence of new regulatory obligations or additional climate commitments, the energy transition will continue to advance, driven by economic, technological, and national energy security factors.

Various international organizations[13] agree that the expansion of renewable energy strengthens both energy security and economic resilience. Owing to their broad geographic availability, these energy sources can reduce dependence on fossil fuel imports, thereby mitigating exposure to price volatility, geopolitical risks, and potential disruptions to global energy supply chains.

It is essential to monitor the evolution of the national energy mix, as a gradual and well-planned transition is key to preserving financial stability. Such a transition would strengthen the financial sector's resilience to structural transformation risks and contribute to macroeconomic stability.

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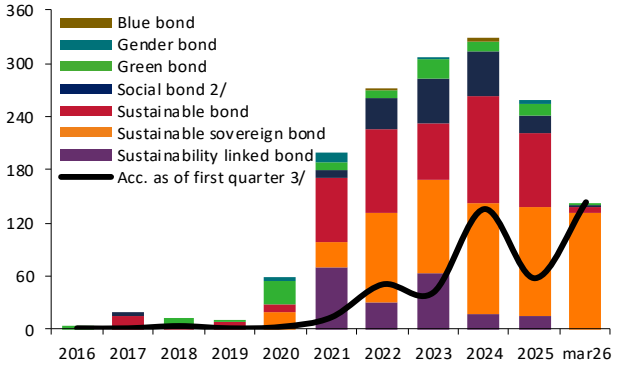
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[13] IEA, International Renewable Energy Agency, United Nations, London School of Economics

The thematic bond market allows companies and other issuers to further diversify their funding sources while taking sustainability criteria into account. In the first three months of 2026, the issuance of this type of financial instruments recorded a stronger growth compared to the same period in 2025. It should be noted that the issuances in 2026 were primarily carried out by the Federal Government, both in the domestic market and in international markets (Graph 172).

Graph 172
Issuance of sustainable, green, social and gender bonds [1/]
Billions of pesos



Data as of March 2026.

Source: Consejo Mexicano de Finanzas Sostenibles and Indeval.

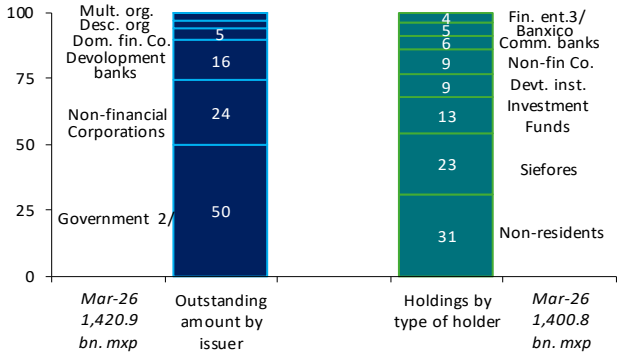
1/ At face value.

2/ Includes COVID-19 social bond.

3/ Accumulated issued amount as of first quarter per year not considering bond type.

Against this backdrop, it is worth noting that the largest demand for thematic bonds issued in Mexico is concentrated mainly among foreign and domestic institutional investors, particularly *Siefores* and investment funds (Graph 173).

Graph 173
Outstanding amount by issuer and holdings by type of holder (Mar-26) [1/]
Percent



Data as of March 2026.

Source: CNBV, CONSAR, Indeval and Banco de México.

1/ The outstanding amount by issuer is at face value, the holding by type of holder amount is at market value.

2/ Includes government entities, public state companies and states.

3/ Includes insurance companies, bonding institutions, broker-dealers, and investment fund managers.

IV.4. Financial markets infrastructure

Central securities depositories and securities settlement systems

The Securities Deposit, Administration and Settlement System (DALI, its acronym in Spanish) managed by the Central securities depository, S.A. de C.V. (Indeval), is the financial market infrastructure responsible for the deposit and settlement of all securities transactions settled in the Mexican financial system, including sales, repurchase agreements, and loans.

As of the end of April 2026, the cumulative availability level for both dali services and peripheral services was 100%. The latter correspond to:

- Repurchase Valuation Management Services (SAVAR), which manages collateral for repurchase transactions with terms exceeding three days in Mexico;
- Securities lending facility for federal government bonds (Valpre E), which manages securities lending in Mexico related to the *SHCP*'s market maker program; and

- Securities lending facility for DALI participants (Valpre FV), which facilitates securities lending between financial institutions in Mexico.

As of the end of April 2026, the average daily settlement amount in the dali was 5.19 trillion pesos. Of the total amount traded, 82.66% corresponds to repurchase transactions, 10.24% to buy-sell transactions, and 7.10% to others.[114]

Central counterparties (CCP)

A central counterparty is a financial market infrastructure that acts as an intermediary between the parties entering into financial transactions, becoming the buyer for every seller and the seller for every buyer.

In the securities market, Mexican Central Securities Counterparty, S.A. de C.V. (CCV) provides clearing, settlement, and risk management services for capital market transactions. Additionally, starting in November 2025, it made clearing and settlement services for buy-sell transactions involving government securities available to market participants. As of the end of April 2026, seven clearing members had already joined this service.

On the one hand, in the derivatives market, the Asigna Clearing and Settlement Trust (Asigna) clears and handles exchange-traded derivatives contracts, as well as those executed through trading platforms in Mexico.

Regarding the cumulative operational availability of these infrastructures, as of the end of April, it stood at 100% for the ccv, both for the equity and debt segments, as well as for Asigna.

CCV and Asigna have procedures and methodologies in place to determine the financial resources required from their participants to cover the credit and liquidity risk exposures that these infrastructures assume due to their role as reciprocal debtors and creditors in the financial transactions they clear and settle, which comprise their Safety Net. Part of these resources makes up the Contribution Fund and the default fund. The Contribution Fund consists of collateral provided by the participants of the central counterparties, also known as clearing members, and their clients, to cover their market and liquidity risk exposures in the event of a default by a clearing member. In turn, the Default Fund is constituted by the Clearing Members with collateral that can be pooled to address defaults in the event that the Contribution Fund is insufficient, as might occur under market stress conditions.

As of the end of April 2026, in the case of Asigna, its Safety Net stood at 36.754 billion pesos, consisting mainly of the Contribution Fund with 31.755 billion pesos, 55.24% of which was in cash, as well as the default fund of 3.987 billion pesos, composed entirely of cash.

On the one hand, for ccv, as of the end of April 2026, its Safety Net for the equity segment was 7.358 billion pesos and consisted mainly of a Contribution Fund of 4.689 billion pesos, 99.22% of which was in cash, as well as a default fund of 1.882 billion pesos, composed entirely of cash resources. For the debt segment, its Safety Net was 225 million pesos, of which approximately 210 million pesos corresponded to ccv's share capital, while the Contribution Funds and the default fund held 9 million pesos and 6 million pesos, respectively, both composed entirely of cash.

IV.5. Other risks to the financial system

IV.5.1. Operating continuity risks

The Banco de México must maintain a high availability rate for the systems it manages and operates due to the systemic importance of financial market infrastructures and payment systems. At the end of the first quarter of 2026, the average availability rate of the two instances of the SPEI was 99.999%, representing 3 minutes of downtime, attributable mainly to the time required to perform maintenance on the infrastructure supporting the system's operation.

Furthermore, during the first half of 2026, the Bank continued to conduct exercises of the operating continuity mechanisms implemented in conjunction

[114] "Other" includes transactions involving the primary auction of domestic debt securities or the repurchase of domestic debt securities, DVP (delivery versus payment) transfers through custodians, and transactions related to the payment of interest, dividends, repayments, or any other transaction linked to a securities transaction.

with participants to verify that the necessary elements are in place to address any event that could affect the availability of both the central infrastructure and the participants.

It is worth noting that in the first quarter of 2026, Banco de México experienced no incidents in the technological infrastructure it uses to operate payment systems, nor in its operational processes. In this vein, payment systems have not experienced any service interruptions resulting from an incident.

IV.5.2. Cybersecurity risks

In recent years, the growing digitization of financial processes, as well as the increased interconnection between technological infrastructures and critical services, have kept cybersecurity risks as a significant factor for operating continuity and the stability of the financial system. In 2026, the global cyber environment is characterized by an increase in the frequency and complexity of cyberattacks, particularly those targeting digital supply chains and critical infrastructure, aimed at compromising privileged access and disrupting essential services.[115][116] Likewise, significant differences persist globally in maturity levels and response capabilities among regions and organizations,[117][118] which could amplify the potential impact of large-scale cyber incidents on financial services and international markets. In this environment, authorities and financial institutions in Mexico are strengthening their prevention, monitoring, and response frameworks to mitigate the cybersecurity risks associated with increasingly sophisticated and far-reaching cyberattacks.

During the first half of 2026, the financial sector continued to rapidly adopt tools based on artificial intelligence (AI), particularly in automation processes, data analysis, fraud detection, and the strengthening of cybersecurity and cyberdefense capabilities.[119] [120] [121]

The period was marked by the evolution of specialized cybersecurity tools capable of identifying and exploiting critical vulnerabilities in computer systems at high speed,[122] which, according to various specialized firms[123] and international authorities,[124] could increase the sophistication, scale, and speed of cyberattacks targeting financial institutions and critical infrastructure. This development underscores that AI does not introduce a new risk, but rather transforms the speed and manner in which cybersecurity risks could materialize. It should be noted that these tools have dual-use capabilities, as they can be leveraged both to optimize defenses and to enhance the techniques employed by cybercriminals.[125]

Like other global financial authorities, the Banco de México assessed this scenario with security officials from the country's systemically important banks ([126]), agreeing that there is no evidence of cyberattacks targeting the Mexican financial system (SFM) and that the rapid advancement of AI models with advanced capabilities constitutes a foreseeable risk. Given this environment, one of the main challenges for financial institutions is to strengthen the effectiveness of the protection mechanisms implemented, as well as detection and response capabilities, while considering adjustments to the speed of execution of their vulnerability remediation processes.

The Banco de México, in coordination with Mexican financial authorities, continuously monitors the evolution of cyber threats associated with international geopolitical conflicts, such as the war between Russia and Ukraine, as well as geopolitical tensions in the Middle East stemming from the conflict between Iran, Israel, and the United States.

[115] Global Cybersecurity Outlook 2026 – World Economic Forum.
[116] Latin America and the Caribbean Cybercrime Landscape | RECORDED FUTURE.
[117] Data Breach Investigations Report 2026.
[118] M-Trends 2026 Report: Real-world investigations and actionable defense insights | Mandiant.
[119] What is AI fraud detection? | IBM.
[120] Technology is neutral, governance is not: AI adoption in the banking sector | ECB.
[121] Artificial Intelligence in the Financial System | Board of Governors of the Federal Reserve System.
[122] Anthropic Claims Its New AI Model, Mythos, is a Cybersecurity 'Reckoning' | The New York Times.
[123] X-Force Threat Intelligence Index 2026 | IBM.
[124] Mythos, Anthropic's new AI model that is worrying governments and banks due to its immense power | BBC News.
[125] Open-source AI models vulnerable to criminal misuse, researchers warn | Reuters.
[126] Domestic Systemically Important Banks | National Banking and Securities Commission | Government | gob.mx (www.gob.mx).

As of the cutoff date of this *Report*, no direct impacts on the SFM attributable to these conflicts have been recorded; therefore, the alert level for the sector remains at "Yellow." At this level, digital surveillance is maintained and comprehensively incorporates technological and operational monitoring measures for the SWIFT system and other platforms used for transactions; notably, each financial institution must reconcile the amounts of its transfers and account balances through the systems via which they connect to Banco de México. This process must be carried out both intraday and at the close of business in order to promptly identify any discrepancies and, if necessary, immediately alert the Central Bank.

As of the publication of this *Report*, financial institutions reported nine cyber incidents,[127] which were handled by the Financial Authorities' Security Sensitive Incidents Response Group (GRI, its acronym in Spanish)[128] in accordance with established protocols. No financial losses were reported for the customers of these institutions.

The financial authorities, through the GRI, issued eleven cyber intelligence bulletins addressed to regulated financial institutions, which include technical elements identified in cybersecurity incidents that occurred nationally and internationally. These tools allow entities to proactively reinforce their protection strategies, thereby contributing to the strengthening of the financial system's cybersecurity.

In March 2026, the Banco de México prepared and distributed to financial institutions the second edition of *the 2025 Cybersecurity Threat Report for the Mexican financial system*. This document provides an executive overview of the main threats targeting the sector at the global and national levels. Its objective is to support these institutions in adopting cybersecurity strategies that strengthen their defenses against current cyber threats. Among other points, the report highlights the increase in the frequency and sophistication of cyberattacks; for example, it notes a 32% rise in *ransomware* incidents compared to 2024. However, the financial impact on financial institutions resulting from a cyberattack has remained in check, without causing economic harm to their customers.

Additionally, to strengthen collaboration and the timely exchange of cyber intelligence, constant communication was maintained with the information security officers of financial institutions and financial authorities. Through this communication, issues related to the evolution of cyber threats facing the sector were addressed, with special attention given to *ransomware* attacks and the malicious use of AI-based tools to increase the sophistication of cyberattacks.

In addition, the *Financial Cyber Risk Index for Mexico*[129] indicates that, during the first half of 2026 (Graph 174), cybercriminal groups[130] posed the primary threat to financial institutions. This is due to a combination of their specialized knowledge of the Mexican financial sector's operations and their use of emerging technologies that increase the sophistication and scope of their attacks, including those aimed at the unauthorized leakage of information and the execution of unauthorized electronic transfers. *Ransomware* ranked second, with its persistence driven by the consolidation of the *Ransomware-as-a-Service* model.[131] This model has

[127] Major cyber incidents occurring in 2025 and 2026 in the national financial system that have been reported to the Banco de México, available at the following links: Table of cyber incidents occurring in 2025 and Table of cyber incidents occurring in 2026.

[128] *SHCP, Banco de México, CNBV, Condusef, CONSAR, IPAB,* and *CNSF*.

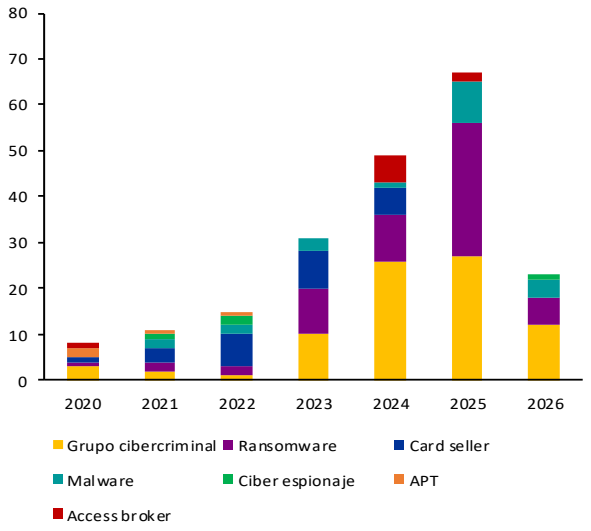
[129] This indicator is based on news and publications in various specialized forums and provides an overview of the types of cyberattacks carried out against institutions in the Mexican financial sector during the period covered by this *Report*.

[130] ***Access broker****:* A threat actor who illegally accesses organizations' computer networks and resells access through underground forums. ***APT***: Advanced Persistent Threat, a threat group that has the time, resources, and specialized knowledge to carry out sophisticated cyberattacks with the aim of sabotaging systems, obtaining sensitive information, or making financial gains. ***Card seller****:* A threat actor whose primary activity consists of stealing information related to financial institution customers' bank cards in order to sell it on underground forums. **Cyber espionage**: A threat aimed at extracting sensitive information from government institutions or large corporations to gain insight into their business operations. **Cybercriminal group**: A threat focused on criminal activities with the aim of obtaining financial gain. This category encompasses widespread threats to which financial institutions' transactional systems are exposed and that cannot be associated with any of the other categories. ***Malware****:* A threat designed to compromise the confidentiality, integrity, or availability of information on a computer system. ***Ransomware****:* A threat aimed at seizing sensitive information from a computer system, with the goal of forcing the victim to pay a ransom for its release or to prevent its publication on clandestine online forums.

[131] This is a business model in which *ransomware* is offered as a service, allowing any threat actor or group to use it without needing advanced technical knowledge of the code.

enabled actors with limited technical capabilities to access advanced tools for carrying out extortion campaigns against organizations and critical infrastructure.

