BBVA Research

Monthly Report on Banking and the Financial System

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1. Banking and Financial System[1]

Traditional bank lending increased its dynamism in August, driven in part by the incorporation of digital banks.

In August 2026, the balance of traditional bank deposits (demand + time deposits) reached a real annual growth of 3.0% (6.4% nominal), exceeding the growth recorded in July and similar to the average growth observed in Q2 2026 of 6.3%. Demand deposits contributed 2.5 percentage points (pp) to the growth observed in August, while time deposits contributed 0.5 pp.

In August, traditional bank deposit balances showed a significant increase associated with the integration of a regulated digital bank (RDB). If the total balance were reduced by the deposit balance associated with all regulated digital banks (RDBs) that reported operations that month, the real annual growth would have been 1.1% (4.4% nominal). In other words, this subset of banks contributed 1.8 percentage points to the total bank deposit growth rate in August, more than double the average contribution observed in the first seven months of the year (0.7 percentage points) for the same subset.

Bank deposit growth continues to show the negative accounting impact associated with the exchange rate appreciation. This impact in August was similar to that observed in July, subtracting 1.1 percentage points from growth (compared to the 1.4 percentage point average observed in Q2 2026). Once this effect is discounted, real annual growth in August would be 4.1% (7.5% nominal), above the Q2 2026 average of 3.6% (7.7% nominal).

In August,**demand deposits recorded a real annual growth of 3.9%**(7.3% nominal), the highest growth rate recorded so far this year.**This dynamism was driven by the sight balances of the BDRs, which contributed 1.8 percentage points.**This is significantly higher than the average contribution of 0.4 percentage points recorded in the first seven months of the year. Even without the impact of the BDRs, the real growth rate in August (2.1%) was above the average recorded from January to July 2026 (0.9%).

By depositor type, only demand deposits held by individuals showed less dynamism compared to July. In this case, the annual real growth rate fell from 6.3% in July to 5.0% in August. Conversely, the other depositors experienced increased growth: the balance of corporate

[1]Based on information from Banxico and CNBV

demand deposits increased from an annual real growth rate of 2.9% to 3.3%, the balances of the non-financial public sector went from a contraction of 1.2% to growth of 4.5%, and those of other financial intermediaries reduced their contraction from 19% to 2.6% during the reference period.

The slower growth in demand deposit balances for individuals is mainly due to a base effect, as month-over-month balances continue to show a healthy rate of expansion and account for three-quarters of the monthly growth in retail deposits. For businesses, the evolution of balances may reflect a greater preference for liquid instruments given the reduced returns on term deposits. Meanwhile, demand deposit balances for the non-financial public sector registered their first expansion after six consecutive months of year-over-year declines. This rebound could be associated with the normalization of public spending. Finally, the smaller contraction in balances of other financial intermediaries could be related to liquidity management activities.

In the eighth month of the year,**Term deposits registered a real annual variation of 1.4%.**(4.7% nominal growth)**,** This was significantly below the average observed in Q2 2026 (4.2%). Excluding the balances associated with the BDRs, the year-on-year change in August would be -0.6%, the lowest rate recorded since February, excluding the incorporation of these balances. In August, the contribution of the BDRs was equivalent to 2.0 percentage points, higher than the average contribution of 1.3 percentage points recorded between January and July 2026.

By depositor type, all segments of term deposits saw a decrease in growth compared to July, except for balances held by individuals. In this case, their balances increased from a real annual growth rate of 1.9% to 5.4%. This increase could be directly related to the inclusion of balances from a RDB that began reporting in August after its launch and would be consistent with the deposit-taking strategy observed by these entities to attract new clients. Meanwhile, corporate term deposit balances moderated their growth, falling from a real annual growth rate of 2.9% in July to 2.4% in August. In the case of the non-financial public sector, a significant reduction in term deposits continues, as their balances decreased from a real annual change of -15.6% in July to -19.0% in August. Finally, the balances of other financial intermediaries (OFIS) also reduced their growth, going from an annual real rate of 0.8% in July to -6.6% in August.

The observed decrease in time deposit balances in the corporate, non-financial public sector and other financial intermediary segments is consistent with the relative loss of attractiveness of this type of instrument given the decrease in active interest rates, which makes holding more liquid instruments more attractive.

