

CASE STUDY

BANORTE

Leader in bringing new derivatives and fixed income products to the Mexican market

Pioneer in the Implementation of New Products in Mexico

A Review of Banorte's Product Roadmap, 2019–2026

Over the past years, Banorte has systematically expanded its derivatives & fixed income products, moving to a diversified suite of many alternative products involving rate, FX, equity and credit derivatives by 2026. This trajectory positions Banorte as a first mover among Mexican banking institutions in bringing internationally standard hedging and trading instruments to the local market, while consistently anticipating and responding to Banco de México (Banxico) regulatory requirements & developments.

This document presents the roadmap of new product releases, organizes them into strategic categories, and builds the case for why this sustained pace of innovation constitutes a durable competitive advantage, strengthening client relationships, improving profitability, supporting regulatory compliance, and reinforcing Banorte's position as a benchmark institution for innovation in Mexico.

19 new product streams released between 2019 and 2026	8 consecutive years of new product releases	4 business streams engaged: Treasury, Brokerage House, Markets, Transactional Banking
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Mexico's markets have evolved rapidly over the last decade, driven by global benchmark-rate transition (LIBOR/THIE to SOFR/THIE F), evolving Banxico regulations & developments, growing client demand for tailored risk management solutions and the bank sophistication itself. Banks that move early to build the infrastructure, the regulatory authorizations, and the risk/trading capabilities for these instruments capture a durable advantage in client relationships and balance sheet management.

Banorte's release history shows a pattern that does not merely react to regulatory deadlines: it is visible in the early adoption of CDS in 2019, its early positioning in the SOFR and TIIE F transitions (2023–2024), and the Bank's response to emerging market trends by introducing self-service derivatives.

KEY ASPECTS OF THE ROADMAP BY STRATEGIC CