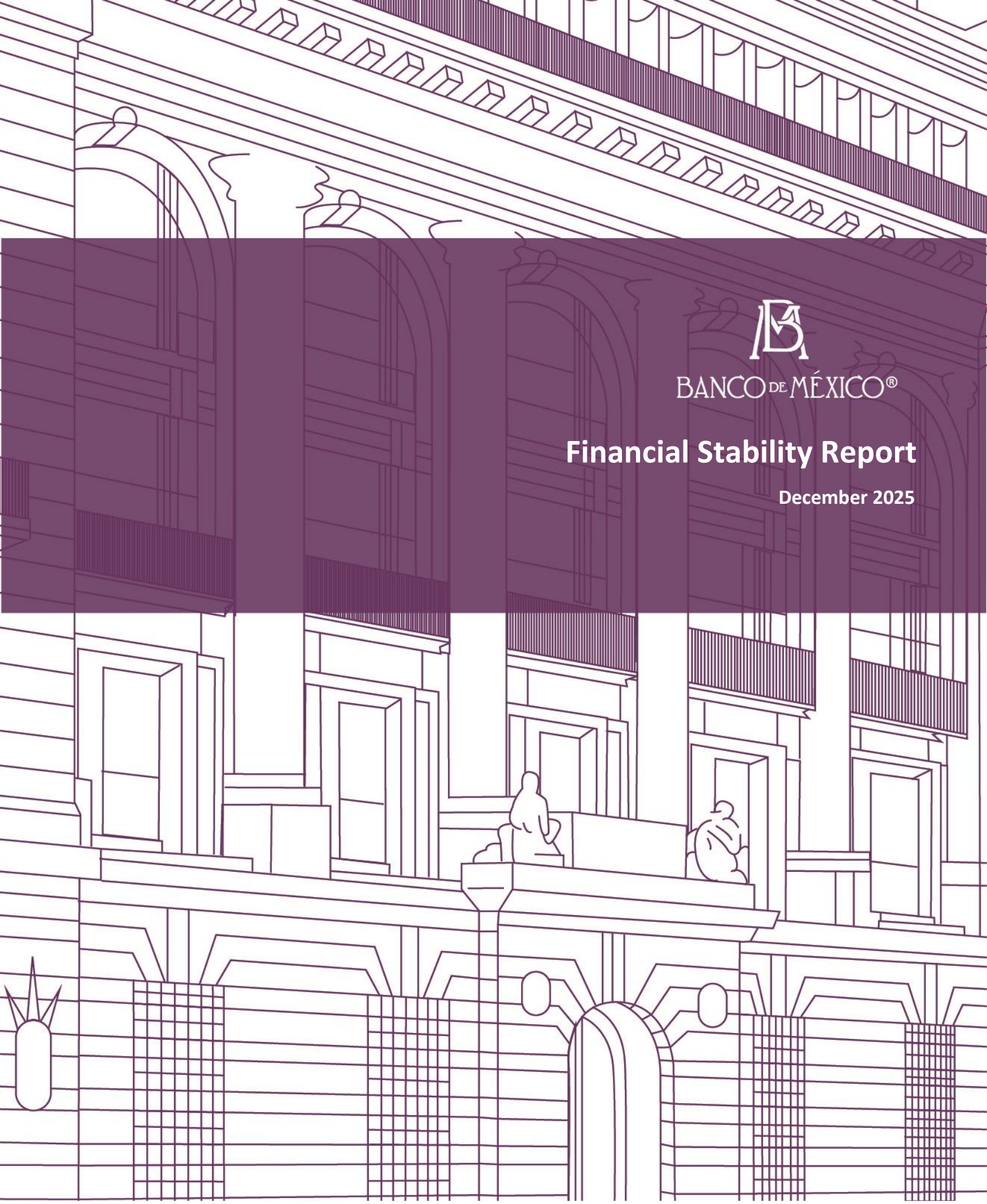


BANCO DE MÉXICO®

Financial Stability Report

December 2025

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NOTICE

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Abbreviations and acronyms that correspond to names in Spanish and references to this *Repor*t have been written in italics, whereas those that correspond to names in English appear in round print. 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

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

Macro-financial conditions

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

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

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

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

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

Evolution of total financing and aggregate risk indicators

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

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

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

Risks to the financial system

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

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

systemic event with implications for the global financial system.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Policy measures implemented

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

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

Final remarks

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

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

Introduction

The proper functioning of the financial system contributes to the Banco de México's priority objective of ensuring the stability of the purchasing power of the national currency, as monetary policy transmission mechanisms are more effective under these conditions. Thus, one of the central bank's objectives is to promote the sound development of the financial system and facilitate the proper functioning of payment systems. Maintaining a stable financial system also helps the economy achieve balanced and sustained growth.

The objective of *the Financial Stability Report* is to disclose the results of the analysis that Banco de México conducts on the vulnerabilities and risks that could affect the stability of the financial system and potentially generate systemic risk. Systemic risk refers to situations in which the functioning of a significant part of the financial system is affected, implying a significant adverse impact on society in terms of a reduction in economic activity, employment, and income.

For this reason, Banco de México monitors and conducts analyses to identify potential vulnerabilities that may arise in the financial system, macro-financial imbalances that could amplify an unexpected shock, and financial risks that could affect the stability of the financial system and whose materialization could lead to systemic disruption.

Disclosing the results of this analysis helps economic agents to understand both the risks and vulnerabilities identified and contributes to their mitigation. It also details the prudential or macroprudential policy measures implemented by the Mexican financial authorities during the period, which contribute to mitigating these vulnerabilities and strengthening the stability and resilience of the financial system.

Given the current situation, the financial system as a whole is solid, as the regulated financial institutions that comprise it have capital and liquidity levels that, at the aggregate level, amply comply with the regulatory minima and underpin the system's ability to absorb various macro-financial shocks that could be faced in a complex and uncertain global economic environment.

During the second half of 2025, the global macroeconomic, financial, and geopolitical environment was relatively stable. The global growth projections for 2025 and 2026, published by the International Monetary Fund (IMF) in October 2025, were revised slightly upward from those in April and July and maintain mixed growth prospects for some advanced and emerging economies.

Inflation in most advanced economies increased from the levels observed at the end of the second quarter of 2025, and core inflation has shown resistance to decline. In particular, in the United States, there are still upside risks from supply shocks (tariffs), although expectations for 2025 have been revised upwards since April and this effect is expected to be temporary.

On the other hand, global financial markets experienced less volatility and uncertainty after several trade agreements were reached between the United States and some of its main trading partners. Although geopolitical risks persisted, they did not cause significant systemic disruptions. Likewise, the level of uncertainty associated with economic policy showed a significant reduction compared to the first half of 2025, although with some intermediate spikes.

With regard to global financial conditions, the IMF's October 2025 Global Financial Stability Report highlighted that these have been favorable since April 2025, although there are still latent global vulnerabilities that require monitoring. In Mexico, financial conditions, as measured by the Financial Conditions Index, have also remained relaxed in recent months. In both cases, it is emphasized that uncertainty surrounding economic policy, especially in the commercial and monetary spheres, as well as concerns about the medium- and long-term sustainability of the fiscal position of some systemic economies, keep alive the possibility of surprises in the trajectory of global and local financial conditions.

Finally, early warning indicators for Mexico, which identify areas of fragility in an economy that could trigger a macro-financial crisis under adverse conditions, show a lower degree of macro-financial vulnerability compared to other emerging economies, reflecting the solid position of the Mexican economy in the international context.

Regarding the performance of financial markets in Mexico, it is noteworthy that the Mexican peso continued its appreciation trend, while Mexico's credit risk premiums, as measured by the credit default swap (CDS) price, have declined significantly during the period covered by this *Report*, in line with the movements observed in its Latin American peers.

This *Report* is structured in five sections. Section I reviews macro-financial conditions in detail. Section II provides an update on the challenges facing 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 diagnosis of financial and non-financial entities in the system. In addition, environmental and sustainability-related risks are presented. Section V shows the results of stress tests and recovery plans for commercial banking institutions. Finally, concluding remarks are presented.

I. Macro-financial conditions

I.1. International economic outlook

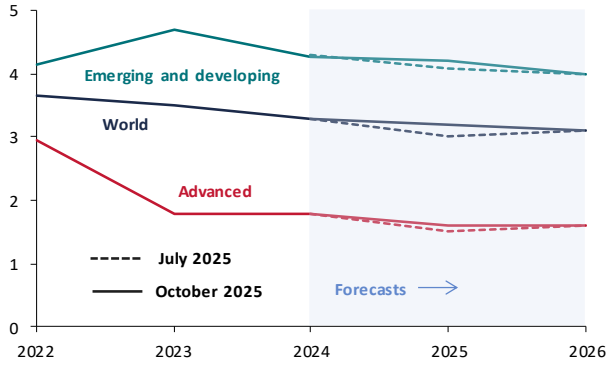
In the second quarter of 2025, the global economy grew slightly accelerated its pace of growth compared with the previous quarter, albeit with marked differences across countries. The rebound in economic activity in the United States drove growth in advanced economies as a whole, while in emerging economies, dynamics remained virtually unchanged.

However, recent data for the third quarter of the year indicate that global growth moderated in both advanced and emerging economies, despite a decrease in trade uncertainty following negotiations between the United States and several of its main trading partners.

Meanwhile, global growth projections for 2025 and 2026, published by the International Monetary Fund (IMF) in October 2025, were revised upward from the April and July projections. These adjustments show higher growth prospects for both advanced and emerging economies (Graph 1 and Graph 2). This revision was due, in part, to the anticipation of production and trade decisions in response to expectations of higher tariffs in the second quarter. In addition, the tariffs ultimately imposed by the United States were lower than initially announced, following the conclusion of trade agreements with several countries. These developments were accompanied by improved international financial conditions, supported by the depreciation of the US dollar. The aforementioned factors contributed to a strengthening of global demand.

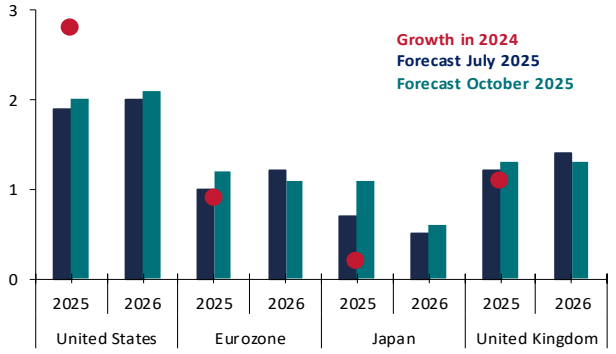
During the second and third quarters of 2025, headline inflation declined in most economies. While some countries experienced temporary upticks, inflation was generally lower than at the beginning of the year. In several cases, it even stood near or below the targets set by their respective central banks. Core inflation, by contrast, showed mixed developments across countries: with some experiencing a moderation in services inflation that more than offset the rise in goods inflation, while in others the opposite occurred.

Graph 1
GDP growth forecasts
Annual percentual change



Data as of October 2025.
Source: IMF, World Economic Outlook, July and October 2025.

Graph 2
Growth in 2024 and forecasts for 2025 and 2026
Annual variation in percent



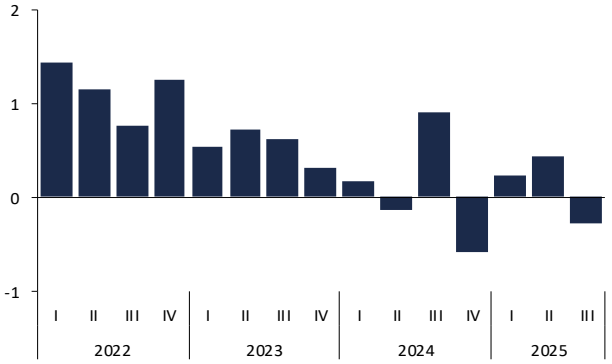
Data as of October 2025.
Source: IMF, World Economic Outlook July and October 2025.

During the period covered by this *Report*, the Federal Reserve (Fed) kept the target range for the federal funds rate unchanged at its June and July meetings. At its September and October meetings, the Federal Open Market Committee (FOMC) reduced the range by 25 basis points to between 3.75% and 4.00%. In its October statement, the FOMC indicated that it would continue to monitor the implications of incoming information for the economic outlook and reiterated its willingness to adjust the stance of monetary policy as appropriate. To this end, it emphasized that it would take into account labor market conditions, inflation pressures and inflation expectations, as well as financial and international developments. At the October conference, the Fed chairman noted the lack of consensus within the FOMC on future monetary policy, in a context of tension between its objectives and the high level of uncertainty.

I.2. Domestic economic outlook

In the second quarter of 2025, domestic economic activity grew by 0.45% on a seasonally adjusted basis, reflecting increases across all three sectors of economic activity (Graph 3). As a result, growth was higher than that observed in the previous quarter. In the third quarter, economic activity contracted by 0.29% compared to the previous quarter. This performance can be attributed to a decline in industrial production, partially offset by an expansion in primary activities and a marginal increase in services.

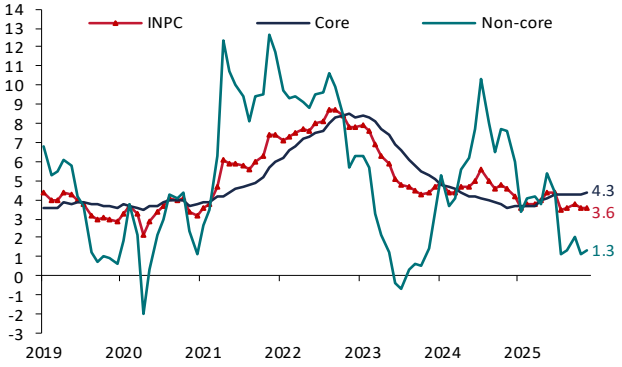
Graph 3
Gross Domestic Product s.a./
Quarterly variation in percent



Data as of third quarter of 2025.
Source: INEGI
s.a./ Seasonally-adjusted figures.

Annual headline inflation declined from an average of 4.22% during the second quarter of 2025 to 3.61% in the July-September period. This decrease was mainly driven by non-core inflation downward, reflecting lower inflationary pressures in fruits and vegetables. In contrast, core inflation registered a slight increase, derived from a faster pace of growth in merchandise prices; nevertheless, it has stabilized in recent readings. In the first half of November, annual headline inflation stood at 3.61% (Graph 4).

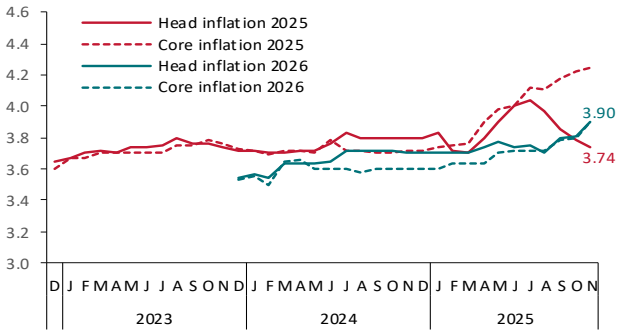
Graph 4
National consumer price index
Annual variation in percent



Data as of first half of November 2025.
Source: INEGI.

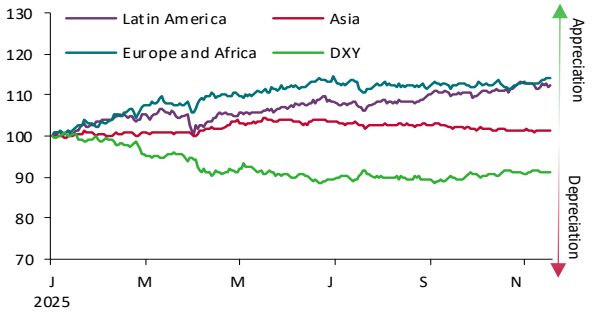
Banco de México's headline inflation projections, published in the Quarterly Report July-September 2025, stood at 3.5% and 3.0% for year-end 2025 and 2026. On the other hand, in the November Survey of Private Sector Specialists' Expectations, the medians of headline inflation expectations stood at 3.74% and 3.90% for year-end 2025 and 2026 (Graph 5).

Graph 5
Inflation expectations[1/]
Percent



Data as of November 2025.
Source: Banco de México, Survey of Private Sector Economic Specialists' Expectations.
1/ Median of annual inflation expectations.

Graph 6
Foreign exchange indices performance [1/2/]
Index (January 2025 = 100)



Data as of December 2025.

Source: Banco de México with data from Bloomberg.

1/ Latin America incluides 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.

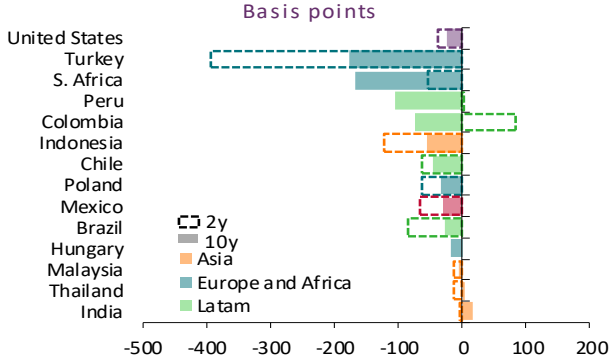
During the period covered by this *Report*, the Governing Board (GB) of Banco de México reduced the reference rate by 50 basis points in June and by 25 basis points in August, September, and November 2025, bringing it to 7.25%. In its November statement, the GB indicated that it considered it appropriate to continue the cycle of reductions in the reference rate, in line with its assessment of the inflation outlook. Furthermore, it reaffirmed that, prospectively, it would contemplate reducing the reference rate in accordance with the trajectory necessary to achieve orderly and sustained convergence of inflation toward the 3% objective over the forecast period.

I.3. Financial markets

During the second half of 2025, global financial markets experienced less volatility and uncertainty after several trade agreements were reached between the United States and some of its main trading partners. In addition, inflation has continued to decline, and some advanced economies have shown less economic dynamism than forecasted in October 2024, as is the case of the United States and its labor market. As a result, monetary policy trajectories adjusted, reflecting a less restrictive stance than in the first half of this year. In October and November, the absence of economic data releases in the United States, due to the government shutdown, made it difficult to analyze the evolution of its economic activity. However, the shutdown had a limited impact on financial markets.

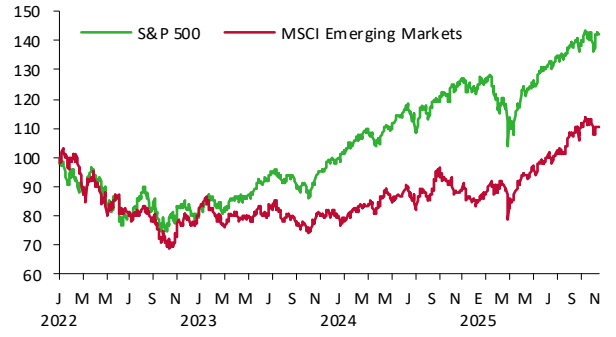
Against this backdrop, financial markets in emerging markets are showing widespread gains across all assets and regions. Since June, currencies have appreciated across the board, supported by an environment of high interest rates, with Latin America performing particularly well (Graph 6). Interest rates declined, more significantly in the short term, associated with expectations of a less restrictive monetary policy in most countries (Graph 7). The performance of stock indices stands out significantly, as they reached historic highs during the period (Graph 8). Despite this more favorable environment, financial assets have not been immune to episodes of volatility associated mainly with geopolitical factors and economic uncertainty, which has pushed the price of gold to historic highs.

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



Data as of December 2025.
Source: Bloomberg.

Graph 8
Performance of equity indices
Index (January 2022 = 100)

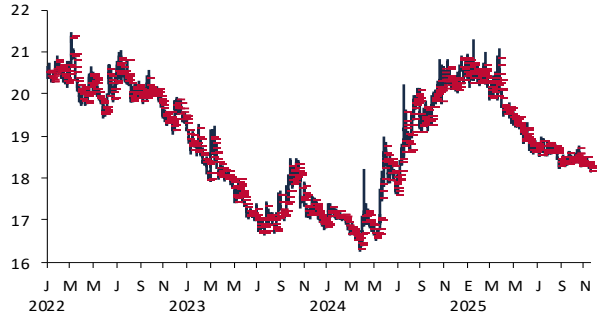


Data as of December 2025.
Source: Banco de México with Bloomberg data.

I.3.1. Foreign exchange market

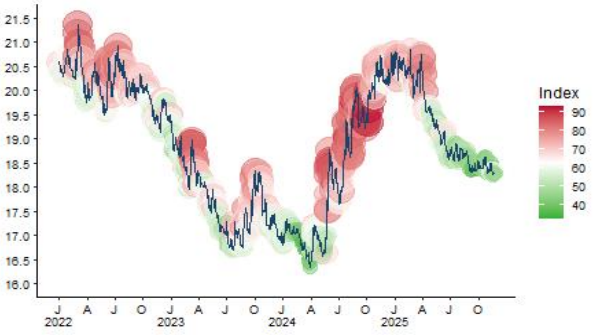
In the second half of 2025, the Mexican peso continued its appreciation trend and traded in a range between 18. 15 and 19.34 pesos per US dollar. The factor that has contributed most to this behavior is Mexico's favorable position in trade tensions with the United States compared to other countries (Graph 9), although for most part of the year, performance was also boosted by a weak US dollar. In addition, low levels of implied volatility have contributed to the creation of carry trade strategies that benefit from the interest rate spread between Mexico and other developed economies, which has also been a factor that has improved the currency's performance (Graph 10).

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



Data as of December 2025.
Source: Bloomberg.
1/ The red lines indicate the closing exchange rate, while the blue bars indicate the trading range.

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

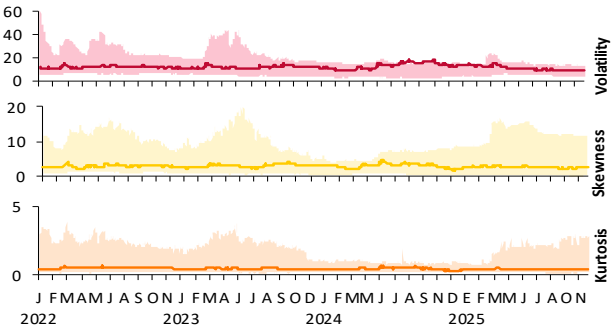


Data as of December 2025.
Source: Banco de México with data from Bloomberg and Refinitiv.

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.

Against this backdrop, liquidity and depth conditions have improved compared to the previous period, reaching levels not seen since early 2024. However, several forward-looking indicators maintain a slight bias toward depreciation (Graph 11).

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

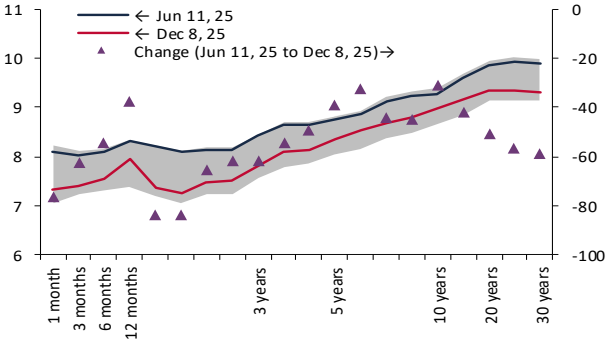


Data as of December 2025.
Source: Bloomberg.
1/ The emerging countries included in the shaded area (range between the maximum and minimum values) are Brazil, Chile, Colombia, the Philippines, Hungary, India, Indonesia, Malaysia, Poland, South Africa, and Türkiye. The solid line represents the value of 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

During the second half of 2025, the local yield curve continued the downward trend observed during the first half of the year. Although this behavior has prevailed across the curve, it is more significant for maturities shorter than three years. This performance is mainly attributed to Banco de México's continued monetary easing cycle. In addition, risk premiums have compressed, associated with favorable idiosyncratic factors. Thus, the yield curve continues to steepen, while yield spreads against U.S. bonds continue to narrow (Graph 12).

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

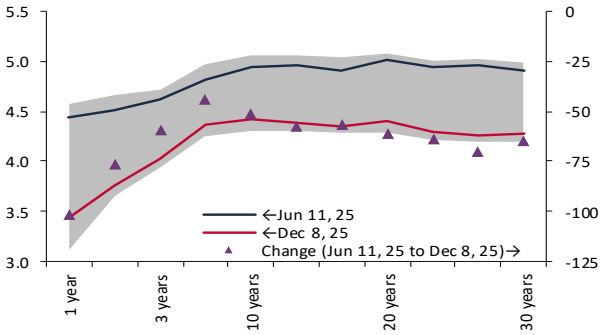


Data as of December 2025.
Source: Banco de México with data from PiP.
1/ The grey area is the yield curve range since June 11, 2025.

This context was accompanied by stable trading conditions for government securities, with liquidity and depth metrics similar to those observed in the previous period.

The real yield curve also shows declines with a steepening dynamic, although to a lesser extent (Graph 13).

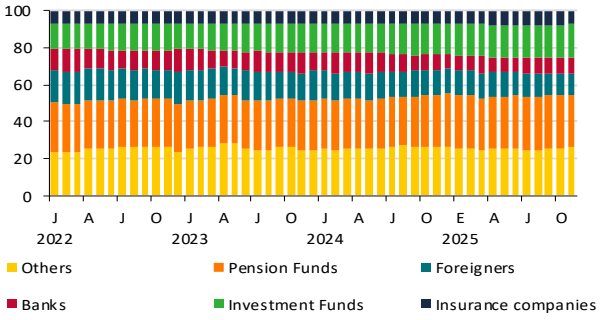
Graph 13
Inflation-linked Bonds' yield curve
Left axis: Percent
Right axis: Basis points



Data as of December 2025.
Source: Banco de México with data from PiP.
1/ The grey area is the yield curve range since June 11, 2025.

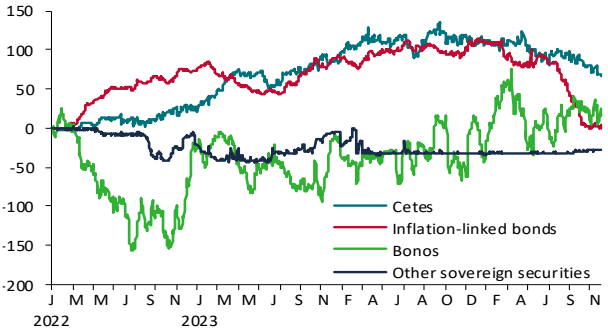
Against this backdrop, flows to peso-denominated assets by the external sector continue to reflect volatility, registering a significant outflow during the period covered by this *Report* (Graph 14). This flow is mainly explained by the outflows of these investors in Udibonos, which accumulate close to 82 billion pesos in an environment of stable inflation data and a loss of attractiveness of the inflation premium. In contrast, M Bonos recorded inflows of 11 billion pesos during the period, focused mainly on maturities between 2028 and 2034 (Graph 15).

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



Data as of November 2025.
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

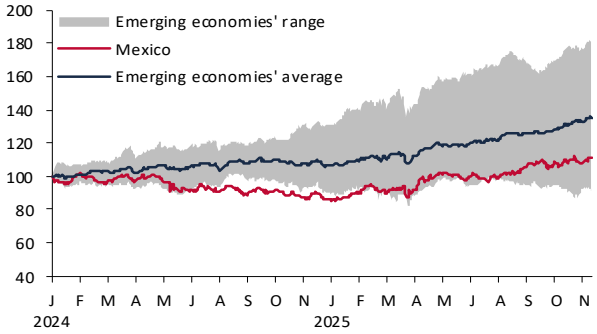


Data as of November 2025.
Source: Banco de México with data from Indeval.

I.3.3. Equity market

The Mexican stock market has performed well during the period, accumulating a gain of more than 9%. The performance of the BMV's Index (IPyC) has been in line with that observed in other emerging economies (Graph 16).

Graph 16
Equity indices' cumulative performance for selected emerging economies [1/]
Index (January 2024 = 100)



Data as of December 2025.
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.

In terms of foreign investor positioning in this market, the second half of 2025 showed a negative cumulative flow focused on companies in the basic consumption and industrial sectors.

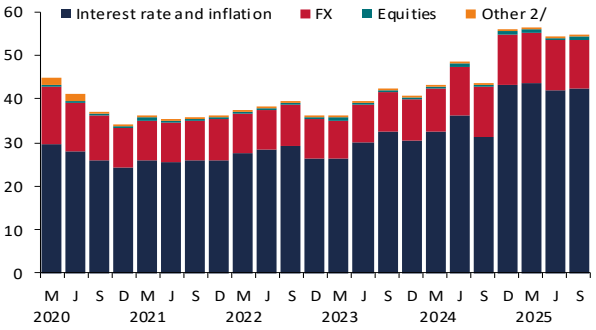
Finally, during the period, four companies seeking capital on the Mexican Stock Exchange (BMV) reactivated their activity: in July, Fibra Next made an Initial Public Offering (IPO) for 8 trillion pesos, backed by a portfolio of nine properties throughout the country, while Grupo Herdez completed the spin-off of Nutrisa on September, following its listing on the BMV through a dividend in kind equivalent to 321 million shares. Fibra Next's IPO is the first recorded on the market since 2017. Finally, in November, two companies made dual IPOs on international markets and in Mexico: on the one hand, Aeroméxico returned to the capital markets raising around 300 million US dollars, while Esentia Energy raised 10 billion pesos.

I.3.4. Derivatives market

During the period covered by this *Report*, compared to the period from October 2024 to March 2025, the derivative transactions portfolio showed a slight decrease in the outstanding notional amount, mainly due to the reduction observed in transactions with underlying assets referenced to interest rates and inflation, as well as a mild reduction in foreign exchange transactions. However, the most significant changes were driven by the expiration, during the

second quarter of 2025, of those interest rate swaps (IRS) that did not participate in the process of replacing transactions referenced to the 28-day TIIE with those linked to the TIIE Funding Rate (TIIE-F), which took place at the end of the last two months of 2024, as their maturity date was earlier than December 31, 2025.[1] Likewise, the interest rate portfolio compression carried out by some institutions contributed to this decline (Graph 17).

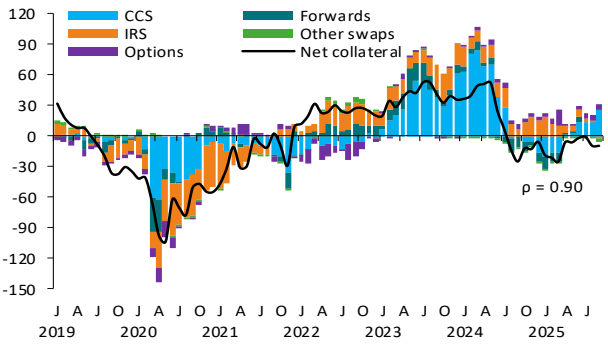
Graph 17
Outstanding notional amount by type of underlying 1/
Trillions of pesos



Data as of third quarter of 2025.
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.

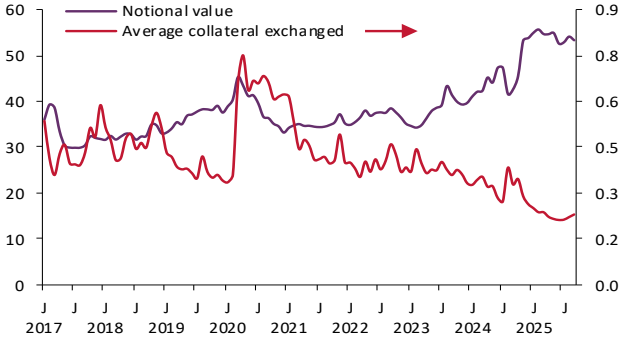
In the context of the strengthening of the Mexican peso against the US dollar observed between April and September 2025, and the downward shift in both domestic and foreign interest rate curves used to value derivative transactions, the value of the derivatives portfolio was positive, mainly vis-à-vis domestic legal entities. In particular, the Cross Currency Swaps (CCS) portfolio, as well as the forwards portfolio, showed valuation gains, which more than offset the losses recorded on interest rate derivatives. This increase in the position values, led institutions to post a lower net amount of collateral assets for their derivative transactions (Graph 18). As a result, the ratio of exchanged collateral to the notional value of derivative transactions declined (Graph 19).

Graph 18
Relationship between the net value of the derivatives portfolio and the net value of collateral
Billions of pesos



Data as of September 2025.
Source: Banco de México.

Graph 19
Portfolio notional value and collateral amount divided by the outstanding notional amount
Left axis: Trillions of pesos
Right axis: Percent



Data as of September 2025.
Source: Banco de México.

With regard to the incorporation of the Unique Product Identifier (UPI), as of November 3rd 2025, the obligation to use this identifier in derivative transactions entered into force for financial institutions. The adoption of the UPI will enhance market transparency and enable better risk aggregation and monitoring of over-the-counter (OTC) derivative instruments, thereby contributing to the stability and efficiency of the financial system.

At the end of September 2025, the Bank for International Settlements (BIS) released the results of its 14th triennial survey on foreign exchange and OTC derivatives markets. The survey results show that

[1] For more details on the TIIE Funding Rate replacement process, see the Derivatives Market section of the December 2024 Financial Stability Report.

global daily turnover in foreign exchange derivatives increased, driven by short term forwards with maturities of up to one month. Likewise, the interest rate derivatives market recorded significant growth, with the euro surpassing the US dollar as the most traded currency, reflecting a structural change in the global market.[2]

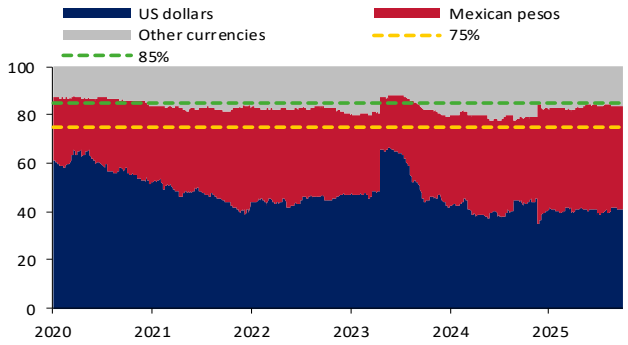
In this context, the Mexican peso ranked as the fourteenth most traded currency, an improvement from the sixteenth position observed in 2022. While foreign exchange derivatives turnover increased compared to the previous survey, particularly in US dollar-denominated instruments, turnover in interest rate derivatives declined. It should be noted that the 2025 survey was conducted in an environment of high exchange rate volatility and frequent announcements about possible changes in global trade policy conditions, in contrast to the pandemic and geopolitical tensions that prevailed in 2022.[3]

When comparing the BIS survey results for the main Latin American economies, an increase was observed in the average daily turnover of foreign exchange–related derivative instruments. At the regional level, excluding Mexico, the average increase in the daily forward turnover was 42%, while in Mexico this increase reached 60%.

In the area of interest rate derivatives, the main economies participating in the BIS survey reported an increase in average daily turnover, with particularly strong volumes observed in the United Kingdom, the United States, and Germany. By contrast, in Mexico, traded volumes declined amid market expectations of potential downward adjustments in interest rates. This reduced incentives for some market participants to hedge or take positions in interest rate instruments, leading to a deterioration in Mexico's global ranking, from 20th to 25th place.

On the other hand, in recent periods, the clearing of IRS transactions with maturities of less than two years, referenced to rates in US dollar and Mexican peso at the Chicago Mercantile Exchange (CME), represented more than 80% of the total cleared volume. Likewise, since November 2023, the share of both currencies in that market has remained close to 40% each, while transactions referenced to other currencies have accounted for approximately the remaining 20%. It is important to note that between 2022 and September 2025, the notional amount of US dollar denominated IRS with maturities of up to two years, cleared at the CME, contracted by 29%; in contrast, transactions referenced to Mexican peso interest rates increased by 73% over the same period (Graph 20). This dynamism reflects growing interest in peso-denominated instruments in international derivatives markets.

Graph 20
Daily participation in CME of the notional amount of IRS swaps with term of up to 2 years per currency of the reference rate
Percent



Data as of September 30th, 2025.
Source: Chicago Mercantile Exchange.

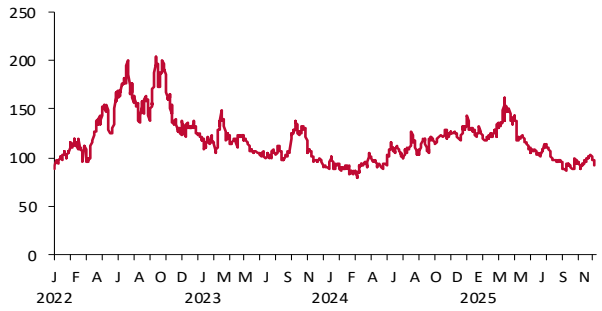
I.3.5. Risk premiums

Mexico's credit risk premiums, as measured by the credit default swap (CDS) price, have declined significantly during the period covered by this *Report* (Graph 21), in line with the movements observed in its Latin American peers (Graph 22).

[2] For more information, see the BIS triennial surveys on OTC transactions, "Triennial Central Bank Survey, OTC foreign exchange turnover in April 2025," and "Triennial Central Bank Survey, OTC interest rate derivatives turnover in April 2025."

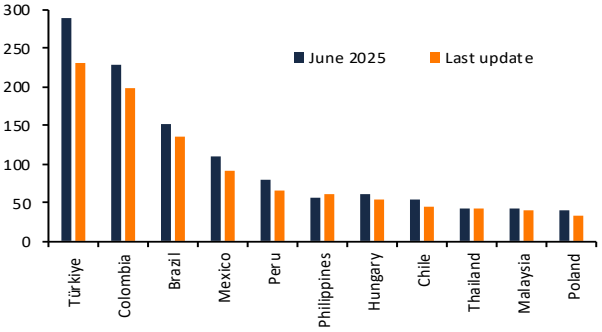
[3] See the Derivatives Market section of the December 2022 Financial Stability Report and the Banco de México press release regarding the BIS Triennial Survey.

Graph 21
5-year Mexico's CDS
Basis points



Data as of December 2025.
Source: Bloomberg.

Graph 22
5 year CDS for selected emerging economies
Basis points

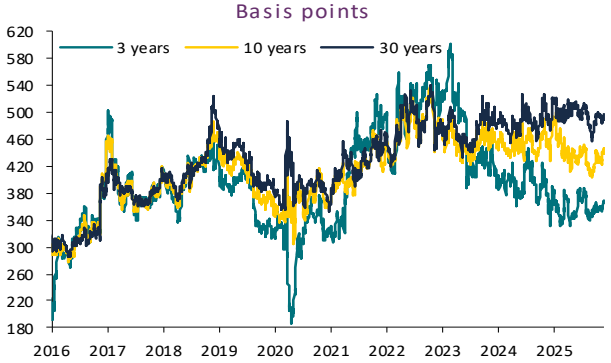


Data as of December 2025.
Source: Bloomberg.

Meanwhile, interest rate spreads between Mexican and US bonds have continued to narrow and are now approaching their historical average for all maturities.

Finally, inflation breakevens have shown a favorable trend, especially in the long term. Meanwhile, short-term inflation breakevens have consolidated at lower levels (Graph 23).

Graph 23
Sovereign breakeven inflation rate
Basis points



Data as of December 2025.
Source: Banco de México with data from PIP.

I.4. Macro-financial risks

The Mexican financial system as a whole remains solid and resilient, with capital and liquidity levels that amply comply with the regulatory minima. These characteristics have enabled it to absorb unexpected or severe shocks that could affect its proper functioning. However, it is necessary to detect in a timely manner and continuously monitor macro-financial risks that may arise in a complex and uncertain global environment. The relevance of this work lies in the fact that these risks are associated with the possibility that an unexpected shock or disturbance, whether due to internal or external factors, could affect the financial system as a whole and also have an adverse impact on the real sector, mainly on the levels of economic activity, employment, and income. It should also be noted that this analysis focuses on risks whose materialization could have a severe impact (or "tail scenarios"), without necessarily implying an assessment of their probability of occurrence.

Intensification of geopolitical and trade tensions

The possible intensification of geopolitical and trade tensions is a factor of global uncertainty. Such a scenario could be reflected in increases in commodity prices, inflationary pressures, and, especially, lower global economic activity, which in turn could have adverse implications for international financial markets and global financial stability.

Although short-term projections for global and domestic economic activity have improved over the last six months, some moderation is still anticipated with respect to 2024. Likewise, the medium- and

long-term performance of the global economy could be affected if an environment persists in which these tensions lead to reconfigurations of global value chains with consequent losses in efficiency.

For the domestic economy, lower economic activity and global trade would have adverse implications, as this would primarily affect the external component of aggregate demand. This, in turn, would contribute to weak domestic consumption and investment, both public and private.

The negative implications of the above for the global financial system would mainly be due to declines in the real incomes of households, companies, and governments, which in turn would be reflected in lower demand for financing and increases in the credit risks of financial intermediaries. This would have a direct impact on their profitability, without ruling out further deterioration in metrics and premiums related to other risks.

Surprises in the trajectory of global financial conditions

Uncertainty surrounding economic policy, especially in the trade and monetary spheres, together with concerns about the medium- and long-term sustainability of the fiscal position of some systemic economies, keeps the possibility of surprises in the global financial system latent.

If they materialize, significant deviations from their expected trajectory could feed back into episodes of high volatility and risk aversion in financial markets. The possibility of such scenarios is accentuated by a context in which, despite the high degree of uncertainty prevailing, investor risk appetite and compressed risk premiums have driven the valuations of some financial assets beyond their fundamentals, especially in the technology and artificial intelligence sectors in the United States. An abrupt correction in the prices of these assets could quickly spread to other financial markets through various channels, contributing to a tightening of global financial conditions.

This is relevant for the stability of the global financial system because, in addition to affecting the proper functioning of financial markets, unexpected shocks that abruptly tighten financial conditions would contribute to the persistence of high financing costs for borrowers in general, including households, companies, and governments. On the one hand, this would contribute to a loss of momentum in global economic activity and, on the other, it would exacerbate the vulnerabilities associated with high levels of public and private debt in some systemic jurisdictions.

Unanticipated adjustments in the credit ratings of relevant domestic issuers

Since the publication of *the* last *Report*, one of the leading global rating agencies affirmed its credit assessment of Mexico's long-term foreign currency sovereign debt at levels consistent with investment grade and a stable outlook. Meanwhile, Pemex's debt ratings were upgraded by two agencies (Graph 24).

Regarding sovereign debt, the agency notes that, in its assessment, it anticipates the stabilization of public finances despite moderate economic growth, while the stable outlook incorporates its forecast of prudent monetary policies and contained fiscal deficits, as well as pragmatic management of disputes with the United States on trade and immigration issues. However, according to the same agency, Mexico's credit rating faces challenges associated with public finances, given the risk of new extraordinary support required for Pemex and CFE, as well as uncertainty surrounding foreign trade.

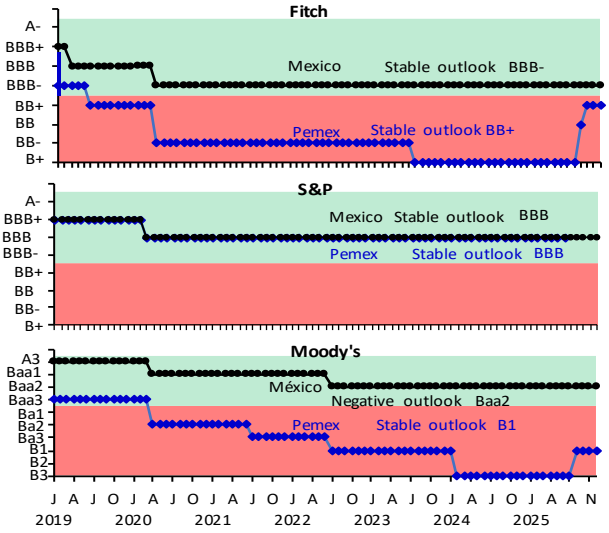
With regard to Pemex, the agencies highlighted the favorable effect on their assessment of the federal government's financial support measures, as well as the change in approach to the company announced in its strategic plan for 2025-2035. However, they also note that the company still faces persistent structural challenges that could continue to weigh on its financial performance.

Nevertheless, the risk of unexpected adjustments to the credit ratings of key domestic issuers remains present. If this were to materialize, the country's macro-financial risk profile could deteriorate, which would be reflected in increases in risk premiums and financing costs for all domestic issuers, as well as a possible decline in capital flows.

Graph 24

Mexico and Pemex's foreign currency rating performance [1/]

Fitch, S&P and Moody's scales



Data as of December 2025.
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 potential for heightened global geopolitical tensions, uncertainty surrounding the direction of economic policy, particularly on the trade front, the potential for adverse surprises in global financial conditions, and the rapid growth of non-bank financial intermediation at the international level, the possibility of a systemic event with an impact on international financial markets and the global financial system remains latent.

If an event of this nature were to materialize, its transmission and possible amplification through various channels, combined with pre-existing vulnerabilities in some specific sectors or participants, could impact the economy, financial markets, and the national financial system.

II. Update on challenges in the economic environment

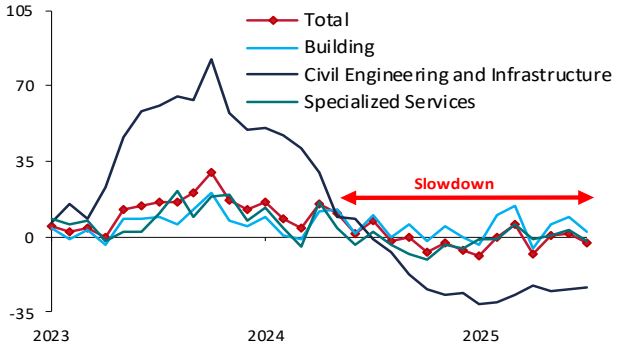
Risk of slowdown in the construction sector for the corporate loan portfolio

In the construction sector, activity has been showing a deceleration, with several months of decline in production (Graph 25). This slowdown has been heterogeneous across subsectors: while the building subsector generally maintained positive growth rates, specialized services and, in particular, civil engineering and infrastructure experienced a more prolonged and significant contraction.

Graph 25

Annual growth rates of construction

Percent

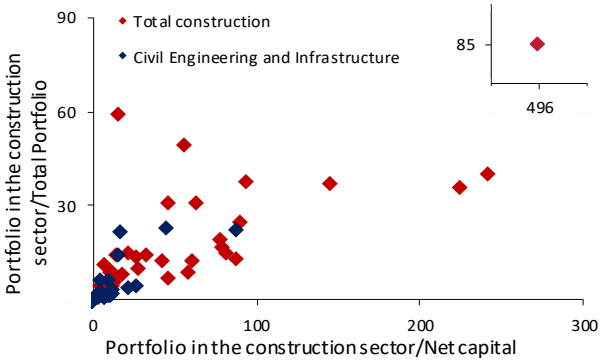


Data as of July 2025.
Source: INEGI.

The slowdown in activity could reduce construction firms' revenues, affecting their ability to pay and increasing their credit default rates. An increase in non-performing loans could, in turn, generate risks for commercial banks. Therefore, this section examines the exposure of corporate credit in Mexico to the slowdown in the construction sector.

To this end, exposed credit is identified as credit granted by banks to the sector. For the banking system as a whole, the exposed portfolio is limited (13.4%). However, some banks exhibit a high degree of exposure, as measured by the proportion of their net capital and of their corporate loan portfolios (Graph 26). These banks are small- and medium-sized institutions, which reduces their weight and impact on the system's total portfolio.

Graph 26
Exposure of corporate credit to the construction sector
Percent



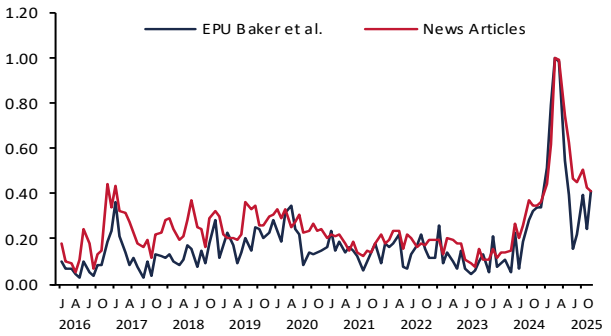
Data as of July 2025.
Source: Banco de México, CNBV and INEGI.

Moreover, exposure falls significantly when only the civil engineering and infrastructure subsector is considered, which showed a pronounced slowdown over the past year (Graph 25). In particular, for the banking system as a whole has exposure to this subsector that stands at 4.1% (Graph 26).

Evolution of uncertainty

During the second half of 2025, based on the timely Economic Policy Uncertainty (*EPU*) index, compiled using information from news *websites*, the level of uncertainty associated with economic policy experienced a notable decline compared to the first half of the year, albeit with some intermediate spikes. From mid-year until November, the indicator remained close to its 2025 low, although at a relatively high level with respect to historical records (Graph 27).

Graph 27
Economic Policy Uncertainty Index[1/]
Uncertainty level



Data as of November 2025.
Source: Banco de México.

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 January 2010 to November 2025 period. 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).

According to the sources consulted for the preparation of the index, during the period covered by this *Report*, the main issues that contributed to the level of the indicator on an international scale are the United States tariff policies and expectations of further Federal Reserve interest rate cuts. In addition, issues that stood out in the domestic context were the growth expectations for Mexico and the start of the USMCA negotiations.

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. Against this backdrop, they carried out regulatory changes in the areas of payroll loans, transactions involving illicit funds,

securities market transactions, common risk, and accounting standards.

Regulation by Banco de México

In order to promote the sound development of the financial system and foster competition among financial institutions, Banco de México issued circular 6/2025 on July 18, 2025. This provision also aims to facilitate access to financing with better conditions and simplify the origination and payment processes.

The circular modified the definition of payroll-related loans and expanded the use of employee benefits as collateral for financial services. As a result, workers can apply for and receive these loans from any bank or regulated multi-purpose financial institutions (sofom), rather than exclusively from the bank with which they have their payroll.

Regulation by other authorities

In accordance with international recommendations and in order to strengthen the battle against money laundering and terrorism financing, a decree was issued amending the Federal Law for the Prevention and Identification of Operations with Illicit Resources (LFPIORPI, its acronym in Spanish). The main amendments include[4] :

- Guidelines related to real estate developments and virtual assets.
- Implementation of a risk-based approach for regulated entities.
- Obligation to identify beneficial owners, politically exposed persons, and compliance officers.
- Mandatory annual training for members of management bodies and staff of regulated entities.
- Extension to 10 years for the retention period of information that supports authorities' requests made to commercial companies.
- Strengthening of supervisory powers.

Following up with the amendments to the Securities Market Law (LMV, its acronym in Spanish) of December 28, 2023, and the general provisions applicable to simplified issuers of January 21, 2025, the National Commission for the Pension System (Consar, its acronym in Spanish) incorporated specific rules to regulate the investment of siefores in Simplified Issuances. Likewise, Afores are now required to have a subcommittee specializing in structured instruments and to strengthen policies for investing in Real Estate Investment Trusts (REITs).[5] Additionally, Consar established the guidelines applicable to vehicles whose underlying assets are comprised of simplified issuances, the definition of "foreign debt securities", and the obligations regarding the monitoring of investments in structured instruments.[6]

As of December 2025, the National Banking and Securities Commission (CNBV, its acronym in Spanish) published the following amendments to various regulations applicable to several financial institutions:

- The General Provisions for various financial institutions to regulate risk diversification in their operations. These amendments will allow for optimal use of risk diversification in their operations, which will translate into a broader credit offering tailored to the needs of their customers or partners. Likewise, the current regulation regarding the identification and monitoring of common risk that may be presented by related parties in the granting of financing was strengthened. [7]

[4] Decree regarding the LFPIORPI, published in the Official Gazette of the Federation on July 16, 2025.

[5] General Provisions on financial matters relating to retirement savings systems, published in the Official Gazette of the Federation on July 21, 2025.

[6] Amendments to the General Provisions establishing the investment regime to which specialized retirement fund investment companies must adhere, published in the Official Gazette of the Federation on November 4, 2025.

[7] Resolution amending the General Provisions applicable to general warehouses, currency exchange offices, credit unions, and regulated multiple-purpose financial companies, published in the Official Gazette of the Federation on July 23, 2025.
Resolution amending the General Provisions applicable to the activities of savings and loan cooperatives, published in the Official Gazette of the Federation on July 23, 2025.

- The General Provisions applicable to broker-dealers and the general provisions applicable to stock exchanges, with the aim of including the obligations regarding the participation of each type of entity in the simplified registration process. The former incorporated the concept of simplified issuers and specified the services, obligations, and processes that broker-dealers may offer and in which they may participate with respect to such issuers.[8]

- In terms of accounting criteria, the special accounting criteria and special accounting records were adjusted, with the aim of providing legal certainty regarding natural disasters that could allow for their authorization and the requirements that must be met to prove the adverse impact on the solvency or liquidity of financial institutions or on financial stability, or when institutions carry out financial restructuring or corporate restructuring processes.[9]

- The General Provisions of various financial institutions, whose objective is the incorporation of the capital investments' valuation that are not traded in the short term but are classified as negotiable financial instruments in financial statements and regulatory reports, thereby reducing volatility in the results for the year resulting from unrealized valuations and ensuring convergence with Financial Reporting Standards.[10]

- The General Provisions applicable to credit institutions, with the aim of providing greater clarity and legal certainty regarding the scope of large exposures, the definition of "financing" was clarified in order to exclude transactions entered into with credit institutions and foreign banking institutions with a term of up to one business day. In addition, it provides clarity on federal revenues or contributions that may be used as credit risk coverage to reduce the value of their exposures and for the purposes of calculating the limits established for such exposures.[11]

Resolution amending the General Provisions applicable to popular savings and credit institutions, integration organizations, community financial companies, and rural financial integration organizations, referred to in the Popular Savings and Credit Law, published in the Official Gazette of the Federation on July 23, 2025.

[8] Resolution amending the General Provisions applicable to stock exchanges, published in the Official Gazette of the Federation on July 23, 2025.

Resolution amending the General Provisions applicable to broker-dealers, published in the Official Gazette of the Federation on July 23, 2025.

[9] Resolution amending the General Provisions applicable to credit institutions, published in the Official Gazette of the Federation on July 24, 2025.

Resolution amending the General Provisions applicable to broker-dealers, published in the Official Gazette of the Federation on July 24, 2025.

Resolution amending the General Provisions applicable to general warehouses, currency exchange offices, credit unions, and regulated multiple-purpose financial companies, published in the Official Gazette of the Federation on July 24, 2025.

Resolution amending the General Provisions applicable to financial technology institutions, published in the Official Gazette of the Federation on July 24, 2025.

Resolution amending the General Provisions applicable to development agencies and entities, published in the Official Gazette of the Federation on July 24, 2025.

Resolution amending the General Provisions applicable to the activities of savings and loan cooperatives, published in the Official Gazette of the Federation on July 25, 2025.

Resolution amending the General Provisions establishing the accounting criteria to which participants in the derivatives market shall be subject, published in the Official Gazette of the Federation on July 25, 2025.

Resolution amending the General Provisions applicable to investment funds and persons providing services to them, published in the Official Gazette of the Federation on July 25, 2025.

Resolution amending the General Provisions applicable to popular savings and credit institutions, integration agencies, community finance companies, and rural financial integration agencies, as referred to in the Popular Savings and Credit Law, published in the Official Gazette of the Federation on July 25, 2025.

[10] Resolution amending the General Provisions applicable to credit institutions, published in the Official Gazette of the Federation on September 11, 2025.

Resolution amending the General Provisions applicable to financial technology institutions, published in the Official Gazette of the Federation on September 9, 2025.

Resolution amending the General Provisions applicable to financial group holding companies subject to supervision by the National Banking and Securities Commission, published in the Official Gazette of the Federation on September 5, 2025.

Resolution amending the General Provisions applicable to investment funds and persons providing services to them, published in the Official Gazette of the Federation on September 4, 2025.

Resolution amending the General Provisions applicable to broker-dealers, published in the Official Gazette of the Federation on September 3, 2025.

Resolution amending the General Provisions applicable to general warehouses, currency exchange offices, credit unions, and regulated multiple-purpose financial companies, published in the Official Gazette of the Federation on September 8, 2025.

[11] Resolution amending the General Provisions applicable to credit institutions, published in the Official Gazette of the Federation on December 2, 2025.

- Adding on, the General Provisions to credit institutions clarified the treatment applicable to transactions subject to credit risk with or on behalf of trusts by establishing the classification of such transactions and, consequently, assigned their weighting for calculating capital requirements based on the risk of the transaction, which in turn, will be reflected in their solvency. Additionally, accounts receivable, prepayments, and deferred charges that are not deducted when determining net capital were included into the definition of transactions subject to credit risk.[12]

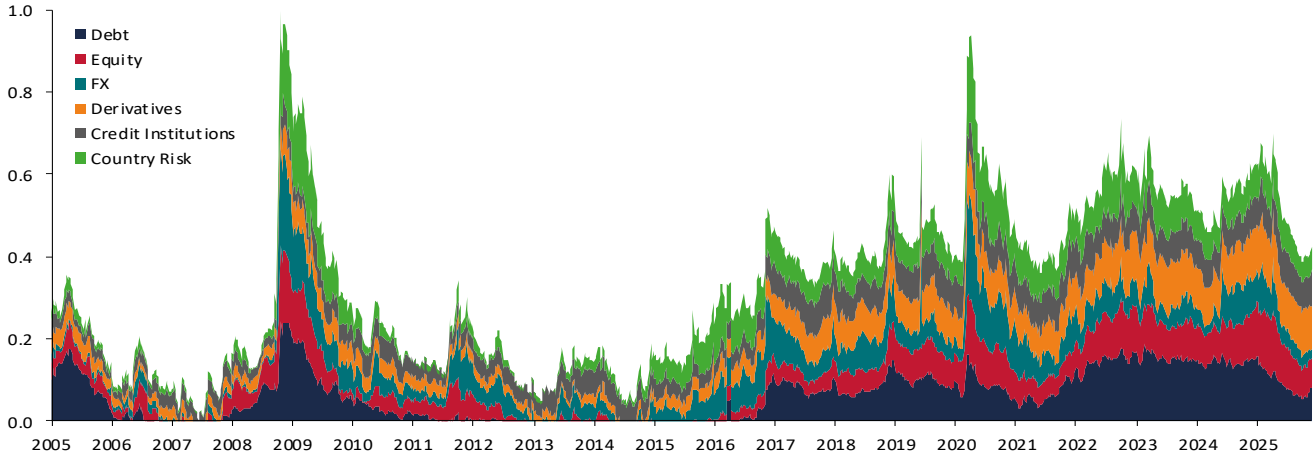
IV. Risks of the financial system

IV.1. Aggregate risk indicators

The risk indicators presented below summarize the combined evolution of various financial variables. Among the variables considered are those that capture market volatility, risk premiums, rate spreads, and others that reflect the financing conditions faced by economic agents. A summary of the information collected directly from financial institutions through the Systemic Risk Perception Survey is also presented. Finally, a heat map is shown and it reflects the evolution of aggregate risk and its components. These indicators make it possible to determine whether the environment of financial markets remains stable or whether there are possible deviations.

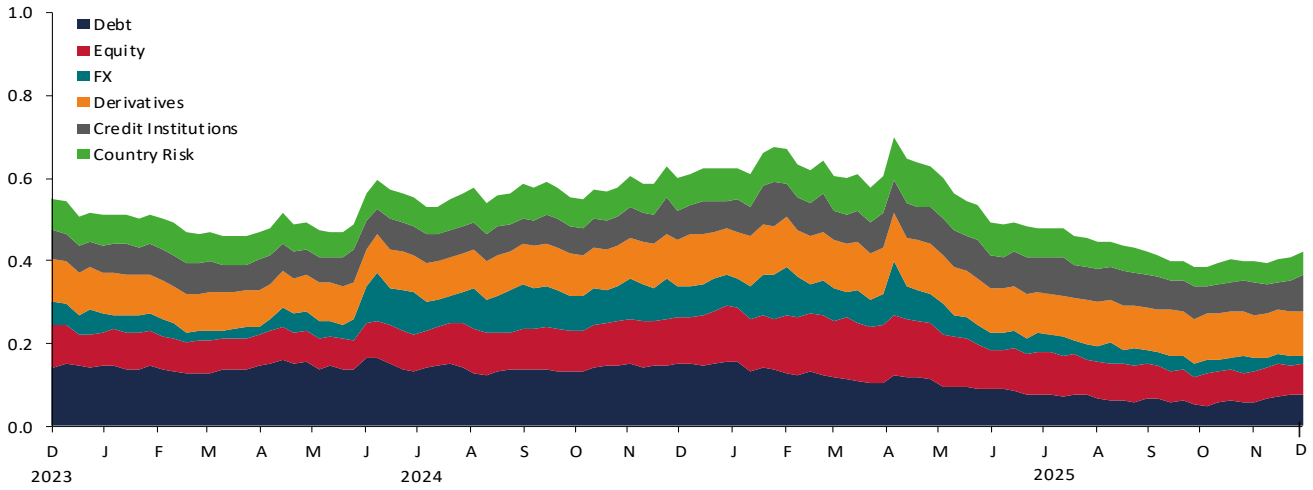
Since the last *Report* and until the first week of October, the Financial Market Stress Index (IEMF, its acronym in Spanish) has been on a downward trend. Although the index had a slight increase in the period after, its level is moderate and lies below that recorded in the previous *Report*. This relative decrease is explained by the lower stress observed in variables related to country risk, the equity market, as well as those related to the foreign exchange and debt markets (Graph 28). In particular, lower market volatility during the period contributed to reducing financial stress.