Balances of debt investment funds continued to moderate its dynamism in August, reaching an annual real growth rate of 4.8% (8.3% nominal), lower than the average real growth observed in Q2 2026 (6.7%). The moderation in the growth of balances in these savings instruments primarily reflects the effect of the monetary easing cycle, as the decrease in interest rates has gradually reduced the relative attractiveness of debt instruments.

The incorporation of digital banks accelerated the growth of bank credit in August.

In **August 2026**, the outstanding balance of the loan portfolio granted by commercial banks to the non-financial private sector (NFPS) registered a**real annual growth of 3.6%**(7.0% nominal), significantly higher than the dynamism observed in the immediately preceding month (2.9% real) and, in turn, higher than the average growth rate recorded during the first seven months of 2026 of 1.9% real. The **dynamism** observed in the **performing loan portfolio** is driven by a 2.2 percentage points (pps) contribution from consumer lending, while housing and commercial lending contributed 0.3 and 1.1 pps, respectively.

In August, **performing consumer credit** achieved a real annual growth of 8.5% (12.1% nominal), above the 7.1% observed the previous month, explained by apparent greater dynamism in the credit card and personal loan segments. The August growth rate is also higher than the 7.2% average observed during the first seven months of 2026. Of the real growth recorded in August, credit through credit cards contributed 4.3 pps, credit for the acquisition of durable consumer goods (ABCD) contributed 2.1 pps, payroll credit 1.1 pps, and personal loans contributed 1.1 pps, while other consumer credit contributed the remaining 0.01 pps.

It is worth noting that the growth observed in this portfolio exhibits a base effect due to the incorporation of the loan portfolio balance of regulated digital banks (RDBs) starting in September 2025, and that the contribution of new banks entering operations has increased over the months. Discounting this effect, the real growth of consumer credit in the eighth month of the year would be 5.7% (9.1% nominal), the lowest growth rate observed since July 2022. That is to say, **the incorporation of the BDR balances contributed 2.9 percentage points (pp) to the overall dynamism of the consumer portfolio.**

The balance of credit for the acquisition of durable consumer goods(ABCD, 21.2% of the total balance of consumer credit) moderated its growth, registering an annual real growth rate of 9.9% (13.5% nominal) lower than the 10.3% observed in the immediately preceding month and, in turn, lower than the average real rate of the first seven months of 2026 of 10.9%

Auto loans (89.1% of the total ABCD portfolio balance) registered a real annual growth rate of 10.5%, lower than the 11.1% recorded in July and also lower than the 12.0% average for the first seven months of the year. This performance could be explained by slower car sales. In August, car sales growth was 1.2%, well below the average growth rate for the first seven months of 2026, when car sales grew at an average rate of 5.3%.

The **durable goods financing** segment registered a real annual growth rate of 5.3%, the highest rate recorded so far this year. The strong performance observed in the first eight months of the year is double the average rate for the first seven months of 2026 (2.6%), although still below the average dynamism of 2025, when this portfolio segment grew at an average real annual rate of 9.1%. Going forward, it will be necessary to observe whether the signs of strengthening domestic demand prevail and stimulate demand for medium-term financing and spending on non-essential goods, thereby reversing the downward trend observed in the first six months of the year.

Meanwhile, the outstanding balance of **credit cards** reached a real annual growth rate of 12.1% (15.7% nominal) in August, the highest rate observed in the last 29 months. However, part of this growth corresponds to the effect of the consolidation of the RDBs portfolio balance starting in September 2025. Discounting this effect, the adjusted growth would fall to 5.1%, below the 5.6% average for the first seven months of 2026. That is,**the incorporation of the BDRs balances contributed 6.9 percentage points (pp) in August** to the dynamism of the credit card portfolio.

Credit card usage indicators also showed stronger momentum in August. The total value of credit card transactions in August 2026 increased by 13.0% year-over-year in real terms, exceeding the average growth rate of 11.7% recorded during the first seven months of 2026. Meanwhile, the number of credit card transactions reached 370.1 million in August, representing annual growth of 21.0%, also above the average growth rate of 20.1% observed during the first seven months of the year. As a result, the average transaction value stood at MXN 786.2, below the inflation-adjusted average of MXN 818.5 recorded during the first seven months of the year. In August, the spending categories that contributed the most to growth in credit card transaction values were those associated with essential consumption (5.1 pps) and discretionary spending (2.1 pppts).

