BBVA Research

Creating Opportunities

Mexico Banking Outlook

First half 2020

Liquidity demand and currency depreciation impact bank credit and deposits

Uncertainty and expectations about the adverse economic effects associated with the COVID-19 pandemic have led to an extraordinary increase in demand for liquidity for precautionary reasons. In recent months, companies and families alike have sought to maximize their liquid balances to meet their short-term liabilities in the face of uncertainty about the duration and extent of the impact of the pandemic itself and the measures put in place to contain it. As a result, growth in deposits and total credit granted by the banking system has rebounded in the last two months (March and April 2020). This has been enhanced by currency depreciation and the measures taken by the authorities and the banking sector to support borrowers.

However, the belief is that this growth could be limited in the short term. This is not only because of the economic slowdown already in place before the start of the pandemic, but also because businesses and families will have to make use of the liquid funds accumulated in the banking system as the adverse effects of the pandemic on income and jobs gradually materialize. It should be noted that Mexican banks maintain strong fundamentals and can withstand economic activity risk scenarios without bringing their capitalization levels below the regulatory minimum.

The momentum of non-financial private sector (NFPS) credit is partly based on the accounting effect of exchange rate depreciation

In April 2020, the nominal annual growth rate of bank credit to the NFPS was 11.2%, higher than the previous month's growth (10.4%) and that of the equivalent month in 2019 (10.3%). In March and April 2020, the exchange rate valuation effect of credit balances in foreign currency (FC) boosted the momentum of total credit, contributing to almost 30% of nominal growth. This allowed double-digit annual rates to be recorded after ten months without such levels. In April in particular, the nominal growth of 11.2 percentage points (pp) was made up of 3.6 pp from the valuation effect of exchange rates, 2.4 pp attributable to inflation and 5.4 pp corresponding to real growth in balances.

Because of the significant impact that the valuation of FC-denominated balances can have on the growth rates of credit balances in periods of high exchange depreciation, it is important to separate this effect to avoid contaminating the impact of other macroeconomic and financial variables on the performance of balances. It should be noted that the main source of the accounting effect associated with the valuation of the exchange rate within credit to the NFPS is business loans, as household credit (consumer loans and mortgages) is almost entirely denominated in domestic currency. In particular, FC-denominated credit represents 27% of business loans and is equivalent to 16% of the total amount of NFPS credit.

Stripping out the valuation effect of exchange rates and inflation, NFPS credit averaged a real growth rate of 3.2% in the first four months of the year, lower than the real rate of 5.5% observed in the first four months of 2019. Notably, business and mortgage loans supported the observed momentum in the first four months of 2020 (contributing 1.9 pp and 1.2 pp, respectively), while the slowdown in consumer loans has been reflected in an almost zero contribution (0.05 pp) to the growth of the total portfolio.

Companies use their credit lines to cover liquidity needs in face of the health emergency

In April 2020, business loans (59% of the balance of NFPS bank credit) grew at an annual nominal rate of 16.0%, higher than the 13.5% rate observed in March and the 12.1% observed in April 2019, maintaining the double-digit level that was recovered in March. Discounting the effect of inflation and the valuation of exchange rates, the real growth rate in April was 7.5%, higher than the 5% rate recorded in the previous month and also the real growth rate of 6.9% observed in April 2019.

The real increase recorded in the outstanding balance of bank financing to companies over the past two months is largely down to the fact that businesses have been using available credit facilities to meet their liquidity needs and their immediate spending commitments. This was in anticipation of the drop in revenue from sales of goods and services that would result from the lockdown and suspension of certain activities adopted in the wake of the COVID-19 health emergency.