Graph 28
The Financial Market Stress Index [1/]
a) Stress level 2005-2025



[12] Resolution amending the General Provisions applicable to credit institutions, published in the Official Gazette of the Federation on December 4, 2025.

b) Stress level 2023-2025[2/]



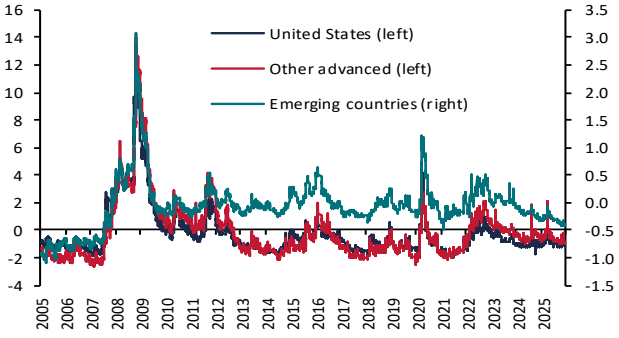
Data as of December 5, 2025.
Source: Banco de México.
1/ The index was estimated using a principal component analysis on 36 standard variables of Mexican financial markets grouped into 6 categories (debt market, equity market, FX market, derivatives market, credit institutions and country risk). Total components yields the index scaled at the [0,1] interval. A higher number represents higher financial stress.
2/ Data is shown for the last 24 months.

Meanwhile, financial market stress indices in the United States, emerging countries, and other advanced countries declined compared to the last *Report* and are below their historical averages (Graph 29).

Graph 29

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

No unit



Data as of December 5, 2025.

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 November, financial conditions in Mexico, according to the Financial Conditions Index (ICF, its acronym in Spanish), registered a downward trend since the last *Report*, entering the easing zone for the first time since June 2021 (Graph 32). This change is explained by the easing conditions of variables related to the stock market, the debt market, and country risk.

Global financial conditions, as measured by the IMF's Financial Conditions Index, eased since the last *Report*, following the temporary tightening observed in April 2025. In most economies, the adjustments were due to optimism in equity markets and the broad-based weakening of the US dollar.[13]

In November 2025, growth at risk (GaR) at a 10% confidence level[14] was estimated at -1.4%. This implies that, if an adverse scenario materializes, there is a 10% probability that economic growth will be equal to or below that level. This result represents an improvement over the figure observed six months earlier (-2.3%) and is attributable to the easing of financial conditions in Mexico.

[13] See IMF Global Financial Stability Report, October 2025, Chapter 1, available here.

[14] This indicator represents the value of the 10th percentile of the distribution of future real annual GDP growth estimated from the ICF historical series and current annual economic growth, based on expectations of future annual growth. It allows for the identification of potential adverse growth scenarios, conditional 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.

The main results of the Systemic Risk Perception Survey are described below.[15,16] Regarding the main sources of risk for the financial system, the most frequently mentioned external financial risks are: the deterioration of the global economic growth outlook, protectionist measures and the weakening of trade agreements, as well as higher-than-expected inflation. With regard to domestic financial risks, the deterioration in the country's economic growth outlook is the most frequently mentioned risk, followed by higher-than-expected inflation and the deterioration of public finances. Finally, among non-financial risks, the most frequently mentioned were political, geopolitical, and social risks, cybersecurity and technological risks, and climate risk (Table 1).

Table 1

Main sources of financial system risks

Percent of total institutions

	Nov-25[1/]	May-25[2/]
External financial risks		
Deterioration of global economic growth outlook	87	80
Protectionist measures and the weakening of trade agreements	76	68
Higher than expected inflation	74	71
Deterioration of foreign market conditions*	74	66
Disorderly changes in foreign interest rates	54	63
Domestic financial risks		
Deterioration of the domestic economic growth outlook	78	75
Higher than expected inflation	77	64
Deterioration of public finances	70	67
Deterioration of sovereign credit rating	64	71
Fiscal, financial and economic policies	56	54
Non-financial risks		
Political, geopolitical and social risks	91	89
Cybersecurity and IT risks	87	88
Climate risk	81	68
Violence and insecurity	72	75
Deterioration of the rule of law and impunity	61	55

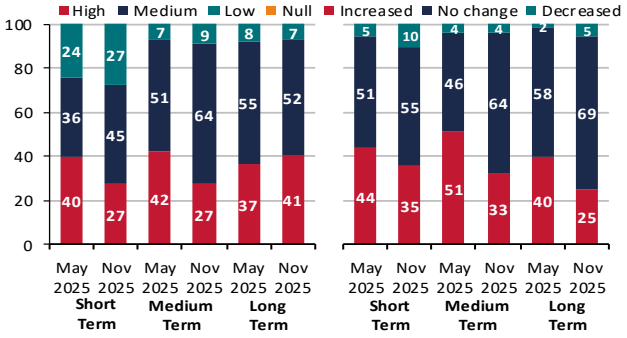
1/ In the last survey 110 institutions participated.
2/ In the previous survey 112 institutions participated.
* Exchange rate volatility, depreciation and lack of liquidity.

With regard to the probability of an event affecting financial stability in the short, medium, and long term,[17] it is noteworthy that, compared to the previous semester, the proportion of institutions that consider the probability of such an event occurring in the short and medium term to be high decreased, while the proportion that considers it high in the long term increased. Finally, the proportion of institutions perceiving an increase in the probability of such an event occurring has decreased in all time frames (Graph 30).

Graph 30

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.

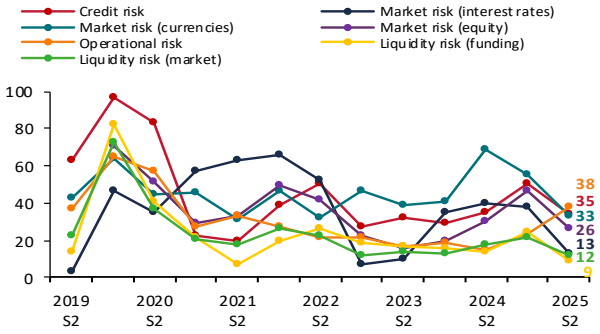
With regard to institutions' expectations regarding the evolution of financial risks over the next six months, an increase in operational risk is expected, while decreases are expected for all other financial risks (Graph 31).

[15] The survey is conducted by Banco de México among risk management directors at various financial institutions. This semester, it was conducted from October 22 to November 14, 2025. For more information, see Box 6, "Semiannual survey on the perception of systemic risk," in the Financial Stability Report, December 2019.

[16] 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 functioning of the financial system at different time horizons; iii) institutions' expectations regarding the main idiosyncratic risks they face; iv) aspects related to their risk management, and v) growth prospects. The survey was sent to 135 financial institutions (pension funds, insurance companies, commercial banks, development banks, broker-dealers, and investment funds), of which 110 responded.

[17] Short, medium- and long-term should be understood as a horizon of 0 to 6 months, 6 to 12 months, and 1 year or more, respectively. Institutions were asked whether the probability of occurrence was high, the mean, low, or zero for each term.

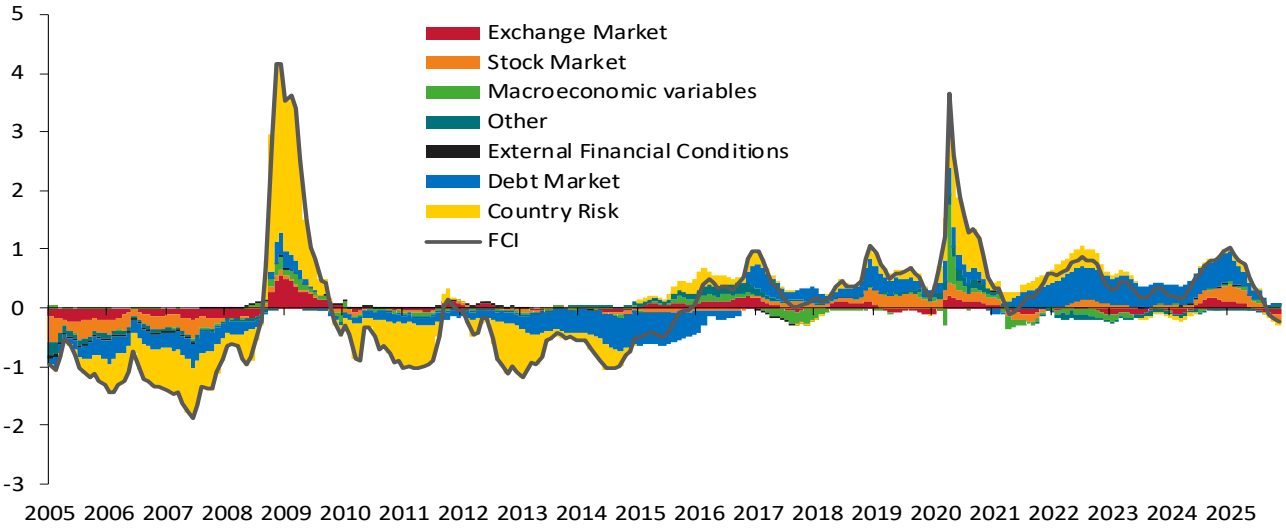
Graph 31
Expectations regarding the evolution of risks in the following six months [1/]
Percent



Data as of November 2025.
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.

The aggregate risk of the financial system, illustrated through the heat map, decreased in September and is now located in the cold zone of the scale. This is mainly explained by the reduction in the financial sector leverage and macroeconomic risks observed during this period. In contrast, leverage risks in the non-financial sector and market exposure risks increased slightly, with the latter reaching a warmer level than the rest of the categories. (Graph 33).

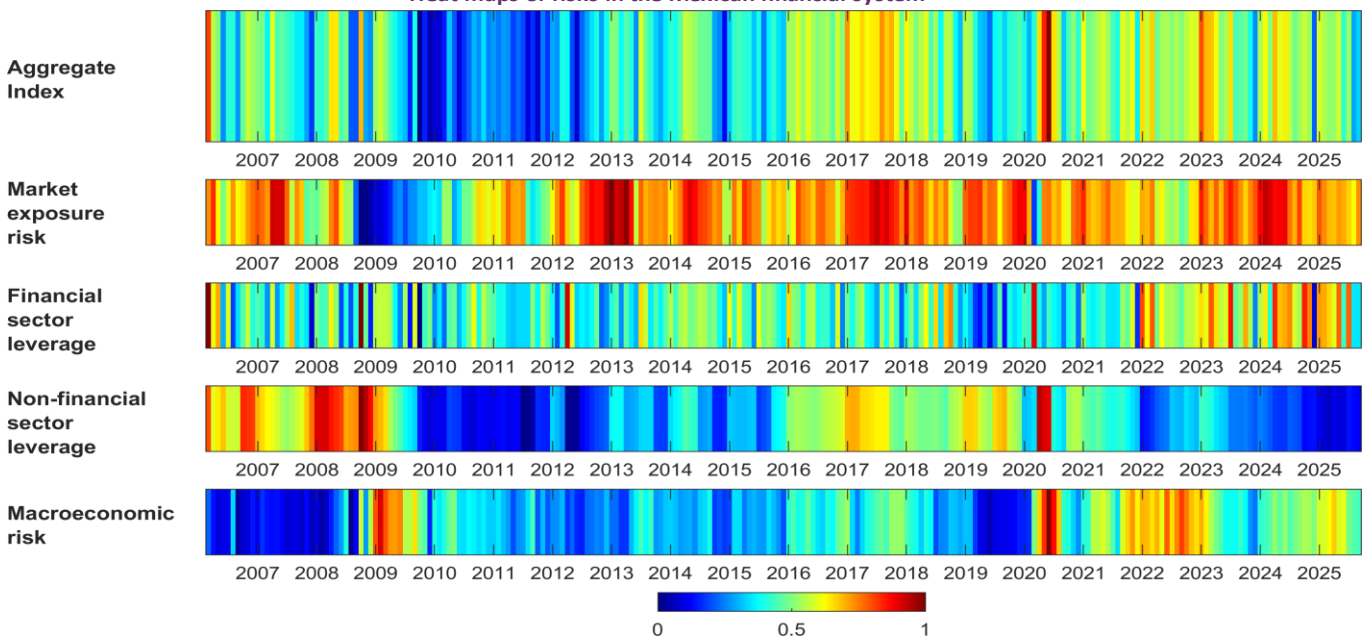
Graph 32
Financial Conditions Index [1/,2/]
Standard deviations



Data as of November 2025.
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 FCI variable are estimated using Kalman Filter.

Graph 33

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



Data as of September 2025.
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.

Macro-financial Vulnerability Index

Early warning indicators are metrics that enable national authorities and international organizations such as the FSB and the IMF[18] to identify vulnerabilities in the macro-financial environment. They also facilitate risk management by providing timely detection of areas of fragility that, in adverse economic conditions, could lead to macro-financial crises.[19]

For Mexico, early warning indicators are calculated for four sectors: financial, real, external, and public.[20] In all four sectors, the value of each indicator is below its respective threshold[21] (Graph 34a), reflecting that no significant vulnerabilities are currently detected in the Mexican economy.

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

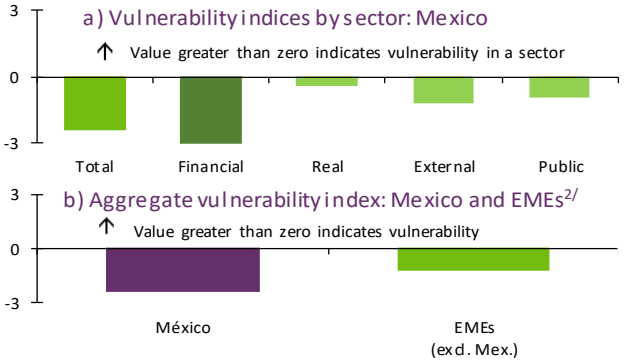
[19] Macro-financial crises are defined as sudden capital outflows, financial stress, and abrupt fiscal adjustments. These definitions follow the IMF Methodological Manual (2012) and Laeven and Valencia (2012). However, when analyzing the indicators, it should be borne in mind that macro-financial crises tend to originate from simultaneous vulnerabilities across several sectors, and their likelihood depends on the degree of internal fragility and the intensity of external shocks.

[20] Eleven variables are used as indicators for emerging economies based on the latest available information: the current account balance, reserve coverage, export growth, the real effective exchange rate, the fiscal balance, the variation in public revenues, the Capitalization Index (CAR), Return on Assets (ROA), the non-performing loan ratio, the loan-to-deposit ratio, and real GDP growth. Aggregate indicators are obtained by weighting the distance of each indicator from a threshold, taking into account the importance of each indicator in predicting crises.

[21] Zero-centered thresholds are defined through the standardization of indicators, such that their historical average equals zero and their standard deviation measures the distance from that average. In this context, positive values indicate that an indicator is above its historical level and reflect greater vulnerabilities, while negative values suggest lower risks. A value of zero represents the equilibrium or reference point from which warning signs are assessed.

Graph 34

Macro-financial vulnerability indices[1/]



Data as of October 2025.

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.

Compared to the previous *Report*, there was an enhancement in the indicators of the financial and real sectors. In the real sector, the improvement is explained by the upward revision in the International Monetary Fund's economic growth forecast for the year-end of 2025. In this regard, the international organization highlights that tariff rates are lower than anticipated. In the financial sector, which already showed few vulnerabilities in the latest version of this *Report*, the improvement was significant and responded mainly to an increase in the capitalization (CAR) of the banking sector.

The public and external sectors recorded marginal deteriorations. In the external sector, this reflected an appreciation of the exchange rate, which could reduce the competitiveness of exports. In the public sector, this was due to the IMF's expectation of a weaker fiscal balance.

However, the enhancements in the financial and real sectors more than offset the slight setbacks in the other sectors, so that the aggregate indicator, which reflects the vulnerabilities of the economy as a whole, registered an improvement. In addition, vulnerabilities remain lower than in other emerging economies, reflecting the solid position of the Mexican economy in the international context (Graph 34b).

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

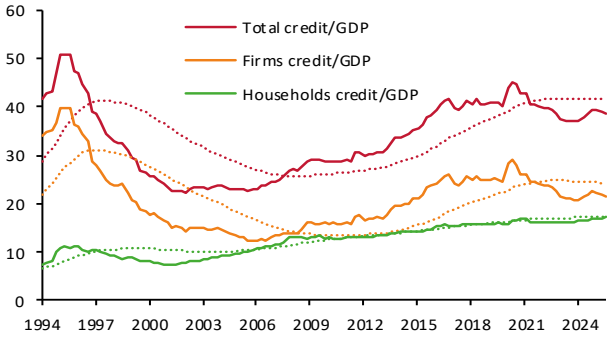
The financing gap has remained negative for eighteen quarters and, over the last three quarters, widened to 2.9 percentage points of GDP (Graph 35b). Credit as a proportion of GDP is at a similar level to that observed in 2016, while the financing gap is close to 2006 levels (Graph 35a).

Graph 35

Credit to non-financial system private sector

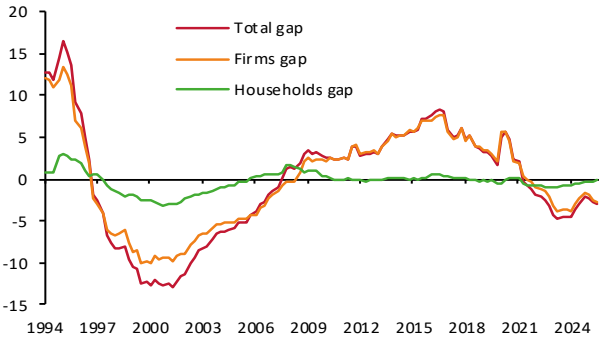
a) Share of GDP [1/]

Percent



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

Percent



Data as of September 2025.

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.

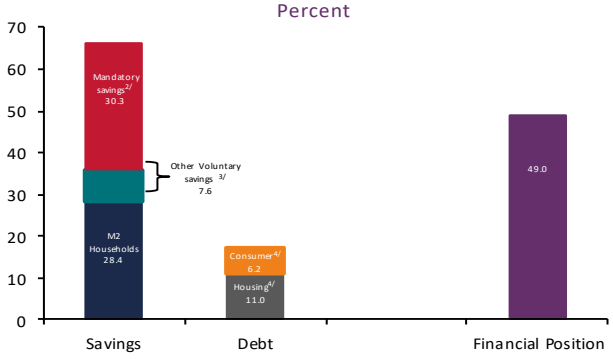
The financial position of households improved compared to the previous six months, reaching 49.0% of GDP. This was mainly due to an increase in mandatory savings and, to a lesser extent, an increase in savings in other instruments (Graph 36a). Savings reached a peak, exceeding the level of savings in the previous six months (Graph 36b).

Graph 36

Households financial position[1/]

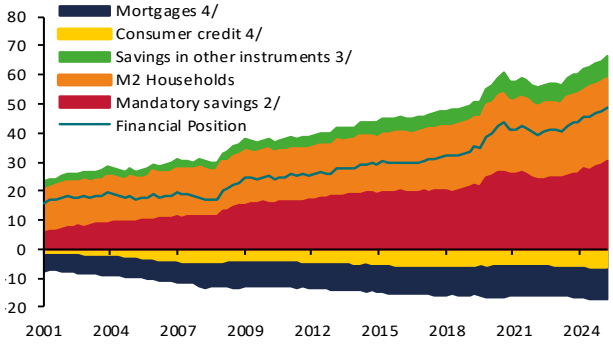
a) Share of GDP

Percent



b) Share of GDP

Percent



Data as of September 2025.

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.

Total financing to the non-financial sector of the Mexican economy increased in real annual terms in the third quarter of 2025, reaching a level of 102.6% of GDP at the end of September. This figure breaks down as follows: 59.0% corresponds to the public sector, 24.9% to non-financial companies, and the remaining 18.7% to households (consumption and housing). Although financing to the public sector increased, its growth rate was lower than that recorded in the previous *Report*, and its share of the total decreased slightly, considering both internal and external sources. Notably, foreign financing granted to the public sector, through securities issuance and direct bank credit, increased at a higher rate when considering balances in US dollars.

Meanwhile, financing to the non-financial private sector decelerated for both companies and households. By type of domestic source, securities issuance experienced a contraction in the third quarter of the year, while direct credit increased, although less than a year ago. Finally, total financing granted by the external sector to the non-financial private sector (companies) showed a lower contraction and registered a smaller share of total financing to companies (Table 2).

Table 2

Total Financing to Non-Financial Sectors of the Mexican Economy

a) Figures at September 2025

	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
				3Q25 vs 3Q24	3Q24 vs 3Q23	
Public sector [1/]	**20,739**	**100**	**58.9**	**5.9**	**11.1**	**75.9**
Securities	**18,086**	**87.2**	**51.4**	**7.9**	**12.9**	**79.4**
Issued in Mexico	14,353	69.2	40.8	8.8	12.6	100.0
Issued abroad	3,733	18.0	10.6	4.6 [16.3]	13.8 [5.5]	0.0
Bank credit	**1,572**	**7.6**	**4.5**	**-0.7**	**-0.4**	**3.0**
Commercial bank	75	0.4	0.2	-42.9	-2.8	62
Development bank	1,129	5.4	3.2	-3.3	-1.9	94
Foreign banks	368	1.8	1.0	29.1 [43.5]	7.5 [-0.3]	0.0
Other [2/]	**1,081**	**5.2**	**3.1**	**-12.9**	**3.7**	**44.6**
Private sector	**13,384**		**38.0**	**1.9**	**5.5**	**79.7**
Non-financial companies	**7,308**	**100**	**20.8**	**-0.5**	**6.5**	**63.1**
Securities	**2,219**	**30.4**	**6.3**	**-3.6**	**5.3**	**37.2**
Issued in Mexico	784	10.7	2.2	-1.6	9.8	98.5
Issued abroad	1,434	19.6	4.1	-4.7 [6]	3.1 [-4.4]	3.8
Bank credit	**4,798**	**65.7**	**13.6**	**0.0**	**7.3**	**74.8**
Commercial bank [3/]	3,744	51.2	10.6	3.5	6.4	76.4
Development bank	508	7.0	1.4	-3.9	7.8	63.5
Foreign credit [4/]	546	7.5	1.6	-16.0 [-6.6]	12.2 [4]	0.0
Other [5/]	**292**	**4.0**	**0.8**	**17.9**	**2.5**	**98**
Households	**6,075**	**100**	**17.3**	**4.8**	**4.3**	**100**
Consumer credit	**2,234**	**36.8**	**6.3**	**9.5**	**10.1**	**100**
Commercial bank [3/]	1,874	30.8	5.3	9.1	12.5	100
Development bank	45	0.7	0.1	-8.0	-0.6	100
Other [5/]	**315**	**5.2**	**0.9**	**15.2**	**-1.2**	**100**
Mortgages	**3,841**	**63.2**	**10.9**	**2.3**	**1.4**	**100**
Commercial bank	1,514	24.9	4.3	2.0	2.9	100
Development bank	11	0.2	0.0	-3.5	-8.7	100
Other [6/]	**2,316**	**38.1**	**6.6**	**2.6**	**0.5**	**100**
Memo: Non-regulated financial entities that grant financing by destination sector [7/]	**1,981**	**100**	**5.6**	**13.9**	**-0.6**	**90.8**
Non-financial companies	1,456	73.5	4.1	18.7	-4.9	89.5
Consumer credit	485	24.5	1.4	3.3	11.7	95.7
Mortgages	22	1.1	0.1	2.8	17.2	100.0
Public Sector	18	0.9	0.1	-19.6	-2.9	44.6
Memo: Crowfunding financing [8/]	1.0	n.d.	0.0	-3.6	7.1	n.d.
TOTAL	**36,104**		**102.6**	**4.8**	**8.3**	**78.1**

Data as of September 2025.

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.

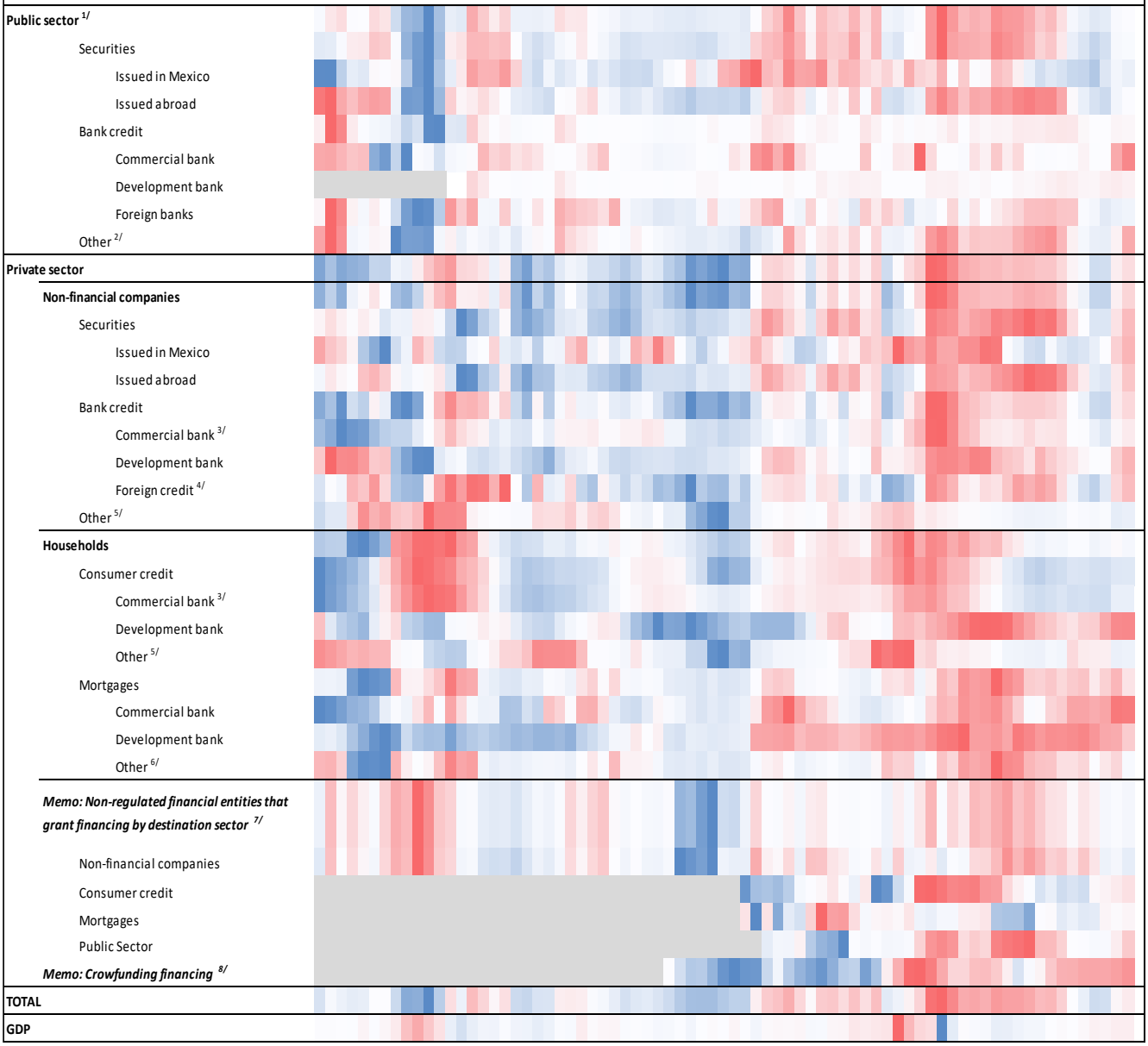
6/ Includes financing granted by the Infonavit, the Fovissste, as well as by regulated non-banking entities.

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 due to corrections made by entities in their data submisions.

8/ Includes flow of financing granted by regulated crowfunding institutions over the last two quarters.

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 September 2025.

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 due to corrections made by entities in their data submisions.

8/ Includes flow of financing granted by regulated crowfunding institutions over the last two quarters.

IV.2.1. Households

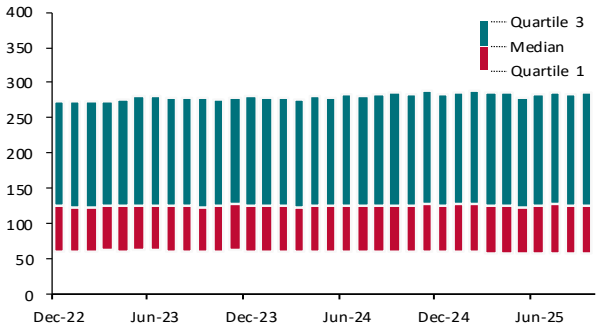
According to a sample of household loan records (consumer and housing), from both banking and non-banking institutions,[22] the quartiles of total debt balances of borrowers,[23] at constant prices, decreased marginally in the last two quarters (Graph 37a).[24] The distribution of leverage, measured as the proportion of monthly income allocated to debt repayment, including quartiles and the average, shows a shift toward higher levels compared to a year ago. In addition, leverage is higher for borrowers with lower incomes (Graph 37b).

Graph 37

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

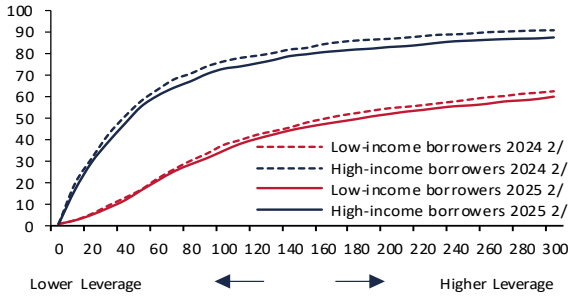


Data as of September 2025.
Source: Credit Bureau.
1/ Estimate using information from a sample of Credit Bureau files.
2/ Constant prices (September 2025 base).

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 September 2025.
Source: Credit Bureau and Banco de México.
1/ Estimate using information from a sample of Credit Bureau files.
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 57% of all borrowers.

Consumer credit

The balance of total consumer financing from banking and non-banking sources grew in real annual terms, although this growth was lower than that recorded in the previous *Report* (Graph 38). The balance of the consumer portfolio of banks and their related sofomes grew in real annual terms at a rate of 9.4% in September, lower than that recorded in the previous *Report*. Growth was observed in all segments, mainly in auto loans and personal loans (Graph 39).[25]

[22] Estimated using information from a panel sample of 45,000 credit files from the Credit Bureau that have at least one bank loan, with historical information on all loans in the sampled file.

[23] It is defined as the payment due on all loans registered by a person with credit reporting agencies.

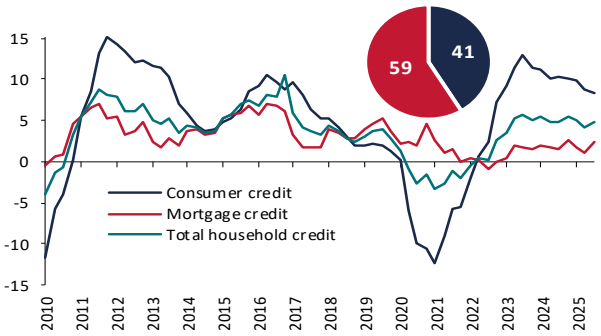
[24] This decrease is also reflected in the average balance.

[25] The increase in the real annual growth rate of the automotive portfolio from March 2024 to February 2025 was due to a base effect caused by the acquisition of a sofom portfolio by a banking institution in March 2024.

Graph 38

Household credit growth [1/]

Real annual percent change



Data as of September 2025.

Source: Banco de México, BMV and Condusef.

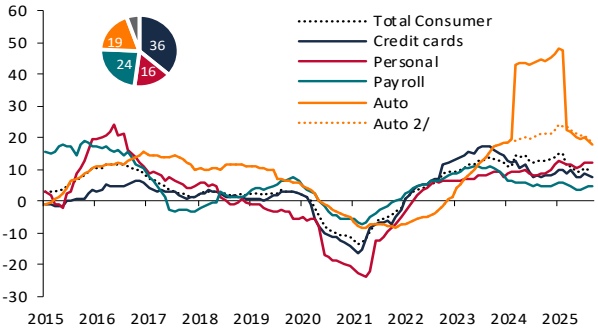
Note: The percentages shown here consider the figures relating to non-regulated entities that grant financing and that are included at the bottom of Table 3 (Memo); therefore, the differ from those registered in the upper part of the same table. In addition, we exclude non-regulated entities figures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

1/ Includes the loan portfolio of commercial banks and regulated non-bank entities such as regulated sofomes, socaps, sofipos and credit unions, as well as non-bank non-regulated entities such as non-regulated sofomes and debt-issuing financial companies such as financial leasing companies or financial arms of automotive companies. For mortgages it also includes those granted by Infonavit and Fovissste and for consumer credit includes credit granted by Infonacot. The growth series are adjusted to consider the beginning of availability of the data on financing by non-regulated entities and regulated sofomes that issue debt in the period in which they appear in the sample (2015-2016). 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.

Graph 39

Consumer credit portfolio of the banking system [1/]

Real annual change in percent



Data as of September 2025.

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.

In line with the moderation of economic activity in the first three quarters of 2025, the pace of bank consumer lending between April and August 2025 was minored, with the personal loans and payroll credit portfolio showing a decline in momentum compared to the previous six months.

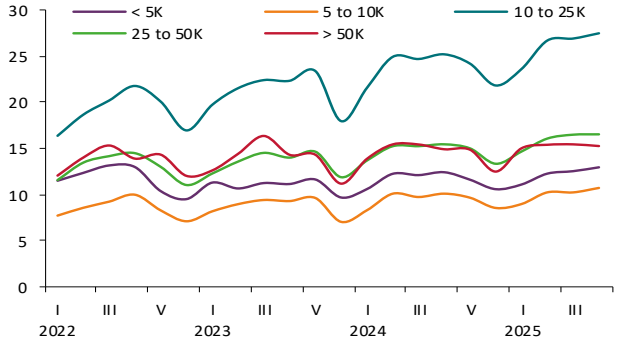
This slowdown in payroll loans originated mainly in the segment of borrowers with higher incomes. Likewise, during the reporting period, personal loans showed less dynamism in lending, particularly in the segment of borrowers with higher incomes (Graph 40).

Graph 40

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

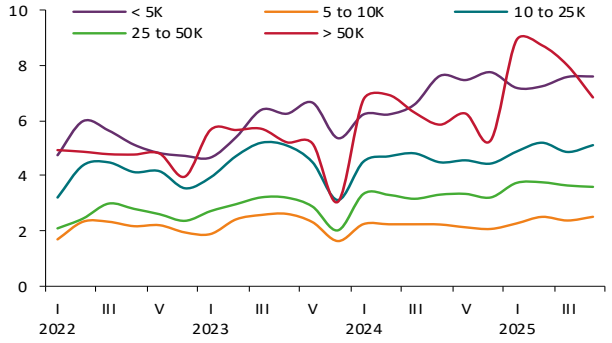
a) Payroll

Billions of pesos



b) Personal

Billions of pesos



Data as of fourth two-month period 2025.

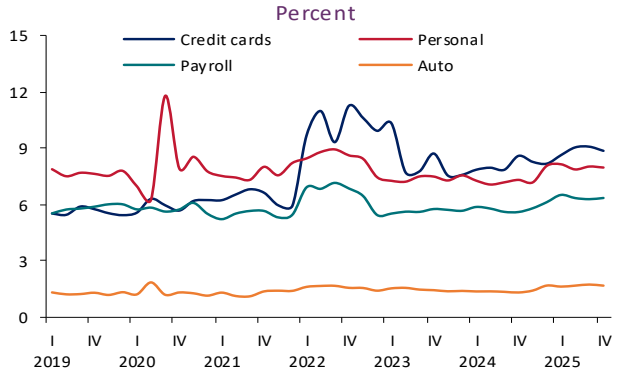
Source: Banco de México.

1/ Includes banks loans and linked sofomes loans.

2/ Gross monthly income in pesos.

Meanwhile, the probability of default for newly originated consumer loans showed a marginal increase between April and August 2025 and remains limited (Graph 41).

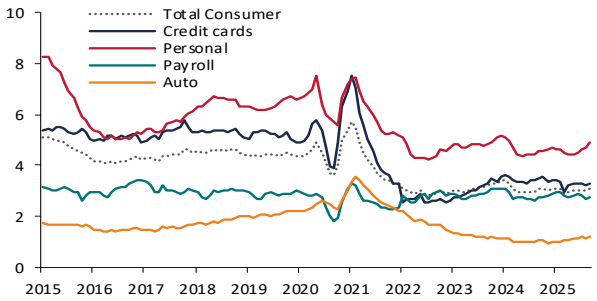
Graph 41
Probability of regulatory default for newly originated consumer loans [1/]



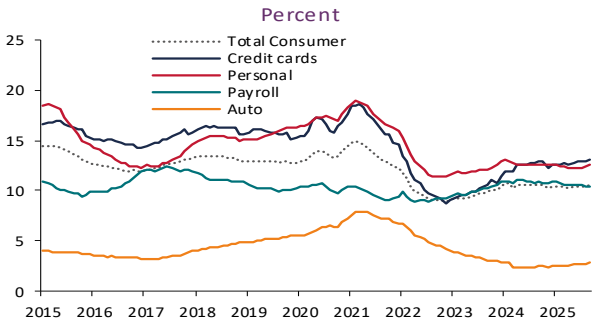
Data as of fourth two-month period 2025.
Source: Banco de México.
1/ Includes banks loans and linked sofomes loans.

Graph 42
Non-performing loan ratio and adjusted non-performing loan ratio of consumer loan portfolio[1/]

a) Non-performing loan ratio



b) Adjusted non-performing loan ratio



Data as of September 2025.
Source: CNBV.
1/ Includes sofomes regualted for having equity links with a bank.

In addition, growth in financing granted by the non-banking sector was uneven. While financing provided by regulated financial intermediaries grew at a slower pace than that observed in the last *Report*, financing granted by unregulated intermediaries showed a slight contraction. Meanwhile, the total balance provided through credit cards issued by department stores increased, although at a slower pace than in the previous *Report*. Automotive financing granted by non-banking financial intermediaries as a whole slowed down due to the reduction in the balance of the portfolios of automotive finance companies.

The NPL ratio of the consumer credit portfolio of commercial banks and their related sofomes increased slightly compared to the previous *Report*, showing similar behavior in all segments except for the payroll segment, which registered a slight decrease. If loan write-offs are included within the NPL measure, the Adjusted NPL showed a similar pattern, which can be explained by the increase in both the past-due portfolio and write-offs. It is noteworthy that the non-performing loan ratio for most consumer segments is lower than its historical average between 2012 and 2025, except in the case of payroll loans , which is slightly above (Graph 42a and Graph 42b).

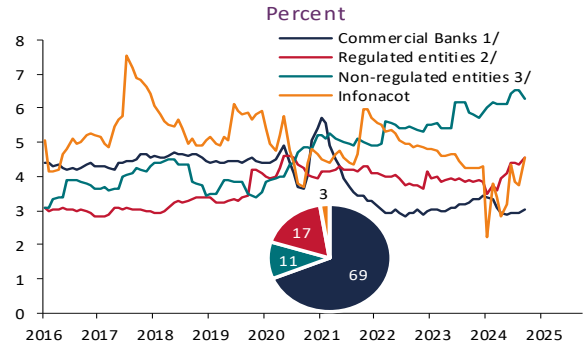
According to an econometric analysis that studies the macroeconomic and financial determinants of the Adjusted NPL ratio in the consumer portfolio,[26] it was found that a decrease in the consumer confidence indicator is related to an increase in the previously mentioned ratio.

The NPL ratio in the consumer credit portfolio granted by non-banking financial intermediaries and Infonacot, as a whole, increased slightly since the last *Report* (Graph 43a). Meanwhile, the NPL ratio in the popular finance corporations (sofipos, its acronym in Spanish) and savings and loan cooperatives (socaps, its acronym in Spanish) sectors remained relatively stable. It should be noted that some sofipos that use digital models regularly write off and write down loans, which keeps their NPL ratio low (Graph 43),

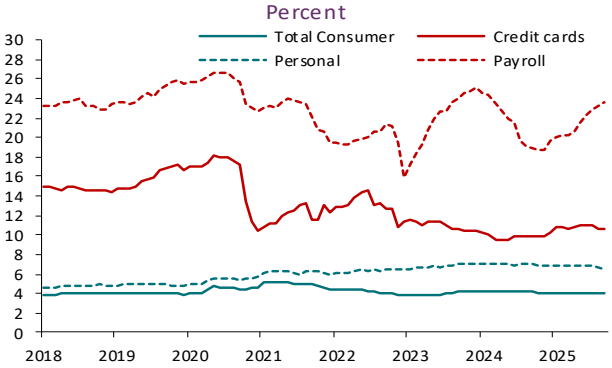
[26] A quantile regression model was estimated to measure the effect of macroeconomic variables on different quantiles of the Adjusted non-performing loan ratio (Adjusted NPL ratio or *IMORA,* for its acronym in Spanish) distribution of the consumer portfolio. The *IMORA* was considered as the dependent variable and the following explanatory variables: the annual variation of the IGAE with a six-month lag, the consumer confidence index, the revision of contractual wages, the unemployment rate, annual inflation, the 28-day tiie, and the annual variation of the nominal exchange rate, based on Beck et al. (2015) and Ghosh (2017).

which in turn is reflected in their Adjusted NPL ratio, which continues to rise.

Graph 43
Non-Performing Loan Ratio of Consumer Portfolio
a) By type of lending institution



Non-performing loan ratio and adjusted non-performing loan ratio of consumer loan portfolio
b) Non-performing loan ratio



Data as of September 2025.
Source: Banco de México (SIE), CNBV, BMV and Condusef.
1/ Includes the loan portfolio of regulated sofomes that mantain an equity ownersip relationship 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 and the Infonacot.
3/ Includes credit portfolio of non-regulated sofomes, debt-issuing financial companies such as financial leasing companies or financial arms of automotive companies, as well as credit cards granted by listed department stores. The Credit Bureau is the information source of the delinquency ratio for department stores credit cards. 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.

For sofipos, the balance of write-offs and write-downs made during the last six months amounted to 10.3% of the average balance of the total portfolio for the period.[27] In addition, an analysis of the loans originated by these institutions shows that those originated in recent semesters are beginning to register late payments more quickly than those originated in previous semesters. On the other hand, the non-performing loan ratio of some of them has been trending upward since the beginning of 2024. In the case of sofipos, this indicator has a positive correlation with unemployment, inflation, and interest rates (see Box 1).

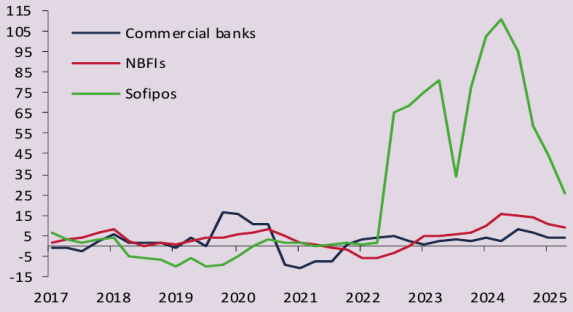
[27] 19.8% of these write-offs correspond to loans granted to borrowers who reported monthly incomes below the median of the distribution.

Box 1: Determinants of the consumer non-performing loan ratio for *Sociedades Financieras Populares* (Sofipos)

I. Introduction

In recent years, the non-bank financial intermediation sector[1] (NBFI) has experienced significant growth worldwide, and these institutions have become important players in various financial systems (FSB, 2024; Zheng, et al., 2025). In Mexico, sofipos sofipos are regulated non-bank financial institutions that provide basic savings, credit, and payment services, primarily to low-income households and small businesses. Sofipos have experienced the highest growth within the NBFI sector (Graph 1). Although as of September 2025 their assets represented 0.95% of the NBFI sector and their share is 0.56% of the total assets of the financial system, they serve more than 12 million borrowers.[2] In addition, some institutions are already comparable in size to small and medium-sized banks.[3]

Graph 1
Total assets real annual growth for different financial institutions
Percent



Data as of September 2025
Source: Elaborated by Banco de México with data from CNBV.

Sofipos can raise funds and grant credit to private agents.[4] Given their growing importance in deposit and savings management, as well as in the provision of consumer credit within the Mexican financial system, it is important to analyze the risks to which they are exposed and the factors that determine them. In particular, non-performing loan ratios (NPL ratio) are credit risk indicators that have been found to be negatively related to solvency and profitability of financial institutions (Konstantakis et al., 2016; Banco de México, 2020b; Pancotto et al., 2024). This makes them key indicators for monitoring the financial health of sofipos. Although the sector is small in relation to the financial system's assets and its interconnection with other intermediaries is low, its recent rapid growth and the differentiated dynamics of its NPL ratio compared to other financial intermediaries suggest that the country's financial authorities should monitor credit risk management within the sector in order to mitigate events that could affect the sector they serve in a timely manner.

This Box presents an econometric analysis of the relationship observed between the NPL ratios of the sofipos' consumer portfolio and various macroeconomic and financial variables in order to identify the factors that affect the quality of these financial institutions' credit portfolios.

II. Empirical evidence

The determinants of the NPL ratio of bank loans have been extensively studied in the literature, both for advanced and emerging economies. In particular, macroeconomic, financial, and institutional variables, (profitability, size, solvency, capitalization). Among the macroeconomic and financial variables that stand out the most in the literature are; economic growth, inflation, unemployment, and interest rates.

Economic growth is negatively associated with the NPL ratio because, when the economy grows, employment increases and consumers have greater payment capacity and sufficient income to pay their debts more easily (Konstantakis et al., 2016; Cortes

[1] In Mexico, the NBFI sector includes pension funds, insurance companies, bonding institutions, investment funds, development institutions, broker-dealers, sofomes, savings and credit institutions, credit unions, bonded warehouses, currency exchange offices, collective financing institutions, and electronic payment fund institutions. It also includes companies that carry out credit operations on a professional basis as part of their daily activities, such as companies that engage in leasing, factoring, or lending.

[2] See Table 3 in this Report.

[3] See Box 7, "Savings and Credit Institutions," in the December 2020 Financial Stability Report.

[4] Sofipos can collect savings and grant credit to the general public (see Box 7, "Popular Savings and Credit Institutions," in the December 2020 Financial Stability Report).

and Sorian, 2024; Salas et al., 2024). Conversely, unemployment is associated with a higher NPL ratio, as loss of income can prevent consumers from meeting their financial obligations (Nkusu, 2011; Pancotto et al., 2024). Similarly, high interest rates can lead to an increase in NPL rates by increasing the cost of debt service (Louzis et al., 2011; Salas et al., 2024). As for inflation, its effect depends on whether the decline in consumers' ability to pay or the decline in the real interest rate predominates, so the relationship can be positive or negative, depending on which of the effects is more prevalent (Nkusu, 2011; Banco de México, 2020b). Other variables analyzed are consumer income, which is expected to have a negative impact on the NPL ratio (Banxico, 2020b; Cortes and Soriano, 2024).

Finally, it should be noted that most of the literature has focused on analyzing the determinants of the NPL ratio for different segments of the portfolio of commercial banks, excluding other types of financial institutions from the analysis. However, Zariyawati et al. (2021) analyze the macroeconomic, financial, and institutional determinants within the NBFI sector using data from Malaysia and found out that higher inflation and high interest rates are associated with higher NPLs.

III. Methodology

A linear regression model was used for the estimation, where the dependent variable is the NPL ratio of the consumer portfolio of sofipos. To this end, monthly NPL data published by the CNBV for these institutions were used. Based on the empirical evidence presented in the previous section, the macroeconomic and financial explanatory variables used are the real TIIE (Equilibrium Interbank Interest Rate) funding rate,[5] the annual variation in the Global Economic Activity Index (IGAE, its acronym in Spanish), the evolution of revisions or increases in contractual wages, seasonally adjusted unemployment, and annual inflation. These are obtained from Banco de México and INEGI.

The econometric specification is as follows:

$$Y_t = \boldsymbol{X}_{t-3}{}'\beta + Covid_t\,\delta + \varepsilon_t,\ \ \varepsilon_t \sim N(0,\sigma^2)$$

where Y_t represents the NPL ratio over time t , X_{t-3} represents the vector of exogenous variables with a three-month lag to take into account the delayed impact that these variables may have on NPLs, to mitigate possible endogeneity problems in the variables, and for consistency with the definition of past-due portfolio, which is three consecutive months of past-due payments. A dichotomous variable was also added, denoted by $Covid_t$, which takes the value of 1 between March 1, 2020, and December 31, 2021, in order to capture the period differentiated by the impact of the COVID-19 pandemic.[6]

In addition, the contribution of each variable to the goodness of fit of the linear regression models was calculated using the decomposition of Huettner and Sunder (2012).

IV. Results

The results for the linear regression model are shown in TableTable 1. The three significant explanatory variables are annual inflation, the real interest rate, and unemployment, all of which are positively correlated with NPLs. The results show that a 1 percentage point increase in annual inflation or the real interest rate would lead to an increase of almost 2 percentage points in the NPL ratio for sofipos' consumer loans. Similarly, a 1 percentage point increase in unemployment could cause an increase of more than 5 percentage points in the NPL for sofipos.

[5] The TIIE funding rate is used as a proxy for the interest rate on credit granted by sofipos.

[6] During this period, the CNBV issued temporary adjustments to its regulations, including a set of special accounting criteria applicable to the loan portfolios of banking institutions and other participants in the financial system. This may have impacted the dynamics of the NPL ratio, so it is important to monitor this factor. See Box 1, "Financial and regulatory measures implemented to preserve financial stability in various jurisdictions," in the June 2020 Financial Stability Report.

Table 1
Results for the linear regression model

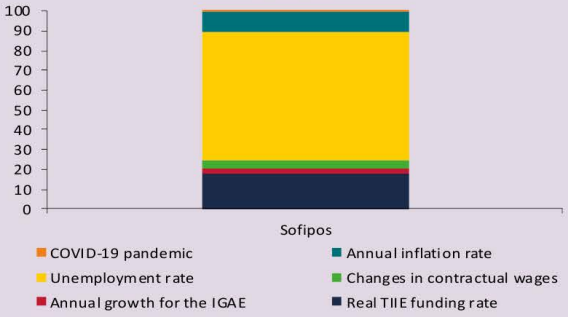
	Consumer non-performing loan ratio for sofipos[1/]
Real TIIE funding rate $_{t-3}$	1.947***
	(0.413
Annual variation in the global economic activity index$_{t-3}$	0.057
	(0.112)
Revisions to contractual wages $_{t-3}$	-0.398
	(0.324)
Seasonally adjusted unemployment $_{t-3}$	5.893***
	(1.268)
Annual inflation $_{t-3}$	1,934***
	(0.455)
COVID-19 pandemic	0.976
	(1.384)
Constant	-23,774***
	(6,791)
Observations	195
Adjusted R^2	0.397

Source: Elaborated by Banco de México using data from the CNBV, Banco de México, and INEGI.
1/ The time series for one institution was omitted because during the sample period it faced financial and governance problems that could have affected the dynamics of its time series.
Note: Newey-West standard errors appear in parentheses. ***, **, and * indicate statistical significance at 1%, 5%, and 10%, respectively. Monthly information from June 2009 to August 2025.

In addition to the results of the linear regression models, the goodness of fit decomposition (R^2) for this model was estimated. As shown in Graph 2, unemployment, annual inflation, and the real interest rate are the most relevant variables for explaining the consumer NPL ratio for sofipos'. In fact, unemployment explains more than 60% of the variance, which again highlights the importance of this variable for the sector. Similarly, the real interest rate explains almost 20% of the variance.

Finally, to verify the robustness of the results, different models were run with different exogenous variables. For example, other variables were integrated, such as the annual variation in the exchange rate, the consumer confidence index, and the annual growth in consumer financing. Likewise, the global economic activity index was substituted by private consumption, and the number of lags was changed, and the results were qualitatively similar. The most relevant variables for the NPL ratio were unemployment, contractual wage increases, and the real interest rate.

Graph 2
R^2 decomposition for the determinants of non-performing loans
Percent



Data as of August 2025.
Source: Elaborated by Banco de México with data from CNBV, INEGI and Banco de México.

VII. Final considerations

This Box presents an analysis of the determinants of NPL rates for sofipos. The results show that the most relevant variables for the consumer NPL ratio are unemployment, the real interest rate, and annual inflation. In addition, unemployment was found to be a very relevant factor.

Given its rapid growth in recent years, the study of the NBFI sector has become increasingly relevant within the various financial systems. In Mexico, sofipos have played a key role within the NBFI sector in providing credit to households not served by banks, and now have more than 12 million borrowers in the country. Although sofipos represent a small proportion of the Mexican financial system's assets and are not considered systemically important institutions due to their low level of interconnection with other intermediaries, the study of their risk indicators is of great importance for monitoring the health of the Mexican financial system. Furthermore, as the size of the sofipos' sector increases, the monitoring of their NPL ratios will become more relevant to ensure the prudent development of this sector.

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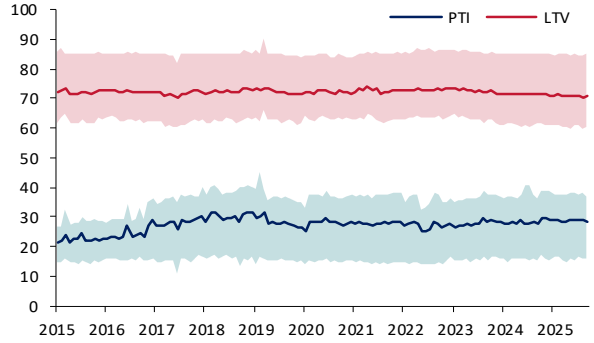
Mortgage loans

The balance of total housing financing, from both banking and non-banking sources, showed slightly higher growth than in the last *Report*. By type of lender, commercial banks and their related sofomes showed lower growth than in March. Meanwhile, Infonavit's housing portfolio recorded higher loan origination activity since the last *Report*; Fovissste, on the other hand, reduced its activity and the balance of its total portfolio contracted.

With regard to the granting of bank loans for home purchases, the Loan to Value (LTV) ratio and the Payment to Income (PTI) ratio of mortgage loans remained stable during the reporting period (

Graph 44).

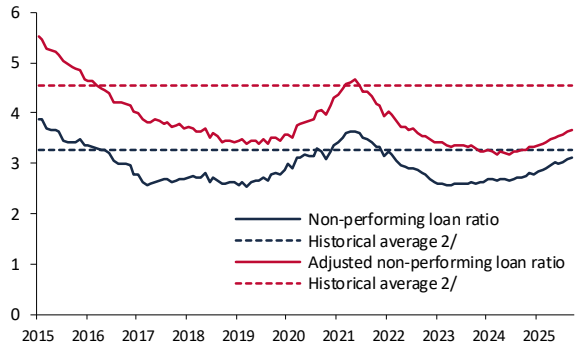
Graph 44
Loan-To-Value (LTV) and Payment-To-Income (PTI) of Mortgage Loans [1/, 2/]
Percent



Data as of September 2025.
Source: CNBV.
1/ Recently-granted commercial bank mortgage loans.
2/ The shaded area represents the interquantile range of the respective metric.

The NPL ratio on the bank mortgage loan portfolio continued its upward trend, which began in October 2023. This trend is also observed in the Adjusted NPL ratio, which began to increase in the second quarter of 2024. This increase in the ratio was mainly observed in loans with high LTVs and in loans with a higher value of the purchased home. Current NPL ratio levels are approaching the historical average recorded between 2006 and 2025, while the Adjusted NPL ratio remains at low levels compared to its historical average for the same period (Graph 45).

Graph 45
Non-performing loan ratio and adjusted non-performing loan ratio on bank mortgage loans [1/]
Percent



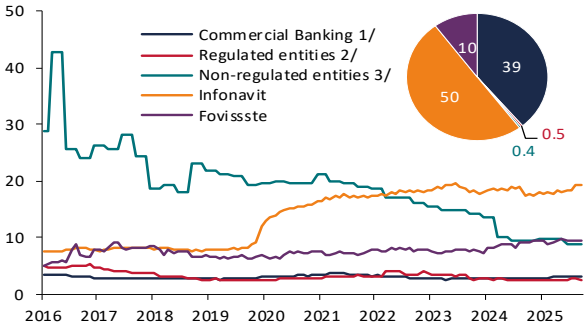
Data as of September 2025.
Source: CNBV.
1/ Total commercial bank mortgage loans.
2/ Includes data since January 2006.

According to an econometric analysis that studies the macroeconomic and financial determinants of the Adjusted NPL ratio in the housing portfolio,[28] it was found that an increase in the unemployment rate, an increase in interest rates, or a deterioration in the consumer confidence indicator are related to an increase in the adjusted housing non-performing loan ratio.

The NPL ratio of the housing portfolio of both Infonavit and Fovissste increased. In both cases, this indicator remains at high levels in relation to their performance over the last five years (Graph 46).

[28] A quantile regression model was estimated to measure the effect of macroeconomic variables on different quantiles of the Adjusted non-performing loan ratio (Adjusted NPL ratio or *IMORA*) distribution of the housing portfolio. The *IMORA* was defined as the dependent variable and the following explanatory variables: the annual variation in the IGAE with a six-month lag, the consumer confidence index, the revision of contractual wages, the unemployment rate, annual inflation, the 28-day tiie, and the annual variation in the nominal exchange rate, based on Beck et al. (2015) and Ghosh (2017).

Graph 46
Non-Performing Loan Ratio of Mortgage Portfolio
Percent



Data as of September 2025.

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.

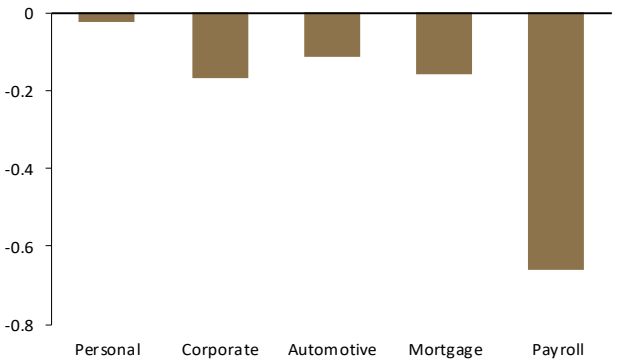
2/ Includes the credit portfolios of the development bank and of non-banking regulated financial intermediaries, such socaps, sofipos and sofomes regulated for issuing debt.

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.

Breakdown of the change in non-performing loan ratio and gender

Barriers to obtaining credit tend to be greater for women. Therefore, those who manage to overcome these barriers and obtain financing have characteristics that enable better compliance with their credit obligations. In fact, in Mexico, women exhibit lower non-performing loan ratios than men under similar credit conditions (Graph 47). In this section, gender is used to analyze the annual change in the non-performing loan ratio across diverse portfolios.[29]

Graph 47
Difference between the delinquency rate of women and men according to the credit portfolio[1/]
Percentage points



Data as of June 2024.

Source: Banco de Mexico

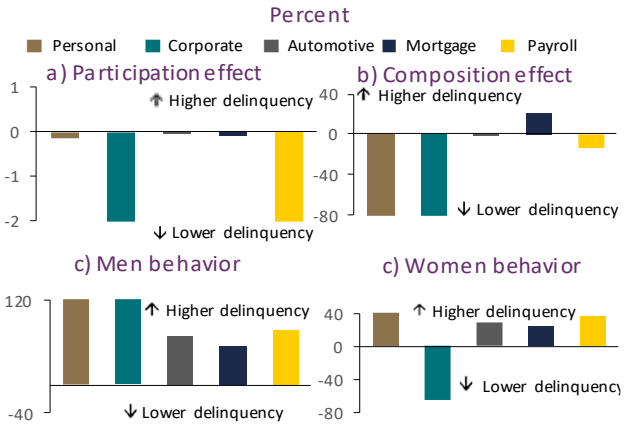
1/ June 2024 is considered the initial period for the analysis.

To do this, the change is broken down into three effects. The *participation effect* arises from the increase in women's participation: a higher share of women reduces the average non-performing loan ratio of a portfolio. The *behavior effect* reflects changes in delinquency for both groups over time, holding their proportion within each portfolio constant. Finally, the *composition effect* captures changes in non-performing loan ratios explained by variations in credit conditions, regardless of the gender of the borrower.

Women's participation increased across all the credit portfolios considered, which contributed to reducing delinquency (Graph 48a). In this regard, corporate credit stands out, as the difference in default rates between genders is large and, in addition, female participation increased more markedly. In payroll, participation also continued to rise. Likewise, unlike in the previous *Report*, on this occasion the higher female participation also contributed to a reduction in the delinquency in personal loan and auto loan portfolios, albeit to a more moderate extent.

[29] In corporate credit, individuals with business activity, for whom gender can be identified, are considered.

Graph 48
Change in credit delinquency distinguishing between men and women[1/]



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

Conversely, *behavior effect* drove up the non-performing loan ratio in most portfolios (Graph 48c). In the automotive, payroll, and mortgage portfolios, it pushed up delinquency for both women and men, largely due to the slowdown in formal employment for both genders. In the corporate credit portfolio, it also pushed up delinquency for men, in line with the slowdown in economic activity. In contrast, in the corporate sector, but for women, the *behavior effect* pushed down the non-performing loan ratio, partly because a larger proportion of women work in sectors that performed better, such as professional services. The *composition effect*, as in the previous *Report*, contributed to a reduction in delinquency within personal, automotive, payroll, and corporate credit portfolios. This outcome is mainly explained by the decline in financing costs, particularly the reduction in interest rates in the personal credit segment, standing out (Graph 48b).

Box 2. Financial inclusion: firms' access to credit and its relationship with banking system performance and soundness

I. Introduction

Access to credit reduces inequality and promotes economic development. It enables the most vulnerable people to develop their businesses, giving them an opportunity to escape poverty (Banerjee, Breza, Duflo, & Kinnan, 2019). In addition, it allows firms to expand their capacity and adopt new technologies, boosting employment, productivity, and economic growth (Gutiérrez, Jaume, & Tobal, 2023).[1] Therefore, expanding the depth of Mexico's credit market, which is smaller than in other countries, can promote economic growth.

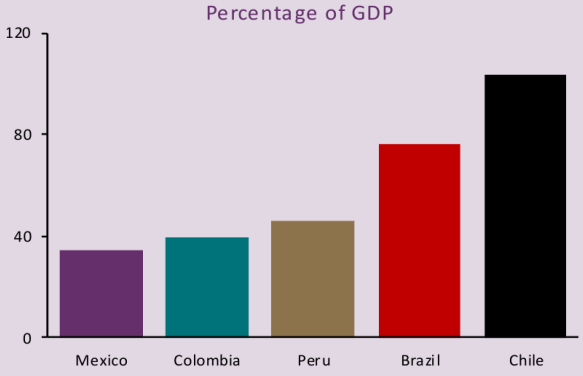
Financial stability is a necessary condition for credit intermediation by financial institutions. A well-capitalized banking system has a greater capacity to grant credit and absorb losses. Likewise, having adequate levels of liquidity allows it to meet its obligations and maintain credit supply, as well as the confidence of depositors. For its part, a loan portfolio with low non-performing loan ratios is also associated with a lower probability of borrower default and, therefore, a lower need to build reserves to cover losses, which can also contribute to expanding access to credit. While a profitable bank tends to have more capital and, therefore, more capacity to grant credit without compromising its solvency.

This box analyzes the relationship between access to credit and the levels of capitalization, liquidity, profitability, and non-performing loan ratios of commercial banks in Mexico. Specifically, it examines their performance in these four dimensions of financial stability—in which they are in a favorable position—at the aggregate level and for the different sectors and regions of the economy. Accordingly, it combines information on access to credit and the obstacles faced by firms in obtaining it, such as lack of information. This makes it possible to identify sectors and regions where firms receive less credit than they need, as well as the capitalization level, non-performing loan ratio, profitability, and liquidity of the banks operating in these segments. It also assesses whether the low depth of credit is due to factors unrelated to these banking indicators.

II. Aggregate analysis: the system as a whole

In Mexico, the credit market is small. In 2024, credit to the non-financial private sector was equivalent to 34.7% of GDP, lower than the average of 151.8% for the rest of the OECD member countries and also lower than the average of 60.2% observed for the rest of the Latin American and Caribbean economies, such as Chile (credit-to-GDP ratio equal to 103.4%), Brazil (75.8%), Peru (45.7%), and Colombia (39.6%) (Graph 1).[2] This low credit market depth affects small firms to a greater extent. According to the World Bank, unmet demand for financing in Mexico is equivalent to 15.7% of GDP, above that observed in Argentina, Colombia, Paraguay, and Peru, where it stands at 9.5%, 13.9%, 8.7%, and 4.7% of GDP, respectively.[3]

Graph 1
Credit to the private sector[1/]
Percentage of GDP



Data as of 2024, except for Peru (2022).
Source: World Development Indicators, World Bank.
1/ This is the credit that banks and other financial institutions in the country provide to businesses and individuals.

In contrast, the Mexican banking system has high levels of capitalization, liquidity, and profitability, as well as low non-performing loan ratios. According to

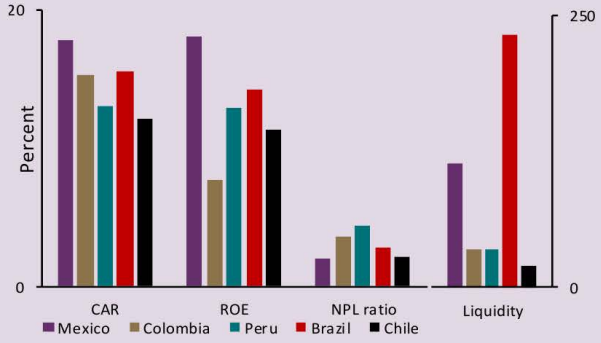
[1] For Mexico, Gutierrez, Jaume, & Tobal (2023) show that fewer credit restrictions foster the creation of formal employment by SMEs. Zhang, D., Wey, T., & Affuso, E. (2025) document that easing credit constraints improves efficiency.

[2] Countries other than Mexico used by the World Bank are considered.

[3] This refers to the financing gap, the difference between potential demand and observed supply of financial services for firms, for 2024, from the World Bank's MSME Finance Gap Report 2025.

the IMF's Financial Soundness Indicators (FSI), the system's capitalization stood at 17.8% in 2024, more than two standard deviations above the average of 14% for Chile, Brazil, Peru, and Colombia, as well as higher than each of these countries individually. The non-performing loan ratio was 2%, below the regional average of 3.3%, and lower than that of each reference country, while profitability followed a similar favorable pattern. In terms of liquidity, the indicator recorded 114.9% for commercial banks in Mexico, ranking second after Brazil (232.3%), and more than 30 points above the average for the other countries (80.8%) (Graph 2).

Graph 2
Banking indicators of credit institutions for Mexico and other countries[1/, 2/]
Percent



Data as of Q1 2024.
Source: Financial Soundness Indicators, IMF.
1/ CAR: Capitalization Index, ROE: Return on Equity, NPL ratio: Non-Performing Loan Ratio, and Liquidity: Liquid assets relative to short-term liabilities of lending institutions. 2/ For Peru, the data is from Q4 2023. Chile's liquidity is from Q4 2007.

III. Sources of information and methodology

Three sources of information are used for the analysis disaggregated by sectors and regions of the economy. First, the INEGI 2024 Economic Census, which identifies the firms that needed credit but did not obtain it, and the reasons why this did not happen for each sector and region.[4] Second, the CNBV reports, which record the credit granted by each bank in each sector and region. Third, the CNBV's Statistical Information Portfolio, which reports the capitalization, profitability, non-performing loan ratio, and liquidity of these banks. Capitalization is measured using the Capitalization Index (CAR); profitability, using return on equity (ROE); origination quality or delinquency, using the non-performing loan (NPL) ratio; and liquidity, using the ratio of liquid assets to liquid liabilities.

Using information from the 2024 Economic Census, an indicator of access to bank credit is constructed, defined as the proportion of firms that did not obtain credit despite needing it:

$$A_{e,s,t} = \frac{\text{Firms that required credit and did not obtain it}}{\text{Firms that required credit}}$$

where $A_{e,s,t}$ is the indicator of access to credit for firms of size *t* (large or SME) in sector *s* of state *e*.[5] A higher value reflects that, in a given state and sector, a higher proportion of firms of a specific size did not obtain credit.

The indicator shows that SMEs have less access to credit: 87.6% of these firms did not obtain credit despite needing it, compared to only 33.2% of large firms. Moreover, in most sectors and regions with large firms, the indicator takes values below the median, reflecting greater access to credit, while only 6.6% of segments with SMEs show the same trend. Large firms with greater access to credit are concentrated in the manufacturing sector and in the northern regions, while SMEs with less access are mainly located in commerce and in the south of the country.

The main reason SMEs cited for not accessing credit was bank interest rates. The second was the perception of not being able to meet the requirements; the third was mistrust of banks, possibly because many firms do not usually have long-standing relationships with brokers; and the fourth was unfamiliarity with the procedure.

[4] In the analysis, the region is defined based on states. With this delimitation, a negative correlation is identified between the level of economic development of the state and the proportion of firms reporting unmet credit needs: in regions with greater economic dynamism, the unmet need for bank credit by firms tends to be lower.

[5] Firms are classified into two groups according to their size: i) small, with up to 250 employees, and ii) large, with more than 250. This definition is used because it allows for consistent comparisons with information from the CNBV's regulatory records.

Using information on credit granted by banks and their CNBV indicators, metrics of banking conditions are constructed for different sectors and states:

$$Ind_{j.e,s,t,2023} = \sum_{b=1}^{n} \frac{S_{b,e,s,t,2022}}{S_{e,s,t,2022}} \times \overline{Ind}_{j,b,2022}$$

where $Ind_{j,e,s,t,2023}$ is the indicator j (capitalization, delinquency, profitability, or liquidity) corresponding to firms of size t operating in the sectors of the state e for 2023; $S_{b,e,s,t,2022}$ is the credit granted by the bank b to those same firms in that same state and sector in 2022; $S_{e,s,t,2022}$ is the total credit granted by all banks to these same firms in that same year; and $\overline{Ind}_{j,b,2022}$ is the indicator j for the bank b in 2022.[6]

Thus, for example, the liquidity indicator for a state and sector is a weighted average of the liquidity of the banks operating in that segment and state, where the weight of each bank is equal to its credit share in the state and sector.

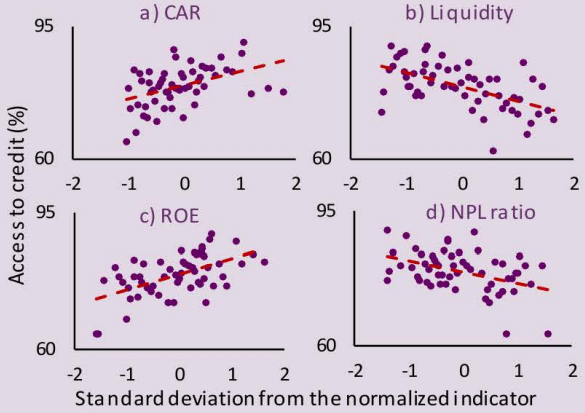
The credit access indicator is linked to capitalization, profitability, non-performing loan ratio, and liquidity indices for each state, sector, and firm size. The information on bank indicators corresponds to 2022, one year prior to the period covered by 2024 Economic Census, 2023. This one-year time lag allows for a more accurate interpretation of the causal relationship between local banking conditions and access to credit.

IV. Disaggregated analysis: by sector and region

The results vary according to the size of the firms. For SMEs, the main findings of the disaggregated analysis are consistent with those obtained in the aggregate analysis of the banking system as a whole. In particular, the sectors and regions where SMEs have greater access to credit are not those where banks have higher capitalization and profitability. Therefore, lower levels of capitalization and profitability do not appear to be barriers to lending in Mexico (Graph 3a andGraph 3c).

Conversely, these currently adequate levels of capitalization and profitability seem to ensure that one of the necessary conditions for the existence of a deep market is met. The non-performing loan ratio does not appear to have been a barrier, as the segments with less access to financing are not those with the highest credit default rates (Graph 3d); liquidity does not appear to be a barrier either (Graph 3 b). In other words, all banking indicators suggest that the system has adequate conditions for a broad credit market.

Graph 3
Relationship between banking indicators and access to credit (SMEs)



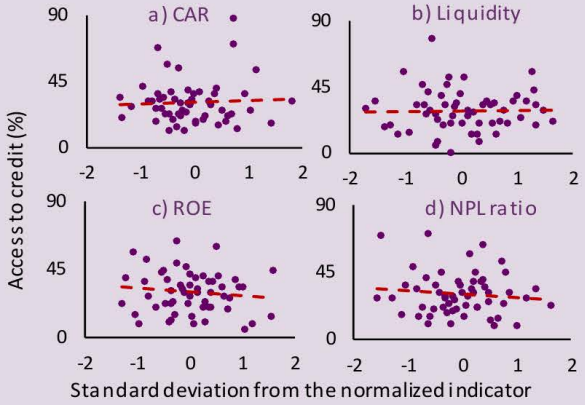
Data as of 2024.
Source: Banco de Mexico, CNVB and INEGI.
Note: The proportion of companies that needed credit but did not receive it is shown for each state and sector, along with standardized banking indicators for capitalization, liquidity, profitability, and non-performing loans to ensure comparability. The estimated ratios summarizing the relationship are 3.3 for CAR, -3.5 for liquidity, 4.1 for ROE, and -3.5 for NPL (all statistically significant at the 1% level). The scatter plot represents the values obtained by grouping the points into 57 equal clusters.

In contrast, in the case of large companies, none of the indicators have a significant relationship with access to credit (Graph 4). This could be because these companies tend to have a longer credit history, more assets available as collateral, and longer-lasting banking relationships. These factors allow them to build a strong reputation and be perceived as less risky and, therefore decouple their access to credit from local banking conditions.

[6] The credit information corresponds to the end of December 2022, while the financial indicators are averaged for the whole of 2022, a period prior to the census data collection.

The analysis also examines whether capitalization levels, delinquency, profitability, and liquidity are such that they discourage the granting of credit. The sectors and states with the lower capitalization levels are those where fewer companies are denied access to credit due to high rates (Table 1).[7] Hence, it does not appear to be capitalization that prevents companies from receiving lower rates.

Graph 4
Relationship between banking indicators and access to credit (large companies)



Data as of 2024.
Source: Banco de Mexico, CNVB and INEGI.
Note: The proportion of companies that needed credit but did not receive it is shown for each state and sector, along with standardized banking indicators for capitalization, liquidity, profitability, and non-performing loans to ensure comparability. The estimated ratios summarizing the relationship are 0.11 for CAR, -0.46 for liquidity, 0.32 for ROE, and -0.73 for NPL (none are statistically significant). The scatter plot represents the values obtained by grouping the points into 57 equal clusters.

Among the various reasons for the lack of access to credit, the perception that firms do not meet the requirements and the lack of knowledge of the procedure firmsstand out. Neither of these two reasons can be explained by less favorable banking indicators (capitalization, profitability, liquidity, or delinquency). This suggests that the levels of solvency, non-performing loan ratio, profitability, and liquidity are adequate. In particular, they do not create incentives for banks to tighten their credit standards, either by imposing more stringent requirements or by making the procedures for granting credit more difficult.[8]

Table 1
Relationship between banking indicators and the different reasons why SME did not obtain credit

Firms that did not have access to credit due to:	Liquidity	CAR	ROE	NPL ratio
High rates	-2.53***	0.73*	1.63	-1.17
Rejected	-0.49	1.30	0.83*	-0.55
Did not meet requirements	-1.87***	2.21	2.28	-1.78
Did not trust banks	-0.64	0.47	0.77	-0.53
By distance	-0.68**	0.36	0.70	-0.49
They were unaware of the procedure	-1.53***	1.59	2.66	-1.99
Others	0.70	-0.20	0.83	-0.89

Source: Banco de México, CNBV, and INEGI.
Note: The estimated coefficients of a regression model are shown, relating the different reasons why firms were unable to access bank credit and the financial indicators of the banks. Coefficients are statistically significant at * 10%, ** 5% and *** 1%. Robust errors.

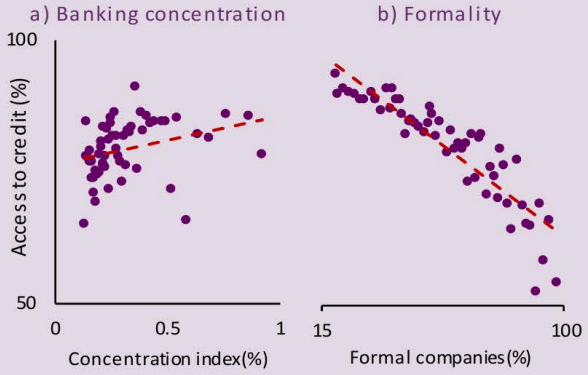
V. Other factors

Two additional factors that could affect access to credit beyond bank soundness are considered: credit market concentration and labor informality.[9] The results show that, in segments where a few institutions concentrate most of the credit, firms face greater constraints in accessing financing (Graph 5a).[10] Furthermore, in segments with higher levels of

[7] The indicators are expressed in different units, so they are standardized to make them comparable. This involves making adjustments to each value according to its average and its variability between institutions.
[8] Joaquim, G., van Doornik, B., & Ornelas Hass, J. R. (2019) point out that, in environments with low banking competition, a high capital level may not translate into increased credit placement if banks do not have incentives to expand their portfolios. In Keeley (1990) and Allen & Gale (2004), banks with high profitability and high franchise value could restrict risk-taking to preserve that value, limiting credit growth. Meanwhile, banks with low profitability may relax standards and expand their credit offerings in search of higher returns.
[9] Bank concentration is measured using the Herfindahl-Hirschman index (European Commission, 2004), considering the market share that each bank has in each analysis group by state, sector, and firm size.
[10] A firm is defined as informal if it meets each and every one of the following characteristics: i) It has five or fewer employees; ii) It does not pay employer contributions to social security schemes or other social benefits; iii) It is not part of a firm multi-establishment enterprise; iv) It does not have staff provided by another firm, and does not make payments to another firm that hires and provides staff; v) It has no expenses for accounting, legal, and administrative services; vi) It has no expenses for business consulting, marketing, and related services; and vii) It does not use an accounting system or pay for the services of an external accountant to keep its accounts.

informal employment, a higher proportion of firms do not obtain credit despite needing it (Graph 5b). This may be because firms with informal workers tend to have fewer accounting, labor, and tax records and, therefore, fewer tools to access bank credit.

Graph 5
Relationship between banking concentration and formality of firms (SMEs) and access to credit[1/]



Data as of 2024.
Source: Banco de Mexico and INEGI.
Note: 1/ The chart shows the proportion of firms that needed credit but did not receive it, in each state and sector, and two factors: a) the level of banking concentration, measured by the Herfindahl-Hirschman Index (HHI), and b) the proportion of formal businesses. The scatter plot represents the values obtained by grouping the points into 57 equal clusters.

VI. Final comments

The results indicate that banks have appropriate capitalization, delinquency, profitability, and liquidity to avoid restrictions on lending and credit expansion. These banking conditions create a favorable environment for the development of a broad and deep credit market.

However, adequate capitalization levels, origination quality, profitability, and liquidity are necessary, but not sufficient conditions to ensure the development of a deep credit market. The Mexican banking system fulfills this necessary condition, underscoring the importance to identify policies that could be implemented to foster the development of the credit market.

The findings suggest that lower concentration, which could be linked to greater intensity of banking competition, could boost greater access to credit for firms. In addition, lower labor informality could promote the use of accounting records to verify payment capacity and thus improve access to credit.

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IV.2.2. Private non-financial companies

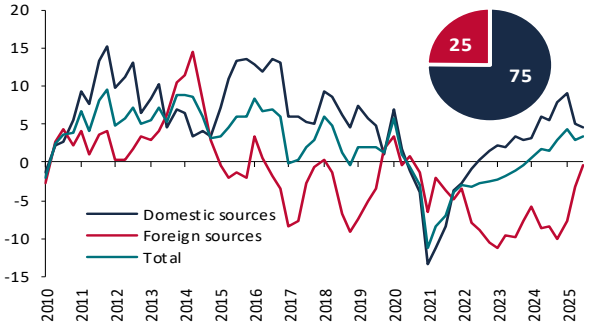
The balance of total financing to private non-financial companies in the country, from banking and non-banking sources, considering domestic and external sources, increased in real annual terms compared to the previous *Report*, although at a slower pace. By type of source, the external component, adjusted for exchange rate effects, showed a smaller contraction compared to the previous *Report*. The change observed is explained by the higher balance in U.S. dollars associated with the issuance of international debt by companies, despite the fact that the balance of credit from foreign banks contracted. Meanwhile, domestic financing obtained through debt issuance registered a contraction in the third quarter. In the case of domestic bank financing (commercial and development banks), the real annual growth rates recorded are low compared to those observed in the last year. For the rest of the local lenders, although there was an increase at an accelerated pace, this comes from a small base (Graph 49).

Debt placement in the local market by non-financial companies increased during the second quarter of the year, driven mainly by long-term issues; however, during the third quarter, the pace of placement slowed down and at the end of November, the trend continued. Most of these new issues will be used to refinance liabilities, although some companies will use them for investment projects and working capital. The maturity structure of company debt for 2025 and 2026 gives companies some breathing room, as according to the data, only 10.1% of outstanding local debt matures in those years, while for international debt this percentage is 5%.

Graph 49

Total financing to Private Non-Financial Companies [1/]

Real annual percentage change



Data as of September 2025.

Source: Banco de México, BMV and SHCP.

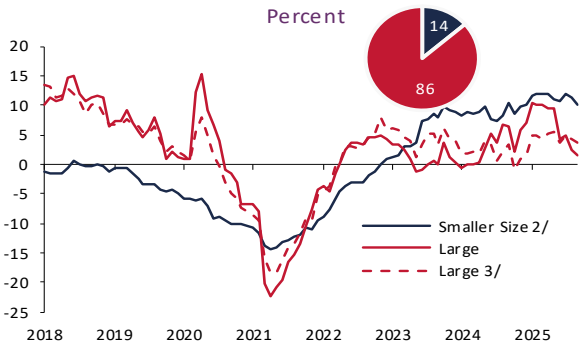
Note: The percentages shown here consider the figures relating to non-regulated entities that grant financing and that are included at the bottom of Table 2 (Memo); therefore, the differ from those registered in the upper part of the same table. In addition, figures exclude non-regulated entities for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

1/ Includes the loan portfolio of commercial banks and regulated non-bank entities such as regulated sofomes, socaps, sofipos and credit unions, as well as non-bank non-regulated entities such as non-regulated sofomes and debt-issuing financial companies such as financial leasing companies or financial arms of automotive companies. Includes also debt securities issued both domestically and abroad. Also includes financing from suppliers for listed companies. The growth series is adjusted to take into account the start of availability of financing figures for non-regulated entities (2015-2016). The external financing figures are adjusted for FX effects. 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.

Commercial banks are the main providers of financing to companies. During the period covered by this *Report*, the balance of the banking sector's non-financial corporate portfolio grew in real annual terms, although it experienced a significant slowdown. This behavior is explained by the lower real annual growth of the large companies' portfolio and by the effect of the peso's appreciation on the U.S. dollar-denominated portfolio. Excluding the exchange rate effect, real annual growth remained at a similar level to that observed in the last *Report* (Graph 50). It is noteworthy that, alongside the slowdown in newly originated loans to large companies, the rest of the portfolio showed a relatively stable behavior (Graph 51).

Graph 50

Real annual portfolio growth by company size [1/]

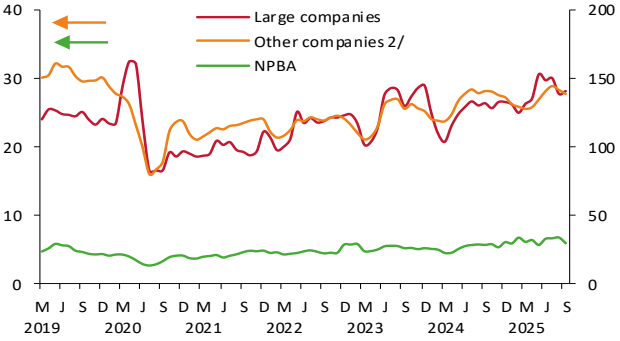


Data as of September 2025.
Source: CNBV.
1/ Commercial bank loan portfolio. The pie chart shows the total percentage of the portfolio of each segment.
2/ Private-non-financial companies not listed on the Mexican Stock Exchange with maximum historical loans less than 100 million Mexican pesos.
3/ Values adjusted for exchange rate effects in the usd credit portfolio.

Graph 51

Newly originated loans by company size [1/]

Billions of pesos in real terms



Data as of September 2025.
Source: Banco de México.
1/ Include banks loans and linked sofomes loans. 3-month moving average.
2/ Private companies with loans of up 50 million of pesos.

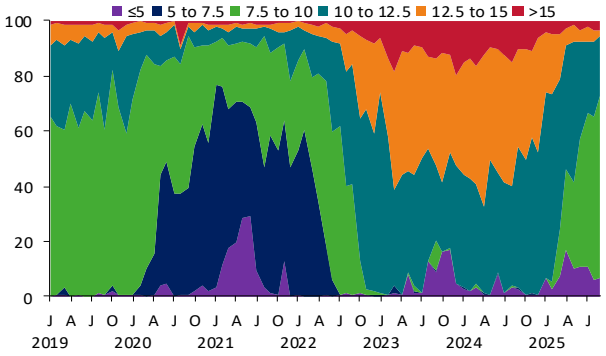
In the first nine months of 2025, in a context in which the Central Bank continued its cycle of reference rate cuts, private non-financial companies faced lower borrowing costs. Thus, a higher proportion of newly originated loans to this sector had lower interest rates than those observed in the same period of 2024, particularly for newly originated loans to large companies and, to a lesser extent, to smaller companies and natural persons with business activities (NPBA) (Graph 52).

Graph 52

Monthly participation of newly originated private companies loans in accordance with the interest rate in local currency

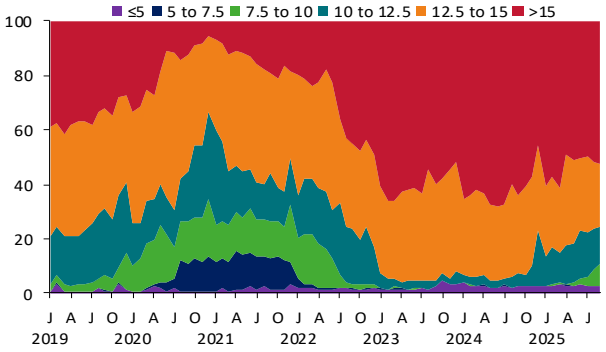
a) Large companies

Percent of amount credit granted



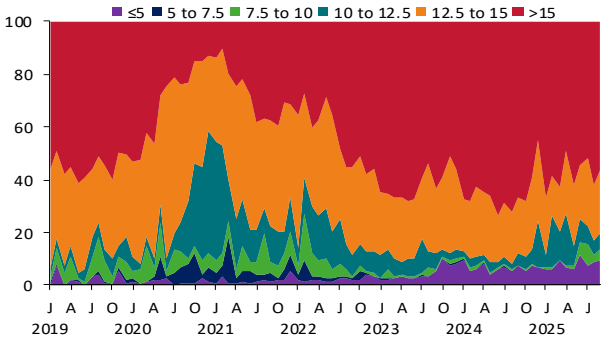
b) Other companies [2/]

Percent of amount credit granted



c) Natural persons with business activities (NPBA)

Percent of amount credit granted

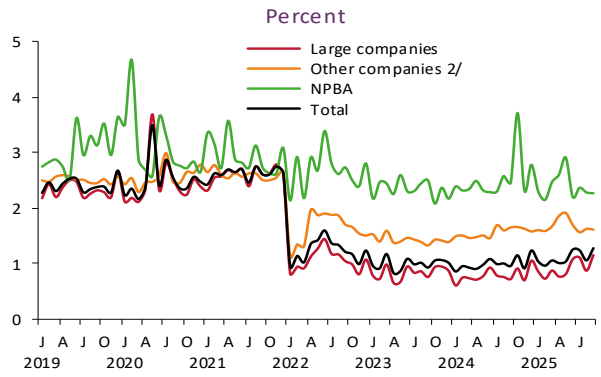


Data as of September 2025.
Source: Banco de México
1/ Includes banks loans and linked sofomes loans.
2/ Private companies with loans of up to 50 million of pesos.

These new loans registered limited levels of risk. In particular, in the period from April to September 2025, new loans had a probability of default close to that observed in the previous six months (Graph 53).

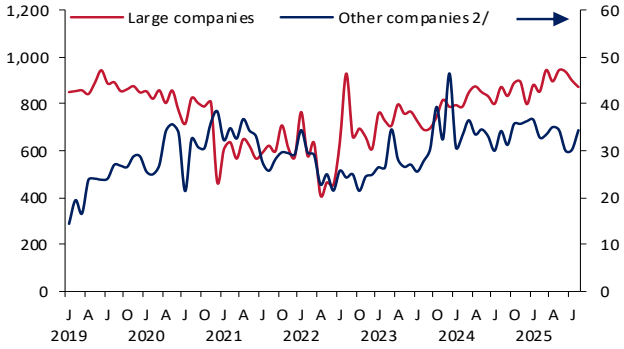
Against this backdrop, during the period covered by this *Report*, the income reported by new borrowers—one of the components that affect the probability of default— showed an increase for large companies, while for the rest of the companies it remained relatively stable (Graph 54).

Graph 53
Probability of default of newly originated private companies loans [1/]



Data as of September 2025
Source: Banco de México
1/ Includes banks loans and linked sofomes loans.
2/ Private companies with loans of up to 50 million of pesos.

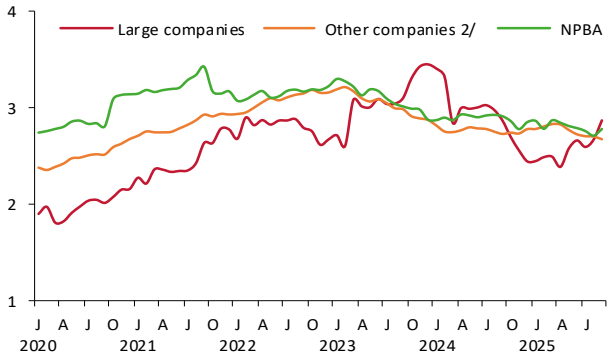
Graph 54
Reported income median of private companies for newly originated loans [1/]



Data as of September 2025.
Source: Banco de México
1/ Includes banks loans and linked sofomes loans. The amount of income refers to annual sales.
2/ Private companies with loans of up to 50 million of pesos.

Although the average time that private non-financial companies take to default on their payments has decreased, it is still higher than before the COVID-19 pandemic, therefore the risks of this portfolio remain limited (Graph 55).

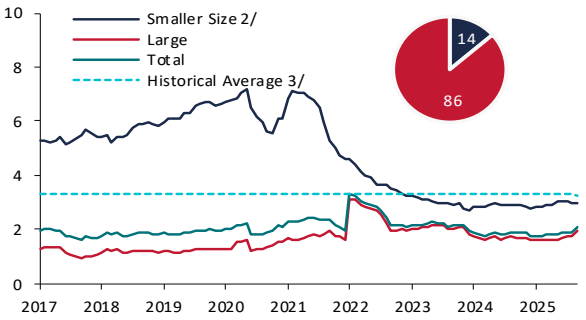
Graph 55
Weigthed average default time of outstanding portfolio [1/]



Data as of September 2025.
Source: Banco de México
1/ Includes banks loans and linked sofomes loans. 12-month moving average.
2/ Private companies with loans of up to 50 million of pesos.

The NPL ratio of the portfolio granted by commercial banks to companies increased compared to the previous *Report*, explained by the increase in the NPL ratio of the portfolio of large companies. By currency of denomination, although the NPL ratio of peso the denominated loan portfolio increased slightly, that of the U.S. dollar denominated portfolio decreased, due to the decrease in its past-due portfolio balance. The Adjusted NPL also increased. The levels of both delinquency metrics are low relative to their historical average between 2000 and 2025 (Graph 56).

Graph 56
Non-performing loan ratio by company size[1/]
Percent

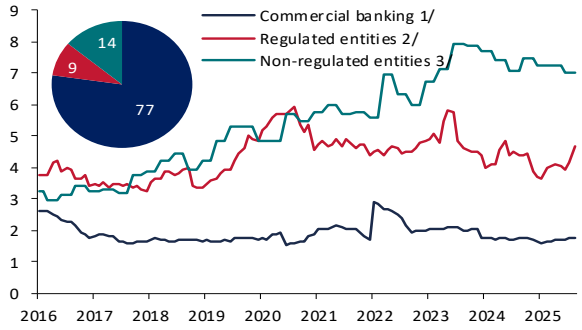


Data as of September 2025.
Source: CNBV.
1/ The pie chart shows the total percentage of the portfolio for each segment.
2/ Private-non-financial companies not listed on the Mexican Stock Exchange with maximum historical loans less than 100 million Mexican pesos as of September 2025.
3/ Includes data since December 2000.

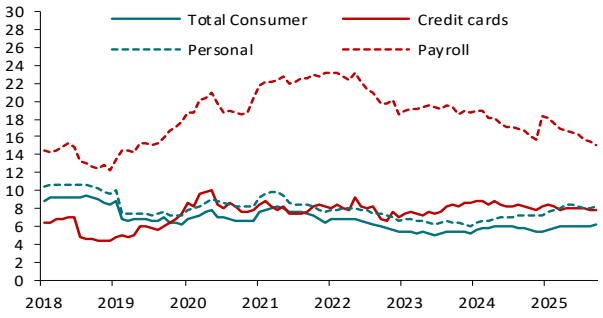
According to an econometric analysis studying the macroeconomic and financial determinants of the Adjusted NPL ratio in the corporate portfolio[30] , it was found that a slowdown in economic activity, an increase in contractual wages, or a rise in annual inflation are related to an increase in the Adjusted non-performing loan ratio in the corporate portfolio. In addition, the Adjusted non-performing loan ratio of smaller companies could deteriorate due to a decrease in the consumer confidence indicator or an increase in the unemployment rate.

The non-performing loan ratio of the corporate loan portfolio granted by non-banking financial intermediaries increased compared to the previous *Report*. In particular, in the regulated sector, delinquency increased in both the savings and loan cooperatives portfolio and the regulated multi-purpose financial institutions (sofomes) portfolio, while in the unregulated sector, the non-performing loan ratio on loans granted by non-regulated sofomes and companies remained stable. In the case of sofipos, there was a slight decrease in the NPL ratio. Finally, the Adjusted NPL ratio of the portfolio granted to companies by sofipos decreased, while that of socaps increased compared to the previous *Report* (Graph 57).

Graph 57
Non-Performing Ratio of Corporate Loans Portfolio
a) By type of lending institution
Percent



Non-performing loan ratio and adjusted non-performing loan ratio of consumer loan portfolio
b) Non-performing loan ratio
Percent



Data as of September 2025.
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 potfolios of non-banking regulated financial intermediaries, such as socaps, sofipos, credit unions, sofomes regulated for issuing debt, bond warehouses, development public trusts (FIRA, FOVI, FIFOMI) and government agencies (FND).
3/ Includes credit portfolio of non-regulated sofomes and debt-issuing financial companies, such as financial leasing companies or financial arms of automotive companies.

Listed private non-financial companies[31]

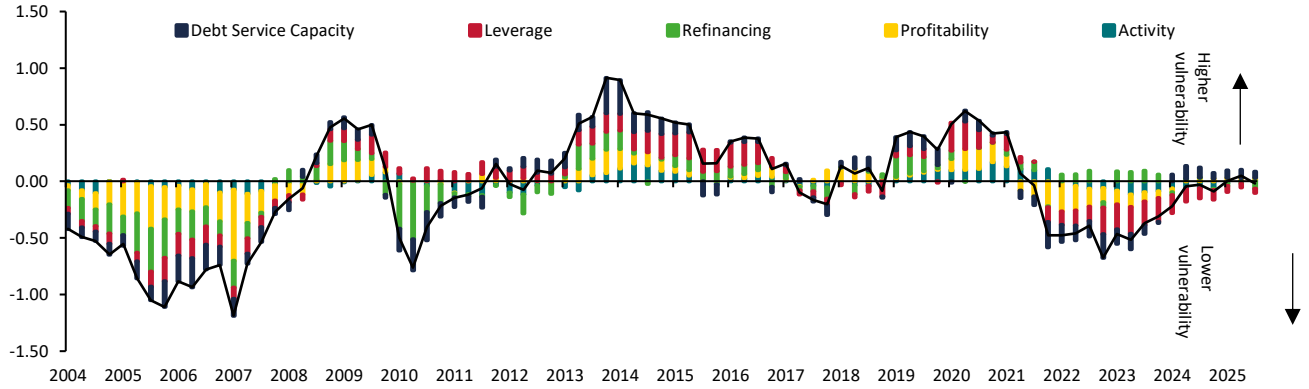
The vulnerability indicator for listed non-financial companies (IVEL, its acronym in Spanish), which

[30] A quantile regression model was estimated to measure the effect of macroeconomic variables on different quantiles of the Adjusted non-performing loan ratio (Adjusted NPL ratio or *IMORA*) distribution of the non-financial companies' portfolio. The *IMORA* was considered as the dependent variable and the following explanatory variables: the annual variation of the IGAE with a six-month lag, the consumer confidence index, the revision of contractual wages, the unemployment rate, annual inflation, the 28-day TIIE, and the annual variation of the nominal exchange rate, based on Beck et al. (2015) and Ghosh (2017).

[31] Includes information on companies listed on the BMV and BIVA.

measures their vulnerabilities as a whole and can be broken down by economic sector, decreased compared to the last *Report* and is now located in the lower vulnerability zone. The improvement in the indicator is explained by the favorable evolution of variables related to profitability, debt service capacity, and refinancing risk (Graph 58).

Graph 58
Vulnerability Index for Listed Firms
No Units

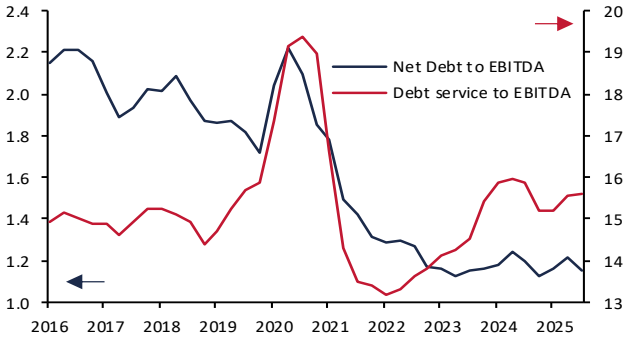


Data as of September 2025.

Source: Banco de México using Bloomberg data.

The real annual variation in cumulative operating cash flow (EBITDA[32]) over twelve months for all listed private non-financial companies has remained positive over the last four quarters, with a simple average of 10.4%. Meanwhile, the leverage indicator (net debt to EBITDA) declined due to lower net debt and the fact that operating cash flow generated by companies as a whole remained stable (denominator effect). In addition, the debt service indicator (debt service to EBITDA) increased due to higher interest payments (Graph 59). In addition, the balance of debt due in the next twelve months decreased while cash increased, slightly improving companies' liquidity position and allowing them to meet their short-term maturities. Finally, corporate investment spending increased by 6 % compared to the last *Report*.

Graph 59
Listed private non-financial companies' indebtedness and debt service 1/
Left axis: times EBITDA
Right axis: percent of EBITDA



Data as of September 2025.
Source: BMV and BIVA.
1/ EBITDA refers to earnings before interest, taxes, depreciation and amortization.

During the third quarter of 2025, listed private non-financial companies maintained high inventory levels,

[32] Earnings Before Interest, Taxes, Depreciation, and Amortization.

although a slight decrease was observed in companies that export to the United States. The revenues of the latter group of companies remained stable in nominal terms. This suggests that companies continue to anticipate production in response to potential advance purchases, as trade uncertainty persists due to the possible increase in costs if additional tariffs on exports to the U.S. come into effect once the extension, which was renewed at the end of November, expires.[33] It is worth mentioning that 13 listed companies out of a total of 97 show financial indicators at levels that suggest financial vulnerabilities, which represents a decrease compared to the previous *Report*.

The exchange rate has appreciated during the period since the last *Report*, and fewer episodes of high volatility have been observed. However, an analysis of the hedging strategies used by listed companies shows that the number of companies with exchange rate mismatches has decreased slightly since the last *Report* and remains low in relation to the total number of companies. In addition, banks´ exposure to vulnerable companies or those with exchange rate mismatches is low relative to their regulatory capital.

IV.2.3. Public sector

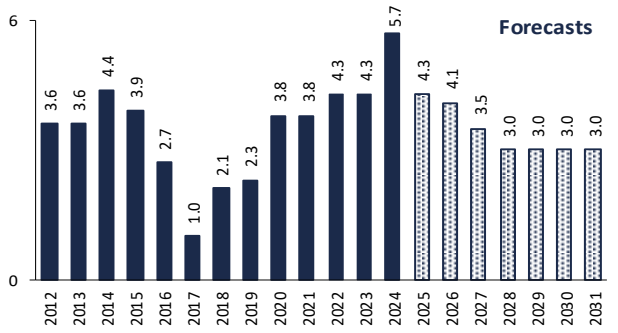
IV.2.3.1. Federal Government

From January to September 2025, the public balance recorded a smaller deficit than had been projected in the 2025 Economic Package. This decline in the deficit is explained by the fact that the Federal Government reported that both its budgetary revenues and expenditures were lower than those programmed in the 2025 Federal Revenue Law (LIF, its acronym in Spanish) and the 2025 Federal Expenditure Budget (PEF, its acronym in Spanish).[34] Consequently, in October, the Public Sector Financial Requirements (RFSP, its acronym in Spanish) registered a deficit of 918.7 billion pesos.[35] Concurrently, the Historical Public Sector Financial Requirements Balance (SHRFSP, its acronym in Spanish) stood at 18.05 trillion pesos.

For year-end 2025, the Federal Government anticipates a public balance deficit of 3.6% of GDP. To this end, it expects budgetary revenues in 2025 (21.9% of GDP[36]) to be lower than those projected in the 2025 LIF (22.3% of GDP), and that budgetary expenditure in 2025 (estimated at 25.5% of GDP) be aligned with the 2025 PEF. Thus, it is projected that the RFSP will represent 4.3% of GDP and that the SHRFSP will stand at 52.3% of GDP (Graph 60 and Graph 61).

For 2026, a public balance deficit of 3.6% of GDP (1.4 trillion pesos) is proposed, representing a decrease of 182.3 billion pesos compared to the level approved for 2025. This deficit is calculated based on budgetary revenues of 22.5% of GDP and budgetary expenditure of 26.1% of GDP. Thus, it is estimated that the RFSP and SHRFSP would be 4.1% and 52.3% of GDP, respectively (Graph 60 and Graph 61).

Graph 60
Public Sector Financial Requirements
Percent of GDP



Data as of September 2025.
Source: General Economic Policy Criteria for the Revenue and the Federal Expenditure Budget for fiscal year 2026, published by the Ministry of Finance and Public Credit (SHCP).
Note: Includes Banco de México's operating surplus. Data for 2025 and beyond are SHCP estimates.

[33] There has also been an increase in imports of inputs from the United States in anticipation of the entry into force of tariffs (see Box 1 of the Quarterly Report, April-June 2025).

[34] In September, the Federal Government provided an extraordinary contribution of 254 billion pesos to strengthen PEMEX's financial position, allocating these resources to the payment of 2025 debt amortizations and the repurchase of debt maturing in subsequent years. The operation had no impact on the public sector budget balance or on the RFSP, yet it did affect PEMEX's own-source revenues and the Federal Government's programmable expenditure.

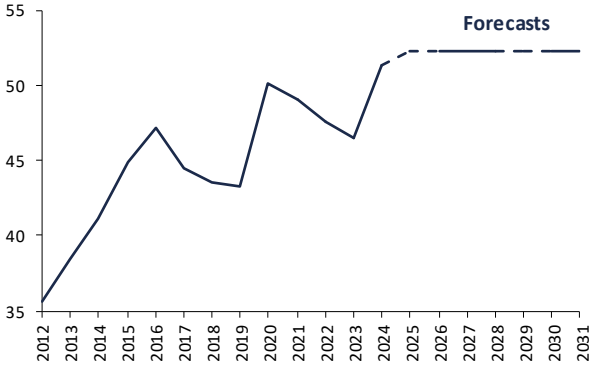
[35] Current pesos.

[36] Based on the SHCP's estimate of real annual GDP growth of 1.0% for 2025.

Graph 61

Public Sector Financial Requirements Historical Balance

Percent of GDP

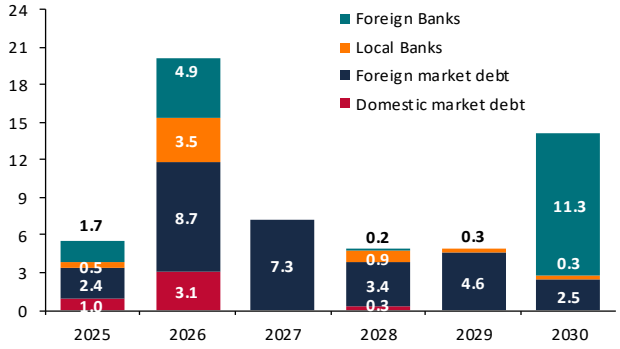


Data as of September 2025.
Source: General Economic Policy Criteria for the Revenue and the Federal Expenditure Budget for fiscal year 2026, published by the Ministry of Finance and Public Credit (SHCP).
Note: Includes Banco de México's operating surplus. Data for 2025 and beyond are SHCP estimates.

Graph 62

Pemex debt maturities [1/]

Percent of total debt

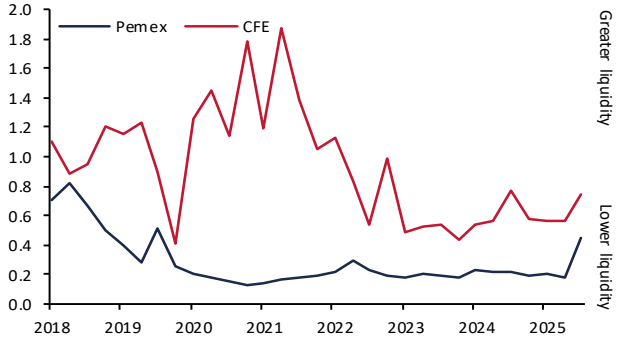


Data as of September 2025.
Source: BMV.
1/ It takes into account total debt without suppliers.

Graph 63

Liquidity position of Pemex and CFE [1/]

Times



Data as of September 2025.
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.

IV.2.3.2. State-owned companies

Petróleos Mexicanos (Pemex)

At the end of September 2025, Pemex recorded a higher quarterly net loss than that observed in the last *Report*; however, this was lower than the quarterly net loss recorded in the same quarter of the previous year. Likewise, in cumulative terms over twelve months, there was a lower net loss than the loss recorded a year ago. The lower cumulative loss is explained by lower cost of sales, foreign exchange gains, and positive returns on derivative financial instruments. However, there was an impact from the decline in export sales revenue, greater deterioration of oil wells and other assets, higher operating expenses, and a higher tax burden compared to the cumulative results a year ago.

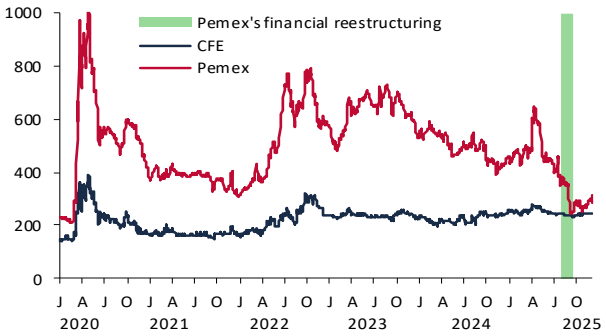
The balance in pesos of Pemex's total debt, including suppliers, decreased by 5.2% compared to the last *Report*. Based on information at the end of September 2025, Pemex will have to face maturities in 2026 for 25.7% of its total debt, without considering suppliers (Graph 62). In addition, following the financial restructuring measures implemented since last July, Pemex's cash level increased significantly, improving its liquidity indicator (Graph 63) (see Box 3).

Finally, Pemex's five-year *CDS* decreased to a level below that recorded in the last *Report*, that is, a similar level to that observed before the COVID-19 pandemic; however, it has increased in recent weeks (Graph 64).

Graph 64

USD 5-year Credit Default Swap of Pemex and CFE

Basis points



Data as of December 5, 2025.

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 this *Report.*

Box 3: Pemex's financial restructuring

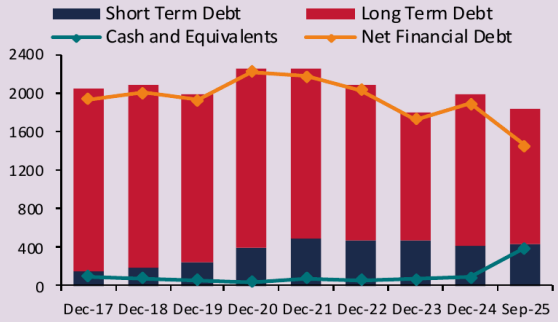
I. Introduction

Petróleos Mexicanos (Pemex) is a key company for the Mexican government, one of the most important borrowers in the national financial system, and the world's eleventh largest oil producer. However, for several years it has been facing structural, operational, and financial challenges. Last August, Pemex published its 2025-2035 Strategic Plan, which outlined the company's financial and production strategy for the next decade. The purpose of this box is to explain the strictly financial component of the strategy implemented by the Federal Government for Pemex and to document the reaction of rating agencies and the financial market to its announcement.

II. Background

Pemex's production has declined since 2016, compounded by the tax burden and high levels of debt (Graph 1). Furthermore, the sharp drop in international oil prices in 2014, and the most recent one, affected its profitability. In addition, the company has faced credit rating downgrades since 2019, which placed it below investment grade and raised the cost of its new debt.

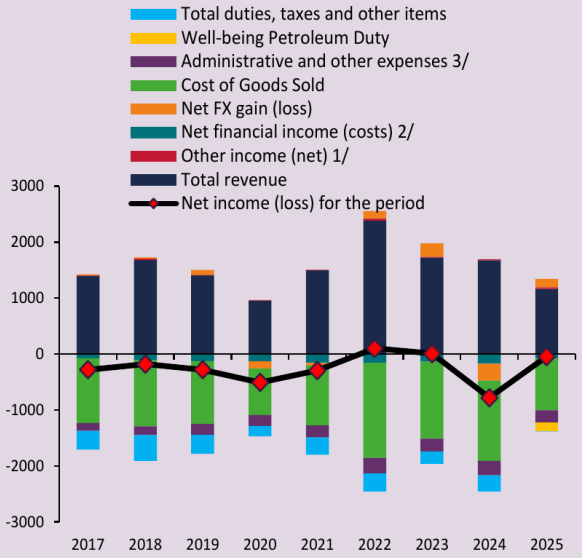
Graph 1
Total Consolidated Debt
Billions of pesos



Figures as of September 2025.
Source: Pemex.

In recent years, the company's net income has been negative across several fiscal years (except in 2022 and 2023, when it posted slightly positive data),[1] which has limited its access to sources of financing on favorable and sustainable terms (Graph 2). Currently, the company's level of indebtedness remains high.

Graph 2
Net profit of Pemex: revenue, expenses and net income
Billions of pesos



Cumulative figures as of September for 2025 and as of December for previous years.
Source: Pemex.

1/ Includes, besides other net income, the gain (loss) in subsidiaries.
2/ Includes, besides net financial income (costs), gain (loss) in financial derivatives.

3/ Includes, besides administrative expenses, distribution and transportation expenses and sale and impairment of fixed assets.

Between 2019 and 2024, Pemex received significant contributions from the Federal Government through direct equity contributions to support debt payments, finance investments, and maintain its operations. The company also received a tax relief, such as a reduction in their tax burden through a decrease in the Shared Profit Tax (DUC, its acronym in Spanish) from 65% to 30% of their revenues. These measures halted the growth of the company's debt,

[1] After applying financial income, foreign exchange gains or losses, as applicable, and other items such as taxes, the comprehensive result has been negative in recent years, with the exception of 2022, when international oil prices rose sharply in February due to the outbreak of the conflict between Russia and Ukraine, although they subsequently declined.

as well as the decline in production and refining levels. However, the operating cash flow of the company continued to be limited due to its high level of debt.

In October 2024, the Constitutional Reform on energy matters came into effect. Among other changes in the energy sector, this reform legally transformed Pemex from a Productive State Owned Company to a State-owned Public Company[2], and gave it the mandate to implement the energy policy determined by the Federal Government. This new legal status allows it to access public resources through the Federal Expenditure Budget.

The secondary regulatory framework derived from the reform[3] involved a corporate reorganization[4] and opened up the possibility for the private sector to participate as an investor in schemes called "Assignments for Mixed Development",[5] aimed at creating partnerships that complement Pemex's technical and operational capabilities and share risks. The objective is to increase productive investment. Finally, the tax regime applicable to the company was simplified.

The new simplified tax regime, called "Oil Duty for Welfare," significantly reduced the tax burden on the company and established a clear basis for its calculation.[6] In addition, this regime was reflected in secondary regulations, which generated greater certainty (previously, the tax rate was approved each year in the Federal Revenue Law).

Simultaneously, a budget was allocated to Pemex: for 2025, it has a special budget line of around 6.7 billion US dollars (136 billion pesos), a significant part of which was used to pay off its debt.[7] In the 2026 Economic Package, Pemex was granted a budget line of 13.5 billion US dollars (247 billion pesos) to guarantee its liquidity and the fulfillment of its financial obligations.

The objective is to enable Pemex to operate more efficiently and facilitate comprehensive and coordinated planning by the State. Subsequently, in early August 2025, it presented the 2025-2035 Strategic Plan for Pemex, in collaboration with the Ministry of Energy (SENER, its acronym in Spanish) and the Ministry of Finance and Public Credit (SHCP, its acronym in Spanish).

III. Pemex's Strategic Plan (2025-2035)

Pemex's 2025-2035 Strategic Plan was published on August 5, 2025. It defines the company's financial and production strategy for the next decade. The plan's objective is to achieve the company's long-term sustainability by increasing the productivity of its infrastructure to improve efficiency and reduce costs. In addition, a structural plan is being developed to address the underlying problems that have contributed to the current situation, such as a declining production, insufficient investment in oil field replacement, and losses and inefficiencies in the refinery sector.

In terms of production, the Plan establishes that Pemex must achieve the national goal of producing 1.8 million barrels per day (MMbd) of liquid hydrocarbons by 2027, as well as reaching a level of reserves sufficient to meet national energy needs in the short and medium term (national fuel supply).[8] At the same time, Pemex is expected to transition into an energy company in the medium and long-term, shifting its hydrocarbon business towards renewable energy sources.[9] Against this backdrop, natural gas production is established as a specific line of business due to its high decarbonization potential.[10] In order to improve technical, financial, and project execution capacity, schemes involving the participation of

[2] See press release: "Pemex, State-Owned Company" dated March 27, 2025.

[3] Secondary regulations were enacted in March 2025 (Law on State-Owned Companies, Petróleos Mexicanos, and Regulations of the Hydrocarbons Sector Law).

[4] Pemex was vertically and horizontally reintegrated, consolidating subsidiaries and simplifying governing bodies.

[5] Previously, the partnership scheme with private companies was changed to a service contract scheme (Comprehensive Exploration and Extraction Service Contracts or CSIEE), which failed to attract private sector participation to increase production.

[6] Tax rates are reduced to 30 percent on the value of hydrocarbon extraction, except in the case of non-associated natural gas, in which case the rate is 11.63 percent.

[7] Some rating agencies consider this line as a tangible form of sovereign support for the company.

[8] At the end of the third quarter of 2025, crude oil production registered a volume of 1.648 billion barrels.

[9] For more details, see "Pemex: Strategic Plan 2025-2035," p. 107.

[10] The Strategic Plan proposes that natural gas production reach 5 billion cubic feet per day during this administration.

specialized third parties (such as mixed contracts and self-financing works and services contracts) are being considered to improve production and exploration activities.[11] The strategy envisages intensifying exploration and extraction activities in new areas to expand reserves.

In collaboration with SENER and SHCP, Pemex is implementing the Comprehensive Capitalization and Financing Strategy, which aims to reduce short-term bank debt, smooth the maturity profile of international bonds during the administration period, manage debt with suppliers and contractors, implement budget control and resource allocation strategies that prioritize value-generating activities, strengthen risk management, and establish a strategy to divest non-strategic or unprofitable assets and restructure the subsidiaries, among other measures.

The ultimate goal is to achieve a solid financial position based on five pillars:

1. Financial and commercial debt management.
2. Optimization of financial operations.
3. Investment financing.
4. Good governance in the financial process.
5. Sustainable financing scheme and programs with ESG criteria.

It is noteworthy that the Federal Government supports this strategy with financial schemes that combine capital contributions;[12] debt refinancing; operational and financial discipline; and the sustainability and efficient use of government contributions. The objective is to reduce dependence on short-term financing, progressively decrease leverage, and end refinancing operations.

IV. Description of the financial restructuring

The strictly financial part of the strategy has so far consisted of the coordinated implementation of three financial actions which, together with the special line in the 2025 budget, support the five pillars and improve the liquidity of the company. These actions are as follows:

1. On July 28, 2025, the Federal Government issued Pre-capitalized Structured Notes, known as "*P-Caps*," for a total of 12 billion US dollars with a five-year maturity. This operation provided Pemex with the necessary liquidity to pay off short-term bank debt, which carries a higher financing cost, without implying an explicit guarantee from the Federal Government. However, the design provides for contingent coverage in the event of default, which will be detailed below.[13] The objective is to optimize the maturity profile and reduce the financial cost of Pemex and the public sector. The operation as a whole was more complex and can be considered a three-stage financial transaction (Graph 3). In the first stage, a special purpose vehicle (SPV)—off the Federal Government's balance sheet—issued the "*P-Caps*" and used the proceeds from the issuance to purchase U.S. Government Treasury notes. This transaction generates a cost for the SPV since the interest rate it pays on the debt issued is higher than what it receives for the purchase of Treasury instruments. In the second stage, the SPV lent the Treasury notes to Pemex in exchange for a commission. The commissions received for the loan, added to the interest generated by the Treasury instruments, will be used as a source of payment for the "*P-Caps*". Finally, in the third stage, Pemex used these bonds to carry out three repurchase agreements with foreign banks for a total of 11.3 billion US dollars; in other words, using the Treasury instruments as collateral, Pemex monetized assets to obtain liquidity.[14] It should be noted that, in the event that Pemex was unable to repay the Treasury notes to the SPV, the Federal Government would provide US dollar-denominated bonds to guarantee the transaction. Thus, although this operation is not recorded as Federal Government debt, it does

[11] The Strategic Plan describes 21 projects within the framework of a mixed development scheme for exploration and extraction. Of these, 11 are documented and in the process of approval, plus 10 in the validation stage. See "Pemex: Strategic Plan 2025-2035," p. 38.

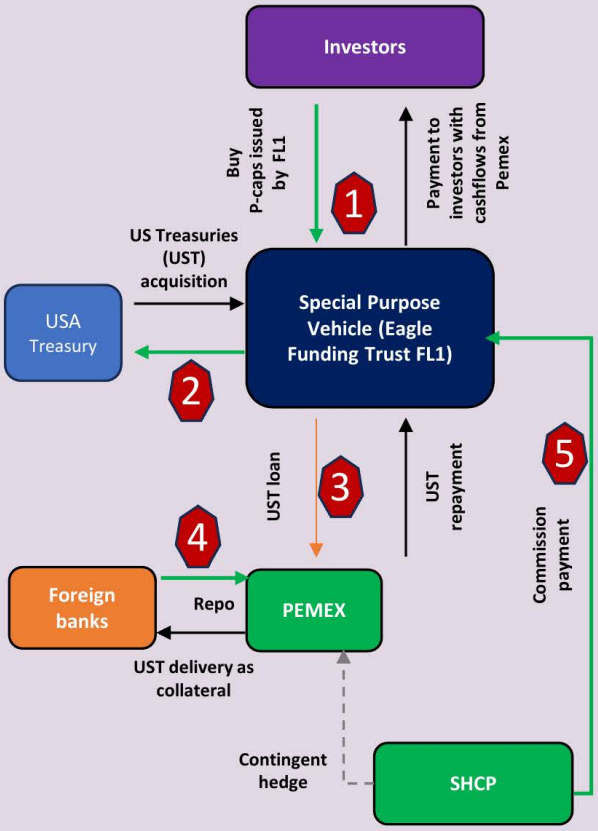
[12] Pemex continues to use capital contributions from the Federal Government provided for in the Federal Expenditure Budget to cover part of the amortizations.

