Monthly Report on Banking and the Financial System

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1. Banking and Financial System

Bank deposit growth continues to slow.

In November 2025, the balance of traditional bank deposits (demand and time deposits) reached a real annual growth rate of 1.4% (5.2% nominal), a figure significantly below the average growth observed in the first 10 months of the year (4.6% real). Demand deposits contributed 1.7 percentage points to the growth observed in November, while time deposits subtracted 0.3 percentage points.

In November, the growth in bank deposits continued to reflect the negative impact associated with the exchange rate appreciation, as **this accounting effect reduced growth by 1.3 percentage points**. Even after discounting this effect, the growth rate of balances continued to decline, with real annual growth in November at 2.7% (6.7% nominal), lower than the average achieved in the first 10 months of 2025 (3.7% discounting the effects of inflation and the exchange rate).

In November, **demand deposits**They registered real annual growth of 2.6% (6.5% nominal), recovering from the previous month's figure (1.5%), but remaining below the average observed between January and October 2025 (4.6%). After discounting the accounting effect of the exchange rate, the growth observed in November (4.0%) was slightly above the average of 3.7% observed in the first 10 months of 2025.

When looking at the breakdown by deposit holders, a mixed behavior continues to be observed. **With the exception of individuals, the performance of their balances improved for all other holders.** For individuals, the real year-on-year change slowed from 1.4% in October to 0.8% in November. Conversely, for businesses, the slowdown in their balances moderated, with the change decreasing from a contraction of -3.4% to -2.4% over the same period. Meanwhile, for the non-financial public sector, the real annual growth rate rose from 18.9% to 27.1%, and for other financial intermediaries (OIFs), the real growth rate increased from 3.4% in October to 12.2% in November.

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The slower growth in liquid balances for households (43.9% of demand deposit balances) could be linked to increased spending during the Buen Fin shopping season. On the one hand, the ANTAD total store sales indicator showed increased growth in November, registering a real increase of 2.6% that month, doubling the growth observed in October (1.3%). Furthermore, the amount of transactions made with debit cards in November achieved a real annual growth of 7.9%, surpassing the average of 5.0% recorded in the first 10 months of the year.

In the case of businesses (38.4% of demand deposit balances), the more moderate decline in their growth rate is associated with an improvement in their revenue generation. As mentioned previously, the sales indicator for self-service stores improved in November. On the other hand, in the services sector, the revenue index continued to show growth, albeit more moderate, in October (latest data available) at 0.6% (lower than the 1.8% observed in Q3 2025). In the case of non-financial institutions and the public non-financial sector, the increase in demand deposit balances is associated with a reallocation of their term deposit holdings toward more liquid instruments.

In November, **term deposits registered a drop in real annual rate of -0.9% (2.9% nominal), the lowest rate observed since November 2022.** This result would indicate the end of the growth cycle for this type of savings, which was driven by a period of high interest rates. Discounting the accounting effect of the exchange rate, real growth in the eleventh month of the year would be 2.0%, below the average of 2.7% recorded between January and October 2025.

By type of depositor, a clear slowdown is observed compared to October's performance in most savings sectors. For individuals, time deposit balances showed an expansion of 0.7%, marginally lower than the 1.3% recorded the previous month. Meanwhile, corporate time deposit balances deepened their decline, falling from a real annual rate of -0.5% in October to -10.2%. The non-financial public sector increased its time deposit balances, registering a real annual rate of 35.2%, exceeding the real growth of 25.1% recorded in October. Financial institutions, on the other hand, reduced their growth rate from 17.1% to 9.0% during the reference period.

In the case of households, businesses, and financial institutions, the performance could be associated with both weak incomes and lower deposit interest rates, factors that encourage holding liquid balances in term deposits. For the non-financial public sector, the increase in term deposit balances would continue to be linked to underspending, and this growth is still expected to moderate toward the end of the fiscal year.

Debt investment funds growth moderated in November, reaching a real annual growth rate of 13.8% (18.2% nominal), lower than the 14.5% observed the previous month. Savings in these types of instruments have maintained their momentum despite the gradual slowdown in interest rates and weak income generation for households and businesses. An uncertain economic environment and increased risk aversion continue to favor investment in local debt instruments.

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It is expected that traditional deposit-taking and other savings instruments will continue to slow down going forward, reflecting both the reduction in interest rates and the weakness in the sources of income.