However, the momentum that attention to the immediate effects of the health emergency has given to corporate financing will be temporary and likely insufficient to compensate for the slowdown that business loans were experiencing before the start of the pandemic. In the first third of 2020, the average real growth in business loans was 3.3%, less than half the growth observed in the same period of 2019 (when real growth was 7%) and the averages recorded in 2018 and 2019 (9.2% and 4.7%, respectively). The recent performance of gross fixed investment and business confidence indicate that the macroeconomic environment has not been conducive to the prospect of bank credit to businesses regaining momentum, and there are no signs that conditions will improve in the short term. The sharp decline in private investment, which has been reflected in lower demand for financing, stands out in particular. As of August 2018, the gross fixed investment indicator of INEGI (National Institute of Statistics and Geography) began to show negative annual changes, a trend that has been prolonged for 20 consecutive months. As a result, in 2019 the average annual variation of this indicator was -5% and the slowdown has worsened during 2020, reflecting an average annual decline of -9.3% in the first quarter of the year (1Q20, the last available information). Meanwhile, business confidence indices began to fall as of July 2019. They maintained their downward trend thereafter and showed further widespread deterioration in April and May 2020, when they registered falls of more than 20% (in the general indicator) and up to 80% (on the right time to invest indicator). These results indicate that incentives to invest have continued to deteriorate as a result of the cancelation of ongoing or already approved projects in different sectors.

Added to this pre-existing environment of uncertainty surrounding new investment projects is the heavy negative impact that the COVID-19 pandemic is expected to have on economic activity. In particular, the reduction in corporate revenues, coupled with the absence of a large-scale counter-cyclical program to support their recovery, increases the likelihood that companies that were financially viable before the health crisis will now find it harder to honor their payment commitments and may even become insolvent. Thus, although companies' need for financing could increase, their ability to meet financial commitments on time could be seriously diminished. This would warrant greater caution in assessing the payment capacity of potential borrowers and would be reflected in less vigorous credit expansion.

Consumer loans are no longer driving total private sector financing

In April 2020, the real annual change in the consumer loan portfolio balance was -1.9% (0.2% nominal), the first drop since Oct-10, when the real change was -1.5%. This result accentuates the slowdown in consumer loans, which have not seen double-digit real growth rates since Sep-16. On average, the real annual growth rate of consumer loans in the first four months of 2020 was just 0.2%, down to almost one-tenth of the already modest growth observed in the same period of 2019 (1.8%). By segment, the standout is the credit crunch observed in cards and personal loans, which has begun to counteract the momentum still recorded by payroll loans and consumer durable loans (CDL).

The lockdown measures there to contain the pandemic represent a temporary negative impact on consumption, as restrictions on mobility will eventually relax and potentially restore the ability to finance household purchases of more goods and services. However, the muted levels of consumer credit were already reflecting the slowdown in economic activity and formal employment prior to the pandemic, and will have a potentially longer-lasting effect on these variables. This could be reflected in a longer-lasting negative impact on consumption and agent confidence. In particular, the IGAE (*Indicador Global de la Actividad Económica* — Global Economic Activity Indicator) recorded an average decline of -1.2% in the first three months of the year, below the growth recorded in the same quarter of 2019 (1%). The number of workers insured with the IMSS (Mexican Social Security Institute) in 1Q20 grew by an average of 1.3% (well below the averages recorded in 2018 (4.1%) and 2019 (2.3%)). The expected contraction in economic activity due to the COVID-19 pandemic is likely to have a further negative impact on consumer loans. In fact, formal employment already deteriorated considerably in April and May, with contractions of -2.2% and -3.9% respectively, approaching the -4.2% drop reported in Jun-09, the worst historical performance since Jul-98. Fewer formal workers means fewer potential borrowers accessing consumer loans, which require that customers be in formal employment or have a steady source of income to qualify as borrowers. Thus, a scenario in which formal employment continues deteriorating will not favor the revival of consumption in general and, in particular, the demand for credit to fund it.

The slowdown in consumer credit has occurred at different rates depending on the method used to provide it. In the first four months of the year, the balance for credit cards (37.1% of total consumer credit) recorded an average contraction of -0.9%, below the meager growth of 0.5% reported for the same period of 2019. This loss of momentum reflects the slowdown in consumption, as shown by the monthly indicator of private consumption in the domestic market, which in 1Q20 (last available information) averaged a decline of -0.7% (compared to the 1.3% growth reported in the same quarter of 2019). The lockdown measures implemented due to the pandemic would have meant an additional slowdown. In April and May, the BBVA consumption indicator contracted -24.1 and -17.4% respectively. This deterioration also became evident in terms of credit, as in April the balance of credit card financing fell -5.7%.