[13] See the Ministry of Finance and Public Credit press release.

[14] The repurchase and securities lending transactions expire in August 2030. See link: Pemex in $12.5 Billion Repo and Related Securities Lending | News | Cleary Gottlieb .

represent a contingent liability in the event that Pemex defaults on its obligations.

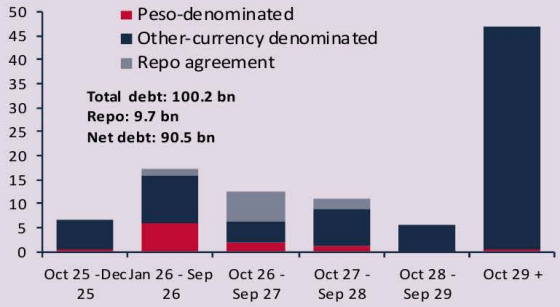
Graph 3
Diagram of the strategy to obtain liquidity for Pemex through the issuance of P-Caps



Source: Elaborated by Banco de México.
Note: The green arrows represent cashflows made in the initial transaction, which will have their counterpart over time during the life of the operation, represented by the black arrows.

2. In addition, a financial vehicle (the "Investment Fund") was created, managed by development banks and off the Federal Government's balance sheet, to obtain resources of up to 250 billion pesos for strategic physical investments with positive profitability in 2025, as well as for the payment of suppliers. The vehicle will not exert immediate pressure on the debt ceiling, as the source of payment for future obligations is linked to the cash flows from the corresponding investment projects. Therefore, this scheme is expected to be sustainable in the coming years. The challenge is to allocate productive investment to maintain a ratio between reserves and production of at least ten years, along with other operational improvements, such as increasing capacity and improving service reliability. It should be noted that the Federal Government provides a guarantee for the payment of the debt incurred by the Investment Fund, so that this mechanism also represents a contingent liability for the Federal Government.
3. Finally, on September 2, 2025, Pemex launched an offer to repurchase its international bonds maturing between 2026 and 2029, for a total of 9.9 billion US dollars, about 15% of its total debt in the market. The repurchase focused on bonds maturing through 2028, which significantly mitigated the public company's liquidity needs for the coming years. However, in order to improve the maturity profile of the company's financial debt, the Federal Government issued debt in US dollars and euros for an equivalent value of $13 billion (Graph 4).

Graph 4
Pemex Debt Maturity Profile
Billion dollars



Figures as of September 2025.
Source: Pemex.

As a result of these actions, the company is expected to receive resources from the Federal Government in a structured manner in 2025 and 2026. The additional support in these years would be extraordinary. In particular, the plan calls for a 32 percent reduction in the short-term debt balance and a 10 percent decrease in total financial debt by the end of 2025 compared to 2024. With regard to commercial debt, debt to suppliers and contractors is expected to decrease, with payment delays not exceeding two months at the end of the administration. The zero net indebtedness target is also maintained. With all of the above, it is expected that, in the medium term, Pemex's financing cost will approach that of the

federal government. This would allow Pemex to return to the capital markets.[15]

V. Impact of the restructuring and other measures on the rating actions and outlooks of rating agencies

Some rating agencies have recently taken rating actions or revised the company's credit outlook.[16] Those that have raised their ratings highlight that the financial program implemented, together with its future phases, strengthens the link with the sovereign, which they consider a positive factor. This is despite the fact that they recognize that there is no explicit guarantee, but rather a contingent guarantee, and that the company aims to be self-sustaining by 2027. However, some agencies are cautious about whether this self-sustainability will be achieved after 2027, due to operational deterioration. The Strategic Plan describes 21 projects within the framework of a mixed development plan for exploration and extraction. Of these, 11 are documented and in the process of approval, and 10 are in the validation stage, according to the Plan. Moreover, rating agencies have expressed concern about the goal of self-sufficiency in gasoline, as the refining business has generated losses.

The following is a summary of what each rating agency has communicated to date:

Fitch: On August 1, 2025, it raised the rating from B+ to BB and changed the outlook to stable, following the issuance of "*P-Caps*" Notes (totaling 12 billion US dollars) at the end of July. The upgrade was due to the regulatory change that means Pemex is now subject to the debt ceiling with the SHCP and has strengthened its link with the sovereign. Subsequently, on October 2, the rating agency raised the rating from BB to BB+, with a stable outlook. This came after the completion of the early repayment offer of eight debt series for 9.9 billion US dollars, which was completed as planned and financed with sovereign resources. This demonstrated the link between the company and the sovereign, as well as the financial policy orientation to reduce the company's leverage and financing costs. In response, Fitch changed the oversight and decision-making sub-factor from "Strong" to "Very Strong." However, the individual credit profile continues to reflect a weak financial profile ("CCC").

Moody's: On August 18, the rating review period began in response to the announced Strategic Plan, as well as other published information on the financial strategy to improve the company financial profile and operational improvements through measures to boost physical investment (the "investment funds"). On September 8, the rating agency upgraded the credit rating by two notches, from B3 to B1, with a stable outlook. This was due to the confirmation of the Federal Government's commitment to pay the company's obligations,[17] , and the fact that the Strategic Plan marks a change in focus based on the three coordinated actions mentioned above, which represents a significant step toward strengthening the company' financial situation for the next five years. However, it mentioned that, although these measures provide some relief from liquidity pressures, the company continues to face serious financial and operational challenges, such as declining production, limited capital investment, and losses in the refining segment.[18] The stable outlook is due to the fact that the financial strategy will remain unchanged for the next 12 to 18 months.

S&P: has not revised the rating, which remains at BBB. Government support is key to maintaining it at that level. On September 2, it stated that the offer to repurchase international bonds totaling

[15] See Strategic Plan 2025-2035, p. 108.

[16] Some rating agencies consider that the financial and operational restructuring carried out by the current administration is the first measure that will enable the company to actually meet their obligations in the coming years. This is because, unlike the support received in previous years, it is based on a multi-year financial strategy.

[17] It revised its assumption of government support from "high" to "very high."

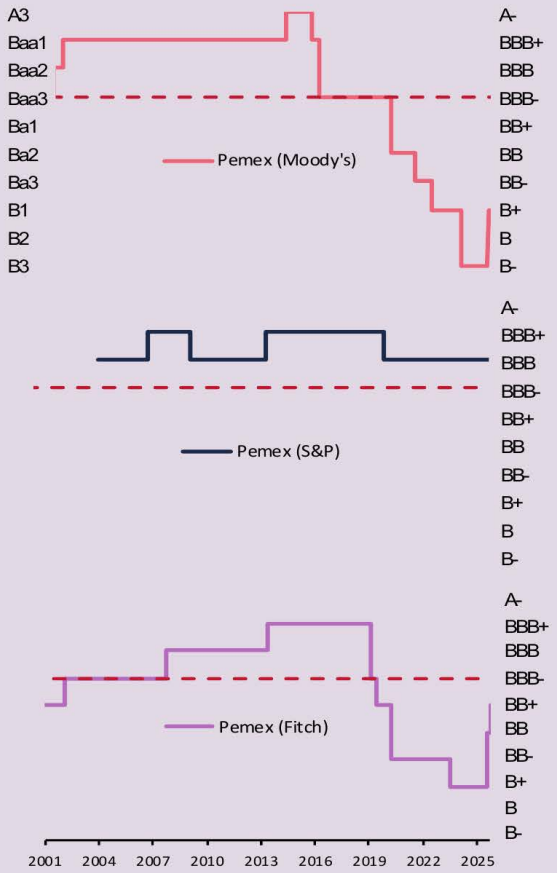
[18] Current short-term cash requirements for the payment of credit lines and revolving facilities exceed the company's cash holdings. In addition, the rating agency estimates that cash flow requirements will be 7 billion US dollars per year in both 2026 and 2027, and expects free cash flow to remain negative for the next 12 to 18 months.

9.9 billion US dollars would have no impact on its credit metrics. The fact that the repurchase is being carried out with Federal Government resources reinforce the view that the Government will continue to financially support Pemex. Subsequently, on September 18, 2025, it published a credit report analyzing the 2025-2035 Strategic Plan. Leverage, measured as the ratio of debt to EBITDA,[19] is estimated to fall to 7.5 times at the end of 2025, considering the bond buyback and a slightly positive operating free cash flow. The report mentions that the Plan contains ambitious goals and that its implementation will depend on the ability to overcome potential challenges, such as low oil prices, exchange rate fluctuations, the decline of mature production fields, significant investment needs, and the active interest of private investors. The probability that the Government will support Pemex is considered "almost certain".

Graph 5 shows the historical evolution of credit ratings, including recent changes. In summary, the 2025 financial and operational restructuring has been generally well received by investors and rating agencies. As a result, Pemex's cost of financing, as measured by credit default swaps (CDS), declined following the above actions, although it still remains above the level observed for sovereign CDS.

Graph 5

Long Term Foreign Currency Credit Rating Evolution



Source: Moody's, S&P and Fitch.
Nota: The dotted line represents investment grade.

VI. Final considerations

Pemex's 2025 financial and operational restructuring has been an important step toward improving the company's financial situation and has been positively received by both investors and rating agencies. From the perspective of the country's financial stability, the financial situation of the company itself, as well as that of its suppliers, employees, and individuals or businesses associated with the financial system, is relevant. Pemex's restructuring should reduce its liquidity risk, refinancing, and debt-service capacity risks, improving its future financing conditions and ensuring its sustainability. Therefore, it is important to continue with the implementation of the 2025-2035 Strategic Plan.

[19] EBITDA refers to earnings before interest, taxes, depreciation, and amortization.

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Federal Electricity Commission (CFE, its acronym in Spanish)

At the end of September 2025, the CFE recorded a quarterly net profit, which contrasts with the quarterly losses observed both in the last *Report* and a year ago. In cumulative terms over twelve months, a net profit was also observed, unlike the loss of the previous year. This cumulative profit is explained by the reduction in interest payments and the gain associated with exchange rate fluctuations due to the appreciation of the peso against the US dollar during much of the period.

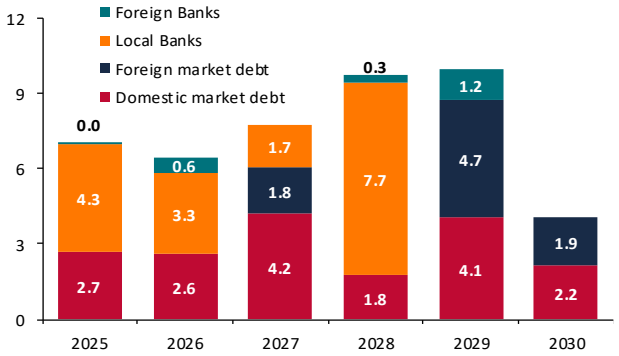
The company's total debt balance, expressed in pesos, decreased compared to the previous *Report*. This is due to a decrease in the balance of debt contracted with both local and foreign banks. At the end of September 2025, CFE has maturities in 2026 for 6.5% of its total debt, not including suppliers (Graph 65). The company's liquidity indicator also increased due to a higher balance of cash and cash equivalents, as well as a decrease in short-term financial liabilities.

Finally, at the beginning of December 2025, CFE's five-year CDS decreased slightly compared to the previous *Report*.

Graph 65

CFE debt maturities [1/]

Percent of total debt



Data as of September 2025.

Source: BMV.

1/ It takes into account total debt without suppliers.

IV.2.3.3. States

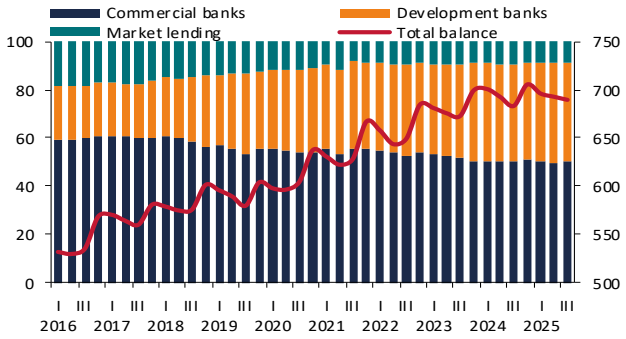
During the third quarter of 2025, bank lending to sub-national governments increased compared to the same period in 2024. Commercial banks remained the main creditor, accounting for nearly half of total financing, while development banks increased their share to just over 40% (Graph 66).

Graph 66

Subnational government financing

Right axis: Billions of pesos

Left axis: Percent



Data as of third quarter 2025.

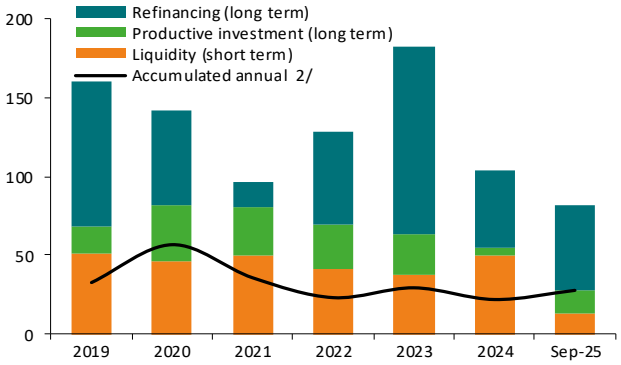
Source: SHCP.

From January to September 2025, long-term bank financing taken by state governments for productive investment purposes increased, compared to the same period in 2024, when short-term loans accounted for about half of the loans granted (Graph 67).

Graph 67

Loans granted to state governments [1/]

Billions of pesos



Data as of September 2025.

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

1/ Posted information as of November 27th 2025 by state governments.

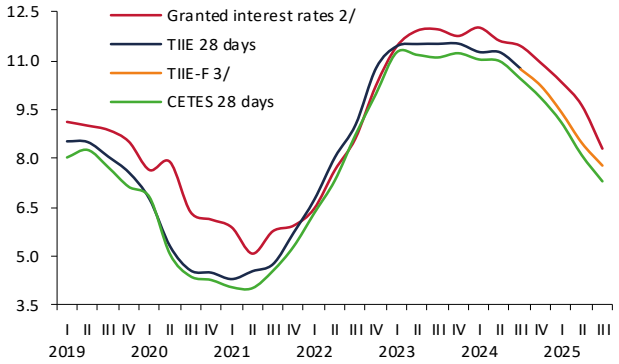
2/ Accumulated as of third quarter per year considering liquidity and productive investment loans.

In the third quarter of 2025, state governments had favorable conditions for contracting bank loans. In this vein, the average interest rate on new loans was lower than in the previous quarter (Graph 68).[37]

[37] In the first nine months of 2025, fourteen state governments arranged loans, thirteen of them contracted loans indexed to the 28-day forward TIIE Funding Rate (TIIE, its acronym in Spanish), and one entity considered the overnight TIIE Funding Rate.

Graph 68
Weighted average interest rate on offers of bank loan to state governments [1/]

Percent



Data as of third quarter 2025.

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

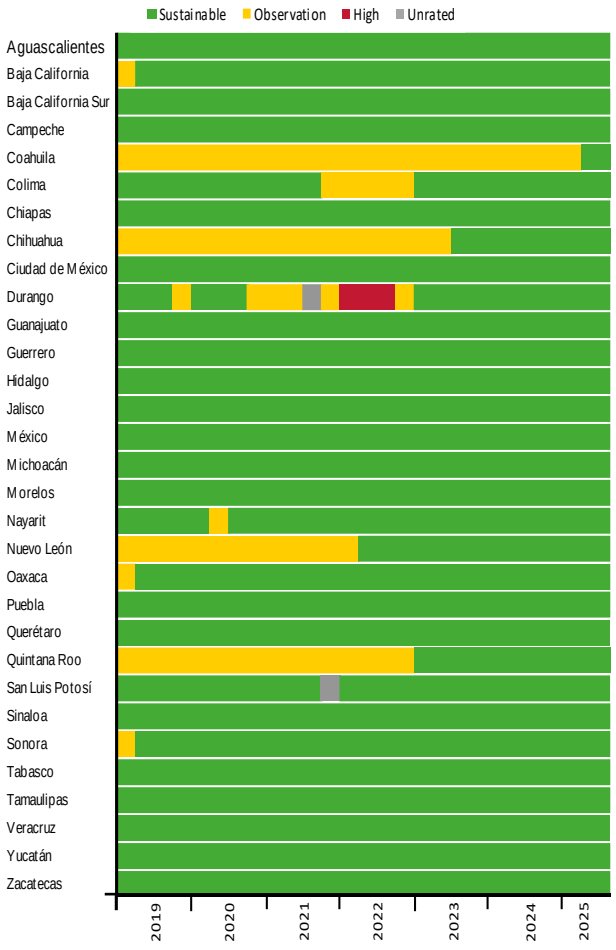
1/ The Federal Entities and Municipalities Financial Discipline Law establishes that, for the sustainable management of public finances, federal entities must conduct competitive processes for public debt bidding and, once the related legal instruments have been executed, the public entity must post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

2/ Posted information as of November 27th 2025 by state governments.

With regard to the credit risk of sub-national governments, between April and September 2025, there were nine improvements and one deterioration in the credit ratings of state governments. In the case of municipal governments, there were fourteen improvements and six deteriorations. During the same period, rating agencies confirmed the ratings of 19 state governments and 64 municipal governments.

According to the SHCP alert system, by the third quarter of 2025, state governments had achieved a sustainable level of debt. Coahuila was the last state to achieve debt sustainability after seven quarters of debt under observation (Figure 1a). Meanwhile, in the first half of 2025, 14 municipal governments showed debt levels under observation and one continued to have high debt (Figure 1b).

Figure 1
Subnational government debt sustainability [1/]
a) State governments, quarterly information [2/]



b) Municipal governments, half-yearly information

2024-1	2025-1
SUSTAINABLE DEBT	
585 municipalities 3/	600 municipalities 3/
OBSERVATION DEBT	
16 municipalities	14 municipalities
Aguascalientes, Chihuahua (2), Coahuila, Durango, Jalisco (2), Morelos, San Luis Potosí, Sonora (3), Veracruz (3), Zacatecas	Aguascalientes, Chihuahua (2), Coahuila, Durango (2), Jalisco (2), Morelos (2), Nayarit, Sonora (2), Veracruz
HIGH DEBT	
2 municipalities	1 municipality
Mapimí, Tlahualilo (Durango)	Tlahualilo (Durango)

Data as of third quarter 2025 for state governments and as of first 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_2025

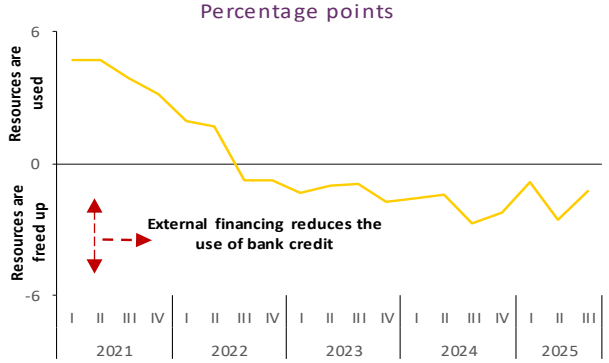
2/ The State of Tlaxcala has no loans and obligations since 2019.

3/ As of first half-yearly 2025, 67 municipalities had failed to provide information and 106 entitites had not been rated, while as of first half-yearly 2024, 109 municipalities had failed to provide information and 76 entities had not been rated.

IV.2.4. External sector and capital flows

Access to international markets allows emerging economies to attract foreign savings through capital flows. These savings enable the public sector to reduce its reliance on domestic credit and to free up resources that can be allocated to other sectors of the economy. In Mexico, a net inflow of capital was observed during the initial three quarters of 2025, driven by a strong inflow in the first quarter, a slight outflow in the second, and new inflows, albeit more moderate, in the third. As a result, the public sector freed up more domestic financial resources for lending to other sectors compared to the previous edition of this *Report* (Graph 69).

Graph 69
Contribution of net capital flows to real domestic financing growth of the Public Sector[1/]
Percentage points



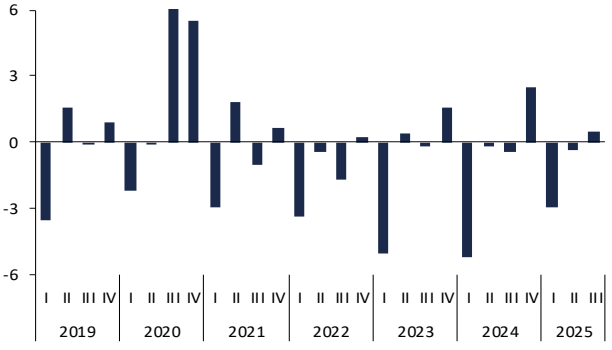
Data as of third quarter 2025.

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 Q3 2025 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 exhibited a deficit of 0.4% of GDP in the second quarter of 2025, and a surplus of 0.5% in the third (Graph 70). Within the trade balance, the oil balance was in deficit in both quarters, while the non-oil balance recorded a surplus (Graph 71). Meanwhile, the financial account recorded net lending to the rest of the world in both periods, largely due to portfolio investment outflows in the second quarter and other investment outflows in the third.

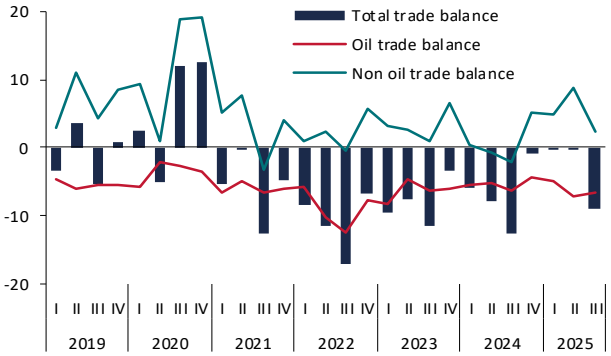
Graph 70
Current Account
Balance as a percentage of GDP



Data as of third quarter 2025.

Source: Banco de México and INEGI.

Graph 71
Trade balance
Billions of dollars

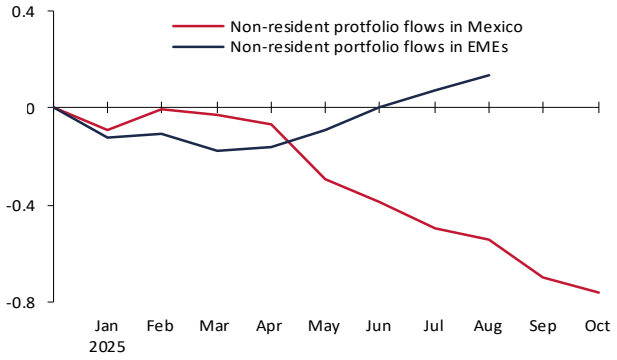


Data as of third quarter 2025.
Source: Banco de Mexico and INEGI.

Timely information from the Institute of International Finance (IIF) indicates that emerging economies received portfolio inflows from non-residents in the second quarter of 2025 (Graph 72). This signified a recovery relative to the previous quarter, with more pronounced inflows in May and June. In May, trade uncertainty began to dissipate as the United States initiated negotiations with several of its trading partners, and data releases indicated that the impact of tariffs on economic activity had been less adverse than anticipated to that point. In June, the trend toward lower trade uncertainty persisted, and in the subsequent months, expectations of a more accommodative monetary policy in the United States favored inflows.

Furthermore, macro-financial variables in most emerging economies—including exchange rates, interest rates, and capital flows—as well as some in the United States, have exhibited an atypical response in comparison to how they used to. Contrary to historical precedent, the US dollar depreciated in response to certain events that diminished risk appetite, while medium- and long-term rates in several emerging economies declined.

Graph 72
Acummulated non-resident portfolio flows to Mexico and EMEs[1/]
Percent of GDP



Data as of October 2025.
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 i n 2023. 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 Mexico, by contrast, non-resident portfolio flows began to show clearer outflows starting in the second quarter of 2025 (Graph 72). However, it is worth noting that, as explained in Box 4 of the December 2023 edition of this *Report*,[38] in certain circumstances, such as the present one, portfolio outflows may be attributable to an increased appetite for debt by domestic investors rather than weaker demand from non-residents. Specifically, since the previous *Report*, there has been an increase in demand for government securities from some resident investors, initially from the Siefores as part of the reform of the Retirement Savings System, and subsequently, due to the positive outlook for Pemex from rating agencies.

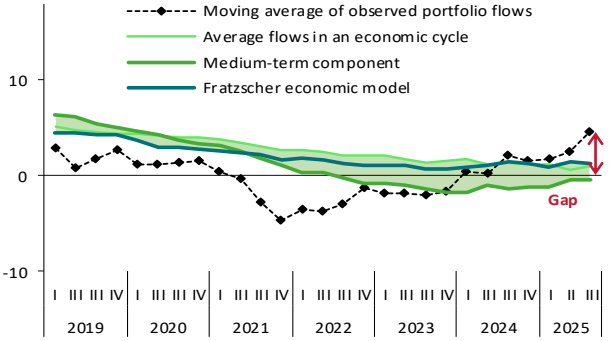
In this context, it is useful to assess the available room for non-resident portfolio flows either to continue leaving or, conversely, to begin entering Mexico going forward. To this end, the "natural" range of portfolio flows is compared with the observed value accumulated over the past year, based on balance of payments data.[39] Since the previous edition of this

[38] See Box 4. Capital flows: Effects on the government debt yield curve in the *Financial Stability Report* - December 2023.

[39] This "natural" value measures the portion of flows that is not influenced by temporary factors, but rather by persistent and structural factors. This estimation was derived in accordance with Box 3. Range of the natural value of portfolio flows, in *the Financial Stability Report* - June 2023.

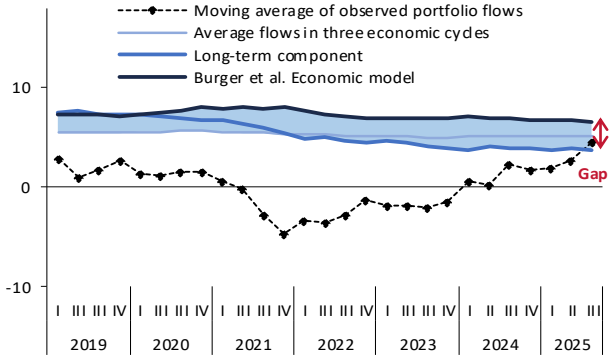
Report, the balance of payments recorded an increase in the accumulated value of portfolio flows, driven mainly by the issuance of government securities in foreign currency—namely, a basket of bonds denominated in euros and US dollars—and, to a lesser extent, by the placement of corporate debt by Mexican companies abroad. These two types of issuance, which are only captured in the balance of payments, resulted in an increase in the gap with respect to the short- to medium-term natural range of flows and a reduction in the gap with respect to the long-term range (Graph 73a and Graph 73b).

Graph 73
Range of natural flows[1/]
a) Medium-term
Billion dollars



Data as of third quarter of 2025.
Source: Banco de México, IMF, Bloomberg, IIF, UBS.
1/ One year moving average.

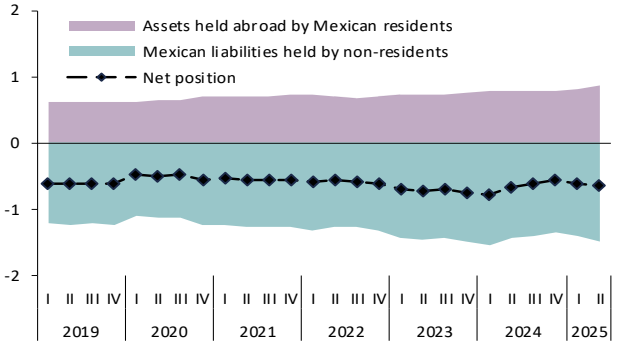
b) Long term
Billion dolars



Data as of third quarter of 2025.
Source: Banco de México, IMF, Bloomberg, IIF and UBS.
1/ One year moving average.

Mexico's (net) international investment position decreased in the second quarter of 2025, compared to the same quarter of the previous year. On the foreign assets side, investments by Mexican residents increased by 11.8%, and on the liabilities side, investments from abroad grew by 3.5% (Graph 74).

Graph 74
International investment position[1/]
Trillions dollars



Data as of Q2 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.

Since the previous edition of this *Report*, the complexity of the global macro-financial environment has increased significantly due to the ongoing uncertainty surrounding trade policies, which could lead to more moderate and fragmented global growth, with implications for trade, investment, and financing patterns. However, this realignment presents opportunities for economies with robust fundamentals and reliable institutional frameworks, such as Mexico, to distinguish themselves in attracting external resources and investment through macroeconomic stability and trade integration. In this context, it is essential to preserve institutional strength and maintain conditions that support long-term growth and enhance resilience in the face of a more uncertain international environment.

IV.3. Institutions

At the end of September, total assets of the financial system increased, although at a slower rate than in previous quarters. Growth varied among different types of entities. The assets of siefores, investment funds, regulated sofomes, sofipos, and financial technology institutions recorded a moderate increase in real annual terms. In the case of

investment funds, although there was an increase in their assets, it was lower than that observed in the previous *Report*. This increase in investment fund assets was due to larger investment portfolios, mainly driven by a higher volume of securities purchases and, to a lesser extent, an increase in the market value of their portfolios. In contrast, the assets of certain intermediaries, particularly broker-dealers and credit unions, decreased.

Commercial banks continue to be the most important brokers in terms of total assets within the financial system. In addition, applications for banking licenses and authorizations continue, although some institutions have not yet begun operations (Table 3).[40]

[40] Currently, there are three institutions whose banking licenses have been authorized but which have not yet begun operations: Plata, Revolut, and Nu.

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/ 5/]	51	41.1	42.9	3.9	60.4
Siefores (afores)[6/ 7/]	118 (10)	21.5	22.5	14.1	77.2
Investment Funds (Managers)[8/]	631 (31)	13.0	13.6	12.7	68.8
Development Institutions[9/]	9	8.7	9.1	0.8	90.1
Insurance Companies	111	8.0	8.3	7.5	43.3
Broker dealers	36	3.2	3.3	-0.7	61.5
Non-regulated sofomes[10/]	1,740	1.7	1.8	7.1	18.6
Regulated sofomes[11/]	24	0.9	1.0	13.9	73.2
Savings and Loan Cooperatives (socaps)	153	0.8	0.9	8.9	55.9
Popular Finance Corporations (sofipos)[12/]	33	0.6	0.6	25.6	84.9
Credit Unions	62	0.2	0.2	-1.5	53.1
Bond warehouses	14	0.1	0.1	8.4	95.2
Crowdfunding Institutions	23	0.0	0.0	11.1	83.2
Electronic Payment Fund Institutions	43	0.1	0.1	21.3	75.1
Total System	**2,338**	**100.0**	**104.4**	**7.2**	**n.a.**
Memo: Infonavit, Fovissste and Infonacot	*3*	*8.4*	*8.7*	*7.4*	*n.a.*
Fondo de Pensiones para el Bienestar	*1*	*0.1*	*0.1*	*10.5*	*n.a.*
Fondo Mexicano del Petróleo	*1*	*0.1*	*0.1*	*-9.3*	*n.a.*

Data as of September 2025. The figures for Investment Funds reflect the portfolio of securities managed by these entities.

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) Refers to entities currently operating with positive assets; this may differ from the number of authorized entities.

3/ The five entities with the highest concentration of assets within their respective sectors are as follows: Commercial Banking: BBVA, Santander, Banorte, Banamex, and HSBC. Afores: Profuturo, XXI Banorte, SURA, Banamex, and Coppel. Investment Fund Managers: BBVA Bancomer Gestión, Impulsora de Fondos Banamex, Sam Asset Management, Operadora de Fondos Banorte, and Operadora Actinver. Development Institutions: Banobras, Nafin, Bancomext, Banjército, and FIRA. Insurance and Bonding Companies: Seguros BBVA, Pensiones Banorte, Grupo Nacional Provincial, Seguros Banamex, and Pensiones BBVA. Broker Dealers: Banorte-Ixe, Finamex, Goldman Sachs, Actinver, and Monex. Non-regulated SOFOMs: Binmtec, BMW Financial Services México, Prosperity Factor, Cashahora, and LBBW México. Regulated SOFOMs: GM Financial, Arrendadora Banorte, Element Fleet, Ford Credit, and Traton (formerly Navistar). SOCAPs (Savings and Loan Cooperatives): Caja Popular Mexicana, Caja de Ahorro de los Telefonistas, Caja Morelia Valladolid, Acreimex, and Caja Popular Cerano. SOFIPOs (Popular Financial Corporations): Nu México, F Sustentable, Libertad Servicios Financieros, Stori (formerly SAVVI), and Klar (formerly SEFIA). Credit Unions: Ficien, Unión de Crédito Agricultores de Cuauhtémoc, Agropecuario de la Laguna, Unión de Crédito para la Contaduría Pública, and Unión Crédito Alpura. General Deposit Warehouses: Afirme, Mercader, Sur, Banorte, and Accel. IFCs (Crowdfunding Institutions): Capital Funding, Cien Ladrillos, Play Business, Red Girasol, and SFC Snowball. IFPEs (Electronic Payment Fund Institutions): Mercado Pago Wallet, Sistema de Transferencias y Pagos STP, Spin by OXXO,

4/ The total assets of commercial banks include those of regulated sofomes that consolidate with their respective bank when they are subsidiaries. Compared to the previous semester, two new banks in operation have been incorporated: Hey Banco and Openbank. Additionally, there are three banks authorized by the authorities in 2024 and 2025 that are not yet in operation: Banco Plata, Revolut, and Nubank (currently operating as a sofipo). Intercam is under temporary management intervention by the CNBV. CIBanco reported zero assets as of September.

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 31 investment fund operators manage 631 investment funds.

8/ Includes development banks (6) and development trusts (FIRA, FOVI, and FIFOMI).

9/ The figures related to the number of non-regulated SOFOMs come from the Registry of Commissions - RECO (Condusef). New information is presented with preliminary figures resulting from corrections made to the data reported by non-regulated SOFOMs as of June 2023. For the purposes of counting, only SOFOMs with a positive portfolio are considered. Credit portfolios from non-regulated SOFOMs that grant credit exclusively to related entities or subsidiaries are excluded, as they are not considered credit intermediaries in the strict sense. As of June 2025 (the latest available date), the Bureau of Financial Entities has information on 2,145 non-regulated SOFOMs (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.

10/ Regulated Sofomes include those with ownership ties to banks (without being subsidiaries) and those issuing debt on the BMV.

11/ In December 2022, Nu México, a Fintech specializing in credit cards, merged with a non-operational Sofipo it acquired in December 2021. Since this date, its assets are counted under the Sofipo sector, making it the largest entity in this category with a 40% market share, raising the concentration of the top five entities to 79%. Prior to this transition, no public financial data was available for this entity.

12/ As of September 2025, there are three crowdfunding institutions and fifteen electronic payment fund institutions that have been authorized but are not yet in operation. The figures correspond only to 56 ITFs that published their financial statements on their websites as of September 30, 2025. These institutions do not perform credit intermediation on their balance sheet; in the case of crowdfunding institutions, the financing from investors that the platform channels to projects is recorded in off-balance sheet accounts.

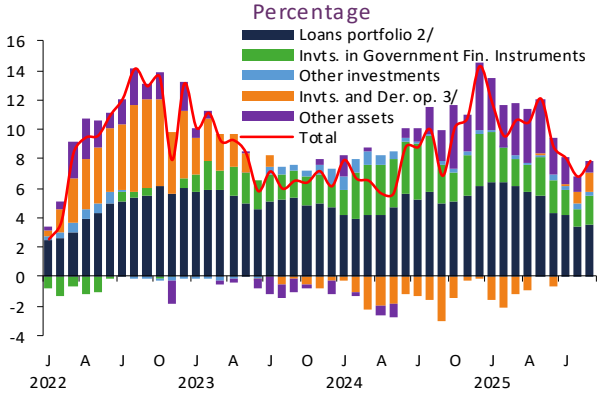
IV.3.1. Commercial Banks

Between April and September 2025, the evolution of commercial banks assets showed a lower average expansion compared to that observed in the period of the previous *Report*. This was mainly due to the performance of the loan portfolio and investment in financial instruments (Graph 75a).

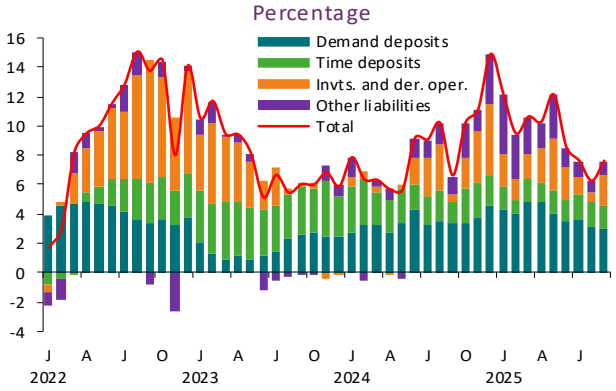
Similarly, the liabilities of commercial banks showed a lower average growth between April and September 2025 compared to the previous six months, mainly reflecting a slowdown in both demand and time deposits (Graph 75b).

Graph 75
Assets and liabilities annual contribution growth 1/

a) Assets



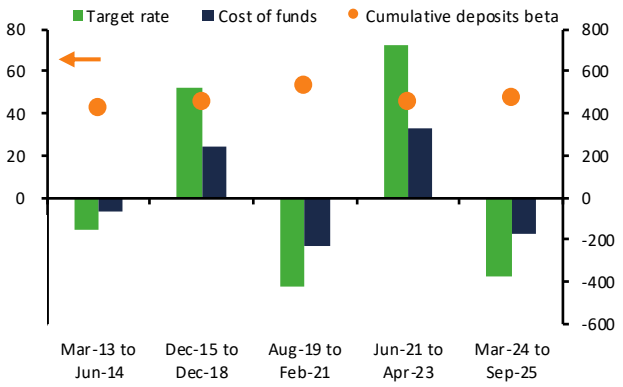
b) Liabilities



Data as of September 2025.
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 act like a buyer.

Meanwhile, the rates paid by banking institutions for their deposits showed a reduction in response to the monetary policy implemented since March 2024. Based on data as of September 2025, a similar response was observed to that seen in the last two easing cycles (March 2013 to June 2014 and August 2019 to February 2021) (Graph 76).

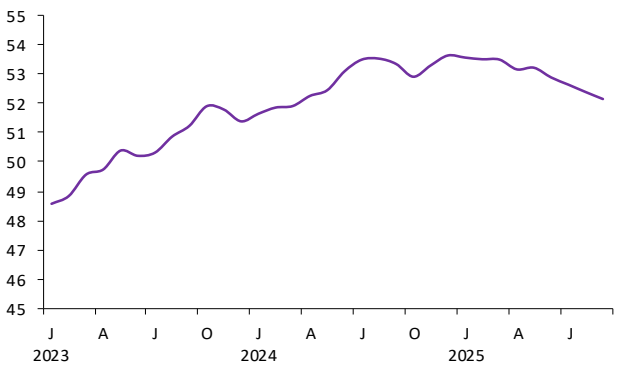
Graph 76
Cumulative change in target rate and cost of funds in local currency 1/



Data as of September 2025.
Source: Banco de México.
1/ The cycles considers five target rate reviews, first downward since March 8 of 2013 to June 6 of 2014 (150 bp), second on the rise since December 17 of 2015 to December 20 of 2018 (525 bp), third downward since August 15 of 2019 to February 12 of 2021 (425 bp), fourth on the rise since June 25 of 2021 to March 31 of 2023 (725 bp) and fifth downward since March 22 of 2024 to end of September 2025 (375 bp). The average cost in local currency of commercial banks includes demand deposits, time deposits, credit securities and interbank loans.

Against this backdrop, during the first nine months of 2025 the financial margin of commercial banks, as a whole, decreased as a proportion of their shareholders' equity (Graph 77).

Graph 77
12 months cumulative financial margin to total equity ratio 1/



Data as of September 2025.
Source: Prepared by Banco de México from CNBV information.
1/ Includes banks loans and linked sofomes loans.

On other aspect, it should be noted that, given the size and interconnectedness of the institutions

mentioned, the stability of the national financial system was not affected by the measures announced by the U.S. Department of the Treasury on June 25, 2025, related to the prohibition on transactions within the U.S. financial system with two commercial banking institutions and a broker-dealer in Mexico.

In this vein, in order to ensure the continuity of services and safeguard the rights of savers and the integrity of the financial system, on June 26, 2025, the Governing Board of the National Banking and Securities Commission decreed the temporary management intervention of these institutions.[41]

In this regard, it should be noted that during the third quarter of 2025, Kapital Bank, a commercial banking institution, acquired a significant portion of Intercam Financial Group operations, which includes both the bank and other entities in the group. On the other hand, in August 2025, in order to ensure the continuity of existing contracts and the full protection of trusts and their beneficiaries, CIBanco, commercial banking institution (CIBanco) sold its trust division, as well as part of its consumer credit portfolio, to other institutions.[42] Against this backdrop, on December 5 of this year, the SHCP authorized the merger of CIBanco's trust business with Banco Multiva, S.A., commercial banking institution and Financial Group Multiva.[43]

On the one hand, in October 2025, the CNBV approved the voluntary revocation request submitted by the shareholders' general assembly of CIBanco with the aim of protecting the interests of its customers.[44] It should be noted that, in order to strengthen the fight against money laundering and terrorism financing, a decree was issued to amend the Federal Law for the Prevention and Identification of Operations with Illicit Resources.[45] Finally, to help strengthen the financial system, the banking industry made commitments to reinforce its systems for preventing money laundering and other illegal activities and to intensify collaboration with financial authorities to strengthen compliance in this area.[46]

Another relevant development in the banking sector is that on September 24 of this year, Citi announced the purchase of 25% of Banamex's common shares by a Mexican businessman, continuing the process of divestment of Banamex. It should be noted that the transaction is subject to regulatory approvals by the Mexican financial authorities and is expected to be completed in the second half of 2026.

With regard to new operating licenses for commercial banking institutions, it is noteworthy that on October 17, 2025, the CNBV authorized the start of operations of Revolut Bank, a commercial banking institution.

Solvency

Between March and September 2025, on aggregate, commercial banking institutions exhibited capitalization levels above the minimum required by regulation. The capitalization Index (CAR Capital Adequacy Ratio) for these institutions rose from 19.90% in March to 20.38% in September. This change was due to an increase in regulatory capital that exceeded the increase in risk-weighted assets (Graph 78 and Graph 79).

Against this backdrop, net capital was driven by several factors that operated in opposite directions. On the one hand, dividend payments were recorded, with a negative effect on regulatory capital. On the other hand, there was an increase in the institutions' earned capital following the year's results, which had a positive effect on regulatory capital. Likewise, there were new issuances of subordinated bonds which, in the case of some institutions, will allow them to strengthen their capital buffers required by

[41] For further reference, see the press releases on these interventions at two commercial banking institutions and a broker-dealer.

[42] See the press release published by the CNBV, "Press Release No. 37: Progress in the sale of a significant portion of the operations of CIBanco and Grupo Financiero Intercam," and the Financial Report for the third quarter of 2025 of BanCoppel, commercial banking institutions.

[43] See the publication by the SHCP in the Official Gazette of the Federation "OFFICIAL LETTER authorizing the merger of Banco Multiva, S.A., commercial banking institutions, Grupo Financiero Multiva , as the surviving merging company, with the newly created company resulting from the spin-off of CIBanco, S.A., commercial banking institutions, as the merged company that is being dissolved.

[44] See press release published by Banco de México "Voluntary settlement and payment processes begin for savers of CIBanco, S.A., commercial banking institutions."

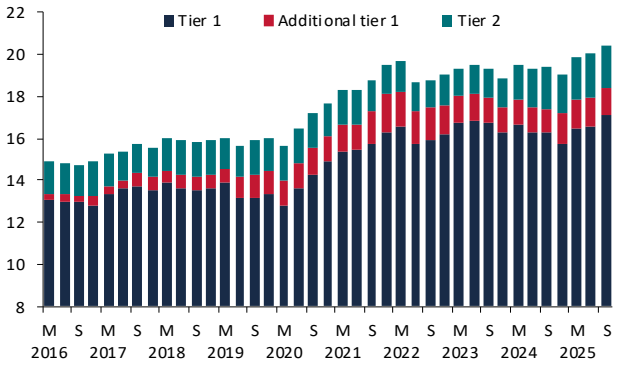
[45] More details on this amendment decree are presented in the section of this Report entitled "Policy measures implemented to preserve the sound development of the financial system."

[46] See the statement issued by the Association of Mexican Banks, "Banks reinforce their systems for the prevention of money laundering (PLD) and other illegal activities in order to strengthen the national financial system."

regulation (*TLAC*).[47] The net effect of these events was an increase in regulatory capital.

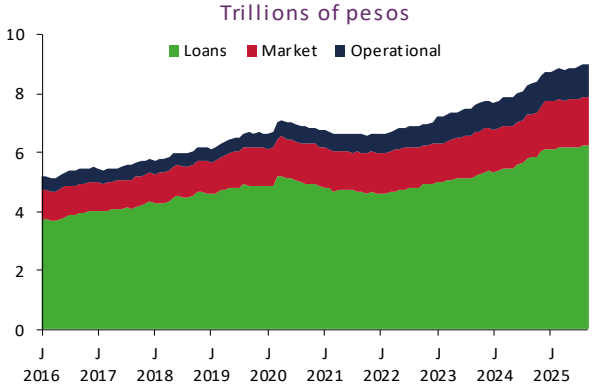
Meanwhile, risk-weighted assets increased, mainly due to the dynamism of risk-weighted assets subject to credit risk. However, risk-weighted assets subject to market risk and those subject to operational risk also increased.

Graph 78
Capital Adequacy Ratio (CAR) integration by type of bank regulatory capital [1/]
Percentage



Data as of September 2025.
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



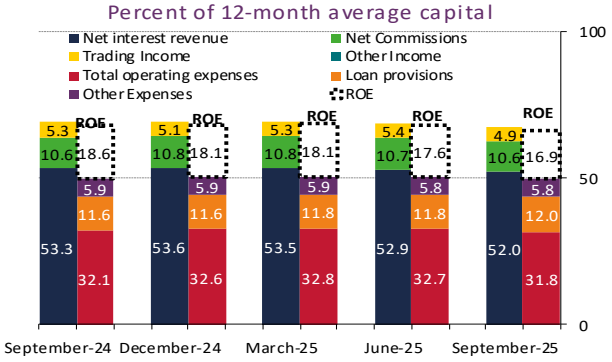
Data as of September 2025.
Source: Banco de México.
1/ Credit Risk weighted assets reflect the associated risk of the loan portfolio and other credit exposures. Market risk weighted assets are a risk measure that a banking institution holds due to market factors to which are their assets exposed; while 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, measured as the twelve-month return on equity (*ROE*), decreased compared to the previous *Report* (Graph 80). However, there are differences at the individual level. Although at the system level, net interest income and net fees and commissions increased in nominal terms compared to the last *Report*, the accumulated net result for the twelve-month period decreased in real terms. The decline in net result was due to higher credit provision expenses, lower trading income, higher non-recurring expenses (other expenses), and an increase in administrative and promotional expenses during the period.

[47] TLAC (Total Loss-Absorbing Capacity) refers to the international standard that requires systemic banks to have a Net Capital Supplement with instruments to absorb losses and facilitate resolution. See Box 3: Implementation of the Net Capital Supplement (TLAC) in the Financial Stability Report, June 2025, Banco de México.

Graph 80
Commercial Banks Profitability Components
(12-month flow)
Percent of 12-month average capital



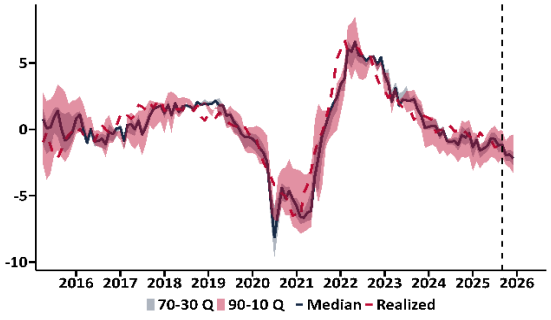
Data at September 2025.
Source: CNBV.

Financial indicators at risk

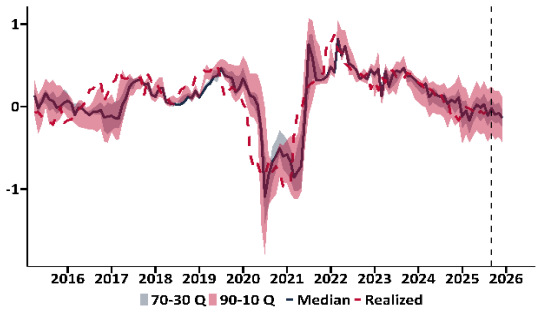
Historical information on financial indicators in the banking industry enables risks to be identified and forecasts[48] to be developed making it possible to determine which indicators are subject to greater uncertainty in their estimates, which often translates into an increase in risk levels going forward.[49]

Profitability indicators reveal that both *ROE* (Graph 81a) and net interest margin (Graph 81b) show a downward trend, although the projection for net interest margin demonstrates greater uncertainty.

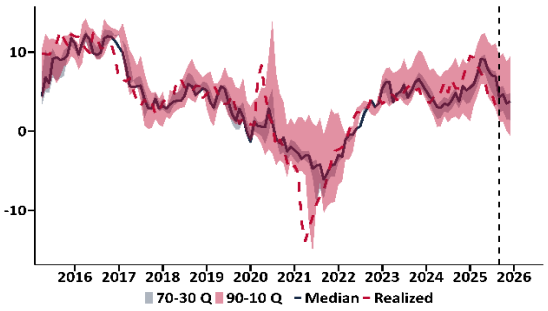
Graph 81
Three month horizon out of sample forecast
a) ROE
Percentage points



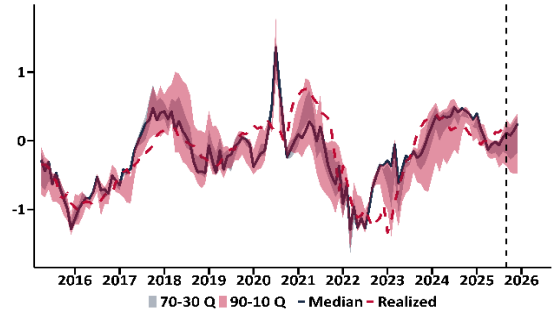
b) Net interest margin
Percentage points



c) Real credit growth
Percentage points



Three month horizon out of sample forecast
d) Adjusted non-performing ratio
Percentage points



Data as of September 2025 and forecasts through December
Source: Banco de México.

The portfolio growth projection (Graph 81c) shows a downward trend, although with greater uncertainty, shown by its greater dispersion. Finally, the growth of the adjusted non-performing loan ratio of the portfolio (Adjusted NPL ratio) is sustained (Graph 79d).

[48] The methodology used is the one described in Box 6. Risk metrics for banking and credit indicators, published in the June 2022 Financial Stability Report.

[49] For each of the indicators, forecasts are presented for a three-month horizon based on quantile regressions.

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

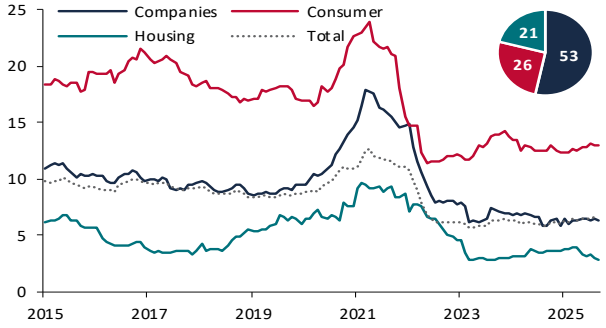
Credit risk

The credit risk of banks, measured by the conditional value at risk (*CVaR*) at 99.9%[50] over a one-year horizon as a proportion of the credit portfolio, registered a marginal increase, driven by the increase in the risk of the corporate and consumer portfolios (Graph 82a).[51] This increase in portfolio risk is explained by the increase in both the probability and correlation of default (Graph 82b).[52]

Graph 82

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

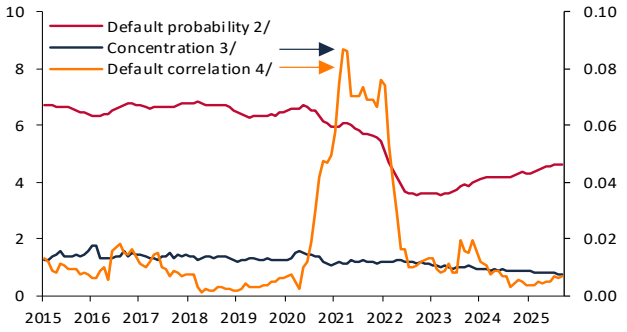
Percent of portfolio's value



Data as of September 2025.
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, probabilities and default correlation[1/]

Percent



Data as of September 2025.
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.

When considering the exposures of the loan portfolios of commercial banks and its distribution of potential credit losses,[53] it is noticeable that the corporate portfolio contributes most to the total *CVaR*,[54] slightly above the contribution of the consumer portfolio. It is also noteworthy the substantial contribution to credit risk of the consumer portfolio, which is higher than its share of the total portfolio (Graph 83 a and Graph 83 b). The level of credit *CVaR* has remained stable and contained in relation to the regulatory capital of banks as a whole, indicating the banking sector's ability to absorb unexpected losses arising from credit defaults in its portfolios in an extreme scenario.

[50] Conditional value at risk (CVaR) allows losses at the tail end of the distribution to be analyzed, as it represents the expected value of the loss when this is greater than the VaR. The latter represents the percentile corresponding to a given confidence level in a probability distribution of losses for a portfolio of risk-weighted assets.

[51] Credit *CVaR* is calculated using the Capitalization and Credit Risk (CyRCE) model. The main elements of this model are the probability of default for each credit, the variance and covariances structure of potential defaults, and the structure and concentration level of the credits that make up 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, *Una nueva visión del riesgo de crédito* (A New Vision of Credit Risk), third edition, Limusa (2024).

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

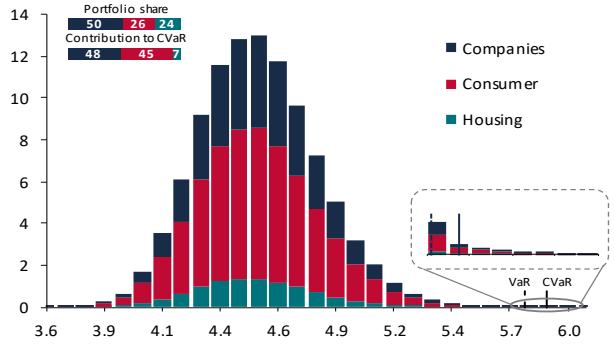
[53] This distribution is generated using the loan portfolio loss simulation methodology. It can be found in Banco de México (2022). "Measuring the credit risk of a portfolio through Monte Carlo simulation." Financial Stability Report June 2022, Box 7, pp. 74.

[54] The contribution to CVaR is determined as the percentage of loss of the portfolio segment relative to the loss of the total portfolio, within the extreme losses of the distribution (e.g., losses exceeding VaR).

Graph 83

a) Simulated credit loss distribution of the system

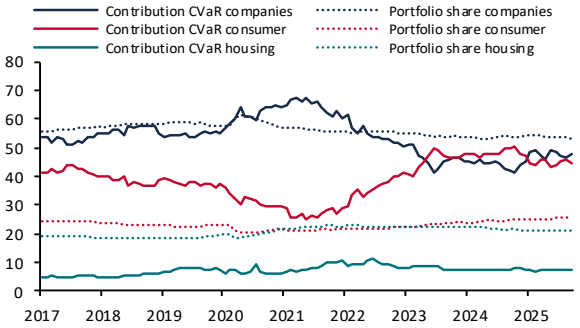
Horizontal axis: Percent of portfolio's value[1/]
Vertical axis: Percent



Data as of September 2025.
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 September 2025.
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.

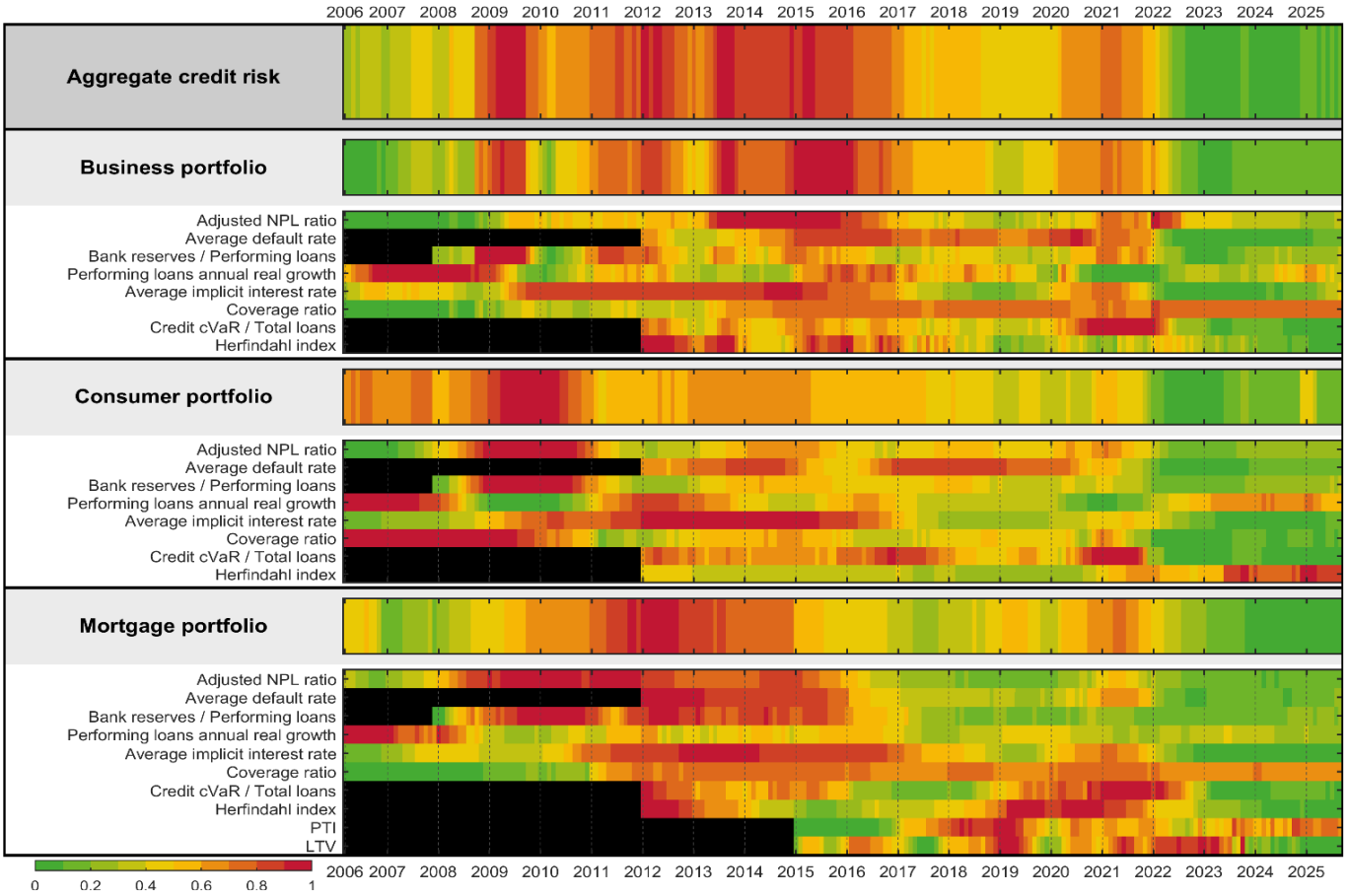
Bank credit risk map

Aggregate credit risk, as illustrated by the bank credit risk heat map,[55] which considers both forward-looking and backward-looking indicators, shows that bank credit risks have remained at low levels. At the end of 2024 and until March 2025, the consumer portfolio showed a deterioration, explained by an increase in the concentration of its portfolio; however, as of April, it returned to previous levels.

Meanwhile, the levels of the aggregate credit risk map for the business and mortgage segments remained similar to those in the previous *Report* (Graph 84).