Graph 174
Índice de Riesgo de Ciberataques en México
Número de noticias

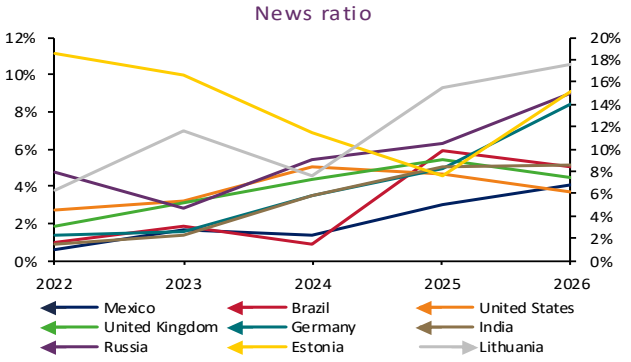


Cifras a junio de 2026.
Fuente: Banco de México.

With regard to the Risk Perception Index of Cyberattacks to the Financial System,[132] which measures cybersecurity risks in the financial sector for different countries based on news reports,[133] the results show that, between January 2022 and May 2026, Mexico obtained an index value of 2.11%. This indicates that the perception of risk associated with Mexico remains at a low level, ranking 37th out of 174 countries, where lower positions in the ranking are associated with a higher perceived level of cybersecurity risks. Thus, Mexico remains below the mean of 4.8% and the median of 3.65% for all countries.

An examination of the annual index for a sample of countries shows an increase in the indicators for Russia, Estonia, and Lithuania during 2026, driven by heightened concerns among the Baltic countries regarding potential Russian attacks, including cyberattacks, disinformation campaigns, and incursions by drones and military aircraft. Similarly, in Germany, the United Kingdom, and India, the index level stems from preliminary assessments by central banks and private-sector specialists concerning Mythos, an AI model specializing in logical reasoning, coding, and cybersecurity, which could pose cybersecurity risks to the banking sector. In Brazil, the index level reflects the central bank's consideration of new anti-fraud regulations and cybersecurity enhancements, prompted by statements that current resource constraints are slowing the central bank's ability to respond to a risk environment. Meanwhile, in the United States, a study reveals that companies are less prepared for large-scale digital disruption due to limited coordination and weak governance frameworks. Finally, in Mexico, the index growth results from an increased emphasis on expanding online fraud detection as digital transactions continue to increase across all sectors (Graph 175).

Graph 175
Risk Perception Index of Cyberattacks to the Financial System



Data as of may 2026.
Source: Prepared by Banco de México using information from Refinitiv.

The indices presented make it possible to assess the state of cybersecurity in the Mexican financial system and enable the Banco de México to identify the main cybersecurity risks of the period, as well as their persistence and evolution over time, and to

[132] The country index is calculated as the ratio of the number of news stories related to cybersecurity risks in the financial sector to the number of news stories related to general risks in this sector (cybersecurity risks, credit risk, reputational risk, environmental risks, among others); thus, a higher index value corresponds to a greater perception of cybersecurity risks.

[133] The index is constructed based on a dataset obtained from Refinitiv, which contains news published by Reuters and other national and international media outlets, in English and Spanish, related to financial and economic topics.

encourage financial institutions to maintain robust cybersecurity strategies to mitigate them.

In addition, in order to strengthen the preparedness of Mexican financial authorities cyber incidents with systemic implications, the Banco de México, the *CNBV*, the *IPAB* and the *SHCP* have conducted crisis simulation exercises in 2023, 2024, and 2025, with assistance from the IMF and progressively broader industry participation: in 2023, the exercise involved only the authorities; in 2024, some commercial banking institutions participated; and in 2025, the exercise included the participation of certain market infrastructures.

These simulation exercises have enabled authorities and financial institutions to test their response protocols both individually and collectively. One of the main lessons learned is the speed with which an incident of this nature can have implications for financial stability, and the importance of being prepared to contain such events in a timely manner and prevent them from having a systemic impact. To this end, coordination between authorities and industry participants is essential, both in preparedness efforts and crisis management. The authorities will continue conducting exercises of this kind to identify areas for improvement and strengthen the response capabilities of all stakeholders.

These actions, together with compliance with relevant regulations, help improve the financial sector's protection and cyber resilience against cybersecurity risks.

V. Stress tests and recovery plans

V.1. Credit stress tests

Stress tests are simulation exercises that assess the capital adequacy of commercial banking institutions in the face of severe but plausible macroeconomic and financial shocks that could affect their solvency or financial intermediation capacity.

The impact of three sets of macroeconomic scenarios[134] and three historical scenarios was evaluated. These scenarios replicate the trajectories of key macrofinancial variables during periods of high stress and volatility, with the aim of analyzing the system's resilience to similar scenarios. The results show that the financial system is resilient to the shocks of the analyzed scenarios, as both solvency, measured by the CAR, and the leverage ratio remain above the regulatory minimum during the stress horizon.

The scenarios are constructed based on the macrofinancial risks presented in this Report; however, they should not be interpreted as predictions or associated with probabilities of occurrence. Their purpose is to identify and analyze the vulnerabilities of the banking system, constituting a counterfactual and partial-equilibrium simulation.

Scenario A: Weakening of Domestic Consumption and Investment

This scenario is characterized by a prolonged and pronounced weakening of domestic consumption and investment, which would have an adverse impact on employment levels and household income, as well as on the economic outlook for companies. This lower level of GDP growth and income are the main factors that would impact banks' balance sheets.

Scenario B: Slowdown in global economic activity

This scenario assumes a significant slowdown in advanced economies, particularly the United States, leading the latter to enter a recession. The environment of lower industrial activity and reduced U.S. imports would affect the growth rate of the Mexican economy and cause high volatility in financial markets and the exchange rate. The decline in economic activity would be reflected in lower demand for credit, higher unemployment rates, and an increase in the non-performing loan ratio in the loan portfolio.

[134] In the scenarios analyzed, the variables are subject to simultaneous shocks of varying magnitudes. Scenario A incorporates shocks ranging from −1.52 to 2.63 standard deviations. The largest shocks correspond to a decrease of 1.04 standard deviations in unemployment, an increase of 2.63 standard deviations in the exchange rate, and a contraction of 1.52 standard deviations in IGAE growth. Scenario B incorporates shocks ranging from −1.70 to 2.71 standard deviations. The largest shocks correspond to an increase of 0.70 standard deviations in unemployment, an increase of 2.71 standard deviations in the exchange rate, and a contraction of 1.70 standard deviations in IGAE growth. Scenario C incorporates shocks ranging from −1.45 to 1.77 standard deviations. The largest shocks correspond to an increase of 1.77 standard deviations in the exchange rate and a contraction of 1.45 standard deviations in IGAE growth.

Scenario C: Credit Rating Adjustments

This scenario assesses a potential adjustment in the sovereign rating and Pemex's credit rating due to a deterioration in the outlook by some rating agencies. It would result in high volatility in domestic financial markets, a depreciation of the Mexican peso, higher risk premiums, and upward pressure on interest rates. Likewise, this would be reflected in a contraction of aggregate demand, leading to a decline in output and an increase in the unemployment rate, which would affect credit growth and result in a higher non-performing loan ratio. Both phenomena would impact the banking sector's revenue-generating mechanisms.

Historical Scenarios

Three historical scenarios were considered to replicate the trajectories of key macrofinancial variables during relatively recent events of high stress or volatility: the 1995 crisis (scenario H1), the 2008 global financial crisis (scenario H2), and the economic crisis resulting from COVID-19 (scenario H3).

Methodological considerations

This exercise used the same methodology as in previous editions of *the Report*. The scenarios are generated using a vector autoregression (VAR) econometric model over a 36-month horizon, based on a central trajectory that reflects movements in key macroeconomic and financial variables. With this model, it is possible to generate simultaneous random shocks that affect the trajectories of these variables, while respecting their dynamics and internal consistency.

Using the generated scenarios, potential market losses for banking institutions were assessed; these account for the effects of financial contagion that could spread and amplify the magnitude of the shock through the interbank network.

In turn, using an econometric model, the analysis estimates how shocks to macroeconomic variables would affect provisioning, default probabilities in the loan portfolio, and the evolution of each bank's loan portfolio. Heterogeneous effects are accounted for based on the credit risk level of each economic sector, incorporating sector-specific economic growth rates and non-performing loan ratios for credit extended to private non-financial companies.

In addition, a simulation process is used to model low-probability, high-severity events, taking into account the impact that defaults by the largest borrowers would have on the system's capital levels.

Finally, the effects on operating results and solvency are estimated. The net interest margin is derived from the elasticities of each bank's lending and deposit rates with respect to the Cetes (federal treasury bills) rate. Non-financial income and administrative expenses are modeled proportionally to each bank's loan portfolio. Drawing on operating results, market losses, contagion losses, and credit losses, the shock absorption capacity and evolution of the banking system's net capital are then assessed under each scenario.