Elsewhere, the payroll loan balance (25% of total consumer credit) managed to maintain a moderate momentum in the first third of the year, registering average real annual growth of 0.7%, slightly below the growth of 0.8% reported in the same period of 2019. By contrast, the personal loan balance (19% of the total) continued to decline, with an average real decline of -1.2% in the first third of the year, greater than the -0.2% decline reported in the same period of 2019. The performance of these two segments is associated with the momentum observed in family income and employment. As mentioned above, the slowdown already occurring in employment will be compounded by the negative shock associated with the pandemic, so it is unlikely that the balance of payroll and personal loans will recover its momentum.

Finally, consumer durable loans (16% of the total) have also recorded a slower rate of expansion. Their real annual growth rate averaged 0.8% in the first third of 2020, down from the 1.1% reported in the same period of 2019. In particular, growth in automotive loans (91% of this portfolio) more than halved over the reference period: falling from 8.3% in the first third of 2019 to 3.7% in the same period of 2020. The decline in household income associated with the loss of sources of employment and greater reluctance to pay for non-essential goods both point to a significant reduction in growth in this segment.

Mortgage loans managed to maintain their momentum in the first third of the year, but a prolonged slowdown is forecast

In April 2020, the real annual growth of the existing mortgage loan portfolio was 7.3% (9.6% nominal). With this result, mortgage loans averaged 6.8% real annual growth in the first third of 2020, higher than reported for the same period in 2019 and in line with the 2019 average of 6.6%. This performance supported the momentum observed in the number of IMSS-affiliated permanent jobs in previous years (growth rates of about 4% were observed between mid-2016 and mid-2018), which had a positive impact on the performance of mortgage loans, with a lag effect. This factor, coupled with the relative stability of mortgage interest rates and the recovery of real wages, has fueled the momentum observed in mortgage loans over the past few months.

As highlighted previously, the positive impact of permanent formal employment on mortgage loans is mainly because workers in these positions have a stable job and the source of their income can be verified. Furthermore, it helps confirm a degree of employment permanence. Potential borrowers are less likely to fail to meet their payments if they have a stable source of income and a longer record of employment — particularly in the case of longer-term loans, such as mortgage loans.

Prior to the COVID-19 pandemic, the slowdown in permanent formal employment growth that began from Jun-18 was expected to have a dampening effect in mortgage loans in mid-2020. However, the recent significant job losses due to the health emergency will accelerate the slump in this loan portfolio. In April, the number of permanent employees recorded by the IMSS fell by -1.2%, deepening in May to -2.9%. A further deterioration of employment indicators in the coming months will exacerbate the negative effects on mortgage loan performance. This is not only because of the reduction in the number of potential borrowers, but also because of the lower payment capacity of households due to falling household income. Moreover, if the sharp fall is followed by a slow recovery in employment, mortgage loan growth will not only be modest but may be even zero in the medium term. Furthermore, given that employment and income variables have a delayed effect on this portfolio, it is expected to take years before growth rates return to levels similar to those observed in 2019.

Delinquency in private sector credit remains relatively stable, although small changes are beginning to be recorded in some segments

The NPL ratio for NFPS credit was 2.6%, maintaining the level recorded in the first third of 2020 for an average of 2.6%, slightly higher than the 2.5% recorded in the same period of 2019. Mortgage loans recorded the highest increase in their NPL ratio over the comparison period, rising from 2.5% in the first third of 2019 to 3.0% in the same period in 2020. On average, consumer and company NPL ratios registered slight increases between the first third of 2019 and the same period in 2020, from 4.3% to 4.4% for consumers and from 1.7% to 1.8% for companies.