[55] For more details on the methodology used in the preparation of the heat map, 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



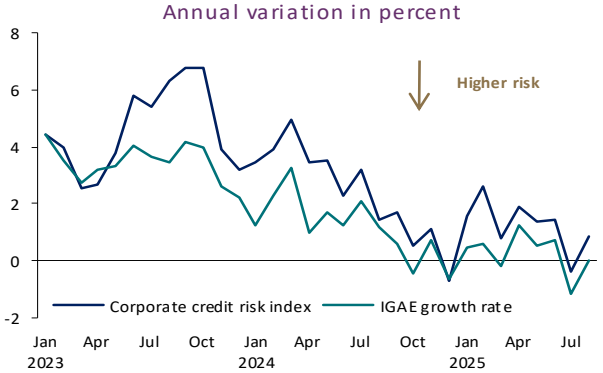
Data as of September 2025.
Source: Banco de México, CNBV and Credit Bureau.

Banks' exposure to changes in inflation, economic activity, and formal employment

This section analyzes how recent economic activity, formal employment, and inflation have influenced credit risk. To this end, it considers corporate, payroll, mortgage, auto, personal, and consumer durable goods acquisition (ABCD, its acronym in Spanish) loans.

In the case of the corporate loan portfolio, an indicator is used that signals higher risk when economic activity slows down, either overall or in sectors with a greater share of credit. Compared with the previous edition of this *Report*, the indicator shows a decline, indicating higher credit risk (Graph 85). This decline was greater than the annual growth of the Global Economic Activity Index (IGAE, its acronym in Spanish), largely due to lower output in sectors such as construction and accommodation and food services, as well as the slowdown in other sectors, such as professional services, which have more share in credit than in production.

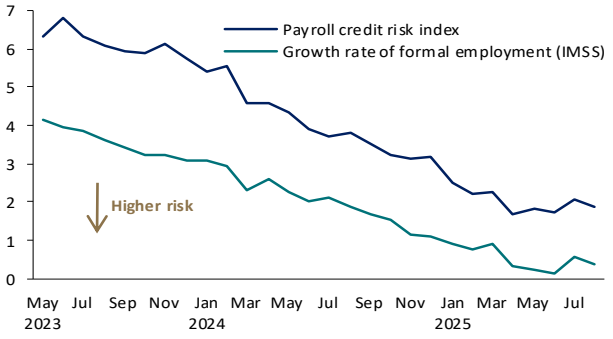
Graph 85
Corporate portfolio credit risk due to changes in economic activity
Annual variation in percent



Data as of August 2025.
Source: Banco de México and INEGI.

For payroll, mortgage, and automotive loan portfolios, the indicator signals higher risk when formal employment growth declines, either in the economy as a whole or in those labor markets with a greater share of borrowers in these products.[56] In the payroll loan portfolio, the indicator decreased compared to the previous *Report*, indicating higher risk, due to the slowdown in formal employment (Graph 86). Conversely, in the mortgage and automotive loan portfolios, the indicator increased, largely reflecting stronger employment performance among higher-wage workers, who account for a large share of these portfolios.

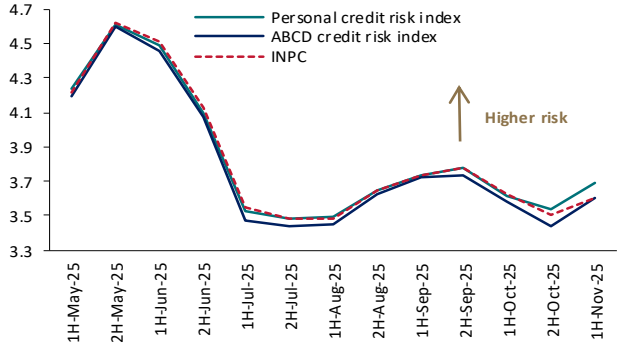
Graph 86
Payroll portfolio credit risk due to changes in formal employment
Annual variation in percent



Data as of August 2025.
Source: Banco de México and IMSS.

For personal and ABCD, the indicator reflects the risk associated with increases in the annual inflation rate, calculated using the National Consumer Price Index (INPC). For these portfolios, inflation is considered a risk, as borrowers tend to have lower purchasing power and are therefore more sensitive to price increases.[57] The indicator signals higher credit risk when inflation rises, either in general terms or in those components where borrowers concentrate a large share of their spending.[58] Compared to the previous *Report*, both indicators decreased, reflecting lower credit risk, in line with the lower inflation observed in the economy (Graph 87). In personal loans, the improvement in the indicator was smaller than the drop in headline inflation, because in some regions with a larger share of this portfolio, such as Mexico City, the INPC grew more in annual terms. In ABCD, the improvement was similar to the decline in headline inflation, as two effects offset each other: (i) the reduction in inflation for food, beverages, and tobacco, where borrowers in this portfolio spend proportionally more; and (ii) higher inflationary pressures in regions with larger share in this portfolio, such as the State of Mexico, due to the increase in transportation prices.

Graph 87
Personal and ABCD credit exposure index to the INPC
Percentage points



Data as of the first half of November 2025.
Source: Banco de México and INEGI.

Market risk

The market risk of banks, measured by the 99.9% market *CVaR* over a one-month horizon as a proportion of net capital, decreased slightly from 5.5% in March 2025 to 5.3% in September of the same year, as a result of the growth in banks' regulatory capital. Market risk remained at similar levels due to changes in the composition of banks' portfolios, which resulted in lower risk in exchange rate positions, offsetting the increase in risk in

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

[57] See Box 1 "Inflation and non-performing loan ratio in non-revolving consumer credit" in *the Financial Stability Report - December 2022*.

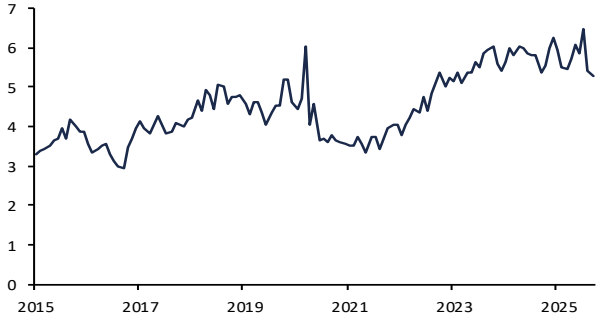
[58] To construct the personal and ABCD portfolio indices, each municipality's exposure to inflation is estimated and then a national average is calculated by weighting each municipality based on its share in each portfolio. The classification of the INPC by expenditure item and economic activity by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

positions sensitive to changes in stock market indices. The level of market *CVaR* is low in relation to the regulatory capital of banks as a whole, indicating their ability to absorb unexpected losses arising from the market risk of their portfolios in an extreme scenario (Graph 88).[59]

Graph 88

99.9% CVaR for commercial bank's market risk

Percent of Net capital



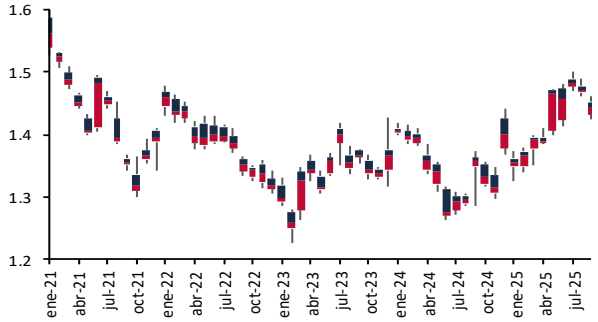
Data as of September 2025.
Source: Banco de México, CNBV, BMV, Bloomberg and Valmer.

The sensitivity of the debt instruments portfolio to changes in interest rates, measured by duration based on market information, increased on the last date compared to the level in the last *Report*, from 1.40 in March to 1.46 years in September. 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 variability in response to changes in market risk factors (Graph 89).

Graph 89

Average monthly duration of commercial bank's position

Years



Data as of september 2025.
Source: Banco de México and Valmer.

Liquidity risk

Commercial banks as a whole maintain comfortable liquidity positions, above regulatory minimums.

The aggregate Liquidity Coverage Ratio (LCR) for banks[60] was close to 190 percent during the period covered by this *Report* (Graph 90). Thus, the banking system as a whole has sufficient liquid assets to meet the estimated liquidity needs under the stress scenario posed by the LCR, meeting nearly twice the regulatory minimum of 100 percent, at levels that are still relatively high historically. This could represent an additional margin for prudent lending. All banks in the Mexican financial system meet the minimum regulatory requirement (Graph 91).

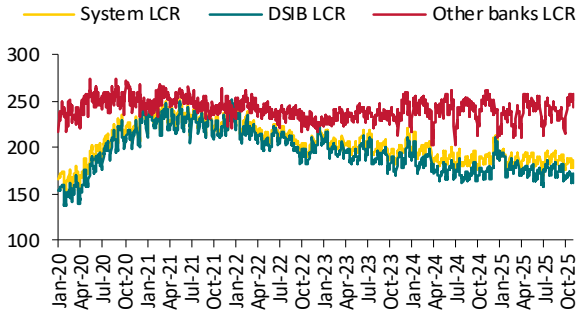
[59] *CVaR* represents the 99.9% quantile of the loss distribution generated by historical simulation of the changes observed in risk factors over 20 days since 2004, applied to the positions on the date considered. Given the number of observations, the behavior of *CVaR* is explained almost entirely by changes in the composition of the portfolios, with a marginal effect from recent changes in risk factors.

[60] 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 [1/2/3/]

Percentage



Data as of October 31, 2025.

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.

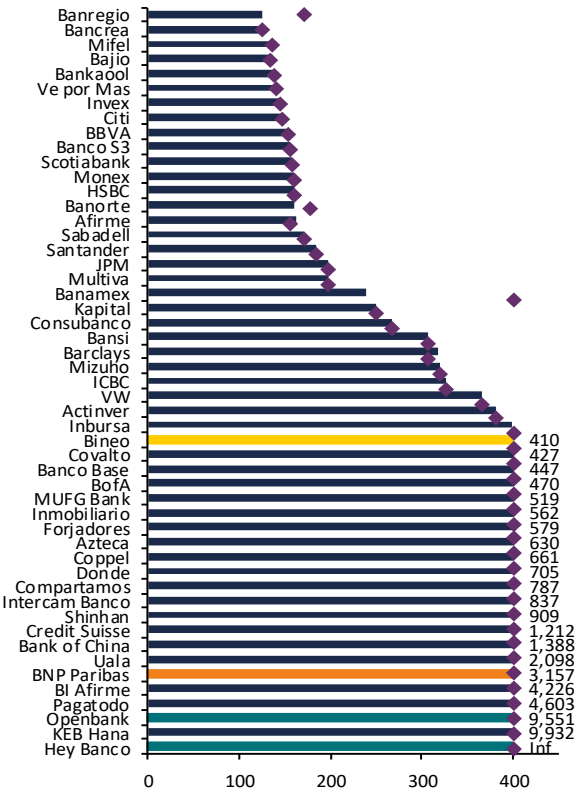
2/ On October 9th, 2025, as indicated in the Federal Official Gazette (DOF, by its acronym in Spanish), CIBanco got its banking license revoked by CNBV.

3/ CIBanco's information is displayed in the graph only up to the date in which its banking license was revoked. Afterwards, its data is excluded from the series "System LCR" and "Other banks LCR".

Graph 91

LCR of commercial banking institutions [1/]

Percentage



Data from July to September 2025.

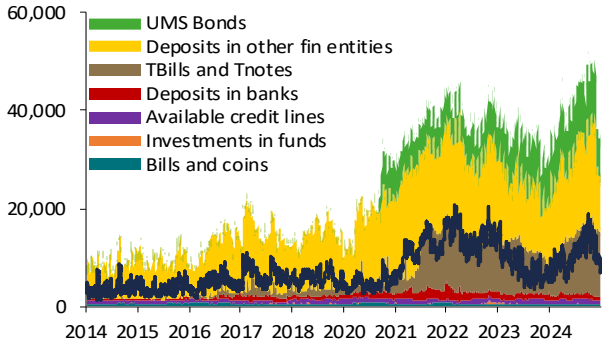
Source: Banco de México and CNBV.

1/ The graph shows the quarterly average of the LCR for each bank from July to September 2025. 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 yellow a minimum of 60% and banks marked in turquoise are not yet subject to a minimum requirement.

In aggregate, banks also maintain a large surplus of liquid assets in foreign currency with respect to the regulatory requirement. At the individual level, the vast majority of banks in Mexico met the regulatory requirement in foreign currency during the period covered by this *Report* (Graph 92).[61]

[61] Derived from FinCEN's June 25, 2025, guidance, foreign currency regulatory requirements were not fully met by all banks.

Graph 92
Liquidity requirement in foreign currency and liquid assets [1/2/]
Millions of USD



Data as of October 31, 2025.

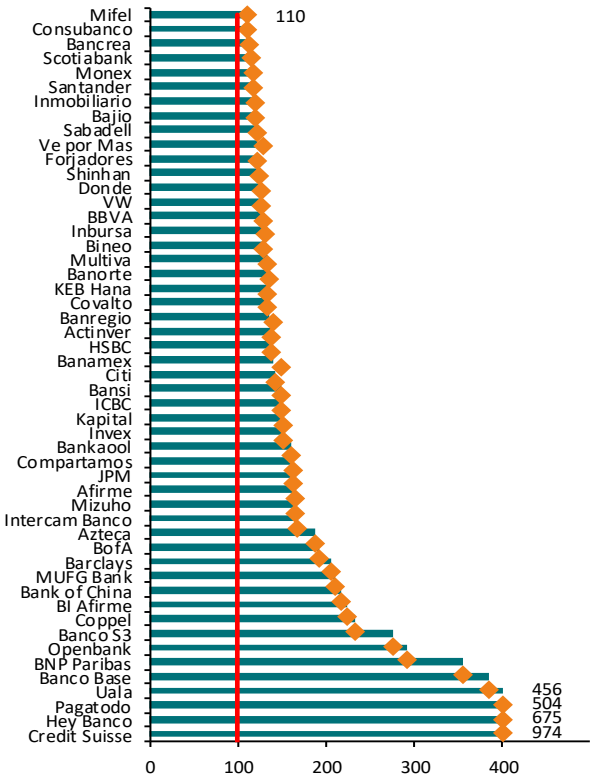
Source: Banco de México.

1/ On October 9th, 2025, as indicated in the Federal Official Gazette (DOF, by its acronym in Spanish), CIBanco got its banking license revoked by CNBV.

2/ CIBanco's information is displayed in the graph only up to the date in which its banking license was revoked.

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 third quarter of 2025 (Graph 93). This indicator has remained stable on average and above the regulatory minimum since its implementation in March 2022 (Graph 94).

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

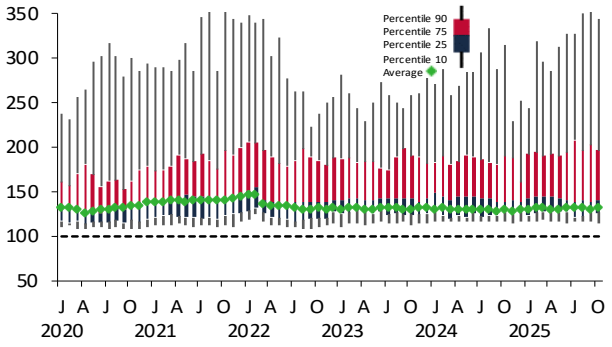


Data from July to September 2025.

Source: Banco de México and CNBV.

1/ The graph shows the quarterly average of the NSFR for each bank from July to September 2025. The bar shows the consolidated NSFR and the rhombus at a stand alone level.

Graph 94
NSFR Distribution [1/2/]
Percentage



Data as of October 2025.

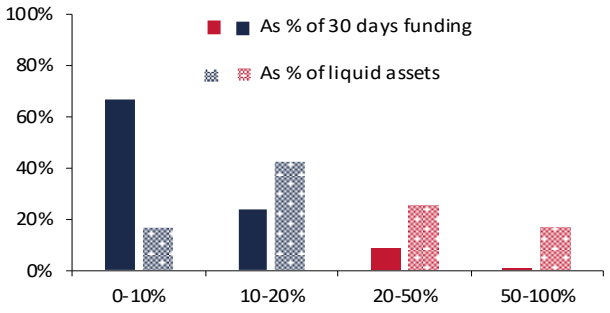
Source: Banco de México.

1/ On October 9th, 2025, as indicated in the Federal Official Gazette (DOF, by its acronym in Spanish), CIBanco got its banking license revoked by CNBV.

2/ CIBanco's information is displayed in the graph only up to the date in which its banking license was revoked.

Funding concentration, another indicator of banks' liquidity risk, has remained generally stable. At the aggregate level, banks' liquid assets would be sufficient to meet the withdrawal of deposits[62] of the top ten non-bank depositors. However, some medium and small banks have a significant concentration of their funding in large depositors, which represents a major vulnerability in the event that one or more of these depositors decide to withdraw their funds. It is essential to monitor large depositors and diversify funding sources to prevent the risk of a sudden deterioration in the liquidity of institutions that are highly concentrated in large depositors or a small number of depositors. Nevertheless, the level of systemic risk associated with funding concentration is low (Graph 95).

Graph 95
Funding concentration of the 10 largest counterparts due within 30 days [1/2/]
Vertical axis: proportion of total assets of the system
Horizontal axis: percentage of the funding from the 10 largest counterparts as a proportion of liquid assets and 30 days funding



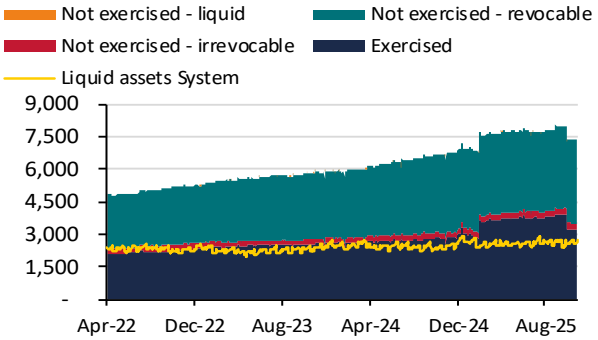
Data as of October 31, 2025.

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 relates to the exposure to contingent liquidity needs. For example, a considerable proportion of borrowers could simultaneously tap on the credit lines granted by commercial banking institutions. The total balance of credit lines granted by banks has increased since 2022, as has the undrawn portion of these lines. Although most are uncommitted lines, canceling or denying the exercise of such lines would be challenging from an operational and reputational standpoint, and some banks could face liquidity pressures should a significant portion of these lines were exercised (Graph 96).

Graph 96
Undrawn credit lines granted by banks [1/2/]
% of liquid assets



Data as of October 31, 2025.

Source: Banco de México.

1/ On October 9th, 2025, as indicated in the Federal Official Gazette (DOF, by its acronym in Spanish), CIBanco got its banking license revoked by CNBV.

2/ CIBanco's information is displayed in the graph only up to the date in which its banking license was revoked.

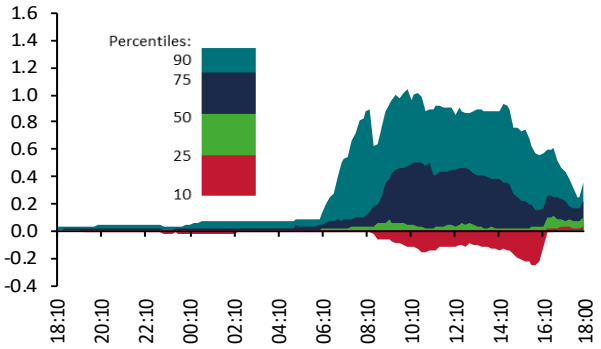
Finally, all banks hold sufficient liquid assets to cover their intraday liquidity overdrafts. However, it should be noted that some small banks experience relatively large intraday liquidity needs relative to their available liquid assets. Nevertheless, the net cumulative intraday liquidity position[63] suggests that, in general, banks are able to meet their liquidity needs during the daily peak of payment and transfer demands (Graph 97).

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

[63] Intraday liquidity risk is monitored through specific indicators 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/

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



Data from July to September 2025.

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 and continues to be an important source of funding for the securities positions of the banking sector and broker-dealers.

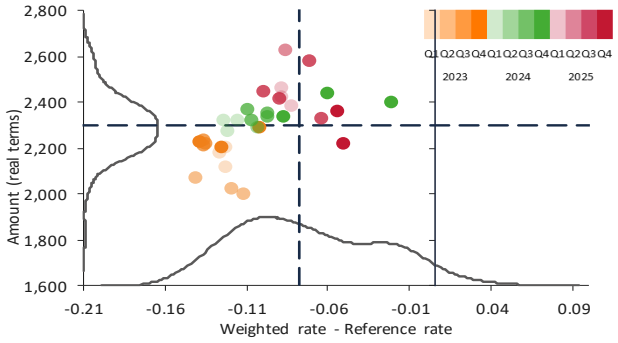
During the second half of 2025, the real-term amount of repo funding received by commercial and development banks was, in most cases, slightly above the median calculated since 2017. This amount experienced a slight decrease compared to the first half of 2025, when it had reached historically high levels.

The rate spreads were around the historical median and remained stable compared to the previous semester. As of the end of November 2025, the weighted average repo rate for commercial and development banks remained 0.06 percentage points below the reference rate (Graph 98).

Over the same period, the real-term amount of repo funding received by broker-dealers showed a slight decrease compared to the first half of 2025, placing it close to the median calculated since 2017. In this sector, the weighted average repo rate is usually lower than that observed in the banking sector, which places the rate differential at more negative values, as of November 2025, it is 0.1 percentage points below the reference rate (Graph 99).

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

X axis: Percentage points
Y axis: Billions of pesos



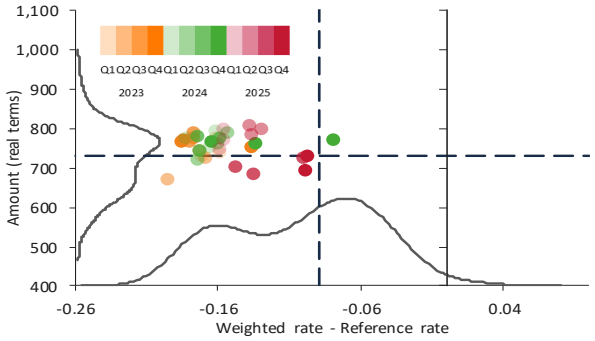
Data as of November 2025.

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.

Graph 99
Repo market 1/
Broker-dealers 2/, 3/

X axis: Percentage points
Y axis: Billions of pesos



Data as of November 2025.

Source: Banco de México.

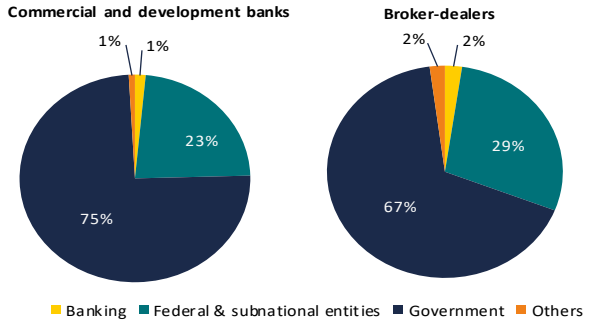
1/ Data includes all authorized counterparties and all types of collaterals.
2/ Data points correspond to monthly weighted average of the daily observations for rate spread and simple monthly average for the amount.
3/ Dotted lines correspond to medians calculated since 2017.

Regarding the types of collateral used in the repo market, the vast majority are government securities,[64] although broker-dealers use instruments issued by federal and subnational entities,[65] and state and municipal instruments in greater proportion than credit institutions (Graph 100).

Graph 100

Collaterals in the repo market

Percent



Data as of November 2025.
Source: Banco de México.

Additionally, the average term of transactions in the repo market for credit institutions increased slightly, showing a weighted average of 1.99 days from July to November 2025, compared to 1.93 days in the first half of the year (Graph 101).

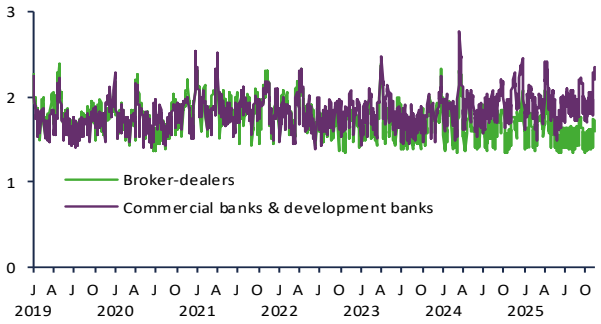
In contrast, broker-dealers experienced a decline in the same period, from a weighted average of 1.66 days in the first half of the year to 1.59 days so far in the second half (Graph 101).

Given the recent modifications to the regulation regarding repo agreements by credit institutions and broker-dealers,[66,67] further adjustments in the terms and types of repurchase agreements are expected. It is important to continue monitoring developments in this market to determine the extent to which its participants are utilizing and taking advantage of these changes.

Graph 101

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

Days



Data as of November 2025.
Source: Banco de México.
1/ Weighted average by traded amount.
2/ 9-day moving average.

The main counterparties, by transaction amount, are domestic legal entities,[68] followed by investment companies. The counterparties that had the greatest influence on the increase in the average daily amount from 2024 to 2025, were development banks, both for credit institutions, with an increase of 98%, and for broker-dealers, with an increase of 80% (Graph 102). Regarding interconnections between groups of institutions and counterparties within the system, repo funding from investment companies to development banks predominates, as well as those from legal entities to Domestic Systemically Important Banks (DSIBs) and broker-dealers (Graph 103).

[64] Federal government bonds: bondes D, bondes F, bondes G, udibonos, development bonds; federal government certificates; BREMS.

[65] 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.

[66] 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 repurchase agreement transactions.

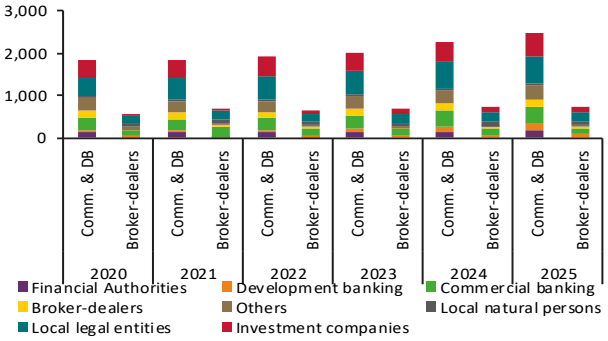
[67] See Box 2: "Rules for repurchase Agreement: Modifications to incorporate international standards and practices" in the Financial Stability Report – June 2024.
Banco de México published the modifications to the Repurchase Agreement Rules (Circular 13/2024 of Banco de México, published in the Official Gazette of the Federation on November 14, 2024).

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

Graph 102

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

Billions of pesos



Data as of November 2025.

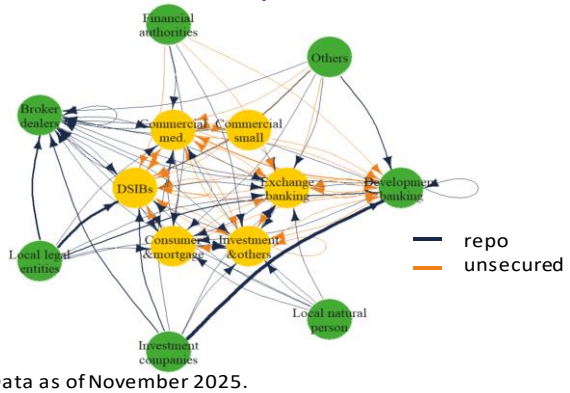
Source: Banco de México.

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 November 2025.

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 2025.

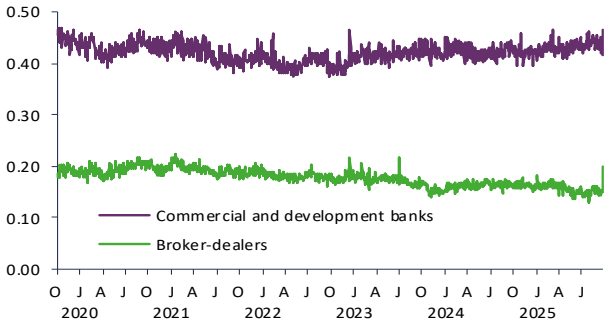
3/ Arrows with amounts below the 20th percentile were removed for better visualization.

Network densities[69] for credit institutions and broker-dealers in the repo market have historically shown a stable structure, with limited connectivity. In the last semester of 2025, the density of commercial and development banks stood at around 0.44%, compared to 0.15% for broker-dealers; low densities suggest that the risk of direct contagion between institutions is limited (Graph 104). During this period, each credit institution (34 credit institutions operating, on average, per day) interacted, on average, with 28 counterparties; while each broker-dealer (26, on average, per day) operated, on average, with 12 counterparties.

Graph 104

Network density in the repo market [1/]

Percent



Data as of November 2025.

Source: Banco de México.

1/ Data includes all institutions that trade in the repo market as counterparties.

As for funding in the unsecured market, which has already been operating at very low volumes, remains at historically low levels, while the rate spreads with respect to the reference rate are above the median (Graph 105).

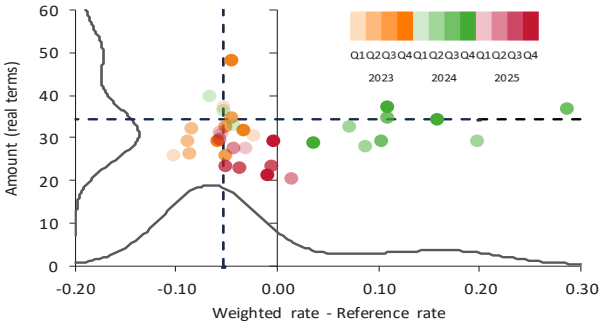
Graph 105

Unsecured market

Commercial and development banks [1/, 2/]

X axis: Percentage points

Y axis: Billions of pesos



Data as of November 2025.

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.

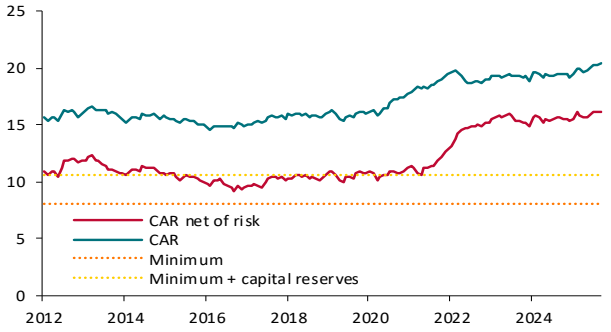
[69] Network density is defined as the number of observed interconnections relative to the total number of possible interconnections between all institutions. A low network density, such as those shown in the graph, indicates that only a small proportion of intermediaries are interconnected.

CAR and LCR at risk

At the end of September, most banking institutions maintained adequate levels of capital and liquid assets to cope with episodes of stress. This conclusion is based on analyses of the net-risk Capital Adequacy Ratio (net-risk CAR) and the Liquidity Coverage Ratio (LCR) at risk applied to commercial banking institutions.

The net-credit-risk CAR for commercial banks increased as a result of the increase in bank capitalization, which offset and exceeded the effect of the increase in credit risk in the loan portfolio (Graph 106). The index levels for the financial system remain well above the regulatory minimum, which shows the banking system's capacity to absorb unexpected losses arising from credit defaults in its portfolios.[70]

Graph 106
Net-risk CAR [1/]
Percent



Data as of September 2025.
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 LCR at risk,[71] the banking system has a robust liquidity position. Most banking institutions, which account for about 94% of the banking system's total assets, have an LCR at risk above the regulatory minimum threshold of 100%, even under assumptions of extreme deposit withdrawals (Table 4). The component that generates the greatest adverse effect in this exercise corresponds to retail deposit outflows, whose outflow factor is subject to considerable stress compared to that applied for the calculation of the LCR. Furthermore, when the analysis is performed in aggregate, it can be seen that the Mexican banking system has sufficient liquid resources to cope with episodes of stress linked to extreme 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	5.0%
2	65 < LCR ≤ 100	1.2%
3	LCR > 100	93.9%

Data as of September 2025.
Source: Banco de México.
1/ Total assets data for commercial banks refer to those released by the CNBV at the end of September 2025.

Likewise, no potential second-round effects were identified in the interbank market. In other words, no contagion is expected under the assumption that institutions that fall below the regulatory minimum in the LCR at risk exercise, would stop renewing the financing granted in the interbank repo market. On average, the non-renewed financing would be equal to 2.8% of the total liquid assets and inflows of the institutions receiving repo financing from the banks affected in the first exercise. Additionally, the securities provided as collateral in all repo transactions are highly liquid assets, so even if the amount of financing that could be canceled were greater, the effect is not expected to be significant.

Finally, when considering the results of the LCR at risk and net-risk CAR exercises together, it can be seen

[70] As these estimates are based on historical conditions observed to date, this indicator serves as a reference rather than a forecast of potential losses that could be observed in the current economic climate.

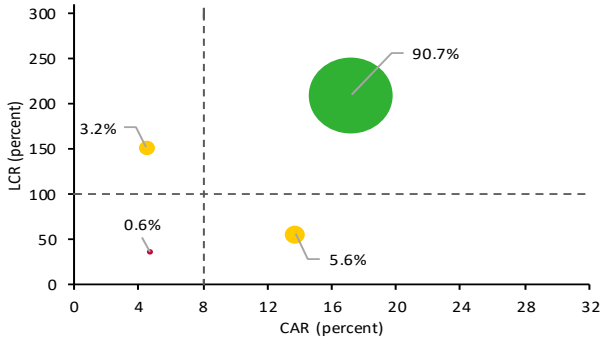
[71] The purpose of the LCR at risk exercise is to assess whether commercial banking institutions have sufficient liquid assets (cash and high-quality debt securities) to meet their net outflows over a 30-day stress period. To this end, outflow factors are estimated based on the historical distribution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

that, at the end of September, most institutions remained above the regulatory threshold for both indicators under the stress scenarios considered, which is equivalent to approximately 90.7% of the system's assets (Graph 107).

Graph 107

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

Asset-weighted average



Data as of September 2025.

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 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[72] in the Mexican financial system based on the network of exposures[73] of financial institutions in the interbank market. The exercise 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 information used corresponds to daily series of exposures between domestic financial institutions and with foreign institutions.

An analysis of exposures shows that the proportion of financial institutions' assets (banks and broker-dealers) that are overexposed[74] has remained relatively stable, at around 40%, since mid-2024. Likewise, the minimum cardinality set[75] has remained close to the historical average of two institutions (Graph 108). However, the associated risk of an overexposed institution also depends on the concentration of that exposure with other equally overexposed institutions.

However, at least half of the overexposed institutions can absorb the simultaneous defaults of all their overexposed counterparty without breaching the regulatory minimum. On the other hand, there is a subset of institutions with greater systemic vulnerability.

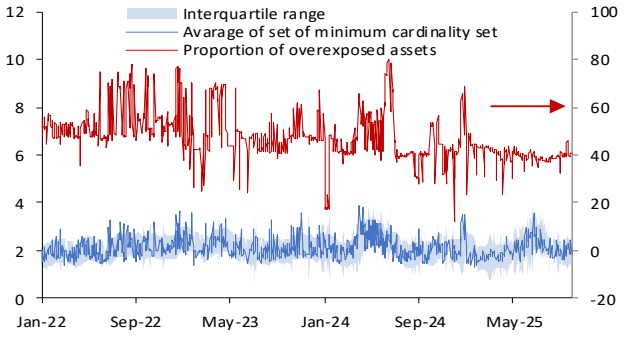
The number of institutions whose proportion of cumulative exposure to overexposed counterparties exceeds their capital threshold has shown a slight downward trend since mid-2024, suggesting a moderate reduction in the concentration of systemic risk.

Graph 108

Minimun Cardinality Set and Overexposed Assets[/1]

Left axis: Number of institutions

Right axis: Percent



Data as of September 30, 2025.

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.

[72] Interbank contagion risk refers to the possibility that the problems faced by one bank in meeting its financial commitments will spread to other banks, either directly or indirectly.

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

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

[75] The minimum cardinality set of an overexposed institution is the smallest number of institutions whose simultaneous default would cause it to fail. In other words, the smaller this set, the less diversified the exposures and the greater the risk of contagion for the institution.

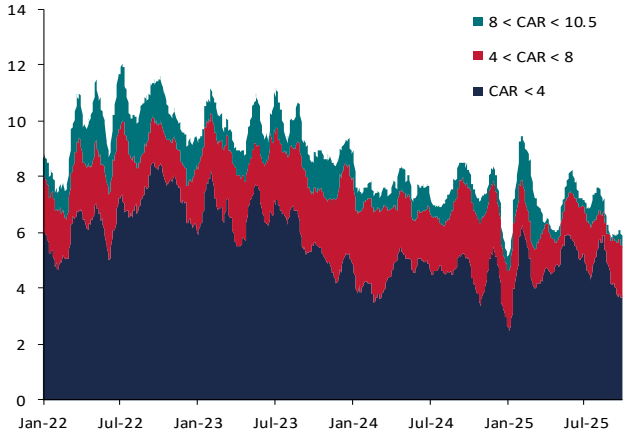
The counterfactual exercise shows that the risk of contagion, measured by the percentage of institutions (banks and broker-dealers) that could be most affected in terms of their capitalization levels in the worst contagion chains[76] , has been on a downward trend since mid-2022. However, during 2025, a slight increase in this indicator is observed, although it continues to remain at limited levels (Graph 109).

The structure of the interfinancial exposure network has shown little change during the last period. Since the previous *Report*, the three network measures analyzed (disassortativity[77] , density, and reciprocity) have registered a slight decrease (Graph 110). This behavior suggests that the network has become less connected, with more dispersed connections and a lower tendency for large institutions to concentrate exposures among themselves. Likewise, there has been a relative increase in connections between institutions with a lower degree of interconnection.

Graph 109

Share of institutions by final ICAP level under the worst contagion scenarios

Per hundred



Data through September 30, 2025.

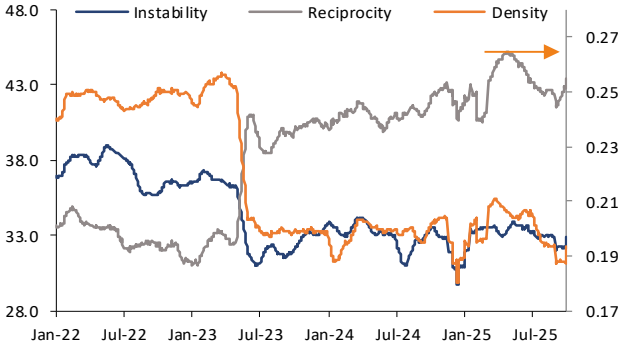
Source: Banco de México.

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 September 30, 2025.

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 September 2025, the development banks and other financial institutions[78] continued to show financial strength. The system reflected a favorable evolution in the main items of the financial statements, notably a positive net income and a growing capitalization index (CAR), albeit with a declining financing balance.

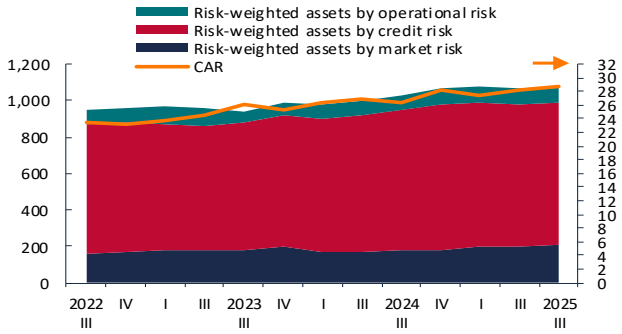
On that date, the CAR of development banks was 28.7%, a comfortable level that is 234 basis points (bp) higher than that recorded in September 2024. Net capital increased by 13.9% annually as a result of profits earned and net capital contributions, while total risk-weighted assets increased by 4.6% in the last year, mainly due to the increase in risk-weighted assets subject to market risk, followed by risk-weighted assets subject to operational risk (Graph 111). The growing trend in CAR is noteworthy, which is linked to the constant generation of profits.

[76] To determine the worst contagion chains, a counterfactual exercise is performed to assess the impact that the bankruptcy of each of the intermediaries analyzed would have on the financial system if each of the intermediaries analyzed were to fail. The worst contagion chain is the one in which the most losses are observed.

[77] Disassortativity is defined as a greater propensity for brokers, which are generally not very interconnected, to seek greater relationships with highly interconnected brokers, suspending interrelationships with others with little interconnection.

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

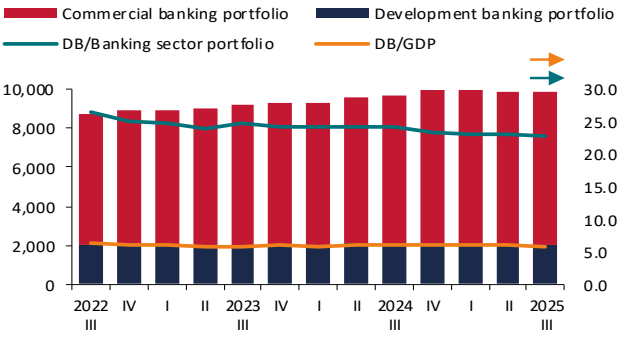
Graph 111
Development banks Capital Adequacy Rate
Left axis: billions of pesos
Right axis: percentage



Data as of September 2025.
Source: CNBV.

At the end of the third quarter of the year, the development banks recorded a balance of direct and induced financing[79] of 2,003 billion pesos (Figure 2), equivalent to 23% of total financing in the banking sector and 5.8% of GDP. In the last year, its significance in the sector decreased by 162 basis points, while in the GDP remained almost unchanged, with a variation of -6 basis points (Graph 112).

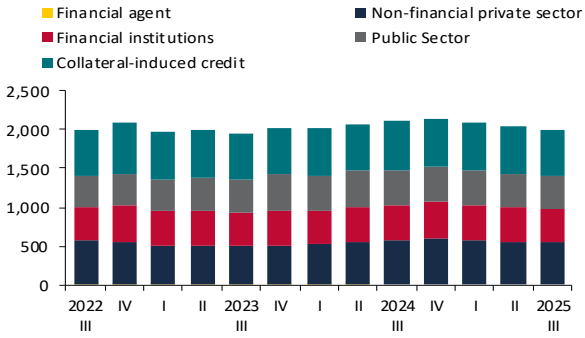
Graph 112
Development banking system significance within the banking sector
Left axis: Billions of pesos
Right axis: percentage



Data as of September 2025.
Source: CNBV.

The total financing balance of the development banks system (direct and induced) registered an annual decrease of 4.9% in real terms; in contrast, the commercial banking balance grew by 3.3% in real terms. The behavior of the balance is explained by the 8.1% drop in first-tier credit and the 2.7% real drop in induced credit, while second-tier credit remained stable (Graph 113).

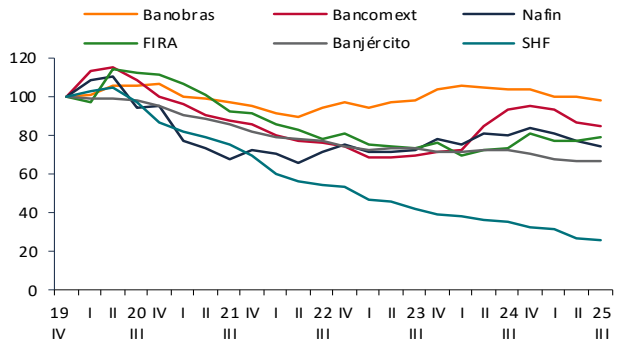
Graph 113
Evolution of loan balances and induced credit balances from development banking system
Billions of pesos



Data as of September 2025.
Source: CNBV.

Financing balance consists of 70% direct credit and 30% of guarantee-induced credit. The balance of the direct credit portfolio fell by 5.8% in real terms over the last year because repayments exceeded new lending; however, loan portfolio performance varied among institutions. FIRA recorded a real annual increase of 7.6% in its portfolio balance, while SHF, Bancomext, and Banobras decreased by 26.9%, 9.0%, and 5.6% in real terms, respectively (Graph 114).

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



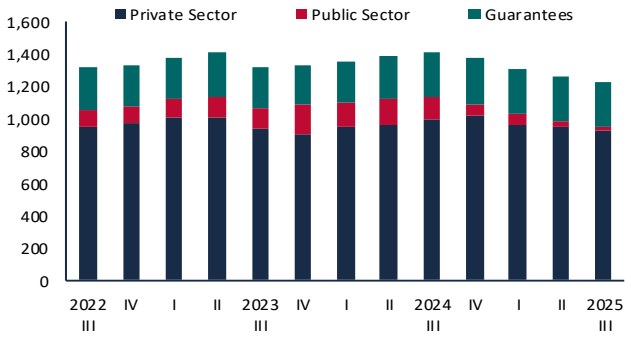
Data as of September 2025.
Source: CNBV and Banco de México.

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

As of September 2025, the decrease in the balance of credit induced by guarantees was caused by the increase in the balances recorded by Nafin, Bancomext, and FIRA, which were offset by the decrease recorded by Banobras. Induced credit represented 2.3 times the contingent balance.

The placement of credit and guarantees, defined as the amount dispersed in the last 12 months, showed a real annual contraction of 13.2% as of September 2025; this was explained by lower credit placement in both the public sector and private sectors, while the placement of guarantees rose slightly (Graph 115). It is noteworthy that all institutions reported decreases in credit placement, mainly in Banobras; in terms of guarantee issuance, Nafin and Bancomext reported real increases.

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



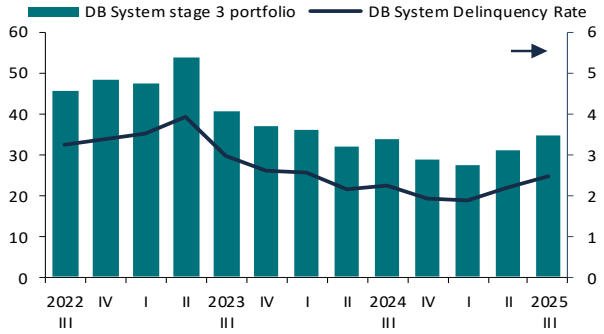
Data as of September 2025.
Source: CNBV and Banco de México.

The concentration of the development bank's loan portfolio in borrowers is relatively low, and the indicators have remained at similar levels to recent years.[80] As of September 2025, most of the portfolio balance was concentrated in the highest regulatory credit ratings (A1/A2 CNBV scale).

As of September 2025, the balance of the stage 3 portfolio stood at 34,790 billion pesos, representing a real annual increase of 3.8%. SHF and FIRA had the largest increases, mainly explained by the deterioration of some IFNBs; partially offset by the decrease in Nafin and Bancomext due to the reclassification of some loans to stage 1, the settlement of certain operations, and the creation of reserves (portfolio write-offs). It should be noted that 51% of the stage 3 portfolio balance was concentrated in 10 counterparties.

The Non-Performance Loan ratio (NPL ratio) of the development banks was 2.48%, 22 basis points higher than in September 2024 (Graph 116). As a reference, the NPL ratio of the commercial portfolio of commercial banks reached 1.63% on the same date.[81] Preventive reserves linked to the loan portfolio increased by 3.0% in real terms over the last year, explained by the increase of loans in stage 3.

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



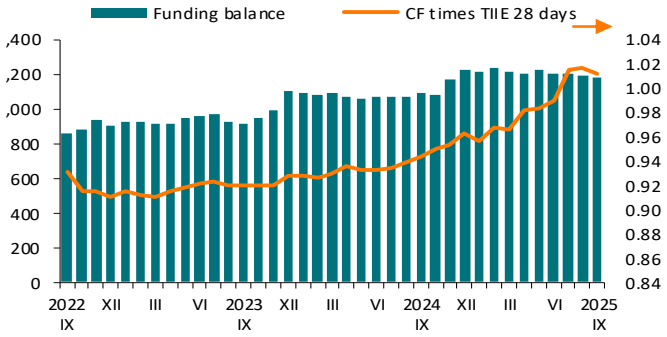
Data as of September 2025.
Source: CNBV and Banco de México.

The funding of development banks remained stable. The main sources of funding were promissory notes with yields payable at maturity (PRLV) and securities issued, with a share of 65% and 30%, respectively. The cost of funding is below the 28-day TIIE, but has been trending upward in recent years, explained by the increase in the costs of CEBURES (Graph 117).

[80] The Herfindahl-Hirschman Index was 104 in aggregate, with the highest levels among development banks corresponding to SHF with 326 and Banobras with 310. Likewise, exposure to the ten borrowers with the highest balances per institution represents between 18% and 57% of their total portfolio, as well as between 1.0 and 3.3 times their core capital.

[81] The figure for commercial banks also includes the loan portfolio of regulated SOFOMES, whether or not they are subsidiaries of the latter.

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



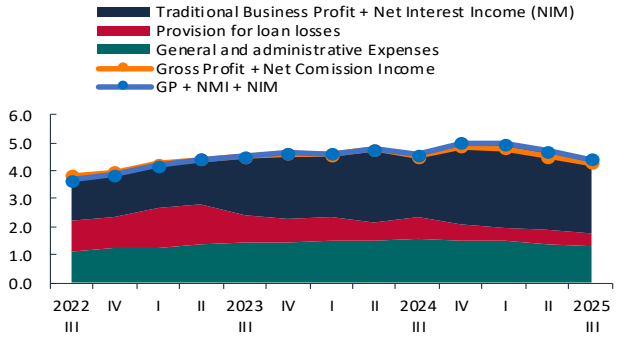
Data in current prices.
Source: Banco de México.
CF: Funding in times of TIIE 28 days

Liquidity conditions in development banks have remained stable, with internal indicators within established limits, maintaining a healthy profile.[82]

In terms of market risk, Banobras, Nafin, and Bancomext accounted for 82% of total development bank investments in securities. The market position has remained stable in recent years, with 80% of securities having a maturity of less than three years and most investments in government instruments at adjustable rates.

The financial margin as of September 2025 was 14.7% lower in real terms than the previous year, mainly explained by lower interest income from credit and market operations. Interest income is sufficient to cover interest expenses and the creation of preventive estimates for credit risks (Graph 118).

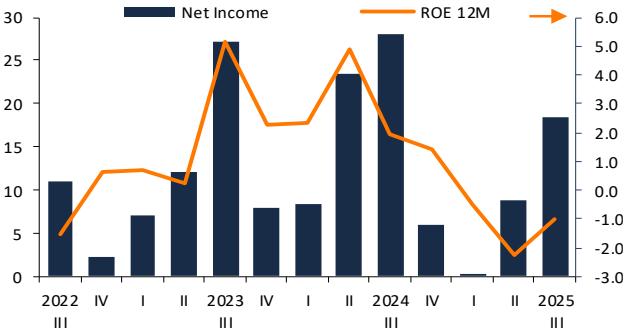
Graph 118
Performance indicators (proportional to Net Productive Assets)
Percentage



Data as of September 2025.
Source: CNBV and Banco de México.
Cumulative data from the last 12 months.

On the same date, the development banks reported a net income of 18,482 billion pesos, down 36.6% in real terms compared to September 2024, due to the increase in the amount of capital used by the Federal Government.[83] The system's annualized *ROE* indicator after appropriations (*aprovechamientos* in Spanish) stood at -1.0% (Graph 119).

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

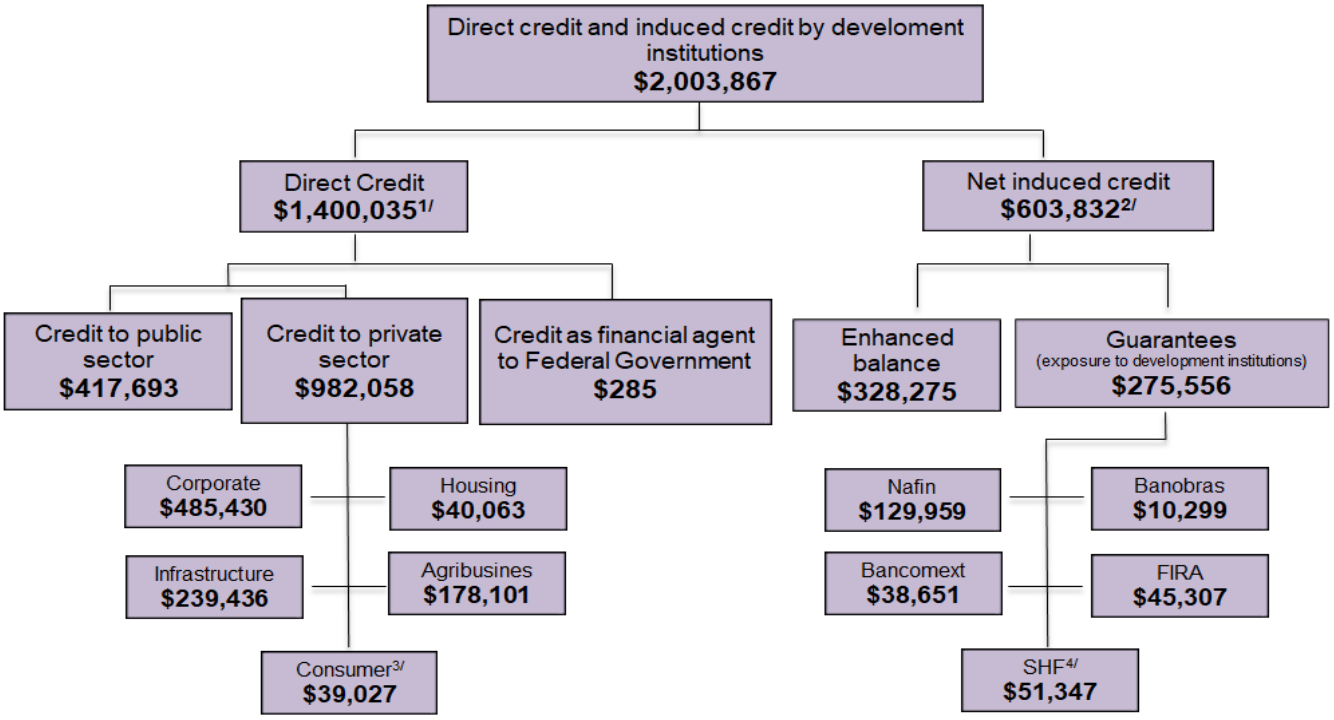


Data as of September 2025.
Source: CNBV and Banco de México.

[82] The Liquidity Coverage Ratio is not applicable to development banks. However, development banks report it to the CNBV.
[83] The Federal Government usually makes use of these funds in December (*aprovechamientos)*. It should be noted that, as of September 2025, the amount of resources used by the development banks system was 16,500 billion pesos, more than seven times the amount used as of September 2024.

The 2025-2030 Institutional Programs were published in the Official Gazette of the Federation. In general, growth rates for the loan portfolio are set at an average of 6.5% per year.

Figure 2
Direct and induced credit through guarantees granted by development banks and other financial institutions
Millions of pesos



Data as of September 2025
Source: Banco de México
1/ Amount of credit on the balance sheet of development institutions.
2/ Net induced credit refers to the total credit balance granted 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 serviced by Banjercito.
4/ Includes guarantees from SHF's Mortgage Loans Insurance Agency (SCV).

IV.3.2.1. Infonavit and Fovissste

Infonavit

Infonavit is the main provider of housing finance in the country, both in terms of the number of loans it originates and the current balance granted. It grants mortgage loans to claimants at fixed interest rates that vary according to their income. It also manages the resources of the national housing fund for workers and is part of the retirement savings system, as it manages the investment of the resources concentrated in the housing subaccounts of claimants.[84]

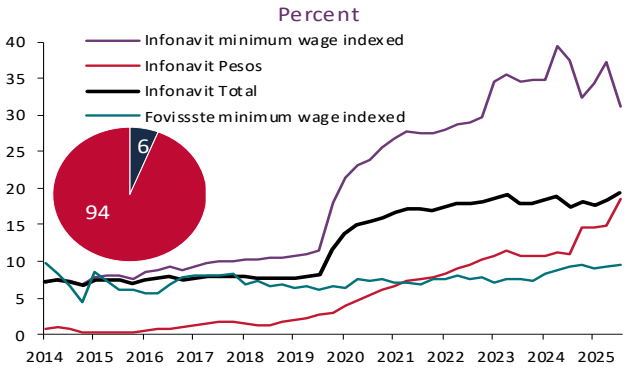
As of September 2025, the real annual growth rate of Infonavit's total portfolio registered a slight increase compared to the last *Report* (data as of March). Although the current housing portfolio (stage 1 and stage 2) increased slightly, its growth rate slowed during the second and third quarters of the year. Meanwhile, the balance of the past-due housing portfolio (stage 3) recorded a sharp increase in

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

September, despite the fact that from January to July of this year, the balance contracted.

The non-performing loan ratio of Infonavit's housing portfolio increased in September to 19.3%, an increase of 1.6 percentage points compared to the data recorded in the last *Report* (data as of March) (Graph 120).[85] The increase in this indicator is mainly explained by the increase in its past-due portfolio balance. Infonavit continues with its program to convert its portfolio denominated in Multiples of minimum wage (*VSM*, for its acronym in Spanish) to pesos. The program has made significant progress and between March and September 2025, the balances of the current and past-due portfolios in *VSM* were significantly reduced.[86] At the end of September 2025, this portfolio represented 6.2% of the total portfolio.

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



Data as of September 2025.
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/ Fovissste's total portolio is minimun wage indexed.

The origination of mortgage loans increased, both in terms of the number of loans formalized and the amount of credit granted by Infonavit, in real terms, due to an acceleration in lending over the last six months.

It is noteworthy that, during the third quarter of 2025, the formal private labor market experienced an acceleration due mainly to the incorporation of people employed on digital platforms into the IMSS,[87] which significantly increased the potential number of Infonavit claimants. These individuals will be able to apply for mortgage loans from Infonavit once they have met the minimum continuous contribution period, maintain a current employment relationship, among other requirements.[88] In July 2025, 1.3 million new jobs were registered with the IMSS; however,

[85] In January 2024, amendments to the accounting provisions applicable to development agencies, including Infonavit, issued by the CNBV, came into force, changing the classification of the loan portfolio and establishing registration in risk stages. For this reason, the accounting information for the loan portfolio for 2024 and 2025 is not strictly equivalent to that for 2023. The changes introduced in the accounting criteria as part of the process of adopting the International Financial Reporting Standards (known as IFRS 9) make adjustments, among other aspects, to the classification of the credit portfolio according to the perception of risk and the level of credit impairment, as well as the constitution of reserves relating to the remaining term of obligations that show some impairment. In particular, the classification of current and past due portfolios is eliminated and a classification by credit risk stages (stage 1, stage 2, and stage 3) is established. In addition, for each stage, a category of portfolios in extension is included, whereas previously this type of portfolio was only part of the current portfolio. In its Resources and Obligations statistics, Banco de México collects and maps the information and, as in the case of the portfolio of commercial banks and other intermediaries that adopted the aforementioned accounting criteria in 2022, the sum of the portfolio in stage 1 and stage 2 is considered the current balance, and the portfolio in stage 3 is considered the past due balance.

[86] The annual update of loans originated in minimum wages is adjusted to 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*) being the monetary reference that captures said minimum. By 2025, loans in minimum wages will be updated at a rate of 0.00%, so the value of the *UMI* for this year will be $100.81 pesos per day. See link.

[87] See link.

[88] Not all digital platform memberships acquire full access to social security coverage, as there is a minimum wage threshold; beneficiaries below the threshold can only activate their coverage through voluntary contributions. According to IMSS data for October, "150,123 (one hundred fifty thousand one hundred twenty-three) exceeded the net monthly income threshold registered on fifteen registered digital platforms, becoming jobs with access to all IMSS insurance." See link.

some of these registrations correspond to individuals who are registered on more than one digital platform. After eliminating duplicate registrations, the data on new claimants added to Infonavit as a result of the pilot program is 1.05 million people. However, the impact of this policy is still uncertain.

The Workers' Housing Needs Support Fund (FANVIT) is a fund that aims to invest a proportional part of the savings of Infonavit claimants that have not yet been used for housing solutions. In September 2025, 87.2% of the cash available in Infonavit's[89] was managed under the FANVIT investment regime, while the total assets managed by FANVIT represented 32% of Infonavit's total assets.

In February 2025, a reform was made to the Infonavit Law and the Federal Labor Law which, among other matters, empowers Infonavit to coordinate, finance, execute, or invest in housing construction and management programs intended to be acquired as property or under the social rental regime by claimant workers. To this end, in March 2025, a subsidiary company was established for the construction of housing, and at the end of the second quarter of the year, contracts were formalized with said subsidiary.