Despite the advantages of this approach, the model could underestimate the occurrence of extreme events as a result of the simultaneous interaction of shocks from different scenarios, feedback effects from the financial sector to the real sector, or unexpected nonlinear effects.

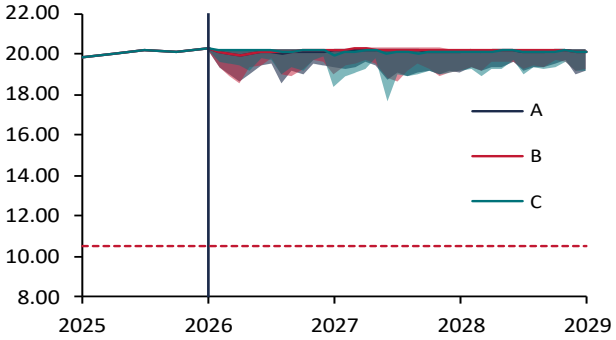
One of the assumptions of the exercise is that the reactions of banks and regulators to the occurrence of the simulated adverse events are not considered. That is, throughout the stress horizon, banks do not change their business strategy or contributions, nor do they make adjustments to their derivative or repurchase positions. For their part, regulators do not take any corrective measures or provide facilities that would mitigate the shocks. Therefore, the stress exercise is a counterfactual and partial-equilibrium exercise.

Key Findings

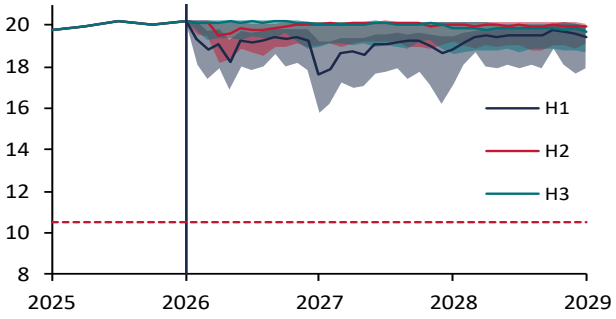
In the simulated scenarios, the system ends with capitalization levels above the regulatory minimum at the end of the evaluated time horizon (Graph 176a). When considering historical scenarios, the observed capitalization levels are lower but remain above the regulatory minimum (Graph 176b). In the short term, reductions are observed in net capital levels (Graph 177a) and in risk-weighted assets (Graph 178a). This is consistent with a deleveraging process given the severity of the scenarios, and is more pronounced in

the historical scenarios (Graph 177b and Graph 178b).

Graph 176
System's Capital Adequacy Ratio (CAR)
a) Scenarios A, B, C and D
Percent

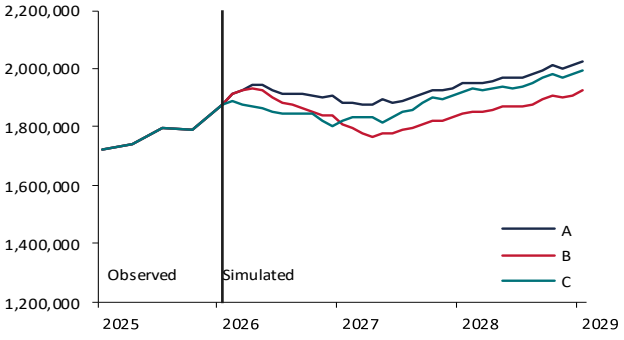


b) Historical Scenarios
Percent

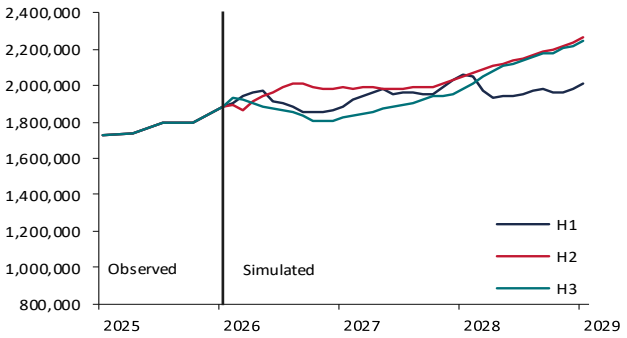


Data as of March 2026 and simulations 3 years thereafter.
Source: Banco de México.

Graph 177
Evolution of the average net capital of the system
a) Scenarios A, B and C
Million pesos

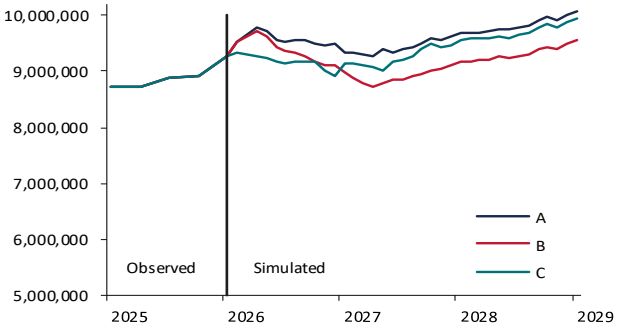


b) Historical Scenarios
Million pesos

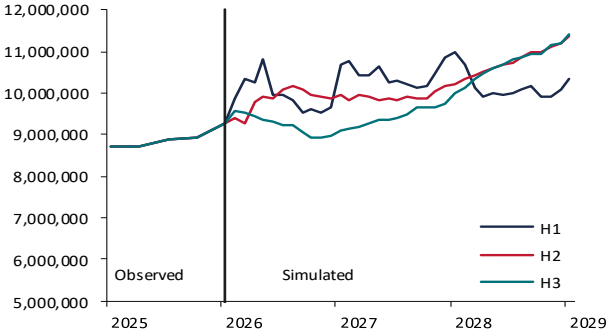


Data as of March 2026 and simulations 3 years thereafter.
Source: Banco de México.

Graph 178
Evolution of the system's average risk-weighted assets
a) Scenarios A, B and C
Million pesos



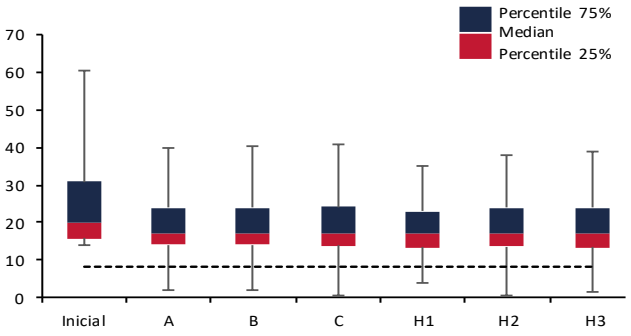
b) Historical Scenarios
Million pesos



Data as of March 2026 and simulations 3 years thereafter.
Source: Banco de México.

Although the system as a whole would maintain capitalization levels above regulatory minimums, in some of the simulated scenarios, certain brokers—which represent a relatively small proportion of the system's assets—could experience a greater impact on their capitalization levels (Graph 179).

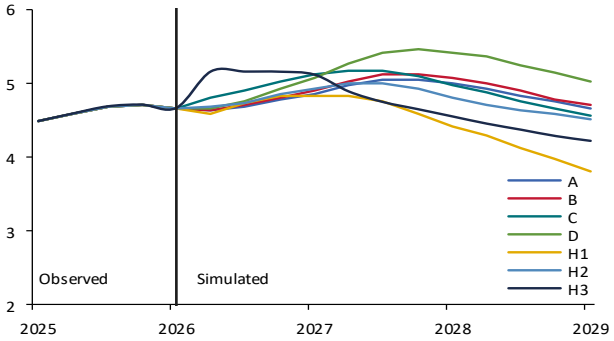
Graph 179
Distribution of the average CAR at bank level at the end of the test[1/]
Percentage



Data as of March 2026 and simulations 3 years thereafter.
Source: Banco de México.
1/ The dotted horizontal line corresponds to the minimum CAR without considering capital supplements. In the box and arms diagram, the arms represent 10 and 90% of the distribution.

One indicator that helps illustrate the impact of these scenarios is the behavior of the portfolio's non-performing loan ratio. As shown in Graph 180, the non-performing loan ratio was at low levels at the beginning of the year; therefore, even though the shocks imply significant relative changes in this indicator, levels would remain low.