Meanwhile, the adjusted NPL ratio, which takes into account the effect of debt relief and write-offs, increased slightly for NFPS credit, from 4.9% in the first third of 2019 to 5.1% in the same period in 2020. Taking into account the cost of cleaning up the portfolio, the segment that reported the biggest change in delinquency was consumer loans, where the adjusted NPL ratio increased from 12.9% in the first third of 2019 to 13.2% in the same period in 2020. In the same comparison period, the adjusted NPL ratio of mortgage loans rose from 3.5% to 3.7% and the adjusted NPL ratio for companies increased from 2.3% to 2.5%.

So far, the banking debtor support program implemented in the wake of the health emergency should be helping to contain an overall deterioration in the various segments of the loan portfolio. The slight increases recorded should be showing the deterioration associated with the slowdown of economic activity and employment observed before the start of the pandemic. However, were the negative impact of the pandemic on economic activity and employment to persist and deepen, major impacts on the income and payment capacity of companies and households would be expected and reflected in a further increase in NPL ratios.

Traditional commercial banking deposits at historically high growth levels

During March and April, the growth in banking system deposits reversed the weakness it had shown since the second half of 2019. During that period, the nominal annual growth rate of traditional bank deposits (demand + term) was 13.9% and 15.7%, respectively. As with NFPS credit, approximately 28% of this growth has its origin in an accounting effect associated with the valuation in pesos of FC-denominated balances, which represent 17% of traditional deposits.

Even allowing for exchange rate and inflation effects, traditional deposits rebounded significantly from March, when they registered real growth of 6.6%, which accelerated to 8.9% in April, the highest real rate observed since Sep-15, when real growth was at 10%. With the results of these two months, the average real growth of traditional deposits in the first third of the year was 4.7%, higher than the 2.5% rate reported in the same period of the previous year. Because of the fall in interest rates, demand deposits have regained importance as a driving force for traditional deposits, and in the first third of 2020 they contributed 3.9 pp to the average growth of 4.7%, while term deposits contributed just 0.8 pp.

This unusual increase most likely responds to the liquidity needs of companies and households in coping with the lockdown and suspension of non-essential activities caused by COVID-19. However, the temporary build-up of these deposits will probably be diluted as households and families meet their recurrent spending commitments and income flows are reduced by lower levels of employment.

Atypical growth in sight deposits partly reflects a reduction in consumption

In April 2020, sight deposits (61% of traditional deposits) grew at an annual nominal rate of 19.0%, the largest rate recorded since Dec-06, exceeding even the high growth of 16.4% recorded in March. About a quarter of this momentum can be attributed to exchange rate depreciation, which increases the value of pesos in FC-denominated balances (15% of demand deposits).

Discounting the effects of inflation and the exchange rate, real growth in demand deposits was 9.0% and 12.1% in March and April, respectively, following 20 consecutive months of real rates below 5.0%. With the results seen in these months, the average real growth in the first third of 2020 reached 6.5%, significantly higher than the real -1.0% decline in the same period last year. All demand deposit segments recorded greater growth on average in the first third of 2020 compared to results from the same period of the previous year. Thus, the average real rate of sight deposits from companies moderated from a decline of 5.2% in the first third of 2019 to 2.4% in the same period of 2020, while the growth rate of sight deposits from individuals went from 2.8% to 11.7%, becoming the main driver of this type of deposits. Meanwhile, public sector growth climbed from -7.3% to 12.3% in real terms over the same period, and other financial intermediaries (OFIs) recorded an increase in the rate of real growth of their sight deposits from 14.6% to 20.9% in the reference period.

The greater momentum in demand deposits can be explained mainly by three factors. First is the increased accumulation of liquid assets by households and businesses for precautionary reasons due to the uncertainty caused by the COVID-19 pandemic. Some of the demand deposits accumulated by businesses may well have come from lines of credit used in recent months. The second factor is the reduction in consumption exacerbated by lockdown measures in the wake of the COVID-19 pandemic. Lastly, this increased demand for liquidity is taking place along with a cycle of cuts in the monetary policy rate, which reduces the opportunity cost of maintaining liquid assets.