At the end of September 2025, Infonavit's profitability, measured by the ratio of accumulated net income to average equity over twelve months (ROE), increased compared to the last *Report*. This increase was due to a significant improvement in the credit risk-adjusted financial margin—due to a decrease in the constitution of credit reserves—higher brokerage income, and a decrease in administrative and other operating expenses. In terms of solvency, its Capital Adequacy Ratio or ICAP stood at 14.6% at the end of September 2025, compared to 12.25% in the previous *Report*. Meanwhile, the coverage ratio for stage 3 credit risk portfolio reserves stood at 64.1%, down 13.2 percentage points from the last *Report*. However, Infonavit has sufficient reserves and equity to cover potential losses from past-due portfolio.

Finally, the most significant risk for Infonavit continues to be the unemployment of its borrowers, since, in such a situation, employers cannot make direct payroll deductions and the credit risk of the portfolio depends on the willingness of borrowers to pay once they have exhausted the extension scheme.

Fovissste

The balance of the total housing portfolio granted by Fovissste showed a contraction during most of the period since the previous *Report*. In addition, the non-performing loan ratio of the housing portfolio increased to 9.5%, an additional 0.5 percentage points compared to the last *Report* (Graph 120). This increase is explained by the growth in the balance of the past-due portfolio, while the total portfolio contracted in real terms.[90] It is noteworthy that between March and September 2025, both the balance of the stage 1 portfolio and that of the stage 2 portfolio decreased, while that of stage 3 increased. For its part, the portfolio in payment extension grew in real annual terms; however, it had been contracting from May 2024 to April 2025.

Fovissste also has a portfolio denominated in VSM and seeks to convert it to pesos. To this end, it has a program that considers two restructuring products from UMA to pesos for workers whose employment status is "active" or "retired."[91] From the beginning of the year to September 2025, 3,401 restructurings from UMA to pesos were carried out, with Fovissste's initial credit balance corresponding to 48.9% of the total balance of these restructurings. About 99.2% of Fovissste's total portfolio is denominated in VSM, with an outstanding balance of 368.6 million pesos at the end of September.

The Reserve Coverage Indicator (ICOR) registered a decline since the last *Report* and remains above 100 percent, indicating that Fovissste's reserve level is greater than the total past-due portfolio. For its part, the profitability indicator declined in September due

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

[90] As with Infonavit, starting in 2024, the accounting provisions applicable to development agencies, including Fovissste, issued by the CNBV, changed the classification of the loan portfolio and established the registration of the portfolio in risk stages. In particular, the current and past due portfolio classification is eliminated and a classification by credit risk stages is established (stage 1, stage 2, and stage 3).

[91] The restructuring is from UMA to pesos since, since 2017 and with the entry into force of the UMA, the outstanding balances of the loan in VSM are updated in line with the growth of the minimum wage or the UMA. The percentage increase in the UMA applied in February 2025 was 4.21%.

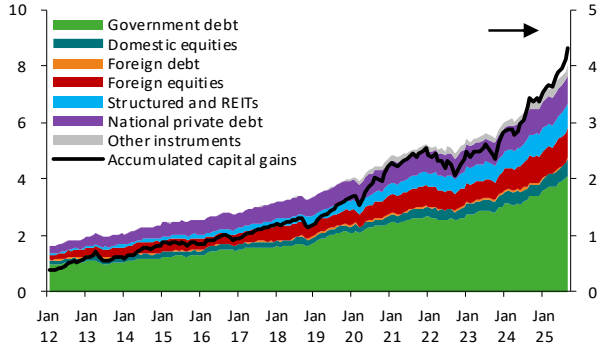
to the decrease in the accumulated net result over twelve months; however, it remains at positive levels. Although Fovissste does not have its own equity, it has ample reserves to cover losses from its past-due portfolio (these consist solely of earned capital). Finally, Fovissste faces several challenges, including the recovery of debts from non-performing loan ratio agencies that default in paying their contributions and the discounts they in turn make to borrowers, and improving extrajudicial collection.[92]

IV.3.3. Siefores and investment funds

Siefores

Siefores continue to be the main institutional investors in the country, with an investment portfolio composed mainly of government, foreign, and private domestic securities (Graph 121).

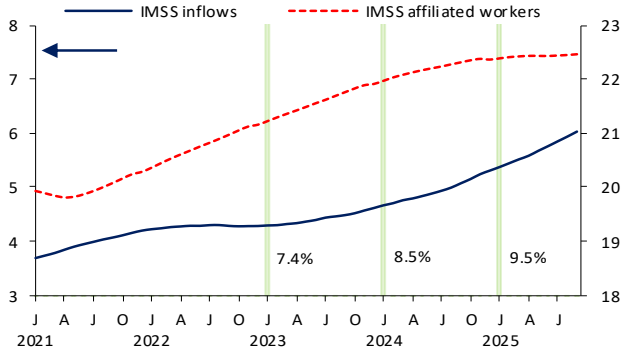
Graph 121
Siefores' portfolio and accumulated capital gains 1/
Right axis: Accumulated flows in trillions of pesos
Left axis: Balances in trillions of pesos



Data as of September 2025.
Source: CONSAR.
1/ Accumulated capital gains since January 2009.

In particular, Siefores' available resources for investment, which come from contributions from workers, employers, and the government, have increased, in part as a reflection of the regulatory modifications that were implemented in recent years. In this regard, the 2021 reform of the Retirement Savings System established a gradual increase, from 2023 to 2030, in mandatory employer contributions under the Mexican Social Security Law. Thus, since January 2023, there was an increase in the average accumulated balance of the Afores, which represents a benefit for workers by improving their prospects for retirement (Graph 122).

Graph 122
Monthly balance of
Mexican Social Security Institute (IMSS)
retirement inflows afiliated workers account 1/
Right axis: Millions of employees
Left axis: Trillion of pesos

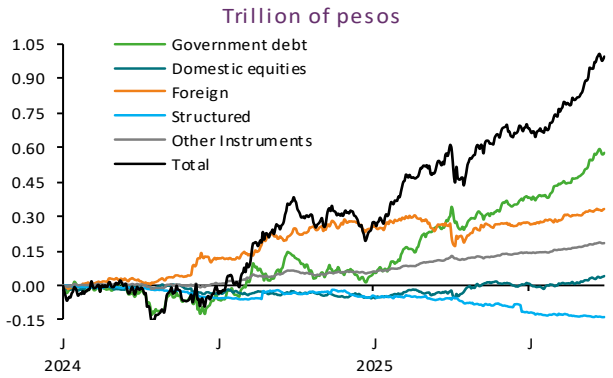


Data as of September 2025.
Source: Prepared by Banco de México from CONSAR information.
1/ Data in 12-month average moving. The inflows from IMSS refers to retirement, unemployments in advanced age unemployments and old age balance subaccount. Based on the 2021 legislative reforms of the Mexican Social 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.

Against this backdrop, between March and September 2025, Siefores investments recorded capital gains, mainly reflecting an increase in the market value of their positions in government securities and domestic and foreign equities (Graph 123).

[92] See "Fovissste 2025 Work Program" p. 65.

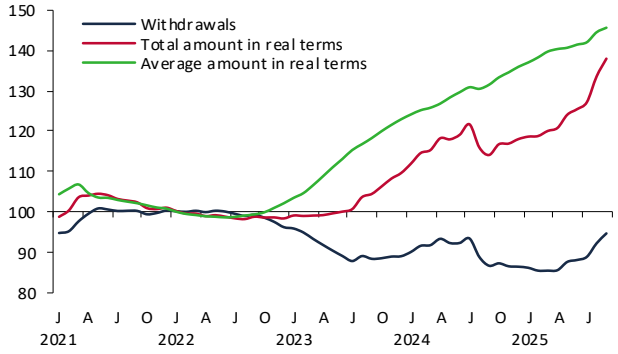
Graph 123
Siefores' accumulated capital gains by type of securities since 2024



Data as of September 30th 2025.
Source: Prepared by Banco de México from CONSAR information.

Meanwhile, during 2025, unemployment withdrawals continued growing. This behavior was observed despite the fact that the number of people who exercised this right in recent years is lower than that observed during 2022 (Graph 124). It is noteworthy that, although the amounts of unemployment withdrawals remain relatively high, they represent a small proportion of both the resources managed by the Siefores (0.04%) and the bimonthly contributions received by the Afores (5%).

Graph 124
Unemployment withdrawals 1/

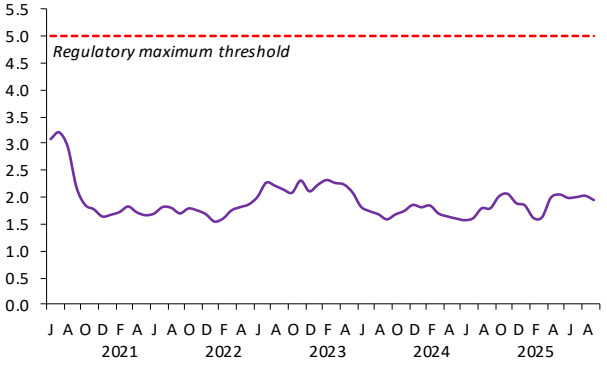


Data as of September 2025.
Source: Prepared by Banco de México from CONSAR information.
1/ Index constructed by 12-month moving average for each figure.

Against this backdrop, on June 23, 2025, an initiative to reform Article 191 of the Social Security Law was approved by the Chamber of Deputies and sent to the Senate for the corresponding effects, with the aim of modifying the criteria applicable to withdrawals due to unemployment from the Afores. Currently, a partial withdrawal due to unemployment is regulated by two modalities, and its application depends on the age of the individual account and the worker's contribution history. The reform proposes to modify the criteria applicable to each modality; in modality A, the amount to be withdrawn will be determined based on an average salary, instead of the most recent salary, and its maximum limit will be expressed in UMAS, instead of minimum wages. With regard to modality B, it is specified that the determination of the amount will still be the lesser of the salary corresponding to the currently established period and a percentage of the balance of the Retirement, Unemployment in advanced age, and Old Age Subaccount, incorporating an adjustment to the average salary for calculation. Likewise, the possibility of choosing between modalities is delimited, so that the worker will be subject to the one that corresponds to them in accordance with the applicable regulations.

On the one hand, the market risk level of the investment portfolios of the Siefores remained limited. This behavior is reflected in the Tracking error, which measures the discrepancy between the investment trajectory set by the administrators and the observed trajectory (Graph 125).

Graph 125
Tracking error 1/



Data as of September 2025.
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%.

Likewise, Consar established amendments to the investment criteria for Siefores in mutual funds and ETFs with active strategies. Among the most relevant

changes is the explicit inclusion of REITs as eligible underlying assets within equity securities. Although this type of underlying asset was already considered by the current regulatory framework, the explicit recognition of REITs provides greater regulatory clarity regarding their treatment. In this way, this clarification applies to criteria related to fund diversification, diversification in financial instruments of Mexican corporations, and financial instruments considered within the funds' active strategy.

Investment funds

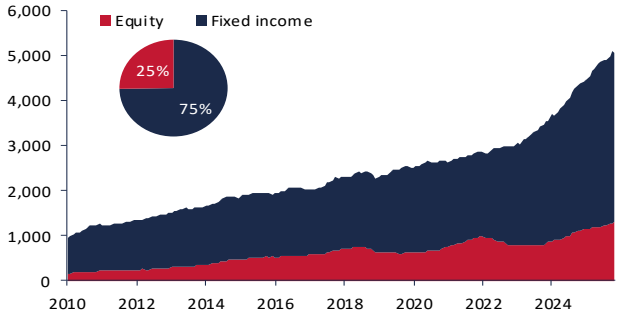
The investment funds sector continues to grow under orderly operating conditions. The system's liquidity appears to be sufficient to meet hypothetical scenarios of high redemptions. However, for some funds, the composition of their investment portfolios, in terms of liquidity, is not fully aligned with the characteristics of their redemption practices.

As of November 2025, the investment fund system comprised 247 fixed income funds and 384 equity funds. The total assets under management amounted to 4.9 trillion pesos (Graph 126), representing a 5.4% increase compared to the end of the first half of 2025.

Graph 126

Investment funds' net assets

Billions of pesos



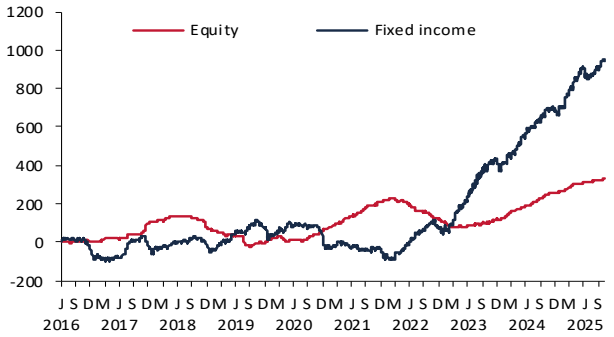
Data as of November 2025.
Source: Banco de México using CNBV data.

As of November 2025, fixed income funds recorded a 4.7% increase in their total assets compared to the end of the first half of the year. Although outflows were observed in July (Graph 127), these were offset in subsequent months, supported by positive returns (Graph 128).

Graph 127

Cumulative flows of investment funds

Billions of pesos

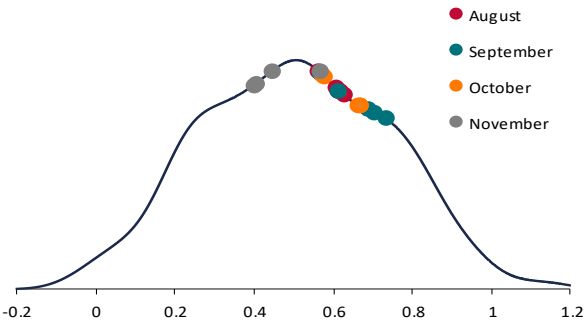


Data as of October 2025.
Source: Banco de México with CNBV data.

Graph 128

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

Percent



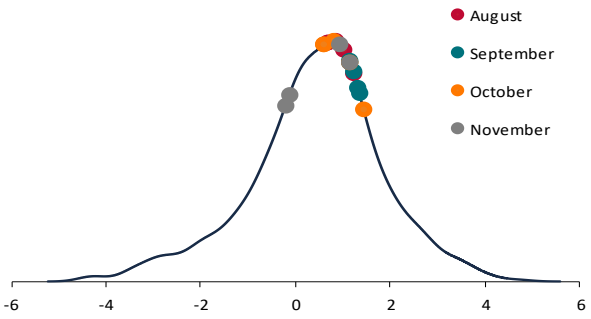
Data as of November 2025.
Source: Banco de México using CNBV and Morningstar Direct data.
1/ Each point represents the average of the daily observations of the monthly returns for each week of the month.
2/ Historical distribution since 2008.

In general, equity funds also showed positive returns and flows, (Graph 127 and Graph 128), resulting in a 7.4% growth of their assets under management during the same period.

Graph 129

Monthly returns of equity funds[1/2/]

Percent



Data as of November 2025.

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.

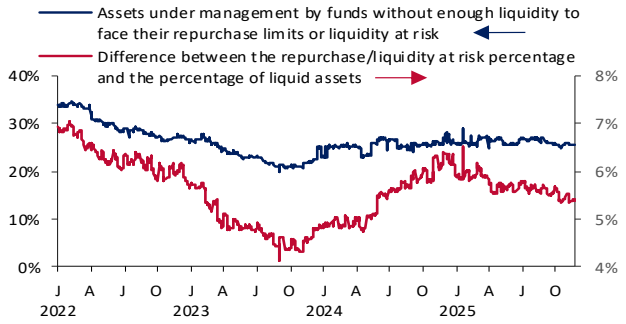
2/ Historical distribution since 2008.

The liquidity of investment funds, estimated using the methodology developed by Banco de México,[93] remains stable compared to the end of the first half of 2025. When considering only those funds that maintain lower liquidity in their portfolios relative to their redemption limits[94] or liquidity-at-risk thresholds,[95] their liquidity is marginally higher than in the previous semester, while their share of assets under management remains broadly unchanged (26% of the sector's total assets at the date of preparation of this *Report*) (Graph 130). These assets are mainly held by equity funds which, reflecting their business model, maintain lower liquidity in their portfolios.

Graph 130

Assets of investment funds with liquidity shorfall

Percent of total net assets



Data as of November 2025.

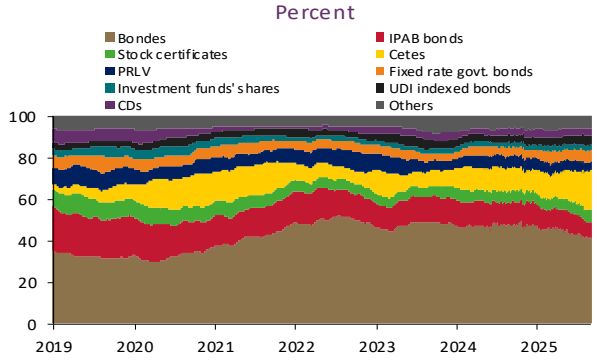
Source: Banco de Mexico using data from CNBV.

Fixed income funds show ample liquidity, as their assets are primarily composed of government securities. As of November 2025, Federal Development Bonds (Bondes, its acronym in Spanish) accounted for 41.4% of their total assets, followed by Cetes, with 19%. A noteworthy development is the continued growth in the share of Cetes, which increased by 650 basis points (bp) compared to the end of the first half of 2025, and the decrease of around 547 bp in Bondes over the same period (Graph 131).

Graph 131

Top holdings in fixed income funds' portfolios

Percent



Data as of November 2025.

Source: Banco de Mexico using CNBV data.

[93] 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.

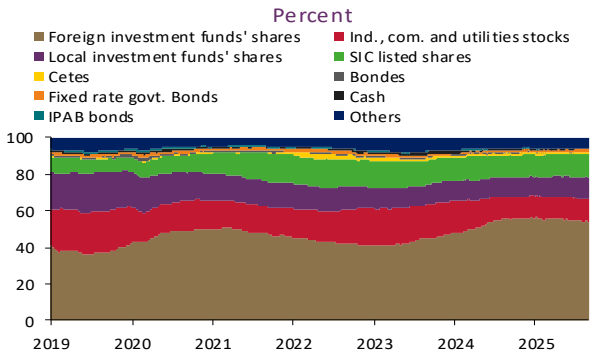
[94] Refers to the maximum percentage of total assets under management that the fund commits to redeem in shares from investors on a single day.

[95] 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.

Conversely, equity funds invest mainly in other foreign investment funds (including Tracs).[96] As of November 2025, shares in foreign funds accounted for 54.2% of total equity funds' assets. In addition, they invest in domestic industrial, commercial, and services sector stocks, which accounted for 12.1% of assets, and 12.3% in foreign stocks (Graph 132).

Graph 132

Top holdings in equity funds' portfolios



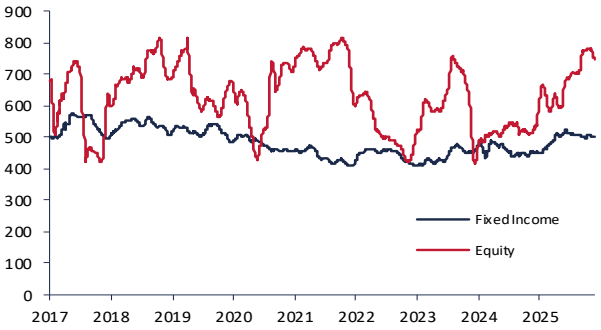
Data as of November 2025.
Source: Banco de Mexico with CNBV data.

The sensitivity of the aggregate fixed-income portfolio to interest rates, measured by duration, remained stable during the second half of 2025. The average duration of the fixed income portfolio tends to remain within a range of 400 to 550 days (between 1.1 and 1.5 years). On the other hand, the duration of the equity portfolio tends to be more volatile (Graph 133); however, in this sector, the securities for which this metric applies represent a small portion of total assets, only 7.1% as of November 2025.

Graph 133

Duration of the aggregate portfolio of investment funds

Days (Moving average of 10 periods)



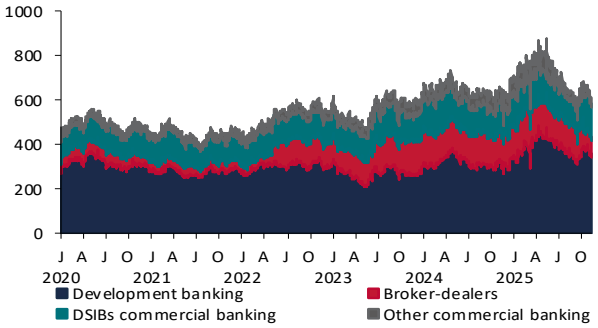
Data as of November 2025.
Source: Banco de México with CNBV data.

Investment funds also provide liquidity to the financial system through the repo market. In particular, with data as of November 2025, investment funds contribute 19% of the total amount of repo funding granted to the financial system, which constitutes a decrease of 18% relative to the end of the first semester of 2025. This was mainly due to a drop in the amount of transactions with broker-dealers and development banks, with the latter institutions representing the largest share of repo funding received from investment funds, at 58% (Graph 134). During the second half of 2025, investment funds maintained a daily interaction with an average of 25 institutions (commercial banks, development banks, and broker-dealers). In turn, each of these institutions obtained daily funding, on average, from 21 investment funds.

With regard to passive repo positions, investment funds continue to refrain from using these transactions as a source of funding.

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

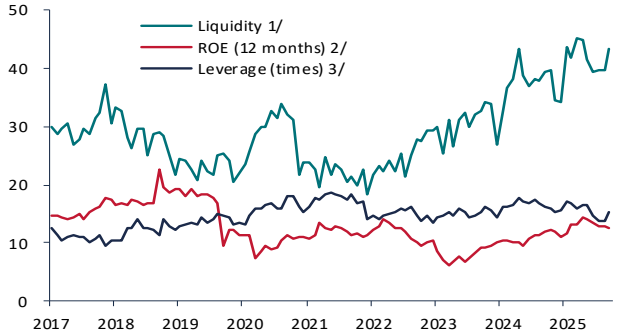
Graph 134
Amount financed by investment funds in the repo market
Billions of pesos



Data as of November 2025.

Source: Banco de México.

Graph 135
Leverage, Liquidity and ROE
Percent



Data as of September 2025.
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.

The market risk to which investment funds are exposed, measured through the market *VaR* required by regulation[97] as a proportion of net assets, remains at a similar level to that observed since the last *Report*.

IV.3.4. Broker-dealers

The sector comprises 36 broker-dealers. The sector's assets totaled 1.2 trillion pesos in the third quarter of 2025 (3.2% of the financial system's total assets), which registered a 0.7% decrease in real annual terms.

The main risks in this sector are leverage through repurchase agreements and the market risk of its investment portfolio. Since the last *Report*, the sector has seen a reduction in its total assets, which is explained by the lower balance of investments in financial instruments.[98] In terms of financial indicators, both the leverage and liquidity indicators increased. Conversely, profitability decreased slightly due to a drop in net income, while average equity increased (Graph 135).

On June 25, 2025, the U.S. Department of the Treasury, through its Financial Crimes Enforcement Network (*FinCEN*), imposed restrictions on the transfer of funds between U.S. institutions and the Mexican broker-dealer Vector due to concerns related to alleged money laundering operations.[99] The following day, the CNBV ordered the management intervention of that entity.[100] On October 1, the broker-dealer agreed to transfer a significant portion of its portfolio and client assets to Finamex Broker-dealer. This transaction does not involve a merger or acquisition of the entity.[101] In the case of Intercam Broker-dealer, a sister entity of Banco Intercam, with the latter also singled out, was acquired by Kapital Bank.

With regard to the sector's solvency, the Capital Adequacy Ratio (CAR) decreased slightly, although it remains at high levels both for the system and for most individual entities. This decrease in the system's CAR is explained by the lower increase in regulatory

[97] Article 131 of the General Provisions applicable to Investment Funds and Persons Providing Services to them establishes that the *VaR* calculated by the funds must be calculated daily using the model deemed most appropriate, but must contain the following: 1) a confidence level of ninety-five percent; 2) a sample period of at least one year; 3) a time horizon for which the one-day loss is estimated.

[98] This reduction is not solely attributable to the dynamics of the assets of the institutions identified by the U.S. Department of the Treasury, nor of their subsidiaries.

[99] See the press release here.

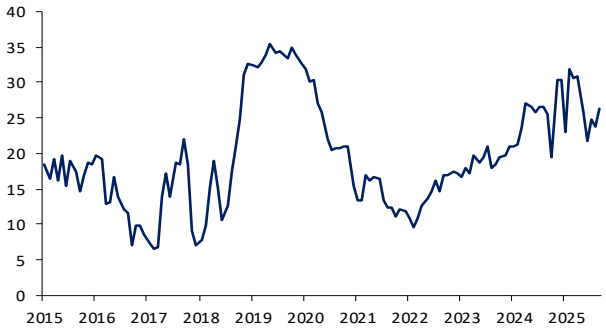
[100] See the press release here.

[101] See the press release here.

capital in relation to the increase recorded in the sector's total risk-weighted assets.

The broker-dealers' market risk, measured through the 99.9% market *CVaR* over a one-month horizon and as a proportion of regulatory capital, decreased during the *Report* period, a change that is due to growth in regulatory capital. Market risk remained at similar levels due to adjustments in the composition of portfolios yielding offsetting effects on the risk levels of debt instrument positions and equity positions. Moreover, the level of market *CVaR* is low in relation to the regulatory capital of broker-dealers as a whole, which shows the capacity of this sector to absorb unexpected losses arising from the market risk of its portfolio in an extreme scenario (Graph 136).[102]

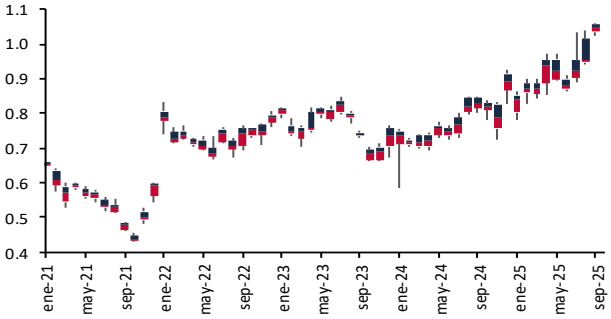
Graph 136
99.9% CVaR for brokerage firm's market risk
Net capital percent



Data as of September 2025.
Source: Banco de México, CNBV, BMV, Bloomberg and Valmer.

The sensitivity to changes in interest rates of broker-dealers' debt instruments portfolio, measured through duration based on market information, has continued to rise since the last *Report*, with average duration increasing from 0.90 years to 0.95 years between March and September 2025. This is explained by the rebalancing of portfolios toward longer-term debt instruments. However, most of their investments are concentrated in variable-rate or short-term government securities, which limits their variability in the face of changes in market risk (Graph 137).

Graph 137
Average monthly duration of broker-dealers' position
Years



Data as of September 2025.
Source: Banco de México.

IV.3.5. Insurance companies and bonding institutions

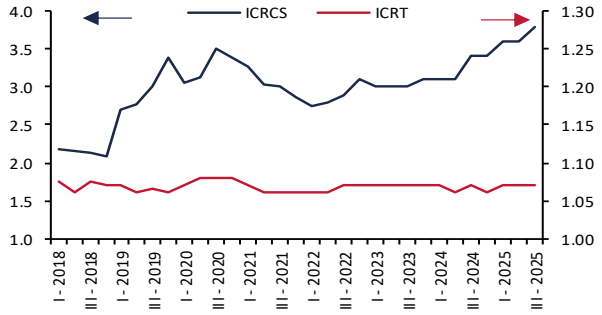
The insurance and bonding sector in Mexico continues to show high ratios of solvency. Both the Technical Reserves Coverage Index (ICRT, its acronym in Spanish[103]) and the Capital Solvency Requirement Coverage Index (ICRCS, its acronym in Spanish[104]) remain above the regulatory minimum, indicating that the sector has sufficient reserves and capital to meet its risks without jeopardizing its stability and solvency (Graph 138).

[102] *CVaR* represents the 99.9% quantile of the loss distribution generated by historical simulation of the changes observed over 20 days in risk factors since 2004, applied to the positions on the date considered. Given the number of observations, the behavior of the CVaR is explained almost entirely by changes in the composition of the portfolios, with a marginal effect from recent changes in risk factors.

[103] 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.

[104] The ICRCS is calculated by dividing the sum of eligible own funds backing 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.

Graph 138
Coverage ratios of the insurance sector
Number of times

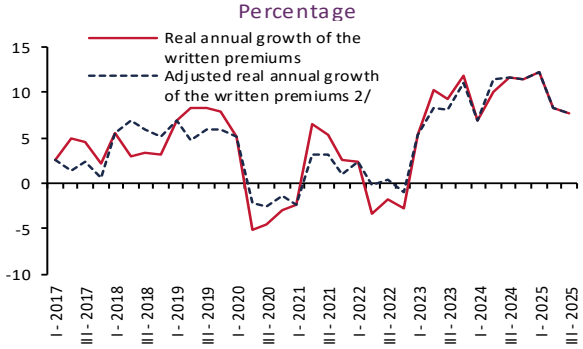


Data as of September 2025.
Source: CNSF.

The sector comprises 113 institutions, of which 104 are insurance institutions[105] and 9 are bonding institutions. The sector's assets totaled 2.98 trillion pesos in the third quarter of 2025 (8.0% of the financial system's total assets), representing a real annual increase of 7.5%.

Premium issuance in the sector increased by 7.7%[106] during the third quarter of the year (Graph 139), with increases in the volume of premiums issued in all lines of business. The largest contribution to this growth came from the property and casualty line, with real annual growth of 9.1%, followed by the life line, with an increase of 6.3% (Graph 139).

Graph 139
Real annual growth of the written premiums of the insurance and bonding sector [1/]
Percentage

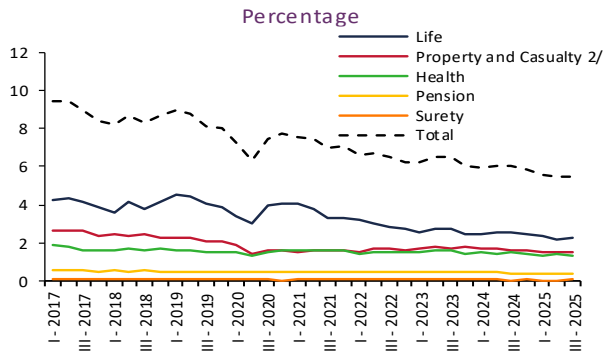


Data as of september 2025.
Source: CNSF.
1/ Cumulative growth compared to the same quarter of the previous year.
2/ The Pemex comprehensive policy has a biennial term. In order to understand the growth trends of the sector, the premium is evenly spread over each year. In June, the Pemex policy was issued, as in previous years, but with a one-year term instead of two. As a result, the growth in the last five quarters remains the same.

In the third quarter of 2025, the cost of claims in the sector remained at historically high levels, with real annual growth of 3.7%. This increase is explained by higher claim costs of claims in the life[107] , accident and health[108] , auto[109] , and non-auto damage[110] lines, with real annual growth in the cumulative amount for the year of 3.6%, 3.5%, 1.9%, and 11.2%, respectively. However, the growth in technical reserves was higher than that of the cost of claims, so there is adequate coverage for the claims faced by the sector (Graph 140).

[105] This data considers the total number of institutions authorized to operate, while the total number of institutions with assets greater than zero in September 2025 is 102.
[106] The growth data in this section are expressed as the actual growth in the cumulative amount for the year to the reference quarter compared to the same period in the previous year.
[107] Due to the increase in the cost of claims in individual life direct insurance and insurance with a savings component.
[108] Explained by the increase in claims for medical expenses and health.
[109] Driven by growth in the cost of automotive parts and accessories.
[110] Due to higher cost of claims in fire, agricultural and animal, credit, as well as marine and transport.

Graph 140
Claims Ratio of the Insurance Sector Relative to Technical Reserves 1/



Data as of September 2025.
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.

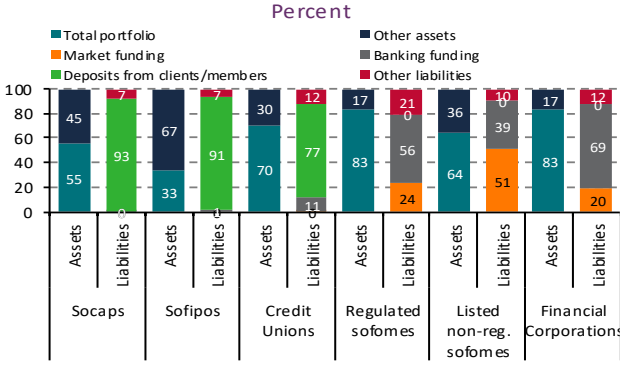
Although the damage caused by the heavy rains and floods recorded from October 7 to 10, 2025, could increase the sector's cost of claims, insurance companies' exposure to hydrometeorological phenomena in the most affected states (Veracruz, Puebla, San Luis Potosí, Hidalgo, and Querétaro) is low.[111] As of November 20, the Mexican Insurance Institutes´ Association (AMIS, its acronym in Spanish) had recorded 7,134 claims covered by these floods, with estimated losses of 4,473 million pesos,[112] data that represents 56% of the cumulative cost of claims for the year to October due to meteorological phenomena, which could increase in the future as more claims are filed. It should be noted that, although the cost of claims due to weather events has increased in recent years, the supervisory model in Mexico is aligned with the principles of Solvency II and guarantees the adequate constitution of reserves to cover such claims, which is reflected in the sector's high solvency ratios, in addition to risk transfer mechanisms such as reinsurance.

Net income for the period increased by 5.1% in real terms compared to the third quarter of 2024, as a result of the increase in retained earned premiums and the slowdown in the sector's net cost of claims.

IV.3.6. Other non-bank financial intermediaries

The Other non-bank financial intermediaries (ONBFI) sector remains small in terms of total assets compared to the financial system as a whole. However, in the consumer and mortgage loans segment, ONBFIs account for 28% of total credit, while in the case of corporate credit, ONBFIs account for around 11% of the total. Of the total financing granted by ONBFIs, 57% corresponds to corporations and 43% to households, a distribution that has remained stable over time (Table 5). As for unregulated ONBFIs, their evolution within the total has been mixed, as in recent years their share has experienced a slight decrease in consumer credit but increased in business credit.

Graph 141
Assets and Liabilities of Other Non-Bank Financial Intermediaries (ONBFI)



Data as of September 2025.
Source: Banco de México, BMV, CNBV and Condusef.

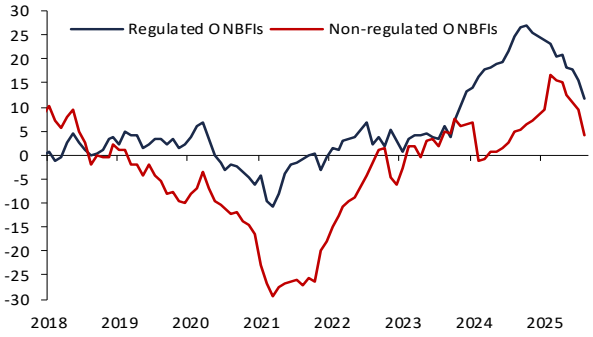
The sector's funding is heterogeneous: some entities depend mainly on bank loans and stock market liabilities, while others depend, to a greater extent, on traditional funding, which may be more stable (Graph 141). In this vein, financing granted to regulated ONBFIs has increased since 2022. Although traditional funding grew significantly in the last two years due to the incorporation of new participants in the sector with competitive funding strategies, more recently its growth rate has moderated, currently representing 65.1% of its financing.

With regard to the rest of the financing, that which regulated ONBFIs receive from commercial and development banks increased by 1.6% and 5.4% since

[111] According to data from the CNSF's Timely Information System (SIO) for June 2025, there is only one insurance institution whose premiums issued to cover hydrometeorological phenomena in the most affected entities exceed 5% of its total premiums issued.
[112] See press release available here.

the last *Report* and is equivalent to 16.3% and 10.0% of their total financing sources, while that from debt issuance decreased by 6.1% and represents 8.5% of the total received. On the unregulated ONBFI side, funding from commercial banks increased by 3.8% and represents 45.0% of their total financing, while funding from development banks decreased by 15.0% and represents 25.0% of the total. Finally, funding from debt issuance grew by 9.5%, at a slightly lower rate than that observed in the previous *Report*, and currently represents 30% of their financing.[113] Overall, in real annual terms, the growth in financing received in both cases continues, albeit at a slower pace (Graph 142).

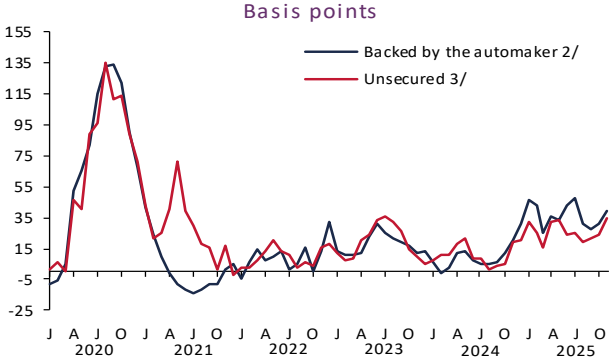
Graph 142
Real annual growth of financing sources [1/]
Percent



Data as of September 2025.
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.

With regard to ONBFIs that access the local financial market by issuing debt on a recurring basis, it has been observed that, as of the third quarter of 2024, the cost of funding for automotive finance companies has increased. In addition, the spread between the placement rate and the TIIE is greater in the case of finance companies backed by an automaker than in the case of those unsecured (Graph 143), which coincides with a downward trend in the net profits of the former and an upward trend in the net profits of the latter until the second quarter of 2025. Although an increase in the profits of automaker-backed finance companies can already be seen in September 2025, by the end of November their funding cost remains higher than that of non-backed finance companies.

Graph 143
Short-term debt of auto loan companies: Issuance rate minus TIIE [1/]
Basis points



Data as of September 2025.
Source: Indeval, 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 Navistar Financial, Paccar Financial México, Sicrea, Toyota Financial, Mercader Financial and Traton Financial de México.

In the third quarter of 2025, total financing to the non-financial private sector granted by the country's ONBFIs increased in real annual terms at a higher rate than that reported in the last *Report*. This increase is explained by the higher growth of the portfolio granted by non-regulated entities to all segments of the portfolio, particularly the commercial segment. Meanwhile, auto loans granted by ONBFIs increased in real annual terms at a lower rate than that observed in the last *Report,* although in the case of auto finance companies, a slight contraction was observed.

[113] It should be noted that the ONBFIs analyzed here include financial companies that are not part of the supervised and regulated financial system, and that these companies may issue debt. Furthermore, Article 87-B, Chapter II, of the General Law on Credit Auxiliary Organizations and Activities establishes the following: companies that issue debt securities on their own behalf, 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 fulfillment of the obligations related to the securities issued under the trust depends totally or partially on said company, acting as trustor, assignor, or administrator of the trust assets, or as guarantor or surety of the aforementioned securities. Non-regulated multiple-purpose financial companies (sofomes) are those that do not fall under the categories described in the preceding paragraphs. In the case of some non-regulated sofomes, there are some debt issues whose fulfillment of obligations does not depend on the company without contravening the provisions.

The non-performing loan ratio on the loan portfolio granted by ONBFIs increased slightly. For non-regulated entities, this ratio remains at historically high levels, while in the case of the consumer portfolio of regulated and non-regulated ONBFIs, the ratio increased compared to the previous *Report* and is at its highest level since January 2016. In the case of auto loans, the non-performing loan ratio remains stable and at low levels.

Some entities in the ONBFI sector show risk indicators at levels that suggest financial vulnerabilities, notably their low profitability. The number of these institutions increased slightly compared to the previous *Report*; however, their share of assets decreased. It should be noted that the banks´ exposure to these vulnerable institutions is low in relation to its regulatory capital (1.6%). In addition, aggregate credit exposures, including own holdings of ONBFI securities, of commercial and development banks, remained low. Consequently, if some entities in this sector defaulted on their payments, it would not pose a risk to the banking system. Finally, the capitalization levels of regulated ONBFIs remain stable and significantly above regulatory minimums (Graph 144). Furthermore, the capitalization of sofipos increased compared to the previous *Report*.

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/]	Capitalization	Liquidity	Leverage	
Socaps (levels 1 to 4)		✓	✓		✓	314	0.9	10.2	✓	✓		CNBV
Sofipos (levels 1 to 4) [3/]		✓	✓	✓	✓	208	0.6	26.5	✓	✓		CNBV
Credit unions (levels 1 to 3)		✓	✓		✓	72	0.2	-0.4	✓	✓		CNBV
Regulated Sofomes	With links with a bank and consolidated with said bank	✓	✓			375	1.1	-5.8	✓	✓		CNBV
	With links with a bank but not consolidated	✓	✓			70	0.2	-2.6	✓	✓		CNBV
	No links with a bank and issues debt [4/]	✓	✓	✓	✓	284	0.8	23.1				CNBV
Non-regulated Sofomes [5/]		✓	✓	✓	✓	636	1.8	-1.5				
Financial corporations [6/]		✓	✓		✓	373	1.1	-5.6				
Non Bank credit card issuers [7/]		✓	✓		✓	101	0.3	9.3				
Securitizations of financial entities [8/ 9/]		✓	✓		✓	474	1.3	-9.0				CNBV
Securitizations of non-financial entities [8/ 10/]		✓	✓			242	0.7	-6.5				CNBV
Total non-banking financial intermediaries						**2,774**	**7.9**	**1.4**				
Real Estate Investment Trust (fibras) [8/]			✓			610	1.7	10.3			✓	CNBV
Mortgage trusts (no fibras) [8/]		✓	✓		✓	5	0.01	-23.8			✓	CNBV
Development Capital Certificates (CCD) [8/]			✓			566	1.6	1.4			✓	CNBV
Energy and infrastructure trusts (fibra E) [8/]			✓			222	0.6	54.6			✓	CNBV
Investment projects trusts (CERPIS) [8/]			✓			109	0.3	19.0			✓	CNBV
Total infrastructure financing vehicles						**1,512**	**4.3**	**11.8**				
Total of financial intermediaries, infrastructure financing vehicles and activities						**4,286**	**12.2**	**4.8**				
Other financial intermediaries or activities [11/]					✓	6,315	17.9	8.4				CNBV/CNSF
Capital investment funds [12/]						0	0.0	n.a.				
Pensions funds [13/]						8,905	25.2	-3.1				Consar
Commercial banks		✓	✓	✓		15,363	43.6	3.9	✓	✓	✓	CNBV/Banxico

Figures at September 2025.

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 non-regulated SOFOMs come from the Registry of Commissions - RECO (Condusef). New information is presented with preliminary figures resulting from corrections made to the data reported by non-regulated SOFOMs as of June 2023. For the purposes of counting, only SOFOMs with a positive portfolio are considered. Credit portfolios from non-regulated SOFOMs that grant credit exclusively to related entities or subsidiaries are excluded, as they are not considered credit intermediaries in the strict sense. As of June 2025 (the latest available date), the Bureau of Financial Entities has information on 2,145 non-regulated SOFOMs (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.

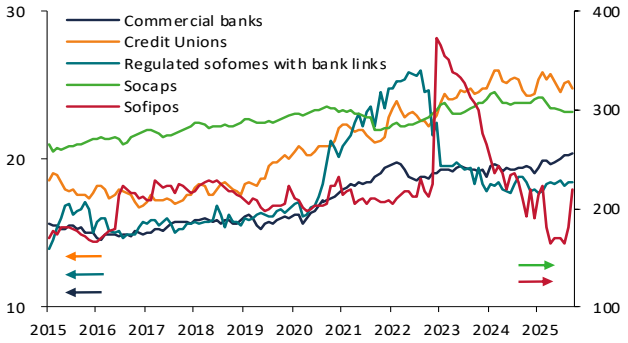
12/ Includes investment funds invested in equity instruments, local exchange-traded funds tracking stock indices.

13/ Includes Siefores (retirement savings funds).

Graph 144

Capitalization Level of Regulated NBFIs [1/ 2/]

Percent



Data as of September 2025.

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%.

In September 2025, the total assets of the sofipos sector increased by 26.5% compared to the previous year (Table 5). This increase is mainly explained by the growth in assets of new competitors with digital models, which is more moderate than that observed as of the previous *Report*.[114] These new competitors face significant challenges. On the one hand, they must access a stable source of resources and, on the other, they must keep the credit risk level of their portfolios limited. In addition, it should be noted that their credit origination models bring people with no previous credit history into the financial system. The leverage of new borrowers could exceed their debt service capacity in relation to their income level.

Although sofipos and socaps are subject to prudential regulation and supervision, this regulation differs from that of banks and depends on the segment of the population they serve. The operations permitted vary depending on the size and level of operation authorized by the CNBV. Due to their origins, these entities in the popular sector sought 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. It is important to remember that the rest of the ONBFIs are prohibited by law from taking deposits from the public.[115] The prudential regulation applicable to ONBFIs regulated and supervised by the CNBV, in addition to ensuring their good performance and solvency, as well as the protection of their financial services customers, includes obligations in the area of money laundering and terrorist financing (ML/TF) prevention, which are aligned with the regulations applicable to credit institutions.[116]

It should be noted that some digital entities in the sofipos sector have already applied for a banking license and are in the process of being authorized (one of them has already been granted a license, but is still in the system testing phase required by the authorities).[117] Obtaining a banking license will allow

[114] In December 2022, NU Financiera Mexico, a fintech entity specializing in credit through a digital card, became a sofipo after purchasing an entity that was no longer operating. In April 2023, Fintech Klar also acquired the sofipo Servicios Financieros Alternativos (Sefia), and in September 2023, the funding company Fondeadora acquired the sofipo Apoyo Múltiple. Finally, in July 2024, the financial company Stori merged with Savvi Financieros to become a sofipo. In September 2025, Sofipo Trafalgar is operating according to the Mexican Financial System Catalog; however, it has not reported any information to the CNBV. The shares of these sofipos that acquired previously-granted licenses within the sector are 4.7%, 0.8%, and 4.9%, respectively.

[115] Sofipos depend heavily on traditional funding to finance their lending activities. To guarantee deposits, a sofipo must be associated with the Protection Fund, which is a trust established by the Federal Government through development banks that acts as a fiduciary institution. This trust is not a federal public administration entity or 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 for up to 25,000 UDIs in the event that a sofipo is settled or disappears (Article 105 of the LACP). The Protection Fund's assets will be made up of the following resources: contributions made by the Federal Government; regular monthly fees to be paid by sofipos; extraordinary fees payable by sofipos; and other assets, rights, and obligations acquired by the Fund (Article 101 of the LACP).

[116] The main obligations in the area of money laundering and terrorist financing prevention include the following: report 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 customer and transaction information; appointment of a compliance officer; compliance manual; and automated systems and specialized compliance structure. These obligations apply to credit institutions, sofomes E.R., sofomes E.N.R., socaps, sofipos, credit unions, currency exchange offices, and financial technology institutions. On the other hand, the requirement for an external audit with a ML/TF focus only applies to credit institutions, socaps, sofipos, and credit unions. The foregoing is based on the Credit Institutions Law (LIC), the General Law on Credit Organizations and Auxiliary 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 Operations with Illicit Resources (LFPIORPI), under the supervision of the CNBV and the SHCP.

[117] In April 2025, the cnbv authorized sofipo Nu to become a credit institution; however, the transformation has not yet materialized and the process is ongoing.

them to expand the services they offer to the public, which will promote inclusion and competition. In addition, it will reduce the potential for regulatory arbitrage, as banking regulation is more robust in several areas compared to regulation of the popular credit sector.

Regarding recent developments in the sofipos sector, it is noteworthy that the situation of the sofipo CAME resulted in management intervention by the authority and its subsequent revocation. The deposit insurance will make payments to depositors for the amounts covered, and payment requests continue.

Recently, significant changes were announced in the regulations applicable to sofipos and credit unions, with the aim of strengthening risk management and preventing undue concentrations of credit. In the case of sofipos, more robust processes will be required to identify and assess risk groups, taking into account, on a consolidated basis, loans granted to individuals with family or business ties. The aim is to prevent any single group from concentrating an excessive share of the portfolio. As for credit unions, the regulations underwent adjustments so that these institutions can identify when a member is part of a common risk and verify that the sum of their financing does not exceed 5% of the entity's net capital, giving them six months to implement the necessary procedures. The objective of these changes is to reinforce prudential practices and protect the sector's soundness.

Due to the segment of the population and companies they serve, ONBFIs are generally vulnerable to labor market deterioration (see Box 1), which could lead to a significant increase in the non-performing loan ratio and cause problems in their credit quality and in the generation of income from financial margins. Although these institutions do not pose a risk to financial stability because they are small and have few links with the country's banks and other financial brokers, they could contribute to the over-indebtedness of households and SMEs exposed to economic shocks.

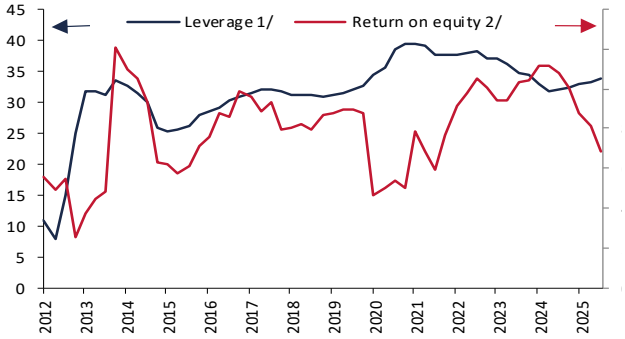
Other financing vehicles

The level of income of REITs as a whole decreased slightly since the last *Report*, but increased compared to the previous year. With regard to the occupancy rate, there was a slight decrease compared to the previous year in all REITs. In the case of commercial, hotel, and industrial REITs, their occupancy level decreased slightly since March, although it remains at high levels. On the other hand, investment spending by REITs decreased and, in general, REITs made debt payments. The level of leverage for all REITs increased slightly compared to the previous *Report* (Graph 145). This is explained by greater uncertainty in the context of the current global trade narrative, although rental activity from established customers has not shown any deterioration.

Graph 145

Leverage and return on equity of Mexican REITs

Percent



Data as of September 2025.
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.

In the last six months, the balance of Fibras E capital issuances increased by 56% due to the incorporation of a new Fibra E, reaching a historic high in June after four years of data at a similar level; however, in September, there was a slight reduction of 2%. In addition, the leverage risk indicator rose to a historic high of 33.3%, while the liquidity indicator fell to its lowest level in three years, standing at 12.5%. The sector's profitability has continued to grow, reaching its highest level in three years. Most of these financing vehicles have generated profits regardless of when they were created, which is explained by the fact that they 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) declined after reaching historic

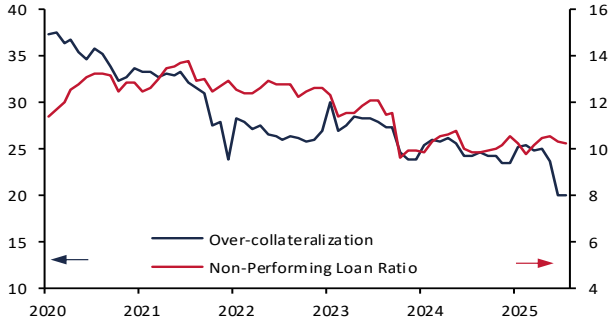
highs in each quarter over the last three years. The profitability of these vehicles declined after reaching an all-time high in March 2025. Their risk, leverage, and liquidity indicators have declined, with the latter falling to historic lows. By their nature, these vehicles tend to start with non-mature or non-stabilized projects that require time to reach a balance between income and costs. It should be recalled that siefores are the main holders of this type of instrument. However, siefores' exposures to CCDs and Cerpis with negative profitability represent at most 0.8% of the value of their portfolios.

It has been observed that the private credit sector, which specializes in offering tailored financing, has found CCDs and Cerpis to be an adequate vehicle for channeling its operations. In essence, these instruments allow pension funds to allocate resources to projects of firms with specific financing needs that are not usually covered by the traditional products of other financial intermediaries, making private credit a relevant alternative. Although CCDs and Cerpis use fiduciary structures that seek to mitigate some risks, the growing trend of this financing scheme, both globally and in Mexico, underscores the importance of monitoring the evolution and dynamics of this sector in greater detail.

The outstanding balance of bulk or homogeneous credit securitizations (such as those backed by the Infonavit and Fovissste mortgage portfolios) decreased significantly due to the early repayment of certificates issued by Fovissste. Overcollateralization and non-performing loan ratio indicators decreased compared to the data recorded in the last *Report* (Graph 146). Less than one-fifth of these issues, mainly from ONBFIs, show weak solvency, profitability, and non-performing loan ratio metrics in their portfolios. Banks´ exposure and that of other institutional investors, such as siefores, to these structures is nil.

On the other hand, the size of non-homogeneous securitizations (such as those backed by highway tolls) decreased slightly. The leverage and liquidity levels of the structures increased slightly, while their profitability decreased, albeit from a high level. Less than a fifth of these issues have weak solvency, profitability, and liquidity metrics. Banks´ exposure and that of other institutional investors, such as siefores, to these structures is very low.

Graph 146
Over-collateralization and Non-Performing Loan Ratio in Homogeneous Securitizations[1/]
Percent



Data as of September 2025.
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.

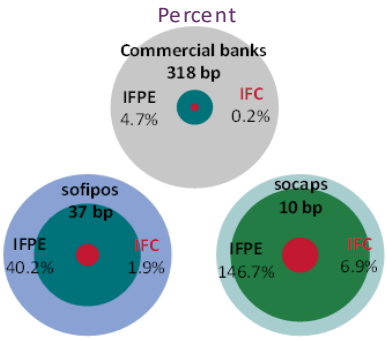
Financial technology institutions sector

As of November 2025, 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 two new authorizations during the second half of 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).[118] ITF provide innovative financial services and can help complement the existing offering to promote inclusion, efficiency, and competition among participants.

The ITF sector is still small, with capital equivalent to 4.9% of the capital of commercial banks. However, due to its steady growth, its size is already comparable to that of other groups of small financial intermediaries. The share capital of ITF is equivalent to 42.1% of the contributed capital of sofipos and 153.6% of that of socaps (Graph 147).

[118] One IFC is in the process of voluntarily revoking its license. The administration of its loan portfolio has been transferred to another IFC, which will continue to manage the portfolio.

Graph 147
Relative size of the ITF sector compared to commercial banks and other financial intermediaries[1,2/]



Data as of November 2025.
Source: Official Gazette of the Federation, Crunchbase and institutions' web pages.
1/ In the case of ITF, the share equity reported in the institutions' financial statements is taken into account; for those that do not publish them, the contributed capital is taken, which is the sum of the initial share equity plus the financing obtained through various investment rounds.
2/ The figures corresponding to the share equity of commercial banks and the contributed capital of socaps and sofipos are as of September 2025.

Debt IFC continue to show growth in the amount of funding granted, based on data as of the end of the third quarter of 2025. However, based on information collected from the entities' websites, it can be seen that past due loans remain high for some of them, with cases exceeding 30%. Overall, the weighted average default rate by total funding was at 8.4%. While this risk does not necessarily directly compromise the sector, much less the financial system, it could represent a source of vulnerability for investors participating in these types of platforms.

Regarding IFPE, they remain small compared to other brokers. Issued electronic payment funds (FPEE, its acronym in Spanish) by IFPE are equivalent to 0.4% of bank deposits, despite their continuous growth. FPEE reached a total of 34.4 billion pesos in September 2025, compared to 24.6 billion in September 2024. It is noteworthy that 82.4% of the total assets of IFPE that report financial statements correspond to eight large IFPE (those with FPEE greater than 1 billion pesos).

In terms of technological progress in the sector, according to a World Bank report on the use of Artificial Intelligence (AI) in emerging markets and developing economies,[119] non-traditional financial institutions and Fintech companies seem to be leading the adoption of AI, gradually followed by traditional financial institutions.[120] In Mexico, according to a report by Finnovista, 68% of Fintech companies already used AI in 2024.[121,122] The business segments that use it most are wealth management (81%), digital banking (73%), and financial infrastructure technology for banks and Fintech. While this adoption brings significant benefits in terms of efficiency and competitiveness, it is also essential to consider the potential risks to financial stability and the ethical implications of its use.

With regard to the development of the virtual assets (VAs) market, its global capitalization reached an all-time high of 4.3 trillion US dollars in October 2025. However, since then, it has shown significant setbacks in line with the increased volatility observed in recent weeks. Even with this correction, the aggregate level remains above the average of previous years, reinforcing the importance of continuing to monitor it in order to promptly identify any risks to the financial system (Graph 148). The previous optimism seems to have been driven by expectations of a more accommodative global monetary policy trajectory; progress toward less restrictive regulatory frameworks for VAs in some jurisdictions (see Box 4); and growing participation through exchange-traded funds (ETFs). Another distinctive feature of this cycle is the increase in corporate purchases, a phenomenon that is still uncommon but increasingly visible in some market segments, where public and private companies have adopted the "*bitcoin treasury strategy*", partially replacing traditional reserve assets with bitcoin as

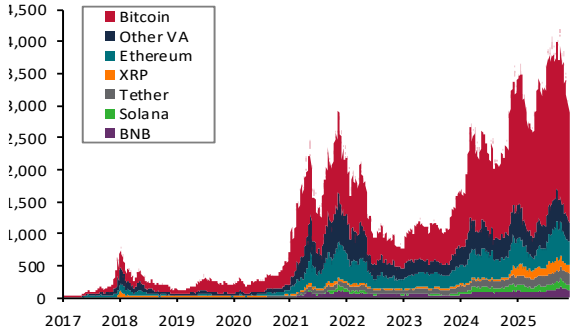
[119] World Bank (2025), "Artificial Intelligence for Financial Sector Supervision: An Emerging Market and Developing Economies Perspective," Report submitted to the G20 Finance Ministers and Central Bank Governors, October 2025.
[120] According to financial authorities' perceptions, Fintech companies in their jurisdictions are more advanced in their adoption of AI than banks and other traditional institutions. Most authorities consider Fintech companies to be in the moderate to advanced range of AI adoption, while financial institutions fall into the very limited adoption range.
[121] Finnovista (2025). "*Finnovista Fintech Radar Mexico 2025*," February 2025.
[122] The main use cases for AI by Fintech companies are: chatbots, marketing and service personalization, task automation, risk management and credit scoring, fraud detection and prevention, machine learning algorithms, and user behavior prediction.

part of their treasury strategy.[123] As of November, it is estimated that public and private companies held a balance of 1.43 million bitcoin, equivalent to 130 billion US dollars at that date.[124]

Graph 148

Total market capitalization of virtual assets [1/]

Billion dollars



Data as of November 2025.

Source: CoinGecko and Coin Dance.

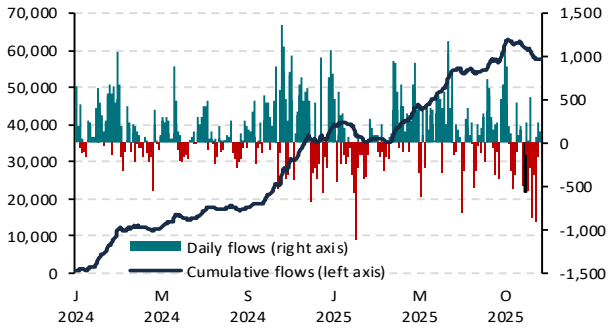
1/ The "Other VA" category represents the market capitalization of the remaining VA, according to the total estimated by Coin Dance.

Globally, cumulative flows into spot bitcoin ETFs have shown an upward trend since their inception in 2024, reflecting greater global interest in these types of products by retail and institutional investors (Graph 149). This factor seems to have contributed to reinforce the demand for bitcoin, as these types of instruments allow investors to access VAs more easily, without the need to acquire or hold them directly. However, it is important to emphasize the risks that these products entail for investors, since, even though they are listed on the stock exchange, they maintain direct exposure to a highly volatile underlying asset that is speculative in nature and does not respond to economic fundamentals. Therefore, it is important to reiterate the risks associated with the exposure of investors and the financial system to these products and assets, which, in addition to presenting other drawbacks such as high price volatility, high transaction costs, difficulties in scalability, and quasi-anonymity, they also represent more direct channels of connection between traditional financial markets and the VAs market, reinforcing the need to closely monitor their evolution and possible implications for the financial system.

Graph 149

Spot bitcoin ETFs – daily and cumulative flows [1/]

Millions of dollars



Data as of November 2025.

Source: Farside Investors.

1/ Information on the 11 spot Bitcoin ETFs authorized by the U.S. Securities and Exchange Commission (SEC) on January 10, 2024.

In Mexico, the interest in this type of assets remains low in relative terms. According to Chainalysis' Cryptocurrency Adoption Index,[125,126] Mexico's position in the ranking fell from 14th place in 2024 to 23rd in 2025 due to lower performance in the various sub-indices that make up the index, as well as to a low ranking in a new sub-index on the value received from institutional centralized services (which replaced the *DeFi* retail value received sub-index). In addition, search interest measured by Google Trends remains low (Graph 150).

[123] Lang, H. (2025), "What are bitcoin treasury strategies, the latest trend in the public markets?", Reuters, June 16, 2025.

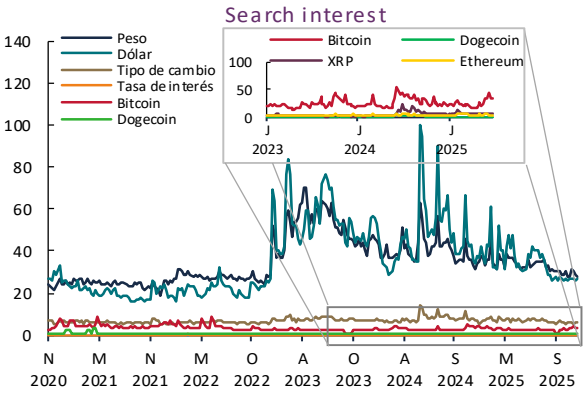
[124] Data as of November 30, 2025. Retrieved from Bitcoin Treasuries from bitbo.io.

[125] Chainalysis (2025). "*The 2025 Global Adoption Index: India and the United States lead Cryptocurrency Adoption*." September 2, 2025. In the twelve months ending in June 2025, cryptocurrency adoption in Latin America grew by 63%, with increasing adoption in both the retail and institutional segments.

[126] Chainalysis' Global Cryptocurrency Adoption Index for 2025 ranks 151 countries using a geometric mean of their position in four sub-indices, normalized on a scale of 0 to 1. The sub-indices, weighted by per capita Purchasing Power Parity (PPP) to prioritize countries where VA activity represents a more significant portion of average wealth, are as follows: i) value received in retail centralized services; ii) value received in centralized services; iii) value received in DeFi protocols; and iv) new for 2025: value (greater than 1 million US dollars) received in institutional centralized services. The metric is calculated by estimating transaction volumes from web traffic data, and the methodological change from 2024 was the replacement of the retail DeFi subindex with the institutional centralized activity subindex.

Graph 150

Google searches for main virtual assets in Mexico[1/]



Data as of November 2025.

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. Some virtual assets were omitted from the graph as their search interest was close to zero (< 6).

Banco de México will continue to promote a healthy distance between VAs and the traditional financial system and monitor developments in this financial market, while assessing international regulatory trends in order to identify in a timely manner the implications that such developments could have on financial stability and promote, if necessary, measures to safeguard it.

Box 4: Stablecoins: international regulatory agenda for virtual assets, and risks and implications

I. Introduction

In recent years, so-called stablecoins have grown rapidly. Unlike other virtual assets (VAs), whose prices are characterized by high volatility due to their speculative nature and lack of economic fundamentals, stablecoins integrate mechanisms designed to maintain a stable value against fiat currencies or baskets of assets.[1]

However, their design also exposes them to potential market, liquidity, credit, and operational risks linked to the quality and volatility of the assets that back them and the soundness of their issuers, as well as their market share, raising questions about their implications for financial stability and payment systems.

This box aims to analyze recent developments in stablecoins and the main regulatory advances in this area, both at the level of international standards and in specific jurisdictions. While these VAs can increase the efficiency of some transactions and reduce the costs of certain transfers, it is essential to identify the potential risks that these instruments may pose to financial stability and payment systems, as well as the challenges they pose for authorities.

II. Stablecoins

The Financial Stability Board (FSB) defines stablecoins as VAs designed to maintain a stable value relative to another asset (usually a currency or commodity) or a basket of assets.[2] Their objective is to mitigate the high volatility that characterizes VAs and their low liquidity in order to play the role of a medium of exchange in the VAs ecosystem.

To maintain their value, stablecoins have a stabilization mechanism that can be based on asset backing or a buy-sell algorithm.

Backed stablecoins are based on a mechanism that seeks to maintain a stable value through indexing and backing with other assets, which serve as collateral for their issuance. These can be backed by fiat currencies or other types of liquid and secure assets, such as government securities, bank deposits, or even commodities, such as gold. The issuer invests the collateral and coordinates the issuance and redemption of the currency. Within this segment, USDT (Tether) and USDC (USD Coin) stand out for their market share.[3]

Algorithmic stablecoins, on the other hand, are not backed and rely on algorithmic mechanisms to maintain their value. However, both schemes have experienced incidents in which these mechanisms failed, resulting in a loss of parity. This problem is more common in algorithmic stablecoins, hence, most of them have moved to a hybrid scheme, combining part of the backing with assets and part with algorithms.

Stablecoins are mainly used as a bridge between fiat assets and VAs, as well as to provide liquidity in decentralized finance (DeFi) services. Their use has also spread to remittances to developing economies, due to the absence of options with comparable transaction costs and times. In the DeFi ecosystem, they play a key role in various operations that reduce exposure to price volatility, as they allow for stable settlement and can serve as collateral in lending operations.[4]

As of November, the market capitalization of stablecoins amounted to 297 billion US dollars (Graph 1), which is still relatively low compared to the 6.59 trillion US dollars in US Treasury notes in circulation as of October 2025, or the market capitalization value of gold, close to 28 trillion US dollars in October 2025. In addition, there is significant market concentration: the two main backed stablecoins (USDT and USDC) together account for 86% of the value of the entire sector.

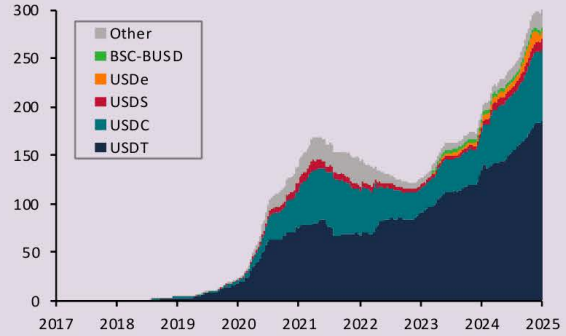
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[1] For a more complete description of VAs, see Box 6 of the December 2021 Financial Stability Report.
[2] FSB (2020).
[3] USDT is issued by Tether International and USDC by Circle Internet Financial. Both are stablecoins whose value seeks to maintain a 1:1 parity with the US dollar, backed by reserve assets and supported by direct issuance and redemption mechanisms between the issuer and authorized participants.
[4] European Systemic Risk Board (2023).

Graph 1

Market capitalization of stablecoins[1/]

Billion dollars



Data as of November 2025.

Source: RWA.xyz.

1/ The "Other" category represents the market capitalization of all other stablecoins, according to the RWA.xyz listing.

Graph 2

Top foreign holders of US Treasury securities[1]

Billion dollars



Data as of September 2025.

Sources: US Treasury TIC System, Tether, Circle.

1/ Holdings of Tether and Circle include reverse repos.

Furthermore, given their stabilization mechanisms based on maintaining reserves of liquid assets, stablecoins have become significant holders of safe assets, mainly US Treasury Bills. For example, USDT and USDC holdings of Treasury securities are comparable to those of some countries (Graph 2).

While stablecoins have the potential to facilitate faster and more efficient payments and investments, they also carry potential risks, both for users and for financial stability. Therefore, it is important to implement controls to mitigate these risks and reduce the possibility of contagion to the financial system.

III. International regulatory agenda

The rapid expansion of VAs in general, and stablecoins in particular, has led some jurisdictions, as well as international organizations, to accelerate the design of regulatory frameworks and international standards that provide legal certainty, while addressing risks to financial stability, monetary policy, payment systems, and user protection.

Among the most relevant initiatives are the Markets in Crypto-Assets Regulation (MiCA) in the European Union (EU) and the Guiding and Establishing National Innovation for U.S. Stablecoins Act (GENIUS Act) in the United States. Although both share common objectives and similarities, they have different nuances, which could lead to asymmetries and encourage regulatory arbitrage.

European Union: MiCA[5]

MiCA establishes a uniform and harmonized legal framework in the EU for issuers and providers of VAs services that were not covered by existing financial regulations, in order to avoid legal loopholes between EU member states. It regulates the issuance, public offering, and trading of VAs, as well as the activities of crypto-asset service providers (CASPs), which include, among others, custody, trading, exchange, advisory, and orders transmission.

This framework allows CASPs to operate cross-border under a harmonized scheme, which facilitates access

[5] European Parliament and Council of the European Union (2023).

to the banking system and seeks to reduce regulatory fragmentation. It also imposes governance and operational requirements, such as risk control policies, internal procedures, continuity plans, and IT security measures to ensure the stable provision of services.

In the particular case of stablecoins, MiCA distinguishes between e-money tokens (EMTs), which maintain parity with a single official currency, and asset-referenced tokens (ARTs), which derive their value from baskets of assets or currencies.[6] For both, it establishes prudential and liquidity requirements for issuers, along with the obligation to maintain segregated reserves, audited periodically and held in custody at credit institutions. Issuers must publish a white paper detailing the characteristics of the project, the holders' rights, and the associated risks. In addition, the regulation expressly prohibits issuers and CASPs from offering returns in the form of interest to users, in order to avoid banking disintermediation.

The objective of this regulation is, on the one hand, to mitigate risks to financial stability, monetary policy, and the integrity of payment systems; and, on the other hand, to encourage innovation and fair competition in a rapidly growing market. It came into full effect in December 2024, although a transition period for pre-operational CASPs remains in effect until July 2026.

United States: GENIUS Act[7]

The GENIUS Act establishes a specific regulatory framework for payment stablecoins.[8] Unlike MiCA, which covers a broader spectrum of VAs and associated services, this law focuses exclusively on stablecoins used as a means of payment. It aims to provide consumer protection, regulatory certainty in a market that lacked a uniform federal framework, and "ensure the status of the US dollar as a global reserve currency."[9]

Only permitted payment stablecoins issuers (PPSI) will be able to issue them, under a dual scheme that recognizes both federally supervised entities (domestic banks, branches of foreign banks, or authorized non-bank entities) and state-licensed issuers (non-bank entities). In the latter case, the state regulatory framework must be certified as substantially equivalent to the federal regime by the Stablecoins Review Committee, headed by the Secretary of the Treasury.

In addition, all issuers must fully back (at least on a 1:1 basis) each unit issued with highly liquid, low-risk assets, including:

1. Cash in US dollars or funds in Federal Reserve accounts;
2. Deposits in supervised financial institutions;
3. US Treasury securities with residual maturity or issued for a term of no more than 93 days;
4. Overnight repurchase agreements on such securities;
5. Shares in money market funds that invest solely in such instruments, and
6. Any of the above instruments in their tokenized form.[10]

The aim is to ensure the stability of stablecoins while consolidating demand for US public debt instruments.

The law also expressly prohibits issuers from offering interest to stablecoin holders, differentiating them from traditional bank deposits and avoiding confusion about their nature. In addition, it provides specific protections for stablecoins holders in the event of issuer insolvency, giving them priority over other creditors in relation to reserves of assets. It also

[6] According to the MiCA Regulation, EMTs are defined as "a type of crypto-asset that aims to maintain a stable value by referencing the value of an official currency." ARTs, on the other hand, are defined as "a type of crypto-asset that is not an electronic money token (EMT) and that aims to maintain a stable value by referencing another value or right, or a combination of both, including one or more official currencies."

[7] US Congress (2025).

[8] The GENIUS Act defines payment stablecoins as a digital asset designed to be used as a means of payment or settlement, whose issuer is obligated to convert, redeem, or repurchase that asset for a fixed amount of monetary value other than another digital asset, and declares or creates a reasonable expectation that it will maintain a stable value relative to that amount. It establishes that the term does not include: a national currency, an FDIC-compliant deposit, or a security.

[9] The White House (2025). "Fact sheet: President Donald J. Trump signs GENIUS Act into law." July 18, 2025. Fact Sheet: President Donald J. Trump Signs GENIUS Act into Law – The White House

[10] According to the FSB, tokenization refers to the issuance or representation of assets in the form of digital tokens, using technologies such as distributed ledger technology (DLT).

establishes that issuers must comply with the Bank Secrecy Act and cooperate in the prevention of money laundering and terrorist financing (AML/CFT).

As for its entry into force, this could happen between May 2026 and January 2027, depending on how long it takes regulators to develop the main secondary provisions.

Other international standards and recommendations

International organizations have established global guidelines and standards for the treatment and regulation of VAs and stablecoins.

In July 2023, the FSB published two complementary frameworks: "High-level Recommendations for the Regulation, Supervision and Oversight of Crypto-Asset Activities and Markets"; and "High-level Recommendations for the Regulation, Supervision and Oversight of Global Stablecoin Arrangements".[11] In doing so, it seeks to promote, among regulators and supervisors around the world, the comprehensiveness and international consistency of regulatory and supervisory approaches by establishing "same risk, same regulation" principles that require sound governance, comprehensive risk management, transparency, clear disclosure, and cross-border cooperation.

In the case of stablecoins, effective redemption rights and reliable stabilization mechanisms are emphasized, while for VAs activities, the aim is to ensure that operational, market, and integrity risks are managed under standards equivalent to those of the traditional financial system.

For its part, the Basel Committee on Banking Supervision (BCBS) incorporated the "Cryptoasset exposures. Scope and definitions", which deals with the prudential treatment of bank exposures to VA, applicable from 2026.[12] This regulatory standard distinguishes between four groups of VA, depending on the implicit risk of each type of asset. Group 1 consists of traditional tokenized assets (subgroup 1a) and stablecoins that meet backing and redemption tests (subgroup 1b). Group 2 consists of those VAs that do not meet the conditions of Group 1, and is divided into VAs with hedge recognition (subgroup 2a) and all other VAs (subgroup 2b). For Group 2, strict prudential exposure limits are established; for example, a maximum exposure of 2% of banks' core capital (Tier 1) and risk weighting factors of up to 1,250%. This is intended to safeguard the soundness of the banking system against growing exposure to these highly volatile assets.

IV. Implications and potential risks to financial stability

Despite recent regulatory advances, stablecoins continue to pose significant potential risks to financial stability. Their expansion and growing interconnectedness with the traditional financial system could create vulnerabilities in terms of liquidity, contagion, and regulatory arbitrage.

From a prudential perspective, stablecoins have vulnerabilities comparable to those of money market funds, particularly in contexts of loss of confidence or episodes of stress in financial markets. This is because market tensions or concerns about the quality or liquidity of backing assets can trigger episodes of "runs" or massive redemptions of funds.

In this vein, depegging events, such as those that occurred with USDC following the collapse of Silicon Valley Bank in March 2023,[13] or the depegging of TerraUSD (UST), which even led to the total collapse of the currency,[14] illustrate the risk of massive redemptions in the face of signs of fragility and liquidity pressures. These risks can be amplified by structural factors, including: the concentration of reserves in a limited number of banks, exposure to reserve securities subject to credit risk, sensitivity to changes in interest rates, and the use of stablecoins as settlement instruments in capital markets. In extreme scenarios, the loss of parity or the collapse of the issuer can result in total losses for stablecoin holders.

Stablecoins may also have broader implications for the financial system through the debt market, due to the composition of their reserves. Specifically, the

[11] FSB (2023a) and FSB (2023b).
[12] BCBS (2024).
[13] See Box 3, "Technological advances, social media, and depositor perceptions," in the December 2024 Financial Stability Report.
[14] See Box 7, "Recent episodes of volatility in virtual asset financial markets," in the December 2022 Financial Stability Report.

GENIUS Act concentrates the backing of stablecoins in short-term US Treasury securities (T-bills with maturities of up to 93 days). This configuration increases dependence and common exposure to the US public debt market. In scenarios of stress or loss of confidence, a massive settlement of reserves could cause an abrupt adjustment in interest rates.

For its part, the MiCA regulation could generate new channels of macroprudential risk, as it requires that a minimum share of EMT reserves be held in bank deposits (30% for non-significant issuers[15] and 60% for significant issuers). This design, while strengthening immediate redemption capacity and protecting holders, also intensifies the link between stablecoins and the traditional banking system. In a scenario of significant expansion of their issuance, these connections could amplify the volatility of bank liabilities, affect the liquidity of the financial system, and cause shifts in credit allocation toward more liquid assets, reducing financing to the real economy.

It is also important to note that the coexistence of different regulatory frameworks, such as MiCA and GENIUS, introduces potential opportunities for regulatory arbitrage. For example, while European regulation explicitly prohibits the payment of interest to holders, the US framework does not specify whether it allows non-issuing brokers to offer returns, encouraging potential cross-border capital flows and putting pressure on convertibility regimes. These regulatory asymmetries could be amplified under multi-issuer schemes, in which identical tokens issued under different legal frameworks would be fully fungible, creating risks of contagion and circumvention of prudential safeguards.[16]

Finally, operational risks remain, such as interruptions in redemption processing systems and financial integrity, including cyber vulnerabilities, potential illicit uses, and difficulties in accurately calibrating the total value in circulation and corresponding reserves in the absence of regulatory harmonization. These factors reinforce the need for a coherent, internationally coordinated regulatory framework with effective prudential safeguards to mitigate risks to global financial stability.

V. Conclusions

Stablecoins continue to develop as one of the most relevant assets within the VAs ecosystem, and their rapid growth and the volume of their reserves raise important considerations for authorities.

At the regulatory level, some jurisdictions have issued prudential laws and regulations to mitigate the risks associated with these assets. However, their specific objectives and differences in regulatory design may introduce asymmetries and potential opportunities for regulatory arbitrage, underscoring the importance of international coordination.

The emergence of global, or large-scale, stablecoins could pose systemic risks, particularly if their issuance and use expand without an adequate and internationally consistent regulatory framework. Stablecoins require a comprehensive, consistent, and internationally coordinated regulatory approach based on the principles of "same risk, same regulation". Only then will it be possible to harness their innovative potential while mitigating vulnerabilities that could jeopardize the stability of the global financial system. Until such a uniform framework, which requires international coordination, is in place, it is important to maintain a healthy distance between the traditional financial system and these assets.

Banco de México will continue to promote a healthy distance between VAs and the traditional financial system and to monitor the evolution of this market in order to identify in a timely manner any potential implications for financial stability and to promote, if necessary, measures to safeguard it.

[15] To be classified as a significant EMT, it must meet at least three of the following characteristics: (i) Have more than 10 million holders; (ii) Have a capitalization or reserve value greater than €5 billion; (iii) It must carry out, on average, 2.5 million transactions per day, with a weighted average transaction value greater than €500 million; (iv) The issuer must be a basic platform service provider designated as an access gatekeeper in accordance with the Digital Markets Act; (v) The issuer's activities must be relevant on an international scale, including use for payments and remittances; (vi) Interconnection of the ART or EMT or its issuer with the financial system; (vii) The issuer issues at least one additional ART or EMT and provides at least one crypto-asset service. It should be noted that applicant issuers may also voluntarily request that their EMT be considered significant.

[16] European Systemic Risk Board (2025).

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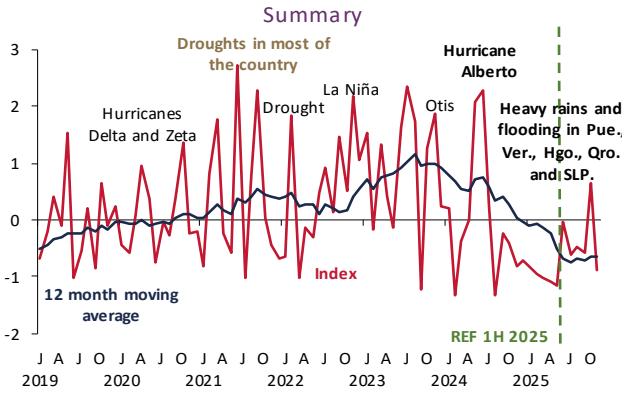
IV.4. Environmental risks and sustainability of investments

Environmental risks, particularly those associated with climate change, represent a source of risk for the financial system. These risks mainly manifest themselves as physical risks, derived 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 the 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*.

Indices of public interest in issues related to environmental risks and natural disasters

Since the previous *Report*, the index of extreme events and natural disasters, which captures public interest in these issues, has increased significantly. The factors that generated the most interest in internet searches were the terms "floods", "heavy rains," and "extreme weather," due to: i) the cyclone and monsoon season began earlier than usual in June, leading to heavy rains; Hurricane Eric in the southern Pacific and Tropical Storm Barry in the Gulf were particularly notable; ii) the persistence of severe storms caused recurrent urban floods and unusually severe hailstorms in the Valley of Mexico in July and September; and iii) flooding in October in the states of Veracruz, Puebla, San Luis Potosi, Hidalgo, and Queretaro (Graph 151).

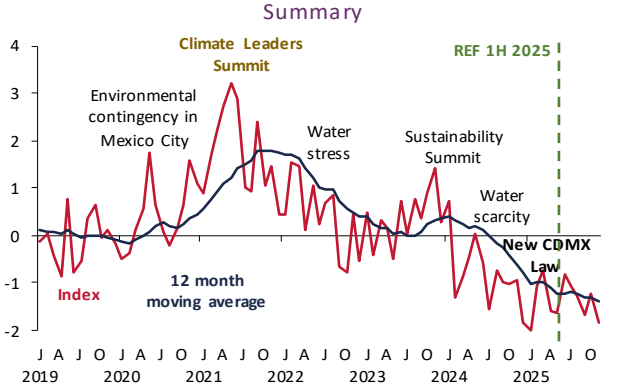
Graph 151
Interest index on isssues related to extreme hydro-meteorological events and natural disasters



Data as of November 2025.
Source: Banco de Mexico and Google Trends.

The index of events related to transition risks was higher than that observed in the previous six months. During this period, the most searched terms were "rising water levels," "energy policy," and "climate crisis", due to: i) flash floods in various urban areas of the country in June; ii) the establishment of the National Energy Commission and the publication of secondary laws on energy transition in July; and iii) the presence of extreme rainfall in the country, along with record global temperatures during August, September, and October (Graph 152).

Graph 152
Interest index on issues related to transition risks



Data as of November 2025.
Source: Banco de Mexico and Google Trends.

It is noteworthy that an increase in the indices reflects greater interest among Mexican society in the risks associated with climate change, energy transition, and extreme natural phenomena. This interest may arise from events that exert a positive, negative, or neutral effect on the environment.

Consequently, variations in these indicators should not be interpreted immediately as evidence of environmental deterioration or increased costs in the transition toward a more sustainable economy.

Transition risks

The transition toward a more sustainable economy entails risks for economic activities that generate greenhouse gas (GHG) emissions. Lower demand for polluting products may reduce their revenues, while environmental regulations may increase the costs of these activities. If these changes occur unexpectedly and rapidly, firms' profitability may decline and even lead them to cease operations. Therefore, although the transition toward a more sustainable economy offers benefits, it also entails costs for exposed firms.

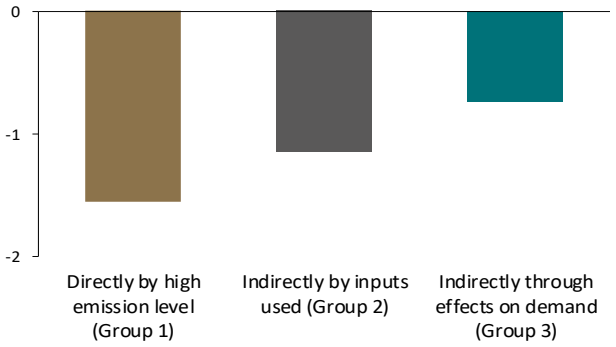
If these risks materialize, the financial health of companies could deteriorate and their credit obligations could be affected. Lower profitability and a loss of assets value could increase the non-performing loan ratio and credit risk in exposed sectors. It is therefore essential that financial intermediaries incorporate these risks into their credit assessments and pricing so that they adequately reflect exposure to transition risks. All this should be done without ceasing to provide credit to firms that, while solvent, could fall into a non-performing loan solely because they are unable to access refinancing under conditions of climate stress.

This section analyzes the exposure of commercial banks' corporate credit to transition risks. To this end, economic sectors are grouped into three categories: the first group includes sectors that generate high polluting emissions directly through their own production processes (Group 1). The second includes sectors that, although they do not pollute directly, their inputs, and therefore their costs, do depend on polluting firms (Group 2). The third group consists of firms whose demand is linked to the performance of sectors that emit greenhouse gases (Group 3).[127]

This approach makes it possible to identify not only direct exposure to transition risks, but also indirect exposure, through the effects that the transition could have on firms' costs and demand. In addition, it analyzes whether certain firm characteristics could amplify or, where appropriate, mitigate the effects if the transition risks materialize.

In this edition of *the Report,* a decline in banks' exposure to transition risks is observed across all sector groups. The largest decline occurred in sectors directly exposed to risks (Group 1), followed by those indirectly exposed through costs (Group 2), and those indirectly exposed through demand (Group 3) (Graph 153).

Graph 153
Portfolio balance changes in sectors exposed to transition risks
Percentage

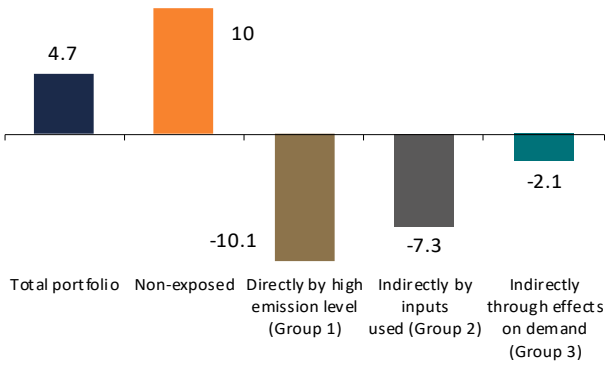


Data as of June 2025.
Source: Banco de México, CNBV and INEGI.

The volume of exposed credit showed a similar pattern, with larger declines in sectors directly exposed, followed by those indirectly exposed through costs and those indirectly exposed through demand (Groups 2 and 3) (Graph 154). In other words, the decline in credit was smaller for Group 3 sectors, where firms, due to their characteristics, are typically perceived as riskier. These sectors have a greater presence of individuals with business activity and small and medium-sized enterprises (SME), which tend to have fewer adaptation and mitigation policies, as well as more limited refinancing capacity, and are therefore often the most vulnerable (Graph 155).

[127] The definition of Group 2 is linked to Scopes 2 and 3 of the GHG protocol, as these scopes consider that companies can generate emissions, even if they occur physically in the facility producing the inputs rather than at the company consuming them. In other words, companies 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 154
Portfolio volume growth in sectors exposed to transition risks
Percentage

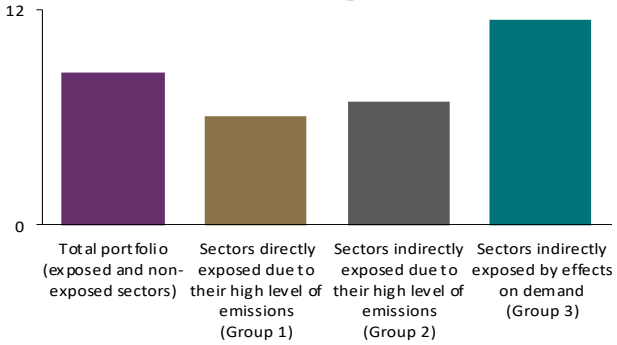


Data as of June 2025.
Source: Banco de México, CNBV and INEGI.

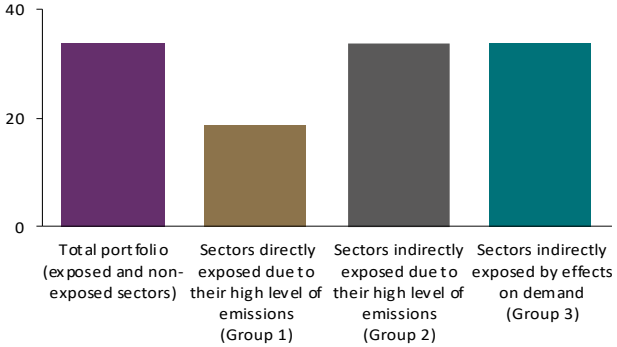
Group 3 companies' credit is generally the least affected when financial conditions are more accommodative and the loan portfolio expands in aggregate. This was also the case on this occasion, as on an annual basis, the total loan portfolio to private non-financial firms and productive public sector entities increased by 4.7%. Overall, the decline in exposed credit, and in banks' exposure to transition risks, does not reflect a decrease in the growth of the total portfolio, but rather a reallocation away from exposed sectors to non-exposed ones (Graph 154).

With regard to financial intermediaries, the portfolios of banks most exposed to Group 3 sectors are now less diversified, as their exposure to Group 1 sectors has concurrently increased. Consequently, if the transition were to impact firms that emit greenhouse gases (Group 1) and this in turn were to affect their suppliers (Group 3), the effect on these banks would be greater (Graph 156). In addition, the impact could be exacerbated by their characteristics; for example, these banks have lower capitalization than in the previous *Report* (Graph 157). Nevertheless, it is important to acknowledge that this occurs in a context in which, although to a lesser extent than other sector groups, Group 3 actually reduced its exposure to transition risks.

Graph 155
Portfolio in sectors exposed to transition risks, by type of exposure
a) Portfolio in firms owned by individuals
Percentage

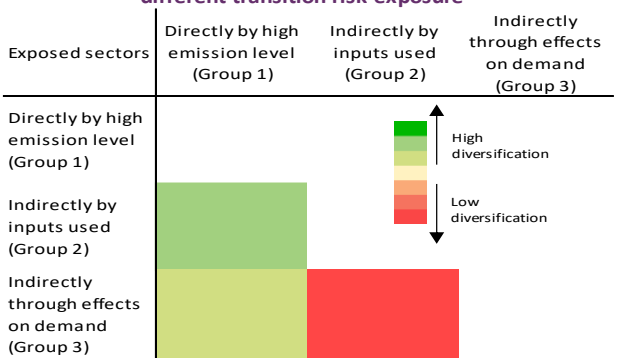


b) Portfolio percentage to SMEs
Percentage



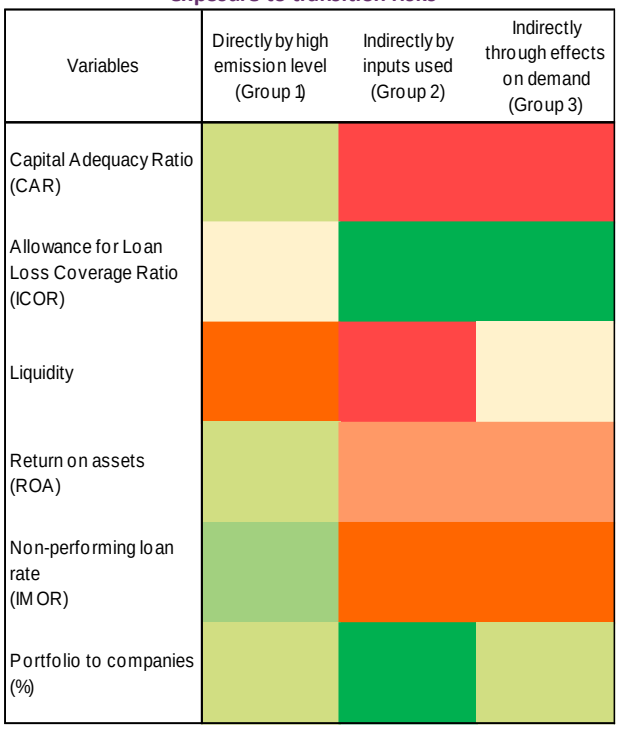
Data as of June 2025.
Source: Banco de Mexico, CNBV and INEGI.

Graph 156
Portfolio diversification among sectors with different transition risk exposure[1/]



Data as of June 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 157
Risk amplifiers and mitigants, depending on the bank's exposure to transition risks[1/]



Data as of June 2025.
Source: Banco de Mexico, 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 loan portfolio

The exposure of corporate credit to four hydrometeorological events is analyzed: tropical cyclones, floods, heat waves, and droughts. These events can cause damage and increase firms' costs, as well as reduce their revenues, thereby potentially increasing the risk of credit default.[128] Both the intensity and frequency of these phenomena are expected to increase in the coming years.

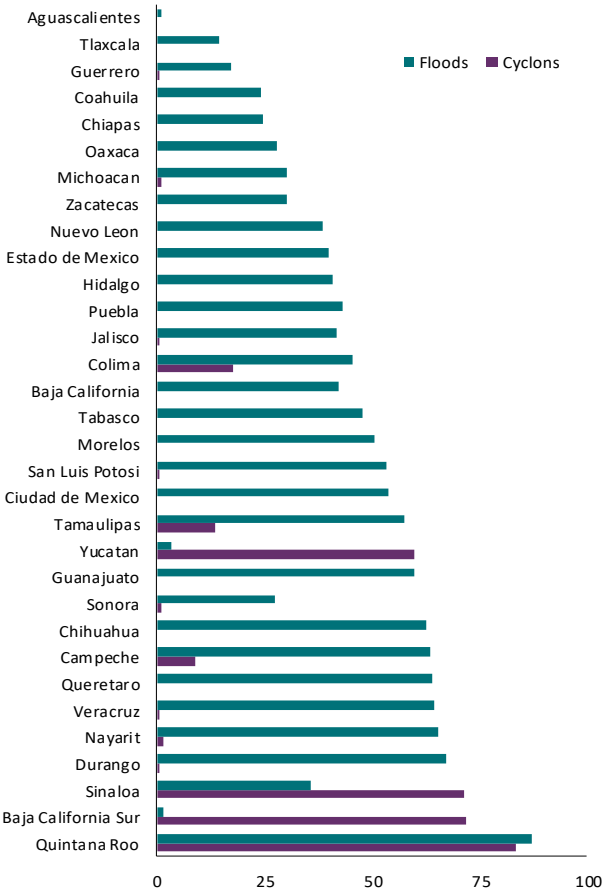
To identify the portfolios exposed to each phenomenon, the credit granted in the regions and sectors most vulnerable to each type of event is identified. To do this, the financing is first allocated to the municipalities where a specific type of event is more likely to occur. Subsequently, within these municipalities, credit is allocated exclusively to the sectors most susceptible to the phenomenon in question. This exposure measure is calculated for both the states and for the different banks in Mexico.

The hydrometeorological phenomenon to which banks are most exposed continues to be floods. Exposure to this phenomenon increased once more, thereby consolidating its upward trend. The aforementioned increase was mainly concentrated in certain states, such as Chihuahua, Michoacan, and Veracruz. Exposure to heat waves and cyclones also increased, in line with what has been observed in previous *Reports* (Graph 158 and Graph). This stands in contrast to the case of droughts, the only event among the four for which exposure decreased. The lower exposure to droughts occurred in nearly half of the states, with the primary sector standing out in states such as Guanajuato and San Luis Potosi (Graph 159).

The states with the highest exposure to droughts are those with the least diversified portfolios. In other words, those that generally show greater exposure to other hydrometeorological phenomena (Graph 160). However, these states also have more characteristics that could mitigate the effects, including a higher proportion of homes equipped with air conditioning and a lower proportion of individuals living in poverty (Graph 161). In contrast, the states with greater exposure to floods are those with a more diversified portfolio, yet fewer characteristics that could mitigate the impacts. For example, they have a lower proportion of homes with resistant roofs and less access to public drainage systems.

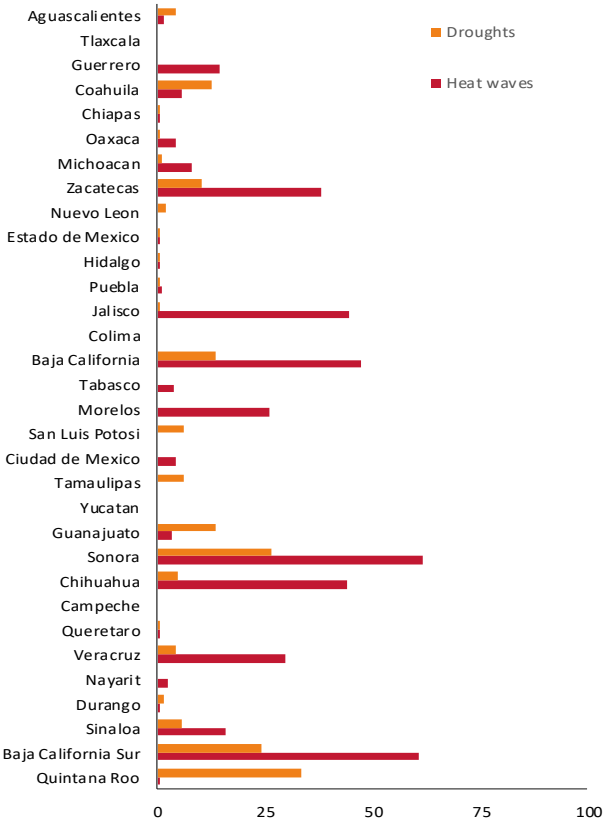
[128] The study *Thermal stress and financial distress: Extreme temperatures and firms' loan defaults in Mexico* by Aguilar-Gómez et al. (2024) finds that an unusually high number of days with extreme temperatures increase the non-performing loan ratio and that, as a result, companies face greater credit restrictions, higher rates, and greater collateral requirements, reflecting a tightening of financial conditions.

Graph 158
Portfolio in sectors and municipalities vulnerable to cyclons and floods
Percentage



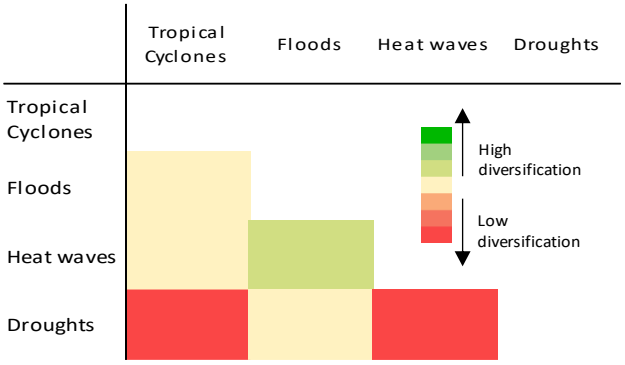
Data as of June 2025.
Source: Banco de Mexico, CENAPRED, CNBV and INEGI.

Graph 159
Portfolio in sectors and municipalities vulnerable to heat waves and droughts
Percentage



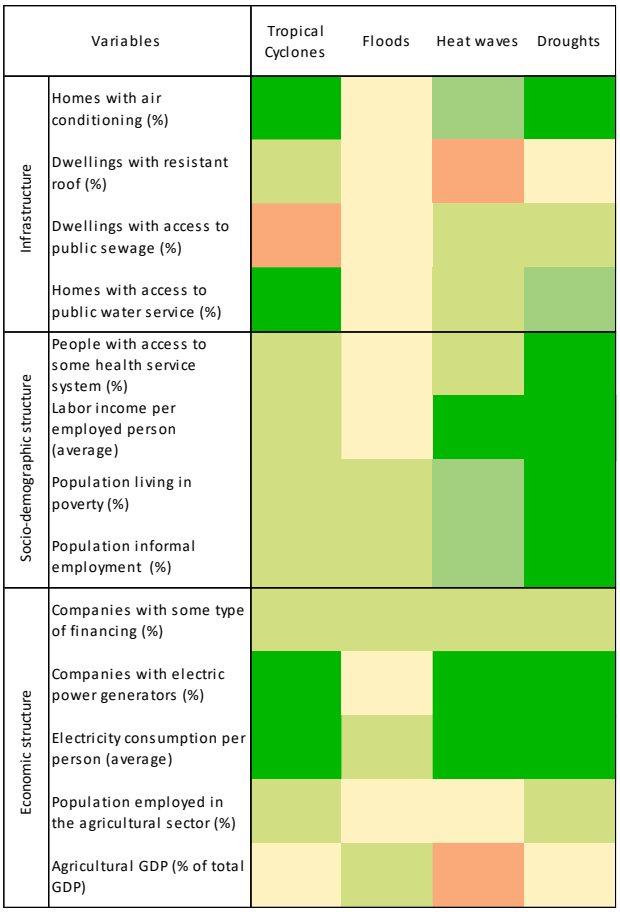
Data as of June 2025.
Source: Banco de México, CENAPRED, CNBV and INEGI.

Graph 160
Portfolio diversification among sectors and municipalities exposed to different hydro-meterological events (for different states) 1/



Data as of June 2025.
Source: Banco de Mexico, 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.

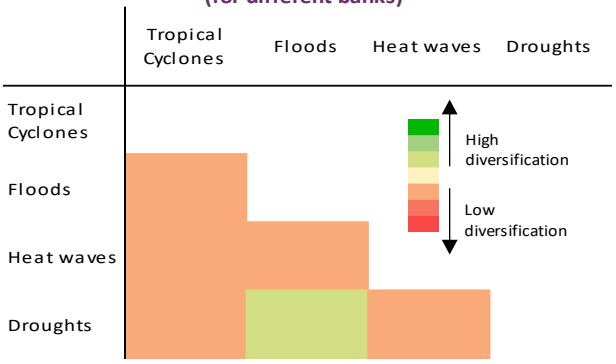
Graph 161
Amplifying and mitigating factors of physical risks (for different states)[1/]



Data as of June 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.

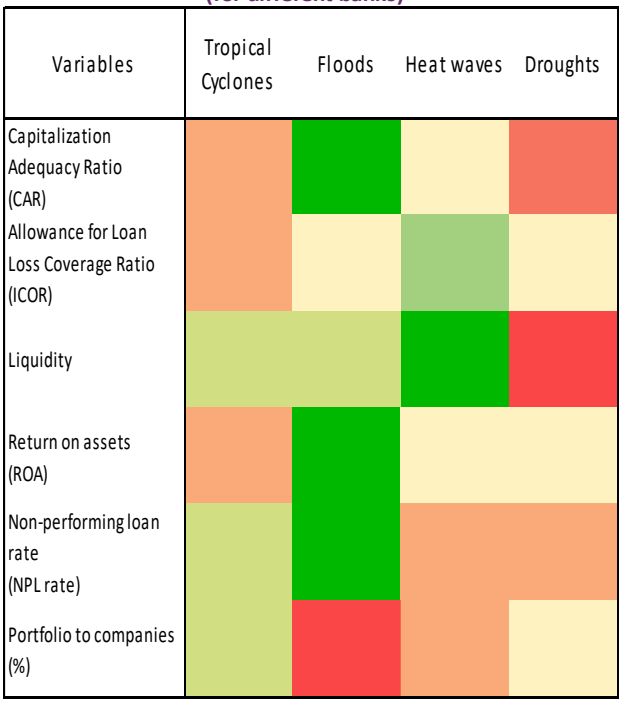
Meanwhile, banks' loan portfolios remain poorly diversified with respect to the simultaneous occurrence or short-term occurrence of this phenomenon, floods, and cyclones. Moreover, this diversification has declined again (Graph 162). Nevertheless, the banks most exposed to flooding are also those that have more characteristics that could mitigate the impacts (Graph 163).

Graph 162
Portfolio diversification among sectors and municipalities exposed to different hydrometeorological events (for different banks)[1/]



Data as of June 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 163
Factors amplifying and mitigating physical risks (for different banks)[1/]



Data as of June 2025.
Source: Banco de Mexico, 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.

Box 5: Access to corporate credit and emergency loan guarantees after natural disasters

I. Introduction

Natural disasters cause material and economic losses that reduce the productive capacity of firms, especially micro, small, and medium-sized enterprises (MSMEs). Access to credit is essential for their recovery, as it allows them to maintain liquidity, finance repairs, and resume operations.

However, in an environment of high uncertainty following a disaster, market failures—such as lack of collateral, weak property rights, and limited credit histories—restrict the ability of many firms to obtain financing on favorable terms. A widespread credit crunch not only slows recovery, but can also increase the risk of business failures and bank loan delinquency.

To address this problem, Nacional Financiera (Nafin), a Mexican development bank, implemented the *Emergency Scheme for Natural Disaster Support and Economic Recovery* in 2003, a credit guarantee program that facilitates access to financing for MSMEs in municipalities declared to be in a state of disaster. The scheme offers full coverage (100%), transferring the credit risk from financial intermediaries to Nafin and a public counter-guarantor. Between 2009 and 2018, the program was activated in 36% of the 4,501 municipal disaster declarations, most frequently after droughts (87%) and earthquakes (65%), compared to only 26% for events caused by rain or floods—the most common.

This box, based on Becerra, Dal Borgo, and Jaume (2025), analyzes the effects of disaster declarations on guaranteed and non-guaranteed credit, as well as the role played by the emergency program in this context. The study examines the conditions of the loans at the time of origination, the formation and persistence of relationships between firms and banks, and the subsequent performance of the loans. The objective is to determine how business loans respond to natural disasters and whether the support of the full guarantee program has been effective in maintaining the flow of financing to affected firms and preventing the amplification of shocks.

II. Program design and coverage

When the damage caused by severe natural phenomena exceeds local response capacity, the Ministry of the Interior issues a disaster declaration, enabling federal support to be channeled toward the repair of infrastructure and public services. Such declarations allow the emergency guarantee program to be activated, subject to a request by the affected entities and approval by the Ministry of Economy and Nafin, based on the magnitude of the damage and the availability of resources.

The program facilitates financing through financial intermediaries under flexible conditions and assists firms with loan application procedures. Eligible firms must have been in operation for at least two years and provide official verification of physical or economic damages. Financial terms include event-specific interest rate caps and maturities ranging between three to ten years, while the maximum loan amount has remained at 2 million pesos.

An analysis of municipalities with disaster declarations shows that certain types of events—particularly droughts and earthquakes—as well as higher per capita damage and a greater presence of participating bank branches increase the likelihood that the program is activated.

III. Methodology and data

The study period covers September 2009 to April 2018. The empirical analysis uses the difference-in-differences (DiD) estimator for staggered treatments proposed by de Chaisemartin and D'Haultfœuille (2024). Municipalities are compared before and after their first disaster declaration, after a minimum period of 12 months without events, using as a control group those municipalities without disasters during the entire period. The effects are estimated for an 18-month window after the disaster.

In addition to information on disaster declarations from the National Disaster Prevention Center (CENAPRED, its acronym in Spanish), records of new loans with guarantees issued by Nafin are combined with regulatory data on commercial bank loans, focusing on those eligible for Nafin guarantees. This

allows for the construction of two samples: (i) loans guaranteed by Nafin—including those outside the emergency program—which account for 35.2% of the total, and (ii) non-guaranteed loans.

Loans eligible for the program are defined as those that meet three conditions: (i) they are non-revolving, (ii) they have a committed amount of less than 2 million pesos, and (iii) they are granted by one of the seven participating banks. In the sample, eligible loans represent 45.1% of guaranteed loans and 23.4% of non-guaranteed loans. Using this broad definition, rather than restricting it to loans strictly within the program, allows for the estimation of effects for a comparable set of loans, even if they are not guaranteed and did not originate after a disaster. Under this strategy, any post-disaster effect observed only among eligible guaranteed loans can be attributed to the emergency program.

IV. Results

Effects on credit conditions

The analysis shows that disaster declarations significantly increase guaranteed credit, but only through loans eligible for the program. After 18 months of exposure to a disaster, the proportion of guaranteed loans and the fraction of the guaranteed amount increase by 6.9 and 8.0 percentage points (pp), respectively.

In terms of financial conditions, eligible guaranteed loans show substantial and statistically significant improvements—albeit temporary and more moderate in the amounts committed. The average cumulative effects are shown in Table 1.

Table 1
Average cumulative effects (18 months)

Outcome variables	Average cumulative effect
Interest rate	−5.50 pp***
Loan term	+0.44 years***
Guarantee coverage	+43.00 pp***
Committed amount	+32.5%*

Note: The table shows the average cumulative effects during the 18 months following the disaster declaration. The estimates correspond to guaranteed loans eligible for the emergency program and are taken from Becerra-Ornelas, Dal Borgo, and Jaume (2025). Significance levels: * 10%, ** 5%, *** 1%.

In contrast, eligible unguaranteed loans show no significant changes in these variables, confirming that the improvements observed among guaranteed loans are due to the program.

In municipalities where the program is not activated after a declaration, there is an increase in the amount of non-guaranteed credit, although no changes are observed in other financial conditions. This increase is even larger than that observed for guaranteed credit in municipalities where the program is activated, with the caveat that the program is typically triggered in response to more severe events. This suggests that, in the absence of the emergency scheme, banks also expand post-disaster credit, but without resorting to other partial guarantees from Nafin and without improving financing conditions.

Formation of firm–bank relationships

An important finding is that the program facilitates the formation of relationships between firms and banks, particularly among firms that did not previously have access to bank credit. As a result of disaster exposure, the number of relationships involving eligible and guaranteed loans increases by 3.30 per municipality over an 18-month period (22% above the average). However, the overall effect of disasters on this margin—which reflects both the probability that a firm has access to credit and the number of lenders—is limited, as no increase is observed in relationships associated with ineligible guaranteed loans or non-guaranteed loans.

New borrowers who receive financing through the program exhibit retention rates similar to those of firms that access credit without the program after a disaster. In subsequent loans, these borrowers obtain slightly more favorable terms than other new customers, which may support their continued participation in the financial system.

Loan performance

Finally, the performance of loans originated 12 months after a disaster declaration is evaluated by comparing them with loans in municipalities without a declaration and distinguishing by loan type.

In municipalities with a declaration, delinquency rates are 0.97 pp higher for guaranteed loans than for non-guaranteed loans and 1.05 pp higher for eligible loans than for ineligible loans. However, these differences disappear when firm-specific fixed effects are included—that is, when comparing multiple loans granted to the same borrower. This suggests that

eligible and guaranteed loans are not inherently riskier in disaster-affected municipalities, but are instead assigned to more vulnerable borrowers.

Furthermore, there is no evidence of higher default risk in loans associated with the program. In particular, no significant differences are observed in the credit performance of borrowers with higher and lower proportions of guaranteed and eligible loans. This indicates that banks do not assign program loans to higher-risk borrowers or relax their origination or monitoring standards compared to other loans of the same type granted under adverse conditions. This result suggests that the program's financing is effective in cushioning the shock by facilitating firm survival and reducing losses for Nafin and the public counter-guarantor.

V. Conclusions

The emergency guarantee program has proven effective in improving credit conditions and facilitating access to financing for firms affected by natural disasters. However, the impact on total credit volume and the expansion of firm–bank relationships is limited, suggesting that design adjustments—such as the adoption of partial coverage or greater flexibility in access requirements—could broaden its reach. Likewise, strengthening coordination with ex ante mechanisms, such as catastrophic insurance, would complement the public guarantees and reduce the need for post-disaster interventions.

References

Becerra, A., Dal Borgo, M., & Jaume, D. (2025). *Firms' credit access after disasters: Emergency loan guarantees at work*. Available on SSRN: https://ssrn.com/abstract=5529318.

de Chaisemartin, C. and D'Haultfœuille, X. (2024). *"Difference-in-Differences Estimators of Intertemporal Treatment Effects." The Review of Economics and Statistics*, pp. 1–45.

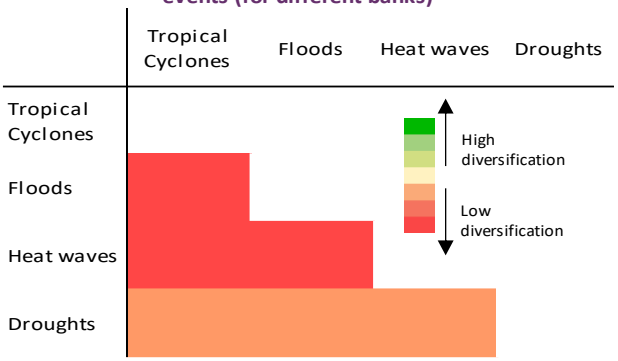
Physical risks: mortgage and consumer loans portfolios

This section examines exposure to physical risk in mortgage and consumer credit portfolios and, within the latter, in the automotive, payroll, personal, and revolving segments. The same four hydro-meteorological phenomena previously examined in the section on corporate credit is analyzed herein. The identification of exposed credit is achieved through a similar methodology, encompassing both the municipality and the sector in which the financing is granted.[129]

In the context of mortgage loans, floods remain the phenomenon to which commercial banks are most exposed, followed by heat waves. However, in contrast to the patterns observed in corporate credit, in mortgages, exposure to droughts increased, while exposure to floods decreased. An increase in exposure to the other two phenomena is also observed.

Despite the heightened exposure to droughts, the portfolios of banks most exposed to this phenomenon are now more diversified. By contrast, even though exposure to floods decreased, the banks most vulnerable to this phenomenon are now less diversified. Specifically, these financial intermediaries could now be more affected in the event of floods and cyclones in the same region in a short period (Graph 164).

Graph 164
Mortgage portfolio diversification among sectors and municipalities vulnerable to different hydrometeorological events (for different banks)[1/]

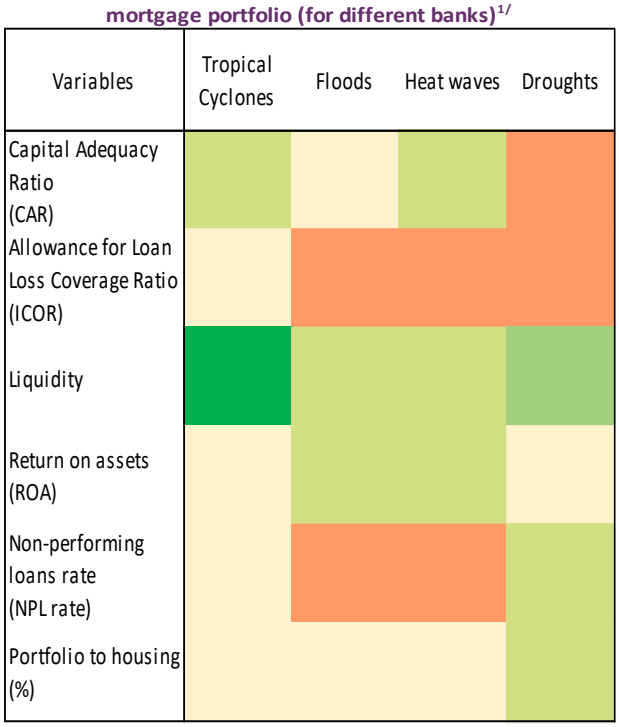


Data as of June 2024
Source: Banco de México, CENAPRED, CNBV and INEGI
1/ The colors show how diversified the portfolio is against these risks. The red color means less diversification, while the green color means more diversification. Diversification is based on the correlation coefficient between each bank's share of loan portfolios exposed to different hydrometeological events.

In regard to the characteristics that could amplify or mitigate the impacts, an increase in the liquidity of banks most exposed to physical risks was observed, but, in the opposite direction, there was also an increase in their non-performing loan ratios (Graph 165).

[129] The same four hydrometeorological events that were analyzed with the corporate portfolio are considered, and a similar process is followed to identify the exposed credit. Credit in the regions and sectors exposed to each type of hydrometeorological event is identified. Then, the proportion of the portfolio in the sectors at risk is estimated through two steps: the first consists of identifying, for each municipality, the share of the portfolio associated with high and low wages; and in the second step, this information is combined with employment data from the last census, approximating the portfolio in sectors at risk based on the share of formal employment in those sectors, differentiated by wage levels.

Graph 165
Amplifying and mitigating factors of physical risks in the mortgage portfolio (for different banks)[1/]

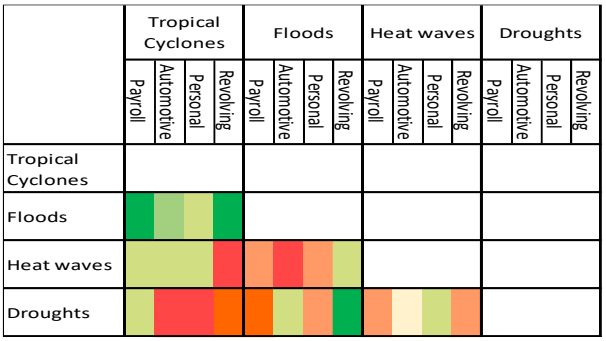


Data as of June 2025.
Source: Banco de México, CENAPRED, CNBV and INEGI.
1/ Shades of green show mitigating effects while shades of red show amplifying factors. The color is determined by the correlation coefficient between each factor and the shares of credit portfolios for each sector and municipality exposed to the different hydrometeorological events.

In consumer credit, floods continue to be the phenomenon to which banks are most exposed. Compared to the previous *Report*, there is notably lower exposure to heat waves, which decreased across all four credit segments considered. Also noteworthy across portfolios is the lower exposure to all four phenomena in the automotive segment.

Regarding portfolio diversification, the banks most exposed to droughts and heat waves are the least diversified. By segment, payroll loans exhibit the highest level of diversification, while the personal and revolving credit segments are the least diversified (Graph 166).

Graph 166
Consumer loan portfolio diversification among sectors and municipalities vulnerable to different hydrometeorological events (for different banks)[1/]

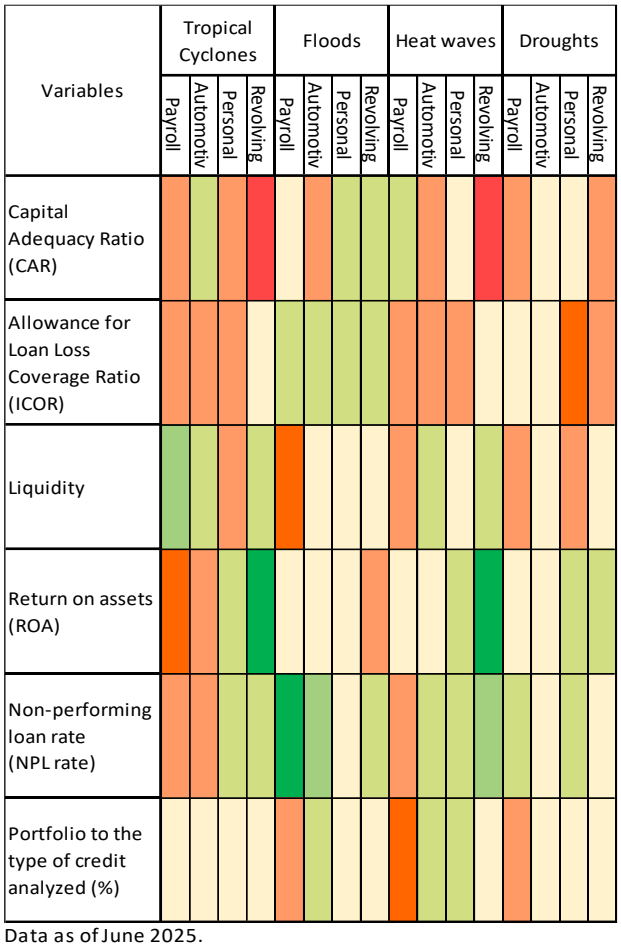


Data as of June 2025.
Source: Banco de México, CENAPRED, CNBV and INEGI,
1/ The colors show how diversified the portfolio is against these risks. The red color means less diversification, while the green color means more diversification. Diversification is based on the correlation coeffcicient between each bank's share of consumer loan portfolios exposed to different hydrometeorological events.

With respect to the factors that could amplify or mitigate the impacts, banks exposed to cyclones are those associated with more amplifiers, while those exposed to floods are associated with more mitigators. By segment, payroll loans are the segment that concentrates the most amplifiers, whereas the revolving segment concentrates the most mitigators, which contrasts with its lower diversification (Graph 167).

Graph 167

Amplifying and mitigating factors of physical risks in the consumer credit portfolio (for different banks)[1/]



Data as of June 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.

Box 6: Integrated Finance for Sustainability (FINES)

I. Introduction

Given the growing impact of climate and environmental risks on the economy and financial markets, it is essential for international organizations, government bodies, and financial institutions to strengthen their technical capacities in this area in order to:

- Identify the risks and vulnerabilities arising from environmental shocks;
- Support an orderly transition to a sustainable (low-emission) economy; and
- Promote the resilience of the Mexican financial system.

Thus, the study and promotion of sustainable finance are part of the Banco de México's sphere of interest in exercising its responsibility to preserve the stability of the financial system.

II. FINES: Capacity-building platform

Against this backdrop, the Financial System Stability Council (CESF, its acronym in Spanish) and its Sustainable Finances Committee (CFS, its acronym in Spanish), of which Banco de México is a member, promote capacity building through FINES (Integrated Finance for Sustainability) at www.fines-cfs.mx: a free, public digital platform designed to strengthen technical knowledge and contribute to climate and environmental risk management in the financial system, as well as to foster a culture of sustainability accessible to all audiences.