Bank lending closes November with the lowest growth of the year

In November 2025, the outstanding loan portfolio granted by commercial banks to the non-financial private sector (NFPS) registered real annual growth of 3.3% (7.2% nominal), the lowest real annual growth rate of the year, accentuating the downward trend observed since Q2 2025 and well below the average rate observed in the first 10 months of the year, which stood at 7.2%. The dynamism observed in the outstanding loan portfolio was driven by a 2.0 percentage point contribution from consumer credit, while mortgage and business loans contributed 0.3 and 0.9 percentage points, respectively.

In November, **current consumer credit** reached an annual real growth of 8.0% (12.2% nominal), lower than the real rate of 8.9% observed the previous month and lower than the average of 9.4% observed in Q3 2025. To the real growth rate recorded in November, credit for the acquisition of durable consumer goods (ABDC) contributed 2.7 pp, credit through cards contributed 2.5 pp, payroll credit 1.1 pp, personal loans 1.3 pp and other consumer credits 0.5 pp.

The segment of credit for the acquisition of durable consumer goods (ABCD, 20.7% of consumer credit) moderated its dynamism by registering an annual real growth rate of 13.9%, the lowest growth rate since September 2023. The two segments that make up this portfolio (automotive and furniture) decreased their dynamism compared to October.

Auto loan (88.7% of the total ABCD portfolio balance) continued to moderate its growth, registering a real annual growth rate of 15.3% in November, lower than the 19.0% recorded during Q3 2025. The personal property segment went from real growth of 7.4% in October to 4.0% in November. The slower growth observed in auto loans reflects the deceleration in vehicle sales. As of November, the new car sales indicator registered a year-on-year change of -7.1%.

Meanwhile, the **credit cards segment reached,** in November, a real annual growth of 6.6% (10.6% nominal), below the result obtained in October (7.1% real) and the average observed in Q3 2025 (8.2%). The real growth rate observed in November is the lowest rate seen in the last 40 months. Even taking into account the seasonality that the shopping season associated with Buen Fin generates on the balances of this type of credit, less dynamism was observed. **Real monthly growth in November 2025 was 5.8%, below the 6.7% average observed in the months of November of the previous four years.**.

Credit card usage indicators show that, despite the Buen Fin sales event held from November 13 to 17, both the transaction amount and the number of transactions slowed compared to previous months. Among the various consumer sectors, only those associated with restaurants, air travel, miscellaneous goods, and retail sales managed to marginally increase their activity compared to the previous month.

Payroll and personal loan portfolios showed a lower annual real growth rate than the previous month. Payroll loans saw a slight decrease in growth, falling from 4.9% in October to 4.8% in November (8.8% nominal), while personal loans experienced a decrease in their annual real growth rate, from 9.8% in October to 8.4% in November (12.6% nominal).

Although the rate recorded by the payroll portfolio shows a relatively stable behavior with respect to the average real rate of the first ten months of the year (of 4.7%), the rate recorded by the personal credit portfolio shows a slowdown with respect to the average of the same period (of 9.7%), reflecting to a greater extent the slowdown in formal employment and real wages.

In November, the housing loans portfolio registered a real annual growth rate of 1.4% (5.3% nominal), the lowest rate recorded during 2025. A sharp slowdown in this type of credit is also observed when compared to the average recorded in the first 10 months of 2025, when housing credit registered an average real annual growth rate of 2.2%.

By credit segment, the outstanding balance of credit for middle-income housing (96.2% of the total outstanding balance of housing credit) registered a real growth rate of 1.3% (5.2% nominal) in November, below the result registered in the immediately preceding month (MIA), whose rate was 2.0%, and far from the 2.4% registered on average during the first 10 months of 2025. In contrast, credit for social interest housing reversed its trend and registered a real growth rate of 4.2%, the highest rate registered so far this year.

The slower growth observed in housing credit could be explained by the performance of labor market indicators. Given that housing credit lags behind formal employment trends, the observed demand would be reflecting the employment conditions recorded in the second half of 2024, when employment growth rates began to decline, averaging 1.5% in Q2 2024.

Meanwhile, real wage growth has slowed to around 3.1%. These factors suggest that, in the short term, demand for housing credit will continue to decelerate as the slowdown in job creation projected for 2025 continues to be reflected and the recovery in real wages continues to moderate.

For their part, **current business credit** (52.6% of the current portfolio to the SPNF) registered in November a real growth of 1.7% (5.6% nominal), the lowest growth rate since May 2023 and lower than the 3.8% of the immediately preceding month (MIA).

By sector,, the services sector (56.0% of the total) contributed 2.2 percentage points to the growth rate of outstanding business loans in November; the manufacturing sector's contribution fell to 0.0 percentage points, the mining sector contributed 0.1 percentage points, and construction contributed 0.8 percentage points, while the remaining sectors (agriculture, electricity, water and gas, and others) subtracted 1.4 percentage points from the overall growth rate due to the continued reduction in their loan balances. Although the rates reported by the

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services, manufacturing, and construction sectors remain positive, they show a sharp slowdown in their outstanding loan balances compared to those observed in the first half of the year.

In its composition by currencies, it is noteworthy that the outstanding portfolio in local one (75.7% of outstanding business loans) achieved real growth of 4.9% in November, a figure lower than the rate observed the previous month (MIA) when the rate was 6.6%. Meanwhile, the outstanding portfolio in foreign currency (M.E.) accentuated the pace of deceleration, going from a growth rate of -4.3% to a more pronounced decline of -7.6%.

As observed in recent months, exchange rate fluctuations dampened the dynamism of the foreign currency portfolio, since taking aside this effect, the real growth rate for November would have been 3.0%. In other words, the accounting effect of the exchange rate appreciation on the foreign currency portfolio reduced its dynamism by 10.6 percentage points.

For the total corporate loan portfolio, even after adjusting for the accounting effect of the exchange rate, performance was lower compared to the previous month, with growth falling from a real annual rate of 5.9% in October to 4.5% in November. The slowdown observed across the various loan portfolios in November reflects weak domestic demand, and therefore, credit is expected to continue showing moderate growth in the coming months.

Financial savings and financing slowed their growth at the end of Q2 2025

With information from Financial Savings and Financing Report in Mexico , according to the National Banking and Securities Commission (CNBV), at the close of the first half of 2025 (1H25), financial savings accumulated a balance of 33.6 trillion pesos and registered a real annual growth rate of 5.6%.

Domestic savings, representing 79.8% of the total, comprised of deposits from intermediaries and holdings of fixed-income securities and securities, reached a balance of 26.8 trillion pesos, with a real annual growth rate of 5.4%. Within domestic savings, bank deposits reached a balance of 12.9 trillion pesos as of Q2 2025, implying a real annual growth rate of 5.6%, making this type of deposit the most significant component of total deposits. Holdings of fixed-income securities and market securities increased by 5.3% in real annual terms. Institutional investors continue to show a higher growth rate than individual investors (12.7% vs. -10.2%), driven primarily by the growth of investment funds and pension funds (Siefores).

External savings, meanwhile, registered a balance of 6.8 trillion pesos, and a real annual growth rate of 6.0%. When breaking down external savings by the sector they finance, it is possible to observe that the resources from abroad that finance the public sector amounted to 4.7 trillion pesos and registered a real annual growth rate of 7.4%, while the resources from abroad that finance the private sector were 2.1 trillion pesos with a real annual variation of 3.0%. The dynamism shown by external savings is lower than that observed at the close of Q2 2024, although much more visible in the resources from abroad that finance the private sector,

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whose rate was 10.0% for that period.

The outstanding balance of total financing granted to the public and private sectors was 35.0 trillion pesos at the close of Q2 2025, registering a real annual growth rate of 5.2%. Domestic financing grew at a real annual rate of 4.8%, while external financing grew at a higher rate of 8.0%. Within the composition of domestic financing, the issuance of domestic debt and trust-backed securities stands out as the most significant component, with an outstanding balance of 17.9 trillion pesos, followed by the total loan portfolio at 12.2 trillion pesos.

Among the sources of domestic funding for the private sector, credit granted by multiple banks stands out, which grew at a real annual rate of 5.4% in Q2 2025. For the public sector, the main source of domestic funding was the issuance of securities, which, in the reference period, increased at a real annual rate of 6.2%.

2. Financial Markets

The peso and the local stock market benefited from the political and economic disruptions of 2025.

The behavior of risk assets depends largely on participants' expectations regarding future flows of market instruments. These expectations, in turn, are influenced by the economic, regulatory, and political landscape, as well as the risks associated with that landscape.

While this may be valid for any period, the year 2025 fits quite well into this logic.

Last year (2025) began with positive expectations for risk assets due to promises of deregulation and tax cuts from the new US administration, while the threat of tariffs was considered only a low-probability risk. This changed in April after the so-called *Liberation day*, in which President Trump announced tariffs on virtually all nations and in magnitudes far above what the market had anticipated.

In a context of high fiscal deficits and a lack of policies that foreshadow a reduction in the short term, the announcement of tariffs and the high uncertainty that it brought with it were immediately reflected in lower demand for US assets.

However, throughout the year, the absence of significant effects on inflation and a certain characterization of the behavior of the US government (*TACO trade*) by the market, that allowed to limit what seemed to be a total unpredictability of the decisions of the new administration, influenced a recovery of the appetite for risk.

However, this recovery was not widespread. On the one hand, the dollar weakened across the board and ceased to function as frequently and effectively as a safe-haven asset during periods of volatility, shifting some of this attribute to precious metals. In fact, while the dollar depreciated by 8.8% and 9.4% against emerging market (EM) and developed-country (DC) currencies during 2025, respectively, gold increased in price by 64.4%, its largest yearly gain in at least the last 25 years. It is worth noting that the dollar's depreciation against developed-country currencies is the largest since 2017.

Among all emerging market currencies, the Mexican peso played a significant role. During 2025, it appreciated by 13.5%, the fifth largest appreciation among its peers. The exchange rate closed the previous year below 18.0 pesos per dollar, an unexpected development influenced by the aforementioned weakening of the dollar, but also supported by the *status* the USMCA grants to Mexican exports and which has allowed the effective tariff rate to be around 5.0%, while for the rest of the nations it is on average 10.0%.

On the other hand, North American stock markets have recovered rapidly since May, driven by high expectations that Artificial Intelligence (AI) will generate a significant increase in productivity and by the resilience of the North American economy, which has sustained the increase in profits by companies.

Thus, the S&P 500 registered a 22.2% increase between May and December, closing 2025 with a 16.4% gain, while for the Nasdaq these figures were 31.3% and 20.4%, respectively. Although this was a significant performance, given the context, the main US stock index had smaller gains than the *benchmark of* this asset class globally (19.5%) and even that of EM (30.6%). Several European indices even outperformed the S&P 500, influenced by expectations of increased military spending following the withdrawal of US support for NATO in this area.

A key point to highlight is **the performance of the Mexican stock market**. The BMV's IPC index grew 29.8% in pesos during 2025, its best performance since 2009 and a growth rate 8.3 times higher than the average of the last 15 years. How can this performance be explained despite the complex external environment and the uncertainty generated by the judicial reform? The answer, to a large extent, lies in the behavior of the underlying assets, which are linked to geopolitical issues.

Just three stocks in the IPC account for roughly half of the index's overall rise. Two of them (GMexico and Peñoles) are clearly linked to mining activity, particularly precious metals, which, as a whole segment, saw their prices increase by 70.6% during 2025, according to the GSCI index. The third stock is from the banking sector (Banorte), which benefited from deregulation expectations. This trend was observed globally, to the point that in the US, the shares of the main banks of the sector (KBW index) registered a 36.7% increase in 2025, while the growth of this sector in Europe, as measured by the EuroStoxx600 banks, increased 1.4 times last year.

Finally, regarding interest rates, these were influenced by expectations of further cuts by the Fed on the short end of the spectrum and by a greater *Term Premium,* Given the fiscal and inflation risks generated by the turbulent economic outlook for 2025, the US yield curve steepened, with a 77 basis point (bp) reduction at the 2-year node, driven by greater monetary policy expectations.

At the longer end (10-year), the decline was only 40 bp, closing 2025 with a yield to maturity of 4.2%.

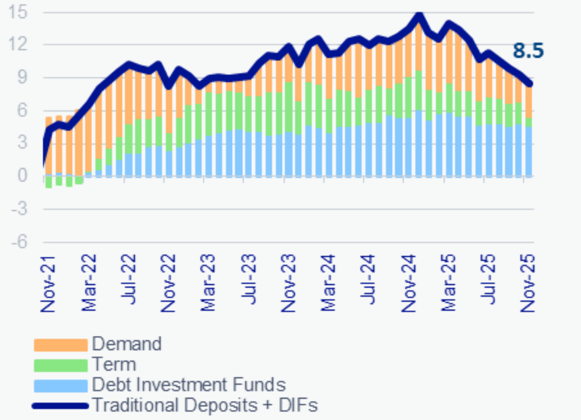
In Mexico, the trend was similar, though more pronounced. The 10-year Mbono fell 132 basis points to close 2025 at 9.1%, while the 3-year Mbono saw a reduction of 187 basis points after Banxico cut the target rate by 300 basis points over the past year.