High growth in corporate term deposits in March and April is not enough to reverse the weakness in other segments during the first four months of the year

In April 2020, term deposits recorded a nominal annual growth rate of 11.1%, higher than the 10.1% rate reported the previous month. These results were recorded after six consecutive months of below double-digit nominal growth. Some 38% of the nominal growth reported by term deposits in March and April is attributable to the accounting effect of depreciating exchange rates on FC-denominated balances, which in the case of term deposits represent 20% of the total.

Once the effects of inflation and the exchange rate are discounted, the strong momentum that corporate term deposits (30.0 % of term deposits) showed in the last two months stands out. With real annual growth rates of 8.7% and 22.6% in March and April, respectively, growth contrasted with the average -3.8% drop recorded between Sep-19 (when interest rates started to fall) and Feb-20 (before the arrival of the COVID-19 pandemic). The main assumption behind this unusual increase is that some of the funds that the businesses obtained from drawing on lines of credit might have been temporarily held in term deposits. Businesses would then seek to reduce the cost of financing, thereby ensuring the availability of funds. Moreover, it is possible that companies, faced with financial market volatility, are choosing to reallocate resources from debt mutual funds to term deposits. Thus, given the uncertainty of entering into new investment projects and the deteriorating economic conditions, they may have chosen to increase their precautionary savings despite lower interest rates.

Meanwhile, term deposits by individuals (44.4%) continued to slow, recording a real contraction of -2.0% in April. This made for an average drop of -2.4% in the first third of 2020, significantly lower than the real growth of 10.2% observed in the same period of 2019. This highlights that these types of deposits have been contracting since Sep-19 in response to falling interest rates. In particular, interest rates on term deposits fell from 7.3% in Aug-19 to 6.1% in Apr-20. Coupled with the reduced relative performance of these instruments, the slowdown in economic activity and employment could also be diminishing household income, making it harder for families to put aside some of their money or even creating incentives to use savings to cushion falling incomes. Any further negative impact on economic growth and employment would exacerbate the slowdown in such deposits.

Finally, the momentum of term deposits by OFIs (22.2% of term deposits) fell slightly, from an average real growth of 3.6% in the first third of 2019 to 3.4% in the first third of 2020. Meanwhile, the growth of term deposits for the non-financial public sector fell significantly from an average real rate of 40.8% in the first third of 2019 to 27.2% in the first third of 2020. This was a result of eliminating the budgetary underspends that led to the accumulation of funds in 2019.

Overall, the growth in corporate term deposits was not enough to offset the slowdown in the other segments, bringing the average real growth rate of term deposits in the first third of 2020 to 2.0%, less than a quarter of the 8.2% average real growth rate reported in the first third of 2019. Looking forward, the downward trend in interest rates, coupled with the negative impact on income, should make for a low rate of growth for term deposits.

Momentum of debt mutual funds slows

Deposits from shares in debt mutual funds grew at a nominal annual rate of 7.5% (5.2% in real terms) in April 2020, sitting below double-digit rates for the second consecutive month after a sustained 10-month growth streak (May-19 to Feb-20). The growth in April was slightly lower than in March (7.6%). This reduction is consistent with the exchange rate depreciation and, in general, with greater risk aversion in financial markets. However, it is important to note that shrinking growth in recent months has been minor compared to movements observed in other periods of high global risk aversion, such as October 2008 (when the annual growth rate fell more than 10 pp from the previous month). The reduction in the monetary policy rate, current and expected, could be influencing this behavior, which has more than offset the slight upward trajectory of the medium- and long-term government yield curve during March. However, in the face of new waves of risk aversion, we cannot dismiss the possibility that investors may decide to reduce their exposure to such assets.

Non-resident financial savings continue to fall in the face of increased uncertainty. Fund withdrawals from mandatory savings accelerate

The increased demand for liquidity and the prevailing risk aversion in financial markets triggered by the pandemic resulted in a greater need for domestic funds to finance the country's economy. Coupled with increased demand for liquid assets among residents, foreign investors, who hold 16% of domestic financial assets, have reduced their positions in fixed income and equity instruments issued by the Mexican government and companies.