The **payroll and personal loan portfolios** exhibited relatively stable dynamism compared to the previous month, although with differentiated behavior between segments. **Payroll loans** registered a real annual growth rate of 4.6% in August (8.0% nominal). Thus, the dynamism recorded in the eighth month of the year falls short of the average growth rate for July 2026, when the average real growth rate stood at 4.9%. The dynamism observed in payroll loans could be partly associated with the pace of formal employment creation, which has interrupted the slowdown trend observed since 2025 and registered, for the second consecutive month, growth of 1.5%, higher than the average of 0.5% recorded during that year. Likewise, the real wage growth observed in August (3.3% real annual growth) could have contributed to the better performance of this portfolio, although to a lesser extent.

P**ersonal loans,** meanwhile, saw their year-over.year real growth accelerate from 5.5% in July to 7.1% in August (10.5% nominal). However, this stronger growth momentum was also partly driven by the inclusion of loan portfolio balances from BDRs starting in September 2025. Excluding this effect, the **personal loan portfolio** recorded year-over-year real growth of 4.5%. In other words, **the incorporation of BDR loan balances contributed approximately 2.5 percentage points to the portfolio's annual growth rate in August.**

The performing housing loan portfolio recorded in August a real annual growth of 1.5% (4.9% nominal), slightly lower than the 1.7% observed in July, although above the average of 1.0% recorded during the first seven months of the year. By segment, credit for middle-income and residential housing, which accounts for 97.4% of the total housing portfolio, grew by 2.0% in real annual terms (5.3% nominal), above the 1.5% recorded the previous month and the average of 1.1% observed between January and July 2016.

While mortgage lending has reversed the slowdown observed in recent months, its growth rates remain below those recorded in previous years. While real annual growth averaged 3.1% and 2.1% in 2024 and 2025, respectively, it stood at just 1.2% during the first eight months of 2026.

This moderate dynamism could be partly attributed to the weak labor market and the limited reduction in long-term interest rates.

Given that mortgage lending tends to respond to changes in formal employment with a certain lag, **its current growth momentum may be reflecting labor market conditions observed in early 2025**, when employment growth continued to decelerate, averaging 0.7% during the first quarter. Meanwhile, real wages increased by 3.3% year-over-year in August 2026, below the 3.5% recorded in July, but still above the average growth rate of 2.9% observed during the first seven months of the year.

In addition to the above, relatively high mortgage interest rates persist and have shown some resistance to decreasing. In particular, the implied interest rates for the mortgage portfolio remain close to 10.0% annually. Taken together, these factors suggest that **demand for housing credit could maintain moderate growth in the short term.** This is contingent upon the continued impact of the slow growth of formal employment during 2025, the moderation of real wage growth, and the absence of a significant reduction in long-term interest rates.

Turning to wholesale lending, **the performing corporate loan portfolio** (accounting for 52.3% of total performing loans to the non-financial private sector) recorded year-over-year real growth of 2.0% in August (5.3% in nominal terms), the highest growth rate observed so far in 2026, although still well below the average annual growth rate of 6.5% recorded in 2025. However, the growth momentum observed in corporate lending was also partly driven by the consolidation of BDR loan balances. Excluding this effect, the **corporate loan portfolio** recorded year-over-year real growth of 1.3%. In other words, **the incorporation of BDR loan balances contributed 0.7 percentage points to the portfolio's annual growth rate in August**. Even after adjusting for this effect, August's growth rate remained the highest recorded so far this year.

By sector of economic activity, in August, the services sector (57.2% of the total) contributed 3.1 pp to the growth rate of the current business portfolio, higher than the contribution recorded the immediately preceding month (2.3%); the construction sector reduced its contribution to 0.6 pp, and for its part, the agricultural sector contributed 0.1 pp to the dynamism, while the rest of the sectors (mining, electricity, water and gas and manufacturing) subtracted 1.8 pp from the total dynamism due to the continued reduction in their current portfolio balances.

Furthermore, August marked the **ninth consecutive month in which lending to the manufacturing sector weighed on overall portfolio growth**. Within manufacturing, the metal industry and non-metallic products subsectors were the largest detractors from portfolio growth.

By currency denomination, the performing business loan portfolio denominated in domestic currency (accounting for 76.5% of total performing business loans) recorded year-over-year real growth of 3.4% in August (6.8% in nominal terms), exceeding both the 3.1% observed in July and the average growth rate recorded during the first seven months of the year. Meanwhile, the performing business loan portfolio denominated in foreign currency, which accounts for 23.5% of total outstanding balances, contracted by 2.6% year-over-year in real terms, the smallest contraction recorded so far in 2026.

As observed in recent months, the appreciation of the exchange rate continued to dampen the momentum of the foreign currency-denominated portfolio. After discounting this accounting effect, the real annual growth of this portfolio would have reached 7.1% in August, the highest rate so far this year. This implies that the exchange rate appreciation reduced the real annual growth of the foreign currency portfolio by 9.7 percentage points (pp).

For the overall outstanding business loan portfolio, real annual growth, adjusted for the accounting effect of the exchange rate, reached 4.2% in August, above the 3.3% recorded in July and the average of 2.8% observed during the first seven months of the year. This recovery could be reflecting an incipient improvement in domestic demand and employment. In this context, the consolidation of the economic recovery will be fundamental to sustaining and strengthening the dynamism of business credit in the coming months.

Economic uncertainty and uneven credit recovery marked regional performance in Q2 2026.

According to Banco de México´s *Report on regional economies* for the **second quarter of 2026,** financial services in Mexico showed differentiated performance across regions. Economic and trade uncertainty continued to limit demand for financing, particularly for long-term investment projects, although some credit and deposit segments showed greater dynamism.

In **the northern region[2],** household caution in the face of lower disposable income limited the dynamism of consumer credit. In contrast, interest rates that remained at attractive levels favored capital raising by companies and institutional investors.

In the **north-central region,** uncertainty and a perception of insecurity limited demand for business financing for investment projects in the hotel sector. However, an increase in loan applications to finance mergers and acquisitions was observed, which helped sustain lending activity in certain segments.

In the **central region,** trade uncertainty and the ongoing USMCA negotiations limited demand for some financial products. However, the expansion strategies of non-bank financial institutions (Sofomes) boosted consumer and payroll loans.

Finally, in the **southern region,** uncertainty surrounding the renegotiation of the USMCA and the Middle East conflict limited demand for financing for long-term investment projects, particularly in the manufacturing sector. In contrast, a slight reduction in financing costs encouraged increased lending in the agricultural, construction, real estate, and transportation equipment sectors.

[2]According to the Bank of Mexico, the regions are delimited as follows: **North**: Baja California, Chihuahua, Coahuila, Nuevo León, Sonora and Tamaulipas; **North Central**:Aguascalientes, Baja California Sur, Colima, Durango, Jalisco, Michoacán, Nayarit, San Luis Potosí, Sinaloa and Zacatecas;**Central:** Mexico City, State of Mexico, Guanajuato, Hidalgo, Morelos, Puebla, Querétaro and Tlaxcala; **South:** Campeche, Chiapas, Guerrero, Oaxaca, Quintana Roo, Tabasco, Veracruz and Yucatán

At the national level, the performing commercial bank loan portfolio to private non-financial businesses recorded year-over-year real growth of 1.4% in the second quarter of 2026, significantly below the 6.0% average recorded in 2025, with performance varying across regions. In the **central region** (accounting for 52.3% of the total portfolio), lending grew by 0.3% year-over-year in real terms, following contractions in previous quarters. Meanwhile, in the **northern region** (23.4% of the total), the loan portfolio also returned to positive growth, expanding by 0.5% year-over-year in real terms. The **north-central region** (17.4% of the total) maintained its accelerating growth trend, posting year-over-year real growth of 4.2%, while the **southern region** (7.0% of the total) continued to decelerate, with growth slowing to 6.1%, although it remained the fastest-growing of the four regions.

By sector of economic activity, the performing industrial loan portfolio contracted in three of the country's four regions: north (-5.4%), central (-4.3%), and south (-1.8%). The north-central region was the only one to record positive year-over-year real growth, at 2.2%. In contrast, lending to the services sector showed stronger momentum in the second quarter of 2026 across all regions: north (5.7%), north-central (5.9%), central (3.1%), and south (10.0%). Finally, the agricultural sector recorded an improvement compared to the previous quarter in all four regions: north (from 3.2% to 4.5%), north-central (from -5.3% to -1.0%), central (from -8.9% to 3.4%), and south (from 0.9% to 8.1%).

1. Financial Markets

Benefits of AI investment for the Mexican economy and its initial effects on credit.

According to estimates from major North American investment banks, investment in the construction of data centers in the US for the next three to five years could be between three and five trillion dollars.

This high investment in data centers relies heavily on imported components. According to the latest edition of the DHL Globalization Tracker, a joint project of DHL and New York University, demand for goods used in building AI-related infrastructure has been a key driver in accelerating global trade in goods growth during the first half of 2026 to its highest level in 15 years, excluding the rebound from the pandemic.

In fact, according to data from the OECD and the World Trade Organization (WTO), goods associated with the development of AI accounted for 42% of the growth of world trade in 2025, a figure that rose to 76% in the first quarter of 2026.

Our country occupies a significant place in the growth of global trade. According to the WTO president, Mexico has increased its share of global exports of products associated with AI development from 2.3% to 4.8% between 2023 and the first half of 2026.

Undoubtedly, the increased demand for goods associated with the development of data centers and AI by our main trading partner has been reflected in the fact that during the first half of 2026,

server exports will reach USD 82.9 billion, surpassing exports from the automotive and auto parts sector.

In this same vein, a study by the Minneapolis Federal Reserve Bank last March found that Mexico ranks first as the main exporter to the U.S. of products highly associated with AI (AI).enablers) in two of the five most relevant categories: In electrical equipment, our country's share is 23.6%, while in refrigeration equipment, the share reaches 34.6%. In the other two remaining categories (hardware (computer and telecommunications network equipment), Mexico ranks second, behind Taiwan and Vietnam, respectively.

It is relevant to point out that this strength in participation in exports of products highly associated with the development of AI has occurred even though in the two categories in which Mexico ranks first, the tariff rate has been increased by the Trump administration.

So, how much of this demand for AI-related goods has translated into growth in local business credit? According to data from the Bank of Mexico, credit to businesses across the entire Mexican financial system grew by 2.0% year-on-year in real terms in August, the latest available data, and the average annual growth rate over the past year is 1.1% in real terms. This latter figure is 0.3 standard deviations below the median annual growth rate in real terms for the last 10 years.

Regarding sectoral distribution, credit to manufacturing companies has left behind the near double-digit negative annual growth rates in real terms of the first quarter of the year, but in August it still registered a real annual rate of -6.3%.

It is worth noting that between November 2024 and June 2025, credit to manufacturing companies grew at an average annual real rate of 5.8%, driven by advance inventory purchases in anticipation of the tariff increases announced by the then newly installed Trump administration. Therefore, the weakness observed in the last months of 2026 could still be due to the effects of these advance purchases, as well as the significant appreciation of the exchange rate.

The lack of a significant increase in local business credit is likely also related to the fact that a large portion of Mexican exports require a high percentage of imported parts. This aligns with the domestic content data for Mexican server exports, for example, which ranges between three and seven percent, according to a Financial Times study. By comparison, the value added of automotive exports is around 39%.

Another possible factor at play is the fact that, at present, the production of components linked to the development of AI is mainly related to transnational companies, whose parent company may have sufficient operating cash flow to support production and investment or opt for alternative sources of financing in its country of origin, such as the issuance of bonds, whose demand has been particularly high in the financial markets.

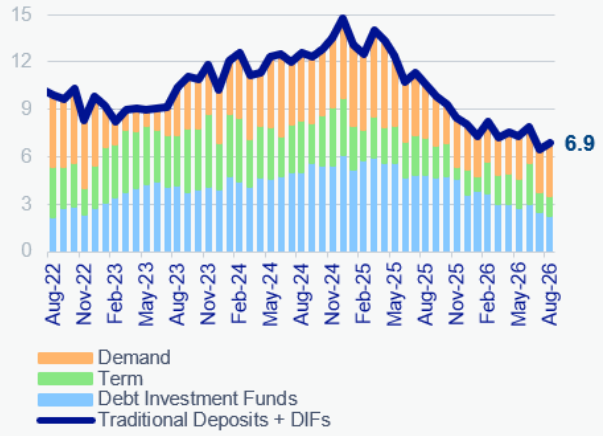
This may be the case of Jalisco, the country's main server producer, which has within its borders seven of the top 25 global companies in specialized manufacturing (e.g. Flex, FoxConn), in addition to large conglomerates in the production of networking equipment (e.g. Cisco) and in the production of memory and storage (e.g. SK Hynix, IBM).

In short, the high investment in AI development, mainly in the USThis is reflected in a significant boost in exports of related goods by our country. However, the low domestic content of these exports and the still incipient incorporation of local companies of varying sizes into the value chain of these exports remain significant challenges for translating this export growth into greater demand for credit.

Deposits: Figures

TOTAL DEPOSITS FROM COMMERCIAL BANKS

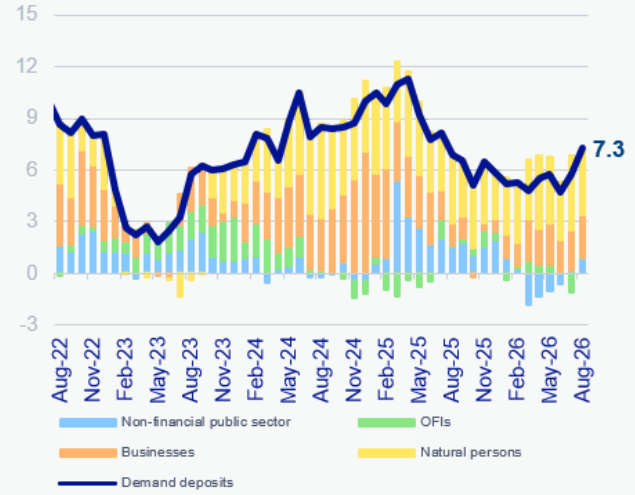
(ANNUAL NOMINAL VAR,%)



Source: BBVA Research with data from Banxico

SIGHT DEPOSITS

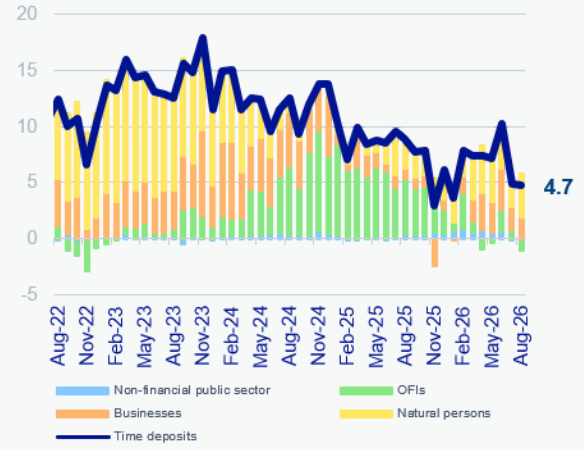
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Source: BBVA Research with data from Banxico

TERM DEPOSITS

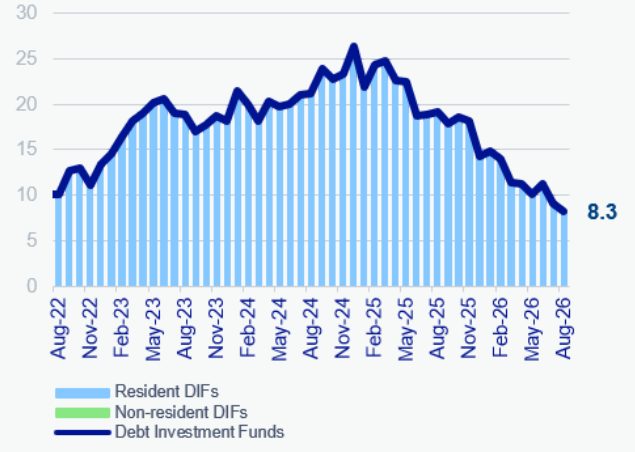
(ANNUAL NOMINAL VAR,%)



Source: BBVA Research with data from Banxico

DEBT INVESTMENT FUNDS (DIFs)

(ANNUAL NOMINAL VAR,%)

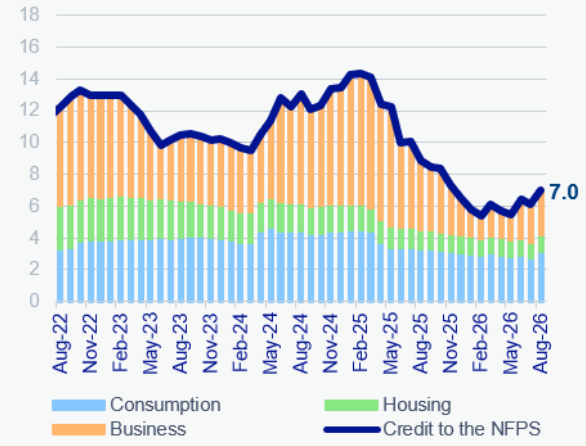


Source: BBVA Research with data from Banxico

Credit: Figures

OUTSTANDING BANK CREDIT TO THE NFPS

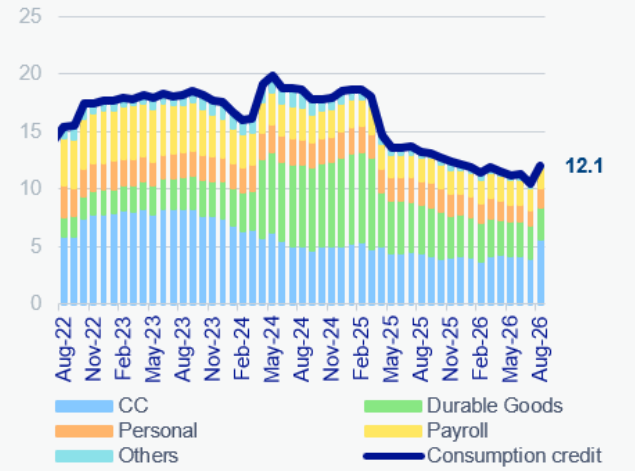
(ANNUAL NOMINAL VAR,%)



Source: BBVA Research with data from Banxico

OUTSTANDING CONSUMER LOANS

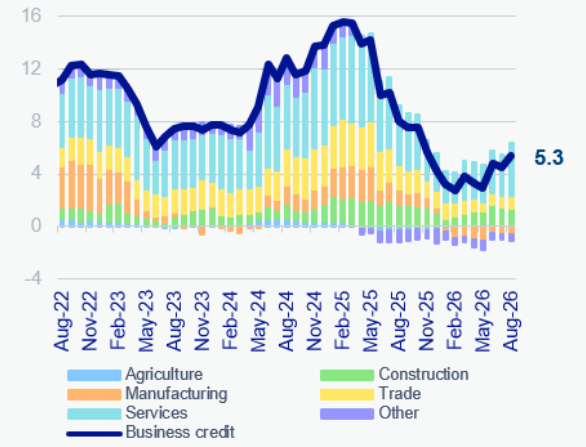
(ANNUAL NOMINAL VAR,%)



Source: BBVA Research with data from Banxico

OUTSTANDING CORPORATE LOANS

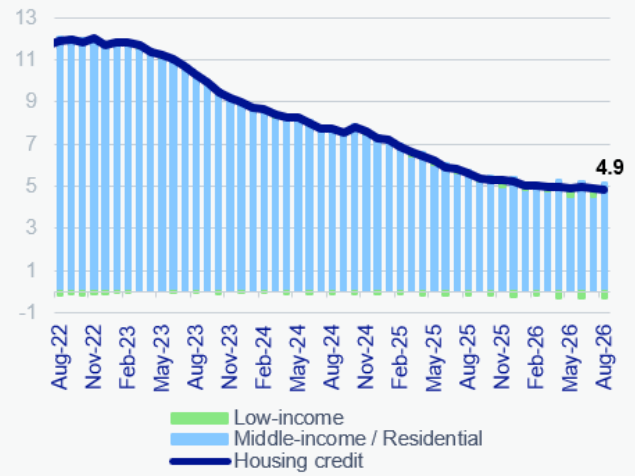
(ANNUAL NOMINAL VAR,%)



Source: BBVA Research with data from Banxico

OUTSTANDING HOUSING LOANS

(ANNUAL NOMINAL VAR,%)



Source: BBVA Research with data from Banxico

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