Looking ahead, the risks to the scenario have intensified. The US intervention in Venezuela highlights the transition to a new geopolitical order, while the growing need for financing to realize expectations regarding AI is beginning to cast doubt on the high valuations of technology companies. All of this is happening amidst political pressure on the Federal Reserve and legal disputes over US tariffs.

In this complex context, the formal renegotiation of the USMCA will take place starting in July, while electoral reform could add local risks. All things considered, it appears that the political and economic environment will have a greater influence on the price of risk assets in 2026.

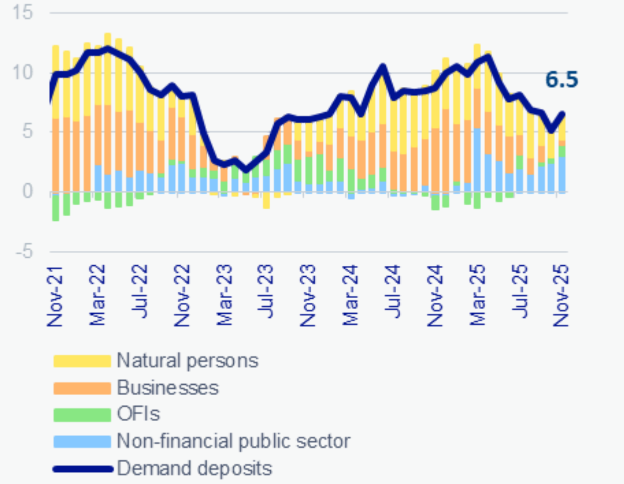
Deposits: Graphics

TOTAL DEPOSITS FROM COMMERCIAL BANKS
(ANNUAL NOMINAL VAR,%)



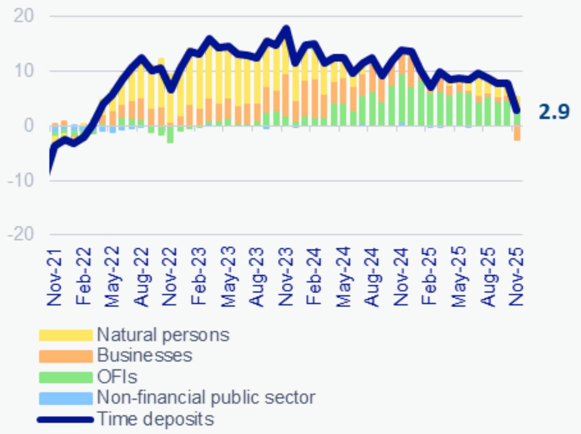
Source: BBVA Research with data from Banxico

SIGHT DEPOSITS
(ANNUAL NOMINAL VAR,%)



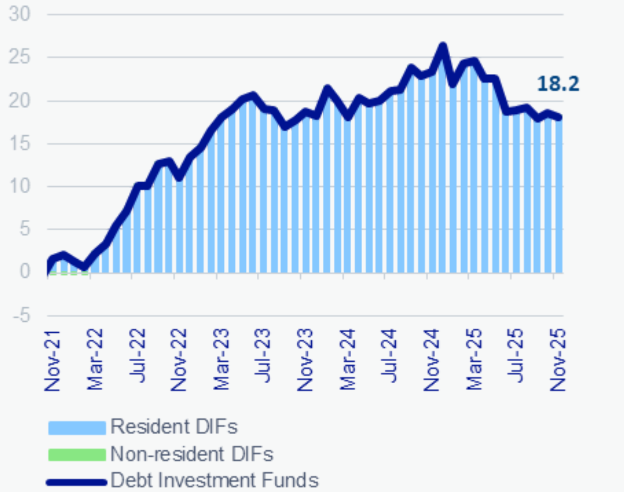
Source: BBVA Research with data from Banxico

TERM DEPOSITS
(ANNUAL NOMINAL VAR,%)



Source: BBVA Research with data from Banxico

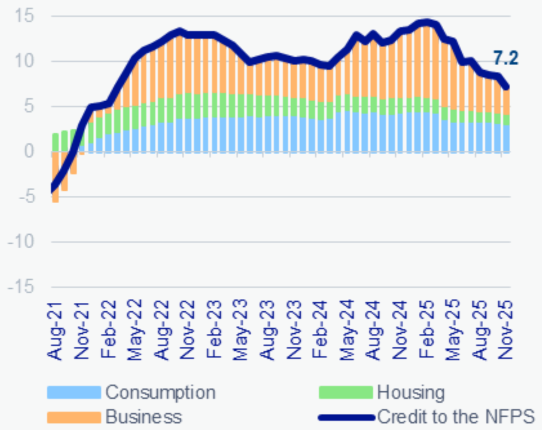
DEBT INVESTMENT FUNDS (DIFs)
(ANNUAL NOMINAL VAR,%)



Source: BBVA Research with data from Banxico

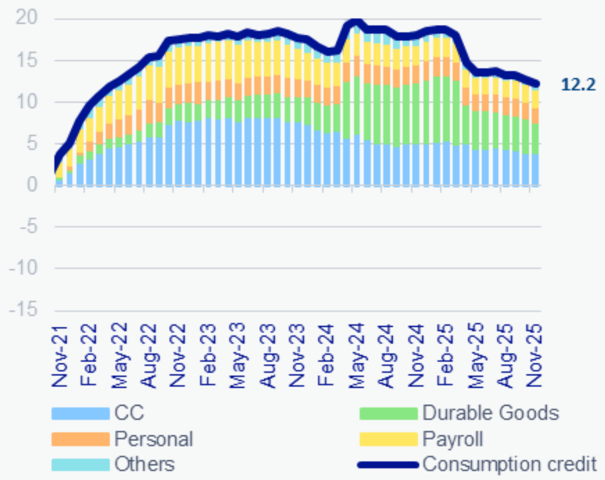
Credit: Graphics

OUTSTANDING BANK CREDIT TO THE SPNF
(ANNUAL NOMINAL VAR,%)



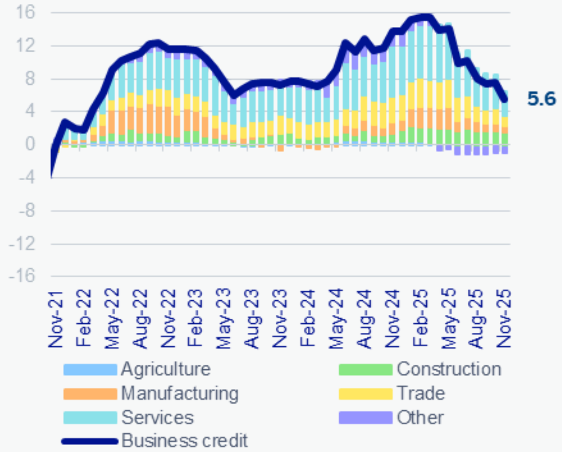
Source: BBVA Research with data from Banxico

OUTSTANDING CONSUMER CREDIT
(ANNUAL NOMINAL VAR,%)



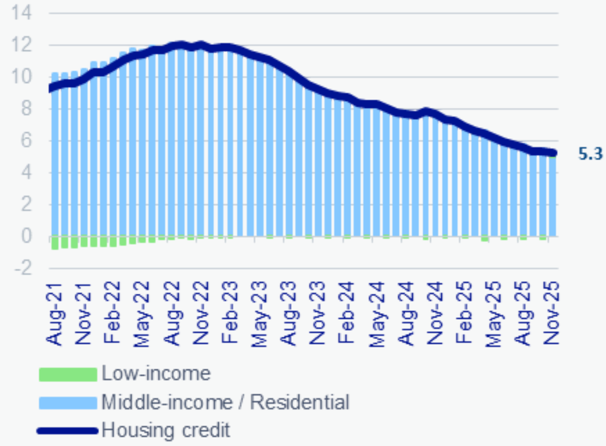
Source: BBVA Research with data from Banxico

OUTSTANDING CREDIT FOR COMPANIES
(ANNUAL NOMINAL VAR,%)



Source: BBVA Research with data from Banxico

OUTSTANDING HOUSING LOANS
(ANNUAL NOMINAL VAR,%)



Source: BBVA Research with data from Banxico

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