The most significant example is that of medium- and long-term government bonds (M-bonds). Between March and May, non-resident holdings in M-bonds fell by about USD 12 billion in nominal value. This reduction is slightly higher in percentage terms than that seen between October and December 2008 following the Lehman Brothers bankruptcy and can be largely associated with exchange rate depreciation. Foreign investors value their returns in foreign currency, so the depreciation of the exchange rate (12.9% between February and May) inflicts significant losses on their portfolios, even though interest rates have not registered significant increases in recent months. Given that these investors typically maintain risk limits for each asset class, the reduction in positions on Mexican bonds can be seen as a logical response. In view of the risks facing the Mexican economy (i.e. recession, pressure on public finances and PEMEX's financial situation), the implied volatility and coverage costs of the Mexican peso remain high, making it difficult to anticipate a return of foreign investors.

Along the short end of the yield curve, foreign investors are continuing to reduce their holdings. So far this year, foreign investor holdings in CETES (Mexican federal government bonds) have fallen by a face value of about USD 4.8 billion, so that their positions account for just 12% of the total in circulation, the lowest level since 2010. Even though the difference between risk-adjusted short-term interest rates is attractive compared to other emerging countries, the expected depreciation of the exchange rate exceeds this difference and shuts off any opportunity for arbitrage.

The fall in equity holdings occurred between February and March, when there was a negative flow of about USD 317 million as a result of financial market volatility. While this amount is relatively low, it is part of a downward trend, as foreign investors reduced their holdings by USD 2.6 billion during the second half of 2019 in response to global trade tensions and uncertainty over local economic policy. It should be noted that, discounting the effects of the exchange rate and local stock market prices, the average annual growth rate of foreign equity positions during the first four months of the year (0.42%) is the lowest for a similar period since 2012.

Meanwhile, the financing for the economy that comes from mandatory savings funds through the Retirement Savings System (21.7% of domestic financial assets) has already recovered the losses recorded in February and March due to financial volatility caused by COVID-19. Between February and March, the AFORES (retirement funds administrators) recorded losses of about MXN 179 billion (4.6% of total assets under management), while between April and May, gains amounted to around MXN 247 billion (5.9% of total assets under management), following the recovery of stock markets and the stability of interest rates locally. Despite this recovery, fund withdrawals from mandatory savings have come under the spotlight. Between January and May 2020, MXN 60.3 billion exited the system, an increase of almost 11.0% from the average of similar periods in the last five years. Some amount of these outflows are associated with depositor withdrawals of unemployment benefits, so this amount may grow over the coming months as all the adverse effects of lockdown on employment are felt.

The risks posed by the COVID-19 pandemic on financial markets, Mexico's economic downturn and uncertainty surrounding domestic economic policy suggest that the downward trend in non-resident funding could continue.