FINES centralizes and organizes specialized content on sustainable finance, with an emphasis on materials available in Spanish. Its objective is to guide users with different profiles toward the most appropriate resources according to their interests and needs, while promoting awareness of the importance of sustainable finance and contributing to the development of technical capacities in Mexico.

The platform offers free online training that is permanently accessible from any device, training paths organized for different types of audiences, and the dissemination of innovative content on sustainable finance.

III. Target audiences

The platform serves four key audiences:

Financial authorities: responsible for designing, implementing, and supervising public policies, regulatory frameworks, and guidelines to promote the stability and proper functioning of the financial system. This includes central banks, finance ministries, regulatory and supervisory institutions, as well as other government agencies with technical functions in the financial sector.

Financial institutions: banks, insurance companies, investment funds, pension funds, and other entities that wish to integrate environmental and climate criteria into their risk and opportunity management.

Businesses: organizations of different sizes and from different sectors that seek to align their business models with sustainability, improve their environmental and climate performance, and respond to the expectations of investors, customers, and regulators.

General public: students, academics, investors, and citizens interested in accessing reliable information on sustainable finance in order to make informed decisions.

IV. Organization of resources

FINES offers five types of resources: courses, videos, reference materials, audio files, and interactive platforms.

Users can access the content in three ways:

i. **A thematic catalog:** presents all resources organized into five major areas of interest (Graph 1):
   - Fundamentals of sustainable finance.
   - Governance, policy, and social participation.
   - Capital mobilization and information disclosure in sustainable finance.
   - Risks and opportunities related to sustainability.

- Business transition towards sustainability.

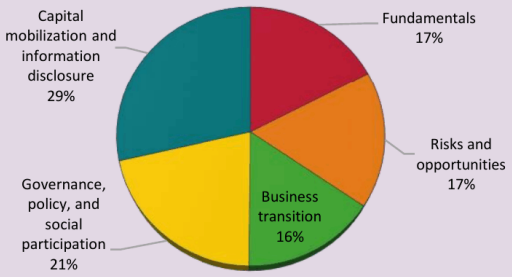
ii. **Training routes:** designed for each type of audience.

iii. **Keyword search engine:** allows users to locate specific content according to their interests or needs.

Graph 1

Distribution of resources by area of interest

Percent



Data as of November 2025.
Source: Banco de México and FINES.

V. Final considerations

The platform has been developed with technical and editorial support from international partners such as the French Development Agency (AFD) and German Development Cooperation (GIZ). It is available on any device at and www.fines-cfs.mx.

FINES represents a key advance in the dissemination of knowledge about sustainable finance. By offering access to high-quality technical content, the platform contributes to capacity building, an orderly transition to a sustainable economy, and the strengthening of the stability of the Mexican financial system.

References

www.fines-cfs.mx

Sustainable Finance Committee (CFS, its acronym in Spanish)

The working groups of 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 second half of 2025. These groups were established by the SFC 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 companies and financial institutions.

During this period, the climate scenario analysis pilot project, in which ten financial institutions participated, was completed. The aggregate results, along with the barriers identified and key lessons learned from this pilot exercise, are available in the report published by the Mexican Council for Sustainable Finance.[130]

The CFS, through Banco de México, completed the development of a digital repository for learning and collaboration in sustainable finance (see Box 6).

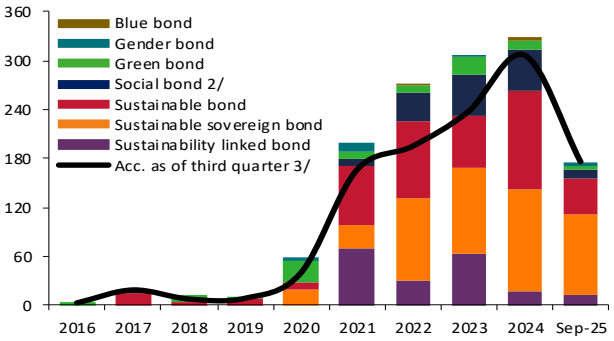
Sustainable financial assets

The thematic bond market allows companies and other issuers to increase the diversification of their financing sources by considering sustainability criteria. Nonetheless, during the first nine months of 2025, the issuance of this type of financial instruments was less dynamic compared to the amount issued in the same period of the last three years (Graph 168).

[130] See CMFS report "Lessons learned and barriers from the first pilot project on climate scenario analysis for the Mexican financial sector, 2024–2025."

Graph 168
Issuance of sustainable, green, social and gender bonds [1/]

Billions of pesos



Data as of September 2025.

Source: Consejo Mexicano de Finanzas Sostenibles and Indeval.

1/ At face value.

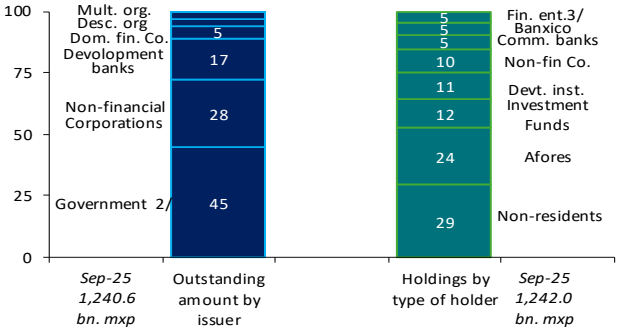
2/ Includes COVID-19 social bond.

3/ Accumulated issued amount as of third quarter per year not considering bond type.

It is worth mentioning that, during the aforementioned period, the main issuer of thematic bonds was the public sector (Graph 168). Meanwhile, the greatest demand for thematic bonds in Mexico is concentrated mostly among foreign and domestic institutional investors, particularly Siefores and investment funds (Graph 169).

Graph 169
Outstanding amount by issuer and holdings by type of holder (Sep-25) [1/]

Percent



Data as of September 2025.

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.5. Financial markets infrastructure

Central securities depository and securities settlement systems

The Securities Deposit, Administration, and Settlement System (DALI), managed by Institución para el Depósito de Valores, S. A. de C. V. (Indeval), is the financial market infrastructure in charge of the securities depository and settlement of all transactions, including purchases and sales, repurchase agreements, and securities lending that are settled in the Mexican financial market.

At the end of October 2025, the accumulated availability level of DALI services was 98.95%. The accumulated availability of peripheral services in the same period was 100%. These services correspond to:

- Repo and Valuation Management Services (SAVAR), which administers collateral for repurchase agreements with maturities exceeding three days in Mexico;
- Specialized securities lending Facility (Valpre E), which administers securities lending in Mexico related to the SHCP's market makers program, and;
- Securities Lending Facility for DALI Participants (Valpre FV), which allows the arrangement of securities lending between financial institutions in Mexico.

At the end of October 2025, the average daily settlement amount on the DALI was 5.46 trillion pesos. Of the total amount traded, 85.15% corresponded to repurchase agreements, 8.62% to purchase and sale transactions, and 6.23% to others.[131]

Central counterparties (CCP)

A central counterparty is a financial market infrastructure that interposes itself between the parties entering into financial transactions, becoming a buyer for each seller and a seller for each buyer.

[131] The category "Other" includes primary auctions of domestic debt securities or repurchases transactions of domestic debt securities, delivery-versus-payment (DVP) custodial transfers, and transactions related to the payment of interest, dividends, principal repayments, or any other activity linked to securities transactions.

Contraparte Central de Valores, S.A. de C.V. (CCV) and *Asigna Compensación y Liquidación* (Asigna) are the central counterparties established in Mexico to clear and settle securities and derivatives transactions, respectively. As of November 26, CCV allows the clearing and settlement of government bond purchase and sale transactions, expanding the scope of its services, which were previously limited to securities traded on equity exchanges. The purpose of this service is to enhance risk management and operational continuity in the government debt market, as well as to contribute to electronic trading in these markets.

CCV and Asigna have procedures and methodologies for requesting financial resources from their participants to cover the credit and liquidity risk exposures that these infrastructures assume as a result of their role as reciprocal debtor and creditor of the financial transactions they clear and settle. The Initial Margin Fund and the Default Fund are composed of these resources. The Initial Margin Fund is made up of guarantees provided by the participants of the central counterparties, also known as Clearing Members, and the clients of such members to cover their market risk and liquidity risk exposures, in the event of the materialization of a Clearing Member's credit risk. In turn, the Default Fund is constituted of Clearing Members with collateral that can be mutualized to address a default, particularly under market stress conditions.

During the second half of 2025, Asigna and CCV have covered their risk exposures consistent with the resources required as guarantees for the Initial Margin Funds and the Default Funds. In the case of Asigna, its Safety Net[132] is 32,869 million pesos, which is mainly composed of an Initial Margin Fund of 28,357 million pesos,[133] with 69.44% cash resources, as well as a Default Fund of 3,425 million pesos, composed entirely of cash resources.[134]

On the part of CCV, its Safety Net is 7,101 million pesos and is mainly composed of an Initial Margin Fund of 4,093 million pesos, with 99.01% cash resources, as well as a Default Fund of 2,250 million pesos, consisting of cash resources.[135]

During the second half of 2025, the Asigna and CCV systems have presented a cumulative availability level of 100%.

IV.6. Other risks to the financial system

IV.6.1. Risks to operating continuity

Banco de México must maintain a high availability rate for the systems it manages and operates due to the systemic importance of the Financial Markets Infrastructures and payment systems. At the end of the third quarter of 2025, the average availability rate of the two SPEI instances was 99.995%, which represents an average unavailability of 26 minutes for both instances, mainly attributable to the time required to perform maintenance to the infrastructure that supports the system's operation.

On the other hand, during the second half of 2025, improvements were incorporated to strengthen the security of SPEI and SPID. Thus, we performed business continuity exercises in conjunction with participants, with the aim of verifying that the necessary elements are in place to address any event that could affect the availability of both, the central and the participants infrastructure.

It should be noted that, in the third quarter of 2025, Banco de México has not experienced any incidents in the technological infrastructure it uses to operate payment systems, nor in its operational processes. In this vein, payment systems have not interrupted their services as a result of any incident.

IV.6.2. Cyber risks

Cybersecurity risks continue to be among the main challenges to the stability of the financial system, given the increasing frequency, impact, and sophistication of cyberattacks. In the global environment, there has been a notable increase in attacks on technology service supply chains.[136] On

[132] The Safety Net is a set of financial resources established by central counterparties (CCP), primarily funded through the requirements imposed on their participants, to cover credit risk and liquidity risk exposures.

[133] This amount corresponds to the required contributions, which may vary from the contributions deposited, as the Clearing Members may decide to deposit an amount greater than that required.

[134] Data as of October 31, 2025.

[135] Data as of October 31, 2025.

[136] WEF_Global_Cybersecurity_Outlook_2025.pdf (weforum.org) (p.9)

one hand, a successful cyberattack affecting a systemically important financial institution[137] could disrupt essential services, negatively affect public confidence, and have severe economic and reputational implications. On the other hand, the high degree of interconnection between financial institutions and third-party providers means that such events can spread widely.[138] As a result, financial institutions and financial authorities, both in Mexico and on a global scale, are continually adapting security measures to the changing and emerging environment of information technology to strengthen the cyber resilience of the financial sector.

In this vein, the global financial sector is monitoring the evolution of cybersecurity risks associated with the adoption of AI in the internal processes and services offered by financial institutions.[139] The uncontrolled use of AI tools in organizations could lead to IT vulnerabilities and information leaks, either from the institution itself or from its customers.[140] Therefore, it is necessary to promote the responsible, orderly, secure, and consistent development of AI-based technologies in organizations, as well as processes to evaluate their security. The risks associated with these technologies should not be underestimated, given the rapid pace of their adoption and ease of use.

Like other central banks, Banco de México has incorporated risks arising from the use of AI into its institutional risk management and will continue to monitor the evolution and adoption of this technology in the financial system, a practice initiated in 2024.

Additionally, there has been an increase in cyberattacks targeting technology companies that offer products and services to financial institutions. These attacks aim to steal customer access credentials, which can be used to commit fraud.[141] Mexican financial institutions have developed response mechanisms to this type of attack, which, as of the date of this *Report*, have allowed them to avoid direct damage to the institutions or their customers.

Banco de México and Mexican financial authorities have been monitoring cyberattacks originating from geopolitical conflicts that could trigger events affecting the country's critical infrastructure,[142] particularly the conflicts between Russia and Ukraine, and those originating in the Middle East. The alert level for the Mexican financial sector remains at "Yellow,"[143] mainly because there have been no changes in the patterns of attacks that could be attributed to these conflicts. However, Banco de México continues to monitor any possible cyberthreats arising from these conflicts and encourages financial institutions in Mexico to maintain their protection and response plans.

At the end of June and in August 2025, financial institutions reported three cyber incidents,[144] which were handled by the Security Sensitive Incidents Response Group (GRI, its acronym in Spanish) of the financial authorities[145] in accordance with its protocols, with no economic impact reported to the customers of these institutions.

During this period, the financial authorities, through the GRI, issued four bulletins with technical information on cybersecurity intelligence to their regulated entities. With this information, financial institutions can proactively strengthen their protection strategies and prevent attacks that have been observed in other institutions, thereby contributing to the overall cybersecurity of the financial sector.

In order to continue developing capabilities to effectively deal against cyber incidents, in September 2025 Banco de México coordinated a Table-Top Exercise with the participation of the authorities that

[137] Domestic Systemically Important Banks | National Banking and Securities Commission | Government | gob.mx (www.gob.mx)

[138] Promoting Global Financial Stability: 2024 FSB Annual Report (p. 8)

[139] WEF_Global_Cybersecurity_Outlook_2025.pdf (weforum.org) (p.9)

[140] World Economic Forum: Artificial Intelligence and Cybersecurity: Balancing Risks and Rewards.

[141] Salesforce Security Advisory.

[142] Significant Cyber Incidents | Strategic Technologies Program | CSIS.

[143] At the "Yellow" alert level, digital surveillance is maintained, focusing on monitoring cyberthreats and relevant events associated with military conflicts by the actors directly involved or their sympathizers. It comprehensively considers technological and operational actions to monitor the SWIFT system and other platforms used for international transactions.

[144] Major cyber incidents that occurred in 2025 in the national financial system that have been reported to the Banco de México, available at: Table of incidents 2025

[145] SHCP, Banco de México, CNBV, CONDUSEF, CONSAR, IPAB, and CNSF.

make up the GRI, the Attorney General's Office (FGR, its acronym in Spanish), and three institutions belonging to the same financial group. This exercise evaluated the participants' capabilities to detect, analyze, contain, eradicate, and remediate a cyberattack, as well as a possible escalation to those responsible for financial stability. As a result, the participants demonstrated that they had documented processes for addressing and responding to cybersecurity incidents, both individually and as a group. The opportunities for improvement identified will help participants strengthen their cyber resilience processes. This Central Institute will continue to promote this type of exercise to reinforce the Mexican financial sector's response capabilities to various cyber incidents.

Additionally, with the aim of strengthening collaboration and information exchange among financial institutions in the cybersecurity field, during the period covered by this *Report*, continuous communication was maintained with those responsible for information security at financial institutions.

To measure cybersecurity levels in the Mexican financial system, Banco de México monitors various cybersecurity risk indices. In particular, the Cybersecurity Index for Mexican Financial Institutions[146] stands at 88%, an improvement compared to the 85% obtained in 2024. Strengths were identified in the areas of Governance and Intelligence, indicating a comprehensive strengthening of operational, structural, and strategic capabilities. Furthermore, some areas of opportunity were identified to reinforce the technical capabilities of financial institutions to prevent, monitor, and control security in technological infrastructure.

In addition, the Cyberattack Risk Index in Mexico[147] showed during the second half of 2025 (Graph 170) that, as in previous years, the most frequent cyberthreats were *ransomware*[148] and cybercriminal groups. During this year, *ransomware* has increased by integrating *Ransomware-as-a-service*[149] into its business model, in addition to taking advantage of innovative techniques based on Artificial Intelligence. Also, cybercriminal groups have formed alliances, combining their strengths to improve their capabilities to carry out cyberattacks with greater impact through, for example, *phishing* campaigns targeting financial institutions and their customers, the use of AI for the development or optimization of malicious software, and the breach of commonly used computer platforms. The activity of these cybercriminal groups has enabled them to compromise the computer systems of institutions in the Mexican financial sector, such as electronic transfer services and ATM cash withdrawals.

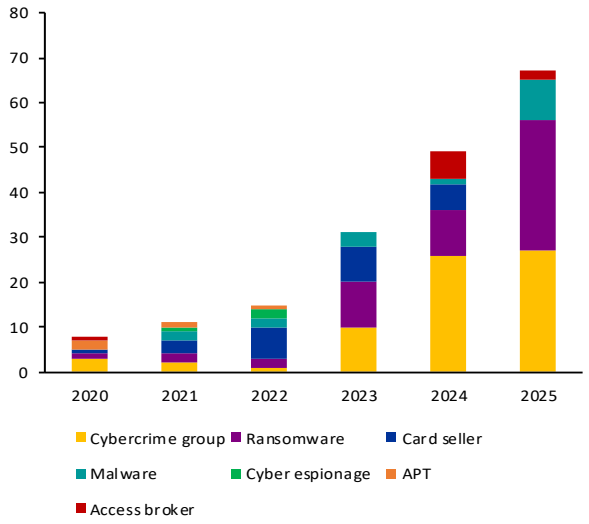
[146] It is constructed with information from 99 financial institutions in the areas of Governance, Intelligence, Resilience, Technical Capacity, and Awareness and Training, based on international standards and best practices.

[147] This indicator is based on news and publications in various specialized forums and provides an overview of the types of cyberattacks that have been carried out against institutions in the Mexican financial sector during the period covered by this *report*.

[148] ***Access broker:*** a threat actor who illegally accesses organizations' computer networks and resells access through clandestine Internet forums. ***APT***: Advanced Persistent Threat, by its initials in English, has high levels of expertise in hacking techniques and the resources and time required to use various sophisticated attack vectors to compromise target organizations in order to sabotage them, obtain sensitive information, or make financial gains. ***Card seller:*** Threat actors whose main activity is to steal information related to the bank cards of financial institution customers in order to sell it on clandestine Internet forums. **Cyber espionage**: A threat whose purpose is to extract sensitive information from government institutions or large corporations. **Cybercriminal group**: a threat derived from criminal activities aimed at exploiting the computer systems that provide services to the institutions' customers, with the aim of obtaining financial resources in bank accounts controlled by the attackers. This category includes widespread threats to which the institutions' transactional systems are exposed and which 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 type of malicious software whose purpose is to hijack sensitive information from a computer system in order to force the victim to pay a ransom for its return or to prevent its publication on clandestine Internet forums.

[149] This is a business model in which *ransomware* is offered as a service, allowing any actor or threat group to use it without the need for advanced technical knowledge of the code.

Graph 170
Mexican Cybersecurity Attacks Risk Index
News items

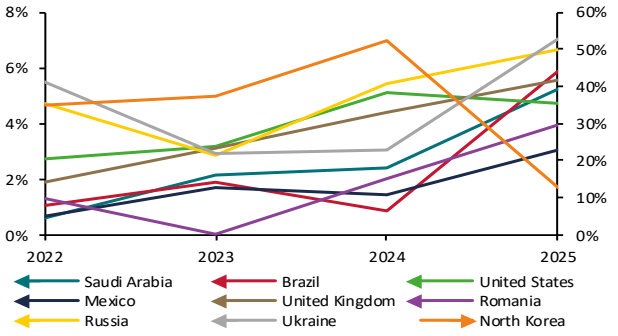


Data as of December 2025.
Source: Banco de México.

With regard to the Risk Perception Index of Cyberattacks to the Financial System,[150] which measures cybersecurity risks in the financial sector for different countries based on news reports,[151] the results indicate that, for the period between January 2022 and November 2025, Mexico obtained a rating of 1.89% and ranks 39th out of 172 countries, where lower positions in the ranking are associated with a higher perception of cybersecurity risks. Thus, Mexico remains below the mean of 4.35% and the median of 3.38% for all countries.

An examination of the annual index for a selection of countries shows that in 2025, the United Kingdom and Romania recorded slight increases relative to 2024. These were linked to the arrest of 13 people in Romania who led an attack on the UK tax office. Also noteworthy are the indices for Brazil, motivated by the cyberattack on a financial infrastructure provider, in what was considered the largest cyberattack on the Brazilian financial system; and Saudi Arabia, in relation to the inauguration of a cyber resilience center in the country by Mastercard. In the case of Russia and Ukraine, continued reinforcement of defense measures among NATO, including in the field of cybersecurity, is still noted. In contrast, North Korea's index shows a decline, with related news referring to sanctions imposed on virtual asset software for allegedly supporting a network of hackers. Finally, Mexico's index increased slightly, reflecting the priority that cybersecurity should have in the region (Graph 171).

Graph 171
Risk Perception Index of Cyber-attacks to the Financial System
News ratio



Data as of November 2025.
Source: Banco de México with information from Refinitiv.

The indices presented allow for an assessment of the state of cybersecurity in the Mexican financial system and enable Banco de México to identify the main cybersecurity risks of the period, as well as their persistence and evolution over time, and to encourage financial institutions to maintain robust cybersecurity strategies to mitigate them. These actions have made it possible to improve their cyberthreat intelligence capabilities, strengthen ongoing awareness among staff, including senior management, to deal with the new techniques used by cybercriminal groups, and continue to conduct simulation exercises that include cyberattack scenarios, in which financial institutions put their incident response capabilities into practice, as can be seen in the improvement in the Cybersecurity Index of Mexican Financial Institutions. These actions, together with compliance with relevant regulations, improve the protection and cyber resilience of the financial sector against cybersecurity risks.

[150] The index per country is calculated as the ratio between the number of news items related to cybersecurity risks in the financial sector and the number of news items related to general risks in this sector (cybersecurity risks, credit risk, reputational risk, environmental risk, among others). A higher level in the index corresponds to a greater perception of cybersecurity risks.

[151] The index is constructed based on a dataset obtained from Refinitiv, which contains news published by Reuters and other national and international media sources, both in English and Spanish, related to financial and economic issues.

V. Stress test and recovery plans

V.1. Credit stress tests

Stress tests are exercises carried out by the Banco de México to promote the sound development of the financial system. The exercises simulate severe, yet plausible, macroeconomic and financial shocks that could affect commercial banks' solvency or their ability as a financial intermediary, in order to test their capital adequacy.

This exercise evaluated the impact of three distinct macroeconomic scenarios[152], as well as three historical scenarios that replicate the trajectories of key macro-financial variables during past periods of high volatility and stress, with the aim of observing what would happen if a similar event were to occur.

Results show that the financial system is resilient to shocks across the different scenarios. Both solvency, as measured through the CAR, and the leverage ratio remained above the regulatory minimums throughout the stress horizon.

Although the scenarios are built with certain macro-financial risks in mind, risks discussed in this *Report* should not be assigned a probability of occurrence or interpreted as a prediction of future economic events. Rather, the exercise seeks to identify and analyze the system's vulnerabilities, functioning as a simulation of a counterfactual and partial equilibrium model.

Scenario A: Weakening of Domestic Consumption and Investment

This scenario corresponds to a prolonged and acute weakening of domestic consumption and investment, which would have an adverse effect on the employment rate, household income levels, and companies' economic prospects. This lower level of output and income growth is the main factor that would impact banks' balance sheets.

Scenario B: Slowdown in Global Economic Activity

This scenario simulates the occurrence of a significant slowdown in advanced economies, particularly that of the United States, such that its economy would enter a recession. The deceleration in the United States' imports and industrial activity would affect Mexico's economic growth, causing high volatility in financial markets and the exchange rate. The economic slowdown would be reflected in lower demand for credit, a higher unemployment rate, and an increase in the non-performing loan ratio of the loan portfolio.

Scenario C: Adjustment in Credit Rating

This scenario pertains to a possible loss in the sovereign credit rating, as well as a loss in Pemex's rating, due to credit agencies having a worsened outlook. Increased volatility in domestic financial markets, a depreciation of the exchange rate, and higher risk premiums create upward pressures on interest rates. Hence, this will set forth a contraction in aggregate demand, causing a decrease in the employment rate and production. This environment limits credit growth, and a higher non-performing loan ratio is to be expected, both of which will have repercussions on banks' ability to generate income.

Scenario D: Adverse shock with implications for the global financial system

The characteristics of this type of event make it difficult to determine its nature, but if it were to materialize, there would be an adverse impact on global economic growth and high volatility in domestic and international financial markets. In this environment of lower economic activity and high uncertainty, low credit demand, exchange rate volatility, and a higher non-performing loan ratio in the credit portfolio would be expected.

Historical Scenarios

Three relatively recent historic scenarios, of high stress and volatility, were considered. They replicate

[152] In the scenarios analyzed, the variables are affected by simultaneous shocks of varying magnitude. In set A, they range between -1.49 and 2.90 standard deviations, with a notable drop of -1.15 in unemployment, an increase of 2.90 in the exchange rate, and a decrease of -1.49 in IGAE growth. Set B presents shocks between -1.67 and 2.90 deviations, with significant variations of 1.04 in unemployment, 2.90 in the exchange rate, and -1.67 in the IGAE. In set C, the shocks range from -1.41 to 2.02 deviations, with a notable increase of 2.02 in the exchange rate and a contraction of -1.41 in IGAE growth. Finally, set D presents shocks between -1.92 and 3.08 deviations, with significant variations of 1.42 in unemployment, 3.08 in the exchange rate, and -1.92 in the IGAE.

the trajectories of key macro-financial variables: the 1995 economic crisis (H1), the 2008 global financial crisis (H2), and the economic crisis caused by COVID-19 (H3).

Methodological Framework

This exercise uses the same methodology as past editions of the *Report*. Scenarios are generated using a vector autoregression model (VAR) with a 36-month horizon. Simulations are created around central trajectories, which represent the movements of key macro-financial variables which correspond to a given scenario's narrative. This model generates random shocks that affect the trajectories of those variables while maintaining internal consistency.

With the scenarios generated, the possible market losses that banking institutions would suffer were evaluated, taking into account the effect of financial contagion that could spread and increase the magnitude of the shock through the interbank network.

Using an econometric model, the impact of macro-financial shocks on the composition of banks' reserves, loan default probabilities, and the dynamics of their credit portfolios are measured.

Furthermore, the exercise considers differentiated impacts based on the composition of banks' portfolios across economic sectors. The differences are driven by the growth of each economic sector and the credit performance of their private non-financial institutions.

Additionally, a simulation process is used to model low-probability, high-severity events, enabling the measurement of the impact of defaults by the largest debtors in the system.

Lastly, the effects on operations and solvency are calculated. To achieve this, financial margins are derived from the elasticity of asset and liability interest rates relative to the Federal Treasury Certificate rate. Non-financial margins and administrative costs are also calculated; both constitute a constant proportion of the total credit portfolio of a given bank and thus will change by the same ratio. Having obtained the operating results, market, contagion, and credit losses, the capacity of banks to absorb shocks and the evolution of the system's net capital in a given scenario are identified.

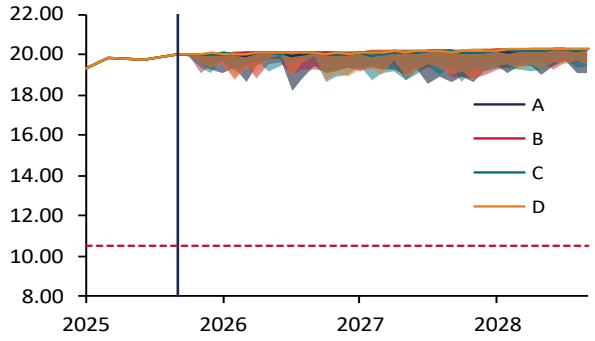
Nevertheless, the model might underestimate complementary effects between different scenarios that, when combined, could amplify negative shocks, feedback loops between the financial and real sectors, or unexpected non-linear effects.

One of the assumptions of the exercise is that the reactions of banks and regulators are not considered. In other words, throughout the stress horizon, banks are unable to change their business strategy, make equity contributions, or adjust the proportion of their portfolio assigned to repo and derivative transactions. Regulators are also constrained and unable to take actions that could mitigate the magnitude of shocks. Therefore, the exercise functions as a counterfactual and partial equilibrium model.

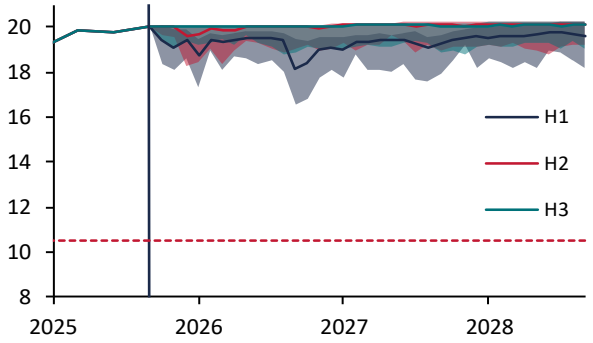
Main results

In the simulated scenarios, the system ends up with capitalization levels above the regulatory minimum at the end of the evaluated time horizon (Graph 172a). When considering historical scenarios, the observed capitalization levels are lower, but remain above the regulatory minimum (Graph 172b). In the short term, reductions are observed in net capital levels (Graph 173a) and risk-weighted assets (Graph 174a). This is consistent with a deleveraging process in response to the severity of the scenarios, and is equally more pronounced in the historical scenarios (Graph 173b) and Graph 174b).

Graph 172
System's Capital Adequacy Ratio (CAR)
a) Scenarios A, B, C and D
Percent

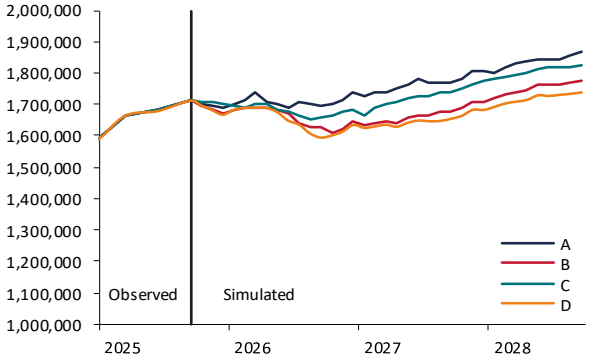


b) Historical Scenarios
Percent

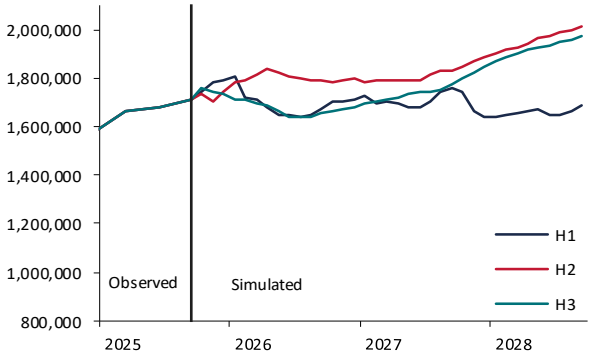


Data as of September 2025 and simulations 3 years thereafter.
Source: Banco de México.
1/ The dotted horizontal line corresponds to the regulatory minimum CAR level.

Graph 173
Evolution of the average net capital of the system
a) Scenarios A, B, C and D
Million pesos

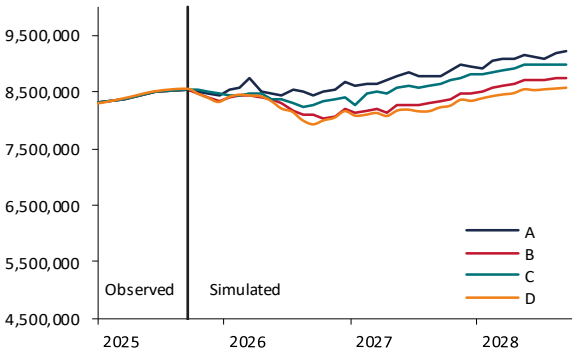


b) Historical Scenarios
Million pesos

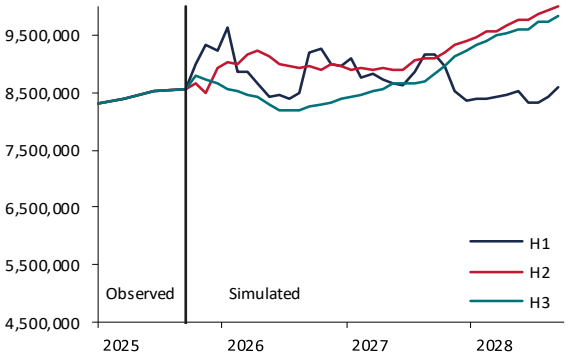


Data as of September 2025 and simulations 3 years thereafter.
Sourcee: Banco de México.

Graph 174
Evolution of the system's average risk-weighted assets
a) Scenarios A, B, C and D
Million pesos



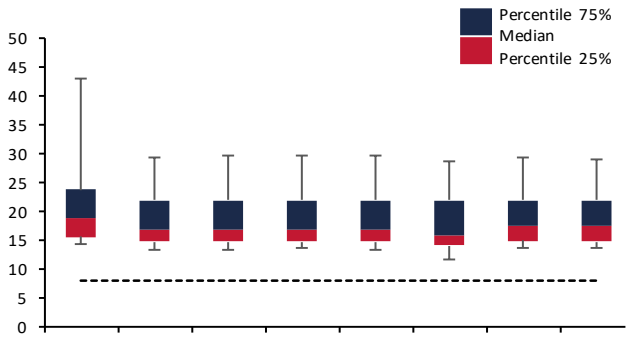
b) Historical Scenarios
Million pesos



Data as of September 2025 and simulations 3 years thereafter.
Source: Banco de México.

Although the system as a whole would maintain capitalization levels above the regulatory minimums, in some of the simulated scenarios, certain institutions, which represent a relatively low proportion of the system's assets, could be more severely affected in terms of their capitalization levels (Graph 175).

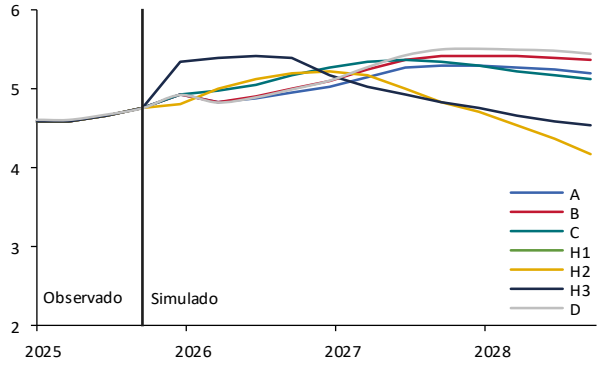
Graph 175
Distribution of the average CAR at bank level at the end of the test[1/]
Percentage



Data as of September 2025 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 portfolio delinquency (Graph 176) shows that at the beginning of the year, delinquency was at low levels, so even though the shocks imply significant relative changes in this indicator, levels would remain low.

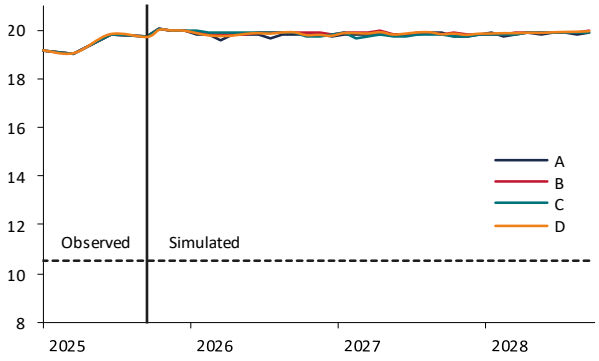
Graph 176
Average probabilities of default of the system's credit portfolio
Weighted by the current portfolio of each bank, percent



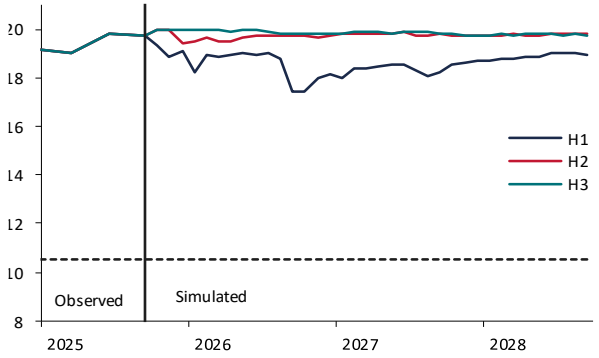
Data as of September 2025 and simulations 3 years thereafter.
Source: Banco de México.

A common feature of the Mexican banking system's credit portfolio is high concentration, meaning that a relatively small number of borrowers account for a large proportion of the credit. To assess the effect that this high concentration may have on the resilience of the system, an exercise is carried out in which the default of these large borrowers is simulated (Graph 177a and Graph 177b). The capitalization levels in this exercise are lower; however, they are still above the regulatory minimums for the system as a whole.

Graph 177
Average CAR of the system considering an impact per concentration corresponding to 99% of the losses [1/]
a) Scenarios A, B, C and D
Percent



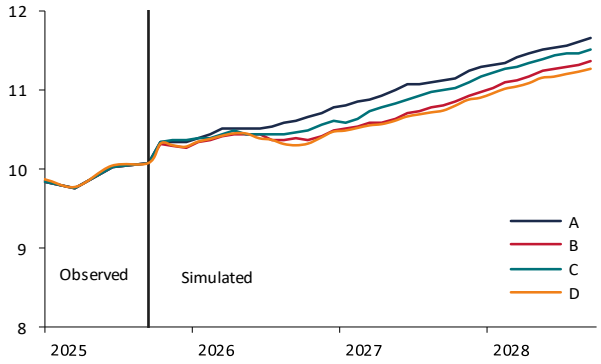
b) Historical scenarios
Percent



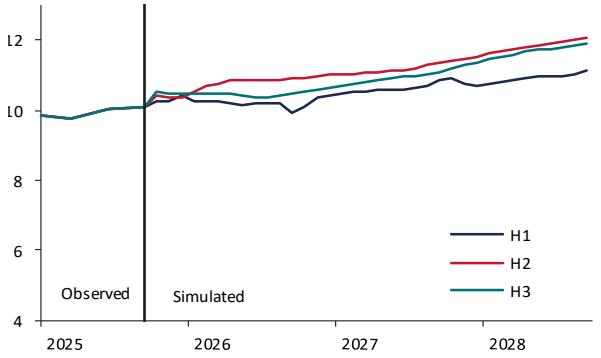
Data as of September 2025 and simulations 3 years thereafter.
Source: Banco de México.
1/ The horizontal line corresponds to the minimum CAR plus capital supplements.

This exercise also assesses the impact of the scenarios on the leverage ratio of banks. The average leverage level of the system was above the regulatory minimum of 3% (Graph 178a and Graph 178b); however, at the individual level, some institutions, whose assets represent a low proportion of those of the system, would be more affected. There is a high correlation between the level of leverage and the capitalization level: institutions with low CAR also tend to have a similarly low leverage ratio (Graph 179).

Graph 178
Average leverage ratio of the system
a) Scenarios A, B, C and D
Percent

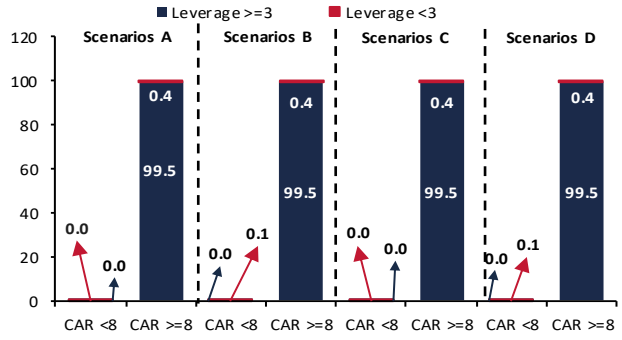


b) Historical scenarios
Percent



Data as of September 2025 and simulations 3 years thereafter.
Source: Banco de México.

Graph 179
Distribution of the average CAR at bank level at the end of the test
Percent of System Assets



Data as of September 2025 and simulations 3 years thereafter.
Source: Banco de México.

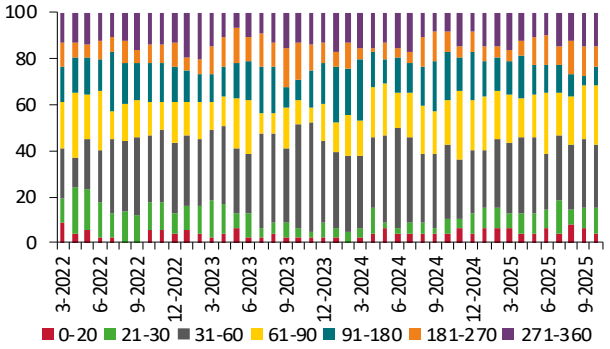
In summary, the results of the exercise show that, even in adverse scenarios, the banking system remains solid and resilient. The capital adequacy observed supports its ability to absorb severe shocks without compromising its intermediation capacity.

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 medium and small banks would fail to meet the regulatory liquidity requirements or would have their liquidity position pressured if the most severe scenarios analyzed in the tests materialized.

The liabilities coverage horizon,[153] with data as of October 2025, indicates that most banks would be able to meet their liabilities for a period of at least 30 days using only their stock of liquid assets (Graph 180); that is, without taking into account their inflows.

Graph 180
Percentage of banks that could meet their liabilities under the liabilities coverage stress scenario 1/
Vertical axis: percentage of banks
Horizontal axis: date of the calculation
Color: days that banks could cover their obligations



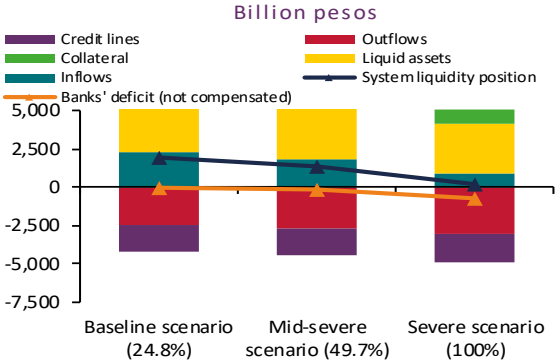
Data as of October 31, 2025.
Source: Banco de México.
1/ For each month, banks are aggregated by range of days, according to the monthly average of daily observations of the number of days they could meet their liabilities under a severe stress scenario. See Box 9 "Stress testing methodologies based on cash flows" of the Financial Stability Report, December 2022.

[153] The liabilities coverage horizon evaluates funding risk under a more severe scenario than the LCR, as it does not consider the inflow of contractual cash flows normally available to banks to meet their obligations.

Cash flow stress tests for a 90-day horizon, with data as of October 2025, indicate that the stressed value of both liquid assets and inflows for banks as a whole would be higher than the modeled stressed outflows. In other words, banks would maintain a liquidity surplus under a severe stress scenario, although, individually, some institutions would face a liquidity deficit under such severe hypothetical stress scenarios (Graph 181).[154]

Graph 181

Liquidity stress scenarios over 90-day period 1/



Data as of October 31, 2025.

Source: Banco de México.

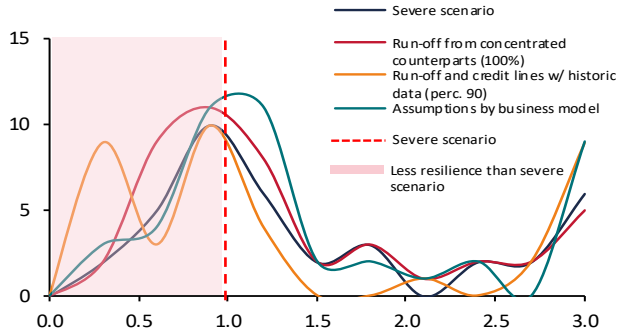
1/ In the severe scenario (100% severity), a haircut on liquid assets of around 4% is considered. Repos have a roll-over of 45% and released collateral has the same haircut as liquid assets. Inflows from loans portfolio are not considered (100% haircut). Wholesale deposits (demand and term) have a 20% 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, several stress exercises were performed, based on the cash flow framework and measuring the sensitivity of the LCR under different assumptions associated with the potential vulnerabilities identified in some institutions: funding concentration, credit lines granted and intraday liquidity. Most banks, as well as the banking system as a whole, have sufficient liquidity to face these scenarios. However, individually, some institutions would not have sufficient liquidity to maintain an LCR above 100% (Graph 182). Nonetheless, this is not necessarily a cause for alarm, as liquid assets are precisely intended to meet liquidity needs in stress situations. However, it is a reason to assess potential vulnerabilities.

Graph 182

Distance to Liquidity Stress Indicator under different scenarios 1/

Vertical axis: number of banks
Horizontal axis: index



Data as of October 31, 2025.

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.

Additionally, to assess the sensitivity to concentration, an LCR was calculated assuming the outflow of the ten largest depositors according to historical outflows. Additionally, to assess the potential impact of intraday liquidity risk, an LCR adjusted for "maximum intraday net liquidity usage" was calculated based on last year's observations for each bank. This metric is part of the monitoring toolkit for intraday liquidity management established by the Basel Committee on Banking Supervision

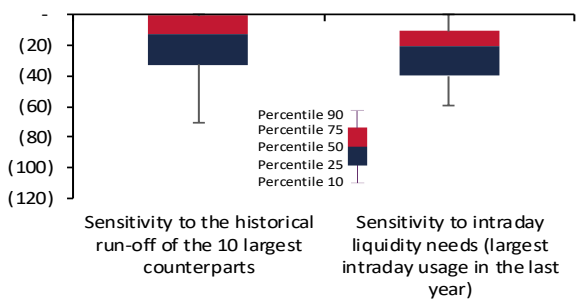
[154] The cash flow stress tests use 21 scenarios of increasing severity; scenario number 21 is the most severe. For a detailed description of the methodology used, see Box 9. Methodology of the liquidity tests based on contractual flows from the Financial Stability Report, December 2022.

(*BCBS*)[155] 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. Most banks have sufficient liquid assets, although, depending on the scenario evaluated, certain vulnerabilities are identified or emphasized in some institutions (Graph 183).

Graph 183

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 October 31, 2025.

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. Recovery plans

The recovery plans of commercial banking institutions show progress in complying with the provisions, although there is still room for improvement.

The main areas of opportunity to strengthen recovery plans are:

i) Designing sufficiently severe stress tests that trigger the hypothetical activation of the plan.

ii) The analysis of recovery actions, specifically regarding the time it would take for them to take effect and the possible incompatibility between such actions.

iii) The assessment of their impact on their respective indicators.

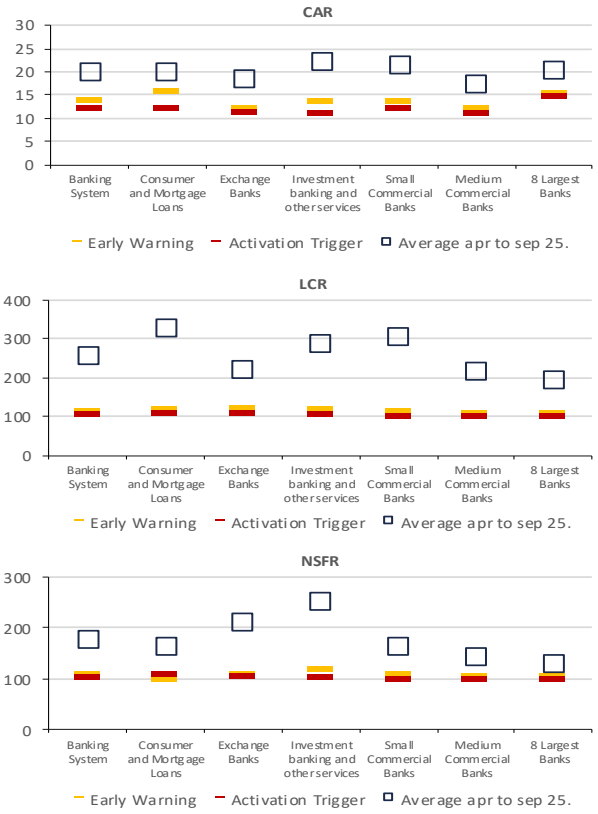
iv) Appropriate communication strategies during a stress situation.

During the period between April and September 2025, the observed CAR, LCR, and NSFR levels of most commercial banking institutions remained above the activation thresholds established in their recovery plans (Graph 184).

Graph 184

Activation thresholds and observed data of CAR, LCR and NSFR 1/

Percentage



Data of CAR, LCR, and NSFR from April to September 2025.

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.

[155] Basel Committee on Banking Supervision (2019): *"SRP50 - Liquidity monitoring metrics*," December 2019.

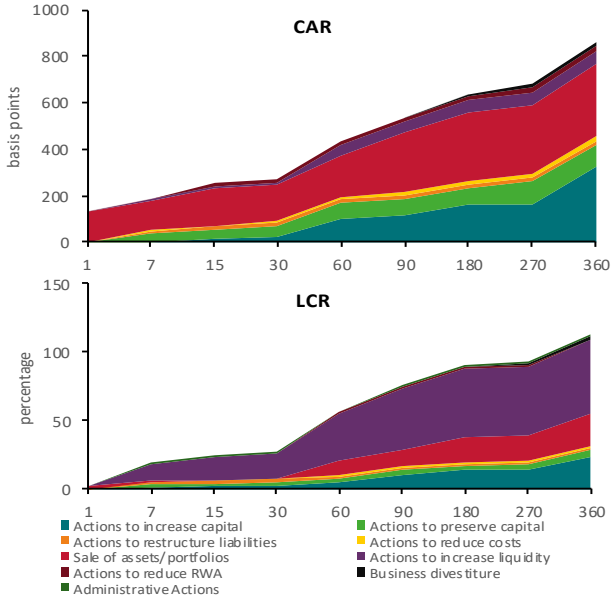
Regarding the effectiveness of the recovery actions detailed in the plans, it should be noted that the recovery margin for solvency and liquidity is reasonable, provided that: i) the institutions correctly execute the measures within the expected timeframes; ii) the potential impact on their financial situation is not diminished; and iii) no additional shocks occur (Graph 185).

Graph 185

Recovery Capacity of CAR and LCR [1/]

Vertical axis: Base points for CAR and percentage for LCR

Horizontal axis: days



Data of Recovery Plans submitted between 2023 and 2025.
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 overall in an international environment characterized by geopolitical tensions, adjustments in international financial conditions, and moderate global economic activity. It also continued to function properly even in the face of events that could have affected it during the period covered by this *Report*.

The prospect of lower global interest rates and the continuation of the disinflationary process contributed to an improved risk outlook, which has been reflected in an easing of financial conditions in Mexico.

Financial institutions, particularly commercial banking institutions, maintain levels of capitalization and liquidity that, in aggregate, comfortably exceed regulatory minimums. Stress tests confirm that the banking system as a whole maintains ample capacity to cope with simulated adverse scenarios.

Nevertheless, both external and internal risks persist that require ongoing monitoring. Among the main macro-financial risks are:

i) An intensification of geopolitical and trade tensions.

ii) Surprises in the trajectory of global financial conditions.

iii) Unanticipated adjustments in the credit ratings of relevant domestic issuers.

iv) The occurrence of a systemic event with implications for the global financial system.

Analysis of aggregate risk indicators shows that the Financial Conditions Index (FCI), registered a further easing since the last *Report* and, for the first time since June 2021, moved into the easing zone. The Financial Market Stress Index (FMSI) continued on a downward trajectory until the first week of October, and although it rose slightly thereafter, it remains at a moderate level and below that recorded in the last *Report*.

For its part, the Macro-financial Vulnerability Index, an early warning indicator calculated for the financial, real, external, and public sectors, does not currently signal significant vulnerabilities and reflects a lower degree of macro-financial vulnerability in Mexico compared to the average of other emerging economies.

Financing to the non-financial sector of the Mexican economy represented 102.6% of GDP at the end of September 2025, distributed among the public sector (59%), non-financial companies (24.9%), and households (18.7%).

The financial position of households improved relative to the previous *Report*, driven by an increase in mandatory savings. Consumer financing from banking and non-banking sources grew in real annual

terms, although this was lower than in the previous *Report*.

At the aggregate level, in commercial banks, liquidity and contagion risks remained contained, in an environment in which these financial intermediaries maintain adequate levels of solvency and liquidity.

With regard to credit risk, it should be noted that the delinquency of the consumer loan portfolio of commercial banks and their related sofomes increased slightly, showing similar behavior across all segments, except for the payroll portfolio, which decreased marginally. Total housing financing, from both banking and non-banking sources, grew slightly more, while the non-performing loan ratio on bank housing loans continued to rise, although it remains below its average since 2006, while that of Infonavit and Fovisste remains high relative to their performance over the last five years. Total financing to private non-financial companies—from banking and non-banking, external and internal sources—increased in real annual terms, although the non-performing loan ratio on corporate bank loans increased.

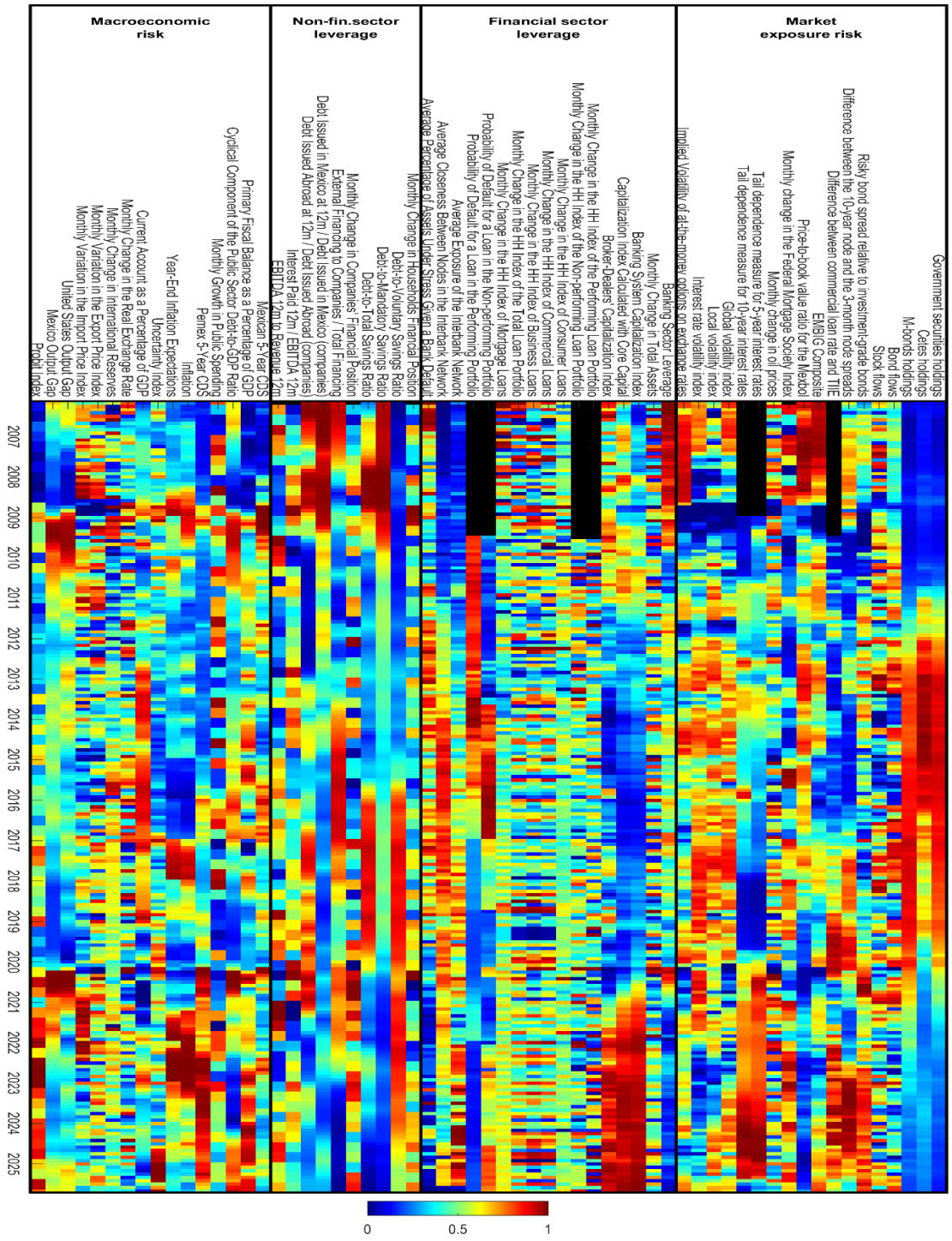
Among non-banking financial intermediaries, the delinquency rate on the total loan portfolio increased slightly, and for non-regulated entities it remains at historically high levels.

Finally, challenges remain in relation to the management of risks associated with climate change and cybersecurity, which require strengthening institutional capacities for their identification, measurement, and mitigation, as well as promoting greater integration of sustainability criteria into risk management.

In conclusion, although the Mexican financial system remains stable and resilient, challenges persist in an uncertain and changing global environment. It is therefore crucial to continue strengthening the institutional mechanisms that contribute to the proper functioning of the system and to maintain the capacity to respond to the possible materialization of new risks. The timely identification of vulnerabilities for early mitigation is key to preserving financial stability. 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 September 2025.
Source: Prepared by Banco de México using data from Banco de México, Bloomberg, Haver, and CNBV.

List of initials and acronyms

BACC	Banks classified as Associated with Commercial Chains
Bancomext	National Foreign Trade Bank
Banobras	National Public Works and Services Bank
BID	Inter-American Development Bank
BIS	Bank for International Settlements
BISL	Local Systemically Relevant Banks
BIVA	Institutional Securities Exchange
BMV	Mexican Stock Exchange
BONDES	Federal Development Bonds
BPAS	Savings Protection Bonds
CAR	Capitalization ratio
CBFI	Real Estate Investment Trust Stock Certificates
CCE	Special Accounting Criteria
CCD	Certificates of Capital Development
CCV	Mexican Central Securities Counterparty
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
CNBV	National Banking and Securities Commission
CNSF	National Insurance and Bonding 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
DOF	Official Gazette of the Federation
DSB	The Derivatives Service Bureau Ltd
D-SIBS	Domestic Systemically Important Banks
EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortization
ECB	European Central Bank
EME	Emerging Market Economies
ERBA	External-ratings-based approach

ESG	Environmental, Social and Governance
ESRB	European Systemic Risk Board
FANVIT	Fund for the Support of Workers' Housing Needs
Fed	Federal Reserve
FIFOMI	Mining Development Trust
Fibra	Real Estate Investment Trust
Fibras e	Energy and Infrastructure Investment Trusts
FIRA	Instituted Trusts in connection with Agriculture (Agricultural Trusts)
FLAO	Additional Ordinary Liquidity Facility
FND	National Farming, Rural, Forestry and Fisheries Development Bank
FONADIN	National Infrastructure Fund
FOVI	Banking Housing Financing Operation Fund
Fovissste	State worker's social security and services institute housing fund
FPL	Permanent Liquidity Facility
FSB	Financial Stability Board
GE	Large Exposures
GDP	Gross Domestic Product
GFC	Global Financial Crisis
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-Banking 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
IMOR	Non-performing loans rate
IMORA	Adjusted non-performing loans rate
IMSS	Mexican Social Security Institute
INEGI	National Geographical Statistics and Information Institute
Infonavit	Federal Housing Fund
INPC	National Consumer Price Index
IPYC	Stock exchange index
IRS	Interest Rate Swaps
ITF	Financial Technology Institutions
IVEL	Vulnerability Index of Listed Companies
LCR	Liquidity Coverage Ratio

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 companies
Nafin	Nacional Financiera (Mexican Development bank)
NGFS	Network for Greening the Financial System
NICAP	Capitalization Level
NIF	Financial Reporting Standards.
NSFR	Net Stable Funding Ratio
ONBFI	Other Non-Banking Financial Institutions
PEF	Federal Expenditure Budget
Pemex	Mexican State oil company
PLD/FT	Money Laundering and Terrorist Financing Prevention
PRLV	Promissory Note with Interest Payable on Maturity
PTI	Payment to Income
pymes	Small and medium-sized companies
RCS	Capital Solvency Requirement
REIT	Real Estate Investment Trust
RFSP	Public Sector Financial Requirements
ROE	Return on Equity
SAR	Retirement Savings System
SCV	Mortgage Credit Insurance
SHCP	Ministry of Finance and Public Credit
SHF	Federal Mortgage Society
SHRFSP	Historical Public Sector Financial Requirement Balance
siefores	Investment companies specializing in retirement funds (Pension Funds)
socaps	Savings and loan cooperatives
sofipos	Popular finance corporations
sofomes enr	Non-Regulated Multi-Purpose Financial Companies
TIIE	Interbank Equilibrium Interest Rate
TMEC	United States-Mexico-Canada Agreement
UMA	Unit of Measuring and Updating
UMI	Infonavit Mixed Unit
UPI	Unique Product Identifier
VSM	Minimum Salary Multiple



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