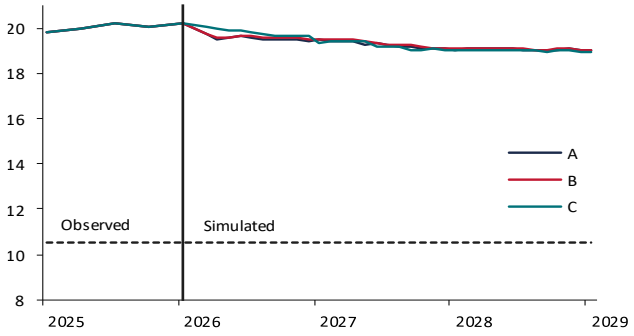
Graph 180
Average probabilities of default of the system's credit portfolio
Weighted by the current portfolio of each bank, percent



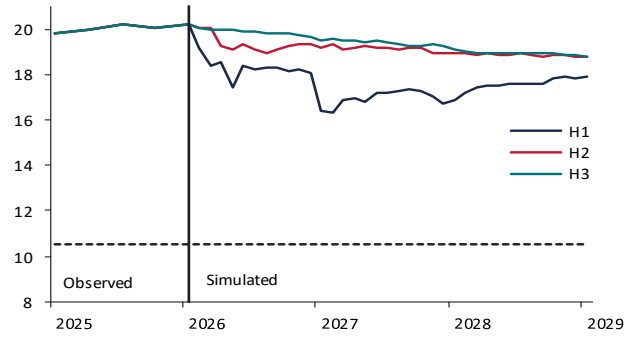
Data as of March 2026 and simulations 3 years thereafter.
Source: Banco de México.

A common feature of the Mexican banking system's loan portfolio is high concentration, meaning that a relatively small number of borrowers account for a large share of the loans. To assess the effect that this high concentration may have on the system's resilience, an exercise is conducted simulating the default of these large borrowers (Graph 181a and Graph 181b). Capitalization levels in this exercise are lower; however, they remain above the regulatory minimums for the system as a whole.

Graph 181
Average CAR of the system considering an impact per concentration corresponding to 99% of the losses [1/]
a) Scenarios A, B and C
Percent



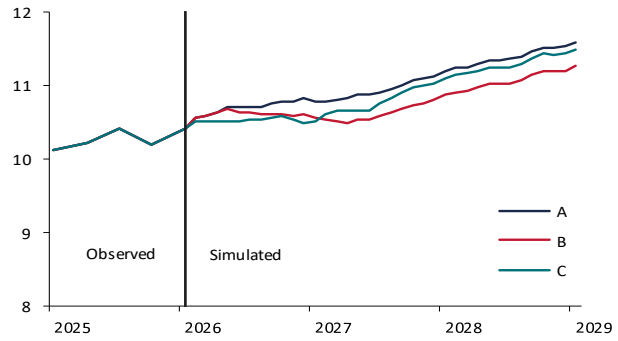
b) Historical scenarios
Percent



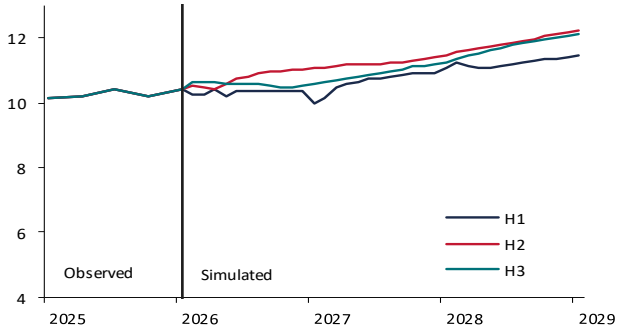
Data as of March 2026 and simulations 3 years thereafter.
Source: Banco de México.
1/ The horizontal line corresponds to the minimum CAR plus capital supplements.

This exercise also assesses the impact of the scenarios on banks' leverage ratios. The system's average leverage ratio stood above the regulatory minimum of 3% (Graph 182a and Graph 182b); however, at the individual level, some institutions—whose assets account for a small proportion of the system's total—would be more severely affected. A high correlation is observed between the level of leverage and the capitalization level: those institutions with a low CAR also tend to have an equally low leverage ratio (Graph 183).

Graph 182
Average leverage ratio of the system
a) Scenarios A, B and C
Percent

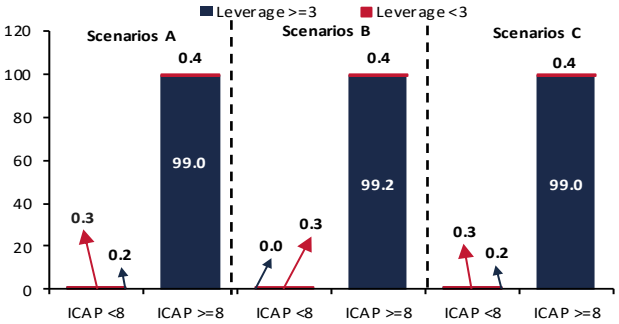


b) Historical scenarios
Percent



Data as of March 2026 and simulations 3 years thereafter.
Source: Banco de México.

Graph 183
Distribution of the average CAR at bank level at the end of the test
Percent of System Assets



Data as of March 2026 and simulations 3 years thereafter.
Source: Banco de México

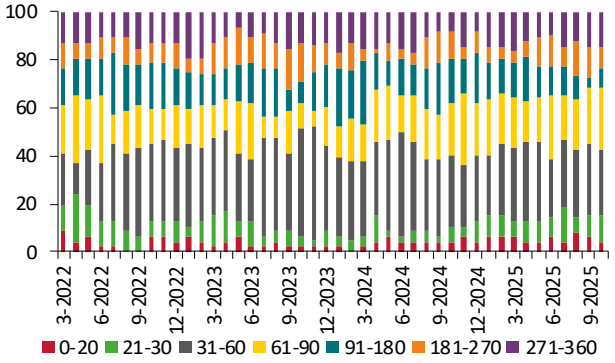
In summary, the results of the exercise show that, even under adverse scenarios, the banking system maintains a solid and resilient position. The observed capital adequacy supports its ability to absorb severe shocks without compromising its intermediation capacity.

V.2. Liquidity stress tests

According to the liquidity stress tests, the aggregate liquidity position of banks would allow them to face stress episodes as severe as those experienced in the past and those considered by international liquidity standards. Nevertheless, some small and medium-sized banks would fail to meet the regulatory liquidity requirements or would have their regulatory liquidity position pressured if some of the particularly severe scenarios analyzed in these tests materialized.

The liabilities coverage horizon,[135] with data as of April 2026, indicates that most banks could meet their liabilities for a period of at least 30 days using only their stock of liquid assets (Graph 184); that is, without taking into account their inflows.

Graph 184
Percentage of banks that could meet their liabilities under the liabilities coverage stress scenario [1/]
Horizontal axis: date of the calculation
Vertical axis: percentage of banks
Color: days that banks could cover their obligations



Data as of April 30, 2026.
Source: Banco de México.
1/ For each month, banks are aggregated by range of days, according to the monthly average of daily observations of the number of days they could meet their liabilities under a severe stress scenario. See Box 9 "Stress testing methodologies based on cash flows" of the Financial Stability Report, December 2022.

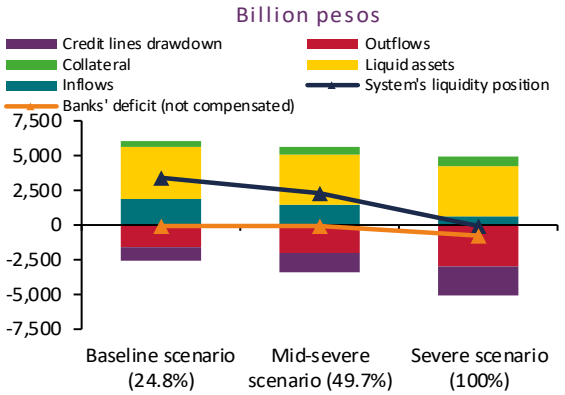
Cash flow stress tests for a 90-day horizon, with data as of April 2026, indicate that the stressed value of both liquid assets and inflows for the banking system as a whole would be higher than the modeled

[135] The liabilities coverage horizon assesses funding risk under a scenario that is more severe than the LCR, as it does not take into account the contractual cash inflows that banks normally have available to meet their obligations.

stressed outflows. In other words, banks would maintain, on aggregate, a liquidity surplus under a severe stress scenario, although, individually, some institutions would face a liquidity deficit under such severe hypothetical scenarios Graph 185).[136]

Graph 185

Liquidity stress scenarios over 90-day period 1/



Data as of April 30, 2026.

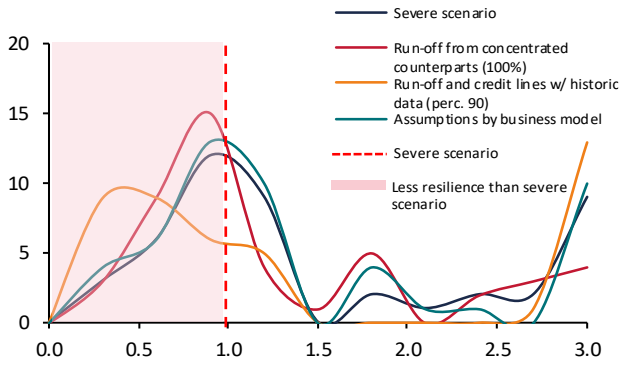
Source: Banco de México.

1/ In the severe scenario (100% severity), a haircut on liquid assets of around 4% is considered. Repos have a roll-over of 45% and released collateral has the same haircut as liquid assets. Inflows from loans portfolio are not considered (100% haircut). Wholesale deposits (demand and term) have a 20% run-off factor and retail deposits (demand and term) have a 10% run-off factor. Contingent outflows and granted credit lines have a 40% run-off factor. The baseline scenario and mid-severe scenario consider a 24.8% and 49.7% severity compared to the severe (100%) scenario. The mid-severe scenario estimates an aggregate outflow which is similar in magnitude to the outflow calculated under the LCR (see Box 9 "Stress testing methodologies based on cash flows" of the Financial Stability Report, December 2022).

Additionally, various stress tests were conducted based on the cash flow framework (baseline test, funding concentration, historical outflows and credit lines, as well as business model assumptions), along with a sensitivity analysis of the LCR under different assumptions associated with potential vulnerabilities identified in some institutions: funding concentration and intraday liquidity. Both at the system level and in most banks, there is sufficient liquidity to withstand these scenarios. However, some institutions may not have sufficient liquidity to maintain an LCR above 100% if events similar to those considered in these exercises were to materialize (Graph 186). It should be noted that liquid assets are specifically held to meet liquidity needs in stress situations; therefore, an LCR below 100% is not necessarily a cause for concern. However, it is a reason to assess potential vulnerabilities.

Graph 186

Distance to Liquidity Stress Indicator under different scenarios 1/



Data as of April 30, 2026.

Source: Banco de México.

1/ The DLSI refers to the degree of severity for the institution to present a liquidity deficit. The severe scenario is normalized to 1, values above indicate greater resilience than the assesed scenario. The severe scenario corresponds to the scenario calibrated to stress the entire bank (See Box 9 "Stress testing methodologies based on cash flows" of the Financial Stability Report, December 2022). The scenarios adjusted with historical data (historical outflows and credit lines) consider data since 2017 by bank to calculate the 90th percentile of financial, wholesale and retail outflows, or exercise of credit lines. In the event that the 90th percentile is lower than the base scenario (24.8% of the severe scenario), the assumptions of the base scenario are used. The concentration scenarios (100% outflow rate) consider that in addition to the severe scenario outflows, the 10 main counterparties withdraw their deposits. The scenario by business model considers differentiated cash inflows and outflows assumptions for: large banks, commercial banks, consumer banking, foreign exchange banks, investment banking and others.

In addition, to assess concentration sensitivity, an LCR was calculated assuming the withdrawals by the ten largest depositors according with their historical outflows. Furthermore, to assess the potential impact of intraday liquidity risk, an LCR adjusted for "maximum intraday net liquidity usage" was

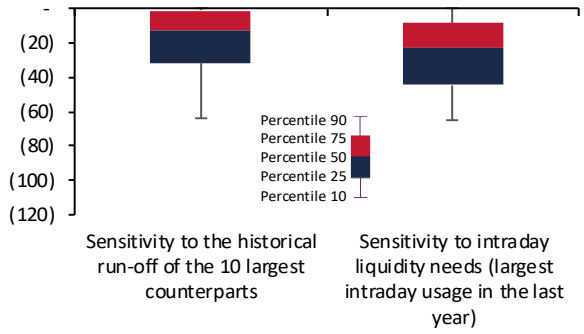
[136] The stress tests use 21 scenarios of increasing severity; scenario number 21 is the most severe. For a detailed description of the methodology used, see Box 9. Methodology for Contractual Cash Flow-Based Liquidity Tests in the Financial Stability *Report*, December 2022.

calculated based on last year's observations for each bank. This metric is part of the set of monitoring tools for intraday liquidity management established by the Basel Banking Supervision Committee (*BCBS*)[137] and allows to incorporate in the analysis the different timing of inflows and outflows throughout the day. The results of these exercises indicate that the current liquidity of banks would allow them to withstand the scenarios proposed and that most banks have sufficient liquid assets, although, depending on the scenario evaluated, certain vulnerabilities are identified or highlighted in some institutions (Graph 187).

Graph 187

Sensitivity (what-if analysis) of the LCR under different assumptions of concentration and intraday liquidity needs 1/

Percentage, change from the regulatory scenario



Data as of April 30, 2026.

Source: Banco de México.

1/ The graph presents the percentage difference with respect to the regulatory scenario. In the case of the concentration analysis, a large historical outflow (90th percentile) of the 10 counterparties with the highest concentration is assumed. In the intraday liquidity analysis, the largest gap between payments sent and received accumulated on the intraday, observed over a 1-year horizon, is subtracted from the liquid assets.

V.3. Stress tests of physical risks associated with climate change

The exercise assesses the impact of extreme hydro-meteorological events on the banking system. It employs an approach similar to that used in historical scenarios, assuming that extreme hydro-meteorological events recur and occur simultaneously. The impact on banks is observed through two channels: certain borrowers will default on their obligations due to the shock, and economic activity will experience a slowdown. The impacts of a 1% and 2% decline in GDP are assessed in scenarios C1 and C2, respectively. The methodology used is the one described in previous editions of *the Report*.[138]

Key findings

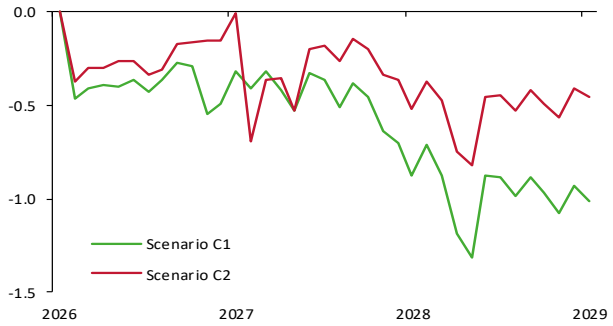
The results are compared to levels in a baseline scenario in which trajectories do not experience adverse shocks, given that climate events are independent of macrofinancial events and the severity of losses is lower. These can be interpreted as an additional loss relative to the other scenarios in the event of simultaneous macrofinancial and climate shocks.

The first scenario shows a difference in the decline in the CAR at the end of the test of 1.02 percentage points relative to the baseline, while in the second scenario the difference in the decline is 0.45 percentage points (Graph 188). It is important to note that, in both scenarios, the impacts of the shock on each broker vary; therefore, some institutions end the exercise with a lower capitalization level. However, at the system level, regulatory minimums continue to be met.

Graph 188

Capital adequacy ratio of the system with respect to the base scenario

Percentage points



Data as of March 2026 and simulated figures up to the stress horizon.

Source: Banco de México.

The results suggest that extreme hydro-meteorological events would indeed have an impact on the capitalization levels of the Mexican banking system, without posing a risk to its solvency.

[137] Basel Committee on Banking Supervision (2019): *"SRP50 - Liquidity monitoring metrics,"* December 2019.

[138] Section VI.3. Stress tests for physical risks associated with climate change, in the Financial Stability Report.

However, the impacts are heterogeneous because some institutions with a concentration of credit in regions or sectors susceptible to climate events may experience a greater loss of capital.

V.4. Recovery plans

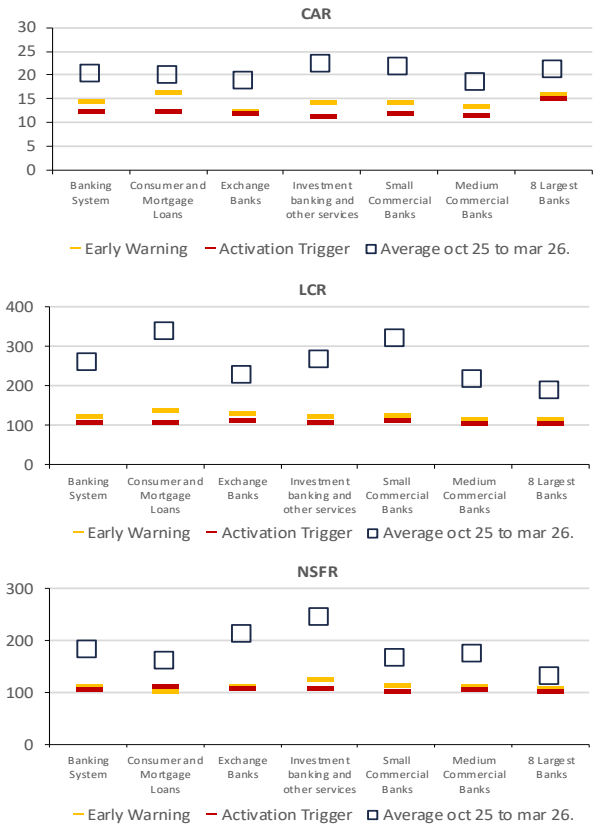
Recovery plans of the commercial banking institutions show some progress on complying with regulatory provisions, although there are still areas for improvement.

The main areas for improvement to strengthen recovery plans include:

- The design of sufficiently severe stress tests that would hypothetically trigger the plan.
- The analysis of the recovery actions, specifically regarding the time it would take for them to take effect, and the possible incompatibility between such actions.
- The assessment of the impact of recovery actions on relevant indicators.
- The appropriate communication strategies during a stress situation, as well as the internal distribution of the plan.

During the period between October 2025 and March 2026, the observed levels of CAR, LCR, and NSFR of most commercial banking institutions remained above the activation thresholds established in their recovery plans (Graph 189).

Graph 189
Activation thresholds and observed data of CAR, LCR and NSFR [1/]
Percentage



Data of CAR, LCR, and NSFR from October 2025 to March 2026.

Source: Banco de México and CNBV.

1/ The graph shows the average thresholds and capped averages of ratios by type of institution. Due to scale issues, the LCR and NSFR are capped to 350, whereas the CAR is capped to 25. The thresholds presented are considered from the most recent version of the recovery plan.

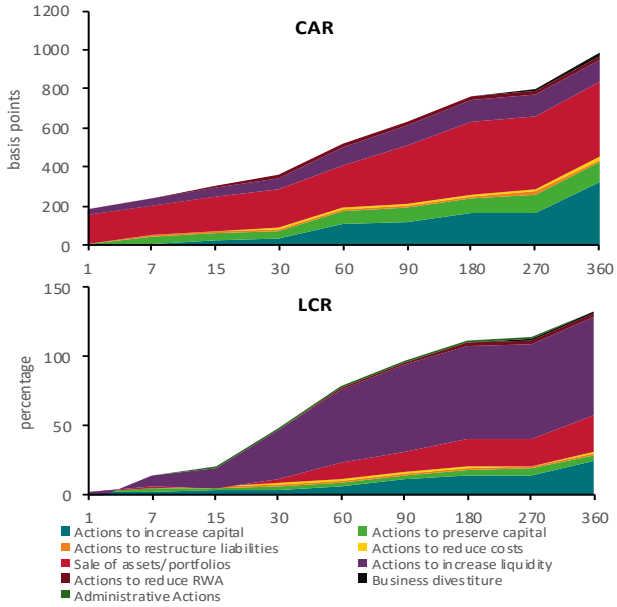
Regarding the effectiveness of the recovery actions detailed in the plans, the solvency and liquidity recovery margin is reasonable provided that: i) the institutions successfully implement the measures within the expected timeframes; ii) the potential impact on their financial position does not deteriorate; and iii) no additional shocks occur (Graph 190).

Graph 190

Recovery Capacity of CAR and LCR [1/]

Horizontal axis: days

Vertical axis: Base points for CAR and percentage for LCR



Data of Recovery Plans submitted between 2023 and 2026.
Source: Banco de México.
1/ The expected impact of recovery actions on regulatory indicators is aggregated weighted by total assets.

Final remarks

The Mexican financial system remains solid and resilient in a global environment that continues to be characterized by geopolitical conflicts, adjustments in the tariff policies of major economies, and heightened uncertainty. Financial institutions, particularly commercial banks, maintain capitalization levels and liquidity that, on aggregate, comfortably exceed regulatory minimums. Stress tests confirm that the banking system, as a whole, retains ample capacity to withstand the simulated adverse scenarios.

However, both external and internal risks persist and require continuous monitoring. Among the main macrofinancial risks are:

i) An escalation or persistence of geopolitical conflicts, the consequences of which could be reflected globally in new inflationary pressures and reduced economic activity.

ii) Unexpected changes in the trajectory of global financial conditions, stemming from the prevailing uncertainty in the complex global environment.

iii) Lower-than-expected growth, which could have a negative impact on domestic activity and, consequently, on the national financial system.

iv) Unexpected adjustments in the credit ratings of key domestic issuers, which could worsen the country's macrofinancial risk profile and raise financing costs for other domestic issuers.

v) The occurrence of a systemic event with implications for the global financial system, given the overvaluation of certain financial assets, cybersecurity risks associated with the use of artificial intelligence, and the opacity of certain segments of the private credit market.

It is worth noting that Mexico is a small, open economy whose dynamism is closely linked to that of the U.S. economy. This integration is reflected in trade, investment, remittances, and capital flows, and means that the economic policy decisions of its main trading partner, as well as the renegotiation of the USMCA, have an impact on economic activity, financial markets, and the stability of the Mexican financial system.

The Financial Conditions Index and Financial Markets Stress Index remain at moderate levels, and the macrofinancial vulnerability index does not indicate significant vulnerabilities in any of the four sectors analyzed.

Financing to the non-financial sector, including the public sector, accounted for 103.9% of GDP at the end of the first quarter of 2026. Households' financial position improved, driven by an increase in mandatory savings that reached a peak. Meanwhile, the vulnerability indicator for listed companies declined and returned to the low-vulnerability zone.

The heat map of bank credit risks, which considers both forward-looking and backward-looking indicators, shows that credit risk has remained stable and at low levels for all three types of portfolios. However, the non-performing loan (NPL) ratio in the consumer portfolio of commercial banks increased across all segments; notably, there was an increase in

personal loans, concentrated in a small number of institutions.

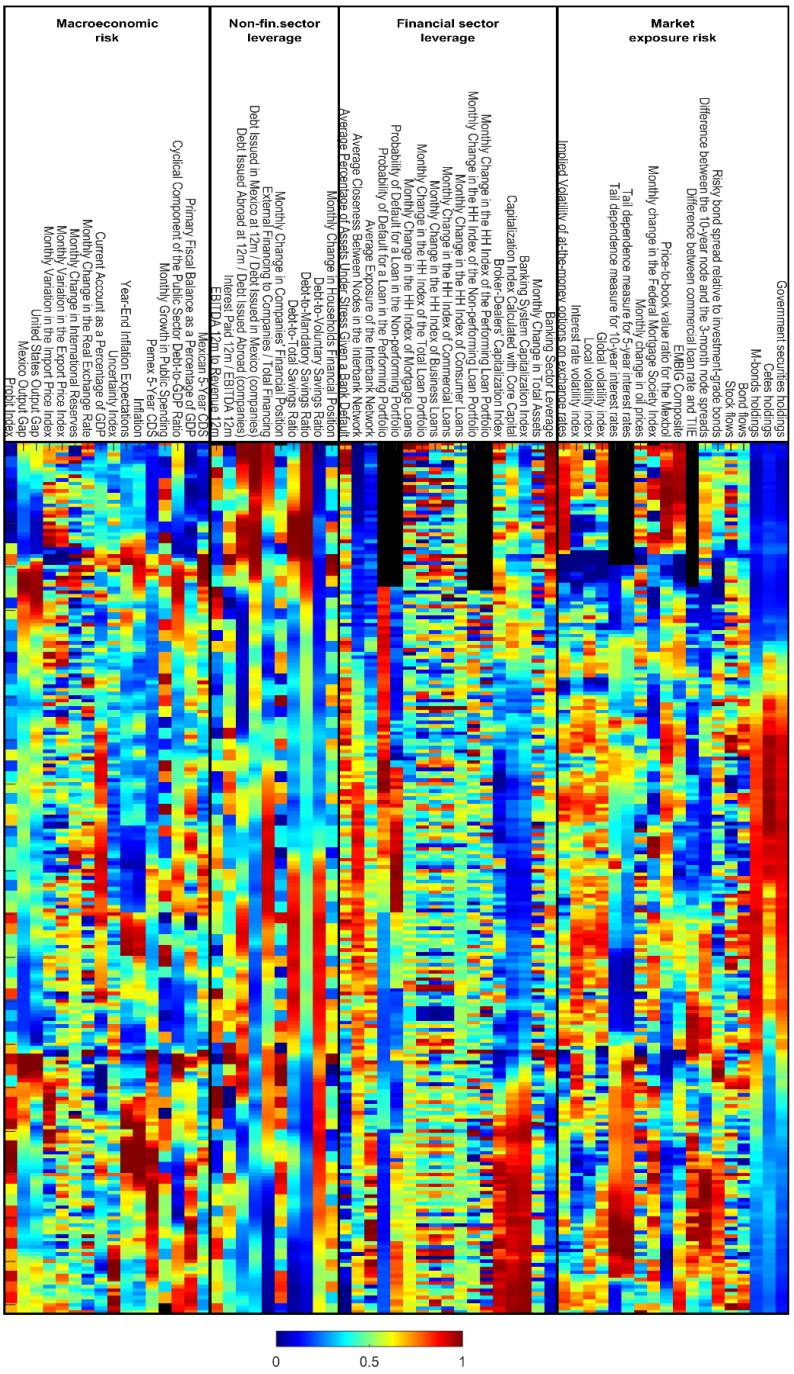
For non-banking financial intermediaries, the NPL ratio in the total credit portfolio remained stable, although for non-regulated entities it continues at historically high levels. Challenges persist regarding the management of risks linked to climate change, cybersecurity, and the use of artificial intelligence in the financial system, requiring institutions to strengthen their institutional capabilities for identification, measurement, and mitigation, and to promote sustainability criteria in risk management.

Against this backdrop, although the Mexican financial system remains stable and resilient, challenges persist in an uncertain and changing global environment. Therefore, it is essential to maintain the capacity to respond to the potential materialization of new risks and the timely identification of vulnerabilities.

Banco de México remains attentive and vigilant and, if necessary, will take measures in coordination with other authorities to preserve the stability of the financial system.

Annex

Disaggregated heat maps of risks in the Mexican financial system



Data as of March 2026.
Source: Prepared by Banco de México using data from Banco de México, Bloomberg, Haver, and CNBV.

List of initials and acronyms

ASG	*Environmental, Social, and Corporate Governance*
BACC	*Banks classified as Associated with Commercial Chains*
Bancomext	*National Bank of Foreign Trade*
Banobras	*National Bank of Public Works and Services*
BCE	*European Central Bank*
BID	*Inter-American Development Bank*
BIS	*Bank for International Settlements*
BISL	*Domestic Systemically Important Banks*
BIVA	*Institutional Stock Exchange*
BMV	*Mexican Stock Exchange*
BOE	*Bank of England*
BONDES	*Federal Government Development Bonds*
BPA	*Savings Protection Bonds*
CBFI	*Real Estate Trust Certificates*
CCD	*Development Capital Certificates*
CCL	*Liquidity Coverage Ratio*
CCV	*Central Counterparty of Securities of Mexico*
CDS	*Credit Default Swaps*
CENAPRED	*National Disaster Prevention Center*
Cerpis	*Senior Trust Bonds for Investment Projects*
cetes	*Federal Treasury Bills*
CF	*28-Day Equilibrium Interbank Interest Rate (TIIE) Deposit Cost*
CFE	*Federal Electricity Commission*
CFEN	*Net Stable Funding Ratio*
CGV	*Global Value Chains*
CME	*Chicago Mercantile Exchange*
CNBV	*National Banking and Securities Commission*
CNSF	*National Insurance and Surety Commission*
Conavi	*National Housing Commission*
Condusef	*National Commission for the protection and defense of the users of financial services*
Consar	*National Commission for the pension system*
CYRCE	Capitalization and Credit Risk
CUB	*Single Banking Circular*
CUE	*Single Circular for Issuers*
CVaR	*Conditional Value at Risk*
DSB	*The Derivatives Service Bureau Ltd*
EME	*Emerging Market Economies*
ERBA	*External-ratings-based approach*
ESRB	European Systemic Risk Board

FANVIT	*Fund for the Support of Workers' Housing Needs*
Fed	*Federal Reserve*
Fibra	*Real Estate and Infrastructure Trusts*
FIFOMI	*Mining Development Trust*
FIRA	*Instituted Trusts in connection with Agriculture (Agricultural Trusts)*
FLAO	*Additional Ordinary Liquidity Facility*
FND	*National Agricultural, Rural, Forestry and Fishery Development Bank*
FONADIN	*National Infrastructure Fund*
FOVI	*Banking Housing Financing Operation Fund*
Fovissste	*ISSSTE Housing Fund*
FPL	*Permanent Liquidity Facility*
FSB	Financial Stability Board
GCF	*Great Financial Crisis*
GE	*Large Exposures*
GRI	Security Sensitive Incidents Response Group
GTTR	*Working Group on Alternative Reference Rates in Mexico*
ICAP	*Capitalization Index*
ICF	*Financial Conditions Index*
ICRCS	*Capital Solvency Requirement Hedging Index*
ICRT	*Technical Reserves Hedging Index*
IEMF	*Financial Markets Stress Index*
IFC	*Crowdfunding Institutions*
IFNB	*Non-Bank Financial Institutions*
IFPE	*Electronic Payment Fund Institutions*
IFRS	International Financial Reporting Standards
IGAE	*Global Economic Activity Indicator*
IIF	*Institute of International Finance*
IMF	*International Monetary Fund*
IMSS	*Mexican Social Security Institute*
IMOR	*Non-Performing Loan Ratio*
IMORA	*Adjusted Non-Performing Loan Ratio*
INEGI	*National Institute of Statistics and Geography*
Infonavit	*Federal Housing Fund*
INPC	*National Consumer Price Index*
IPYC	*Price and Quotation Index*
IPCC	*Intergovernmental Panel on Climate Change*
IRS	*Interest Rate Swap*
ITF	*Financial Technology Institutions*
IVEL	*Vulnerability Index of Listed Companies*
LDI	*Liability Driven Investment*

LIBOR	*London Interbank Offered Rate*
LIF	*Federal Income Law*
LRITF	*Financial Technology Institutions Regulation Law*
LTV	*Loan to Value*
MexDer	*Mexican Derivatives Market*
mipymes	*Micro, small, and medium-sized enterprises*
Nafin	*National Development Bank (Nafin)*
NGFS	*Network for Greening the Financial System*
OIFNB	*Other Non-Bank Financial Intermediaries*
OIS	Overnight Index Swap
P2P	*Peer to peer* (exchange of virtual assets between individuals)
PEF	*Federal Expenditure Budget*
Pemex	*Mexican State oil company*
PI	*Probability of Default*
PIB	*Gross Domestic Product*
PINE	*Producto Interno Neto Ecológico*
PLD/FT	*Money Laundering and Terrorist Financing Prevention*
PRLV	*Pagaré con Rendimiento Liquidable al Vencimiento*
PTI	*Payment To Income*
pymes	*Pequeñas y medianas empresas*
RCAP	*Regulatory Consistency Assessment Programme*
RCS	*Capital Solvency Requirement*
REA	*Régimen Especial de Amortización*
RFSP	*Requerimientos Financieros del Sector Público*
ROA	*Return On Assets*
ROE	*Return On Equity*
SAR	*Retirement Savings System*
SCV	*Seguros de Crédito a la Vivienda*
SHCP	*Secretaría de Hacienda y Crédito Público*
SHF	*Sociedad Hipotecaria Federal*
SHRFSP	*Historical Public Sector Financial Requirement Balance*
Siefores	*Investment companies specializing in retirement funds (Pension Funds)*
socaps	*Sociedades cooperativas de ahorro y préstamo*
sofipos	*Sociedades financieras populares*
sofomes ENR	*Sociedad financiera de objeto múltiple entidades financieras no reguladas*
TIIE	*28-Day Equilibrium Interbank Interest Rate*
TIIE Fondeo	TIIE Funding Rate
TIIE-F	TIIE Funding Rate
TMEC	*Tratado comercial entre México, Estados Unidos y Canadá*

UAFIDA	*Earnings Before Interest, Taxes, Depreciation and Amortization*
UMA	*Unidad de Medida y Actualización*
UMI	*Unidad Mixta Infonavit*
UPI	*Unique Product Identifier*
UTI	*Unique Transaction Identifier*
VSM	*Veces Salario Mínimo*



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