APPENDIX 1: MAIN REFORMS TO THE REGULATORY LANDSCAPE FOR COMMERCIAL BANKING – 1H20

Authority	Topic	Publication
1. CNBV (National Banking and Securities Commission)/COVID-19 26/Mar/20	Temporary suspension of certain deadlines for financial institutions and supervised persons (extended until 30/Jun/20).	DOF (Official Gazette) 03/26/2020, 04/17/2020, 04/28/2020 and 05/29/2020
2. CNBV/COVID-19 27/Mar/20	Issuance of special accounting criteria for banks covering consumer, mortgage and business loans for customers affected by the pandemic.	CNBV 27/03/2020
3. CNBV/COVID-19 14/Apr/20	Temporary changes to capital conservation buffers, deferral of rules and extension of deadlines for issuers.	CNBV 14/04/2020
4. CNBV/COVID-19 14/Apr/20	Issuance of temporary exemptions from liquidity requirements (Banxico-CNBV Joint Rules).	Banxico 14/04/2020
5. CNBV/Others 27/Mar/20	Reform of the Credit Institutions Act and the Federal Civil Code on accounts for adolescents (15+).	DOF 03/27/2020
6. CNBV/Others 09/Apr/20	Postponement to 11/30 of the entry into force of an amending resolution of the CUB (Banking circular — 08/29/2017) on the collection of biometric data.	DOF 04/09/2020
7. CNBV/Others 08/Jun/20	Amendment to the rules for participants in the derivative contracts market (tripartite rules).	DOF 08/06/2020
8. CNBV/Others 09/Jun/20	Adjustments to the rules of Article 115 of the LIC (Credit Institutions Act — money laundering rules) on accounts for adolescents (15+).	DOF 09/06/2020
9. CNBV/Others 09/Jun/20	Adjustments to the CUB regarding accounts for adolescents (15+)	DOF 09/06/2020
10. Banco de México/COVID-19 01/Apr/20	Circular 2/2020. Credit auctions in US dollars.	DOF 04/01/2020
11. Banco de México/COVID-19 01/Apr/20	Circular 4/2020. Rules on financing to meet additional ordinary liquidity needs.	DOF 04/01/2020
12. Banco de México/COVID-19 01/Apr/20	Circular 5/2020. Procedure for acting as government securities market makers	DOF 04/01/2020
13. Banco de México/COVID-19 01/Apr/20	Circular 6/2020. Procedure for market makers to exercise the right to purchase government securities and to carry out loan operations on these securities with Banxico.	DOF 04/01/2020
14. Banco de México/COVID-19 01/Apr/20	Circular 7/2020. Reduction of regulatory monetary deposits.	DOF 04/01/2020

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Authority	Topic	Publication
15. Banco de México/COVID-19 09/Apr/20 and 08/May/20	Circulars 8/2020 and 14/2020. Provisional measures for cash operations and correspondents.	DOF 04/09/2020 and 05/08/2020
16. Banco de México/COVID-19 09/Apr/20	Circulars 9/2020, 10/2020 and 11/2020. Provisional measures on reporting obligations.	DOF 04/09/2020
17. Banco de México/COVID-19 09/Apr/20 and 02/Jun/20	Circulars 12/2020 and 21/2020. Suspension of timelines for administrative sanctions procedures, review resources and reporting requirements, and interruption of on-site inspections.	DOF 04/09/2020 and 06/02/2020
18. Banco de México/COVID-19 17/Apr/20 and 02/Jun/20	Circulars 13/2020 and 22/2020. Interim measures on the minimum payment rules applicable to credit, loans, or revolving credit card financing.	DOF 04/17/2020 and 06/02/2020
19. Banco de México/COVID-19 19/May/20	Circular 16/2020. Temporary facility for securities lending operations with Banxico.	DOF 19/05/2020
20. Banco de México/COVID-19 19/May/20	Circular 17/2020. Government securities report with Banxico to cover liquidity needs.	DOF 19/05/2020
21. Banco de México/COVID-19 19/May/20	Circular 18/2020. Corporate securities report with Banxico to cover liquidity needs.	DOF 19/05/2020
22. Banco de México/COVID-19 02/Jun/20	Circular 19/2020. Amendments to the Reports Circular.	DOF 02/06/2020
23. Banco de México/COVID-19 02/Jun/20	Circular 20/2020. Provision of funds to channel credit to MSMEs and individuals.	DOF 02/06/2020
24. Banco de México/COVID-19 10/Jun/20	Circular 20/2020. Banxico funding secured with qualified credit assets from the bank to channel to MSMEs.	Banxico 10/06/2020
25. Banco de México/Others 15/Jan/20	Circular 1/2020. A new rate called the overnight TIIE funding rate (TIIE de Fondeo).	DOF 15/01/2020
26. Banco de México/Others 10/Mar/20	Circular 2/2020. Data exchange on standardized computer application programming interfaces that clearing houses and credit information companies are required to establish.	DOF 10/03/2020
27. Banco de México/Others 05/Jun/20	Circular 23/2020. Deposit accounts for adolescents and level 2 account limits.	DOF 05/06/2020
28. Banco de México/Others 05/Jun/20	Circular 24/2020. Prohibitions and limits on charging fees on accounts for adolescents.	DOF 05/06/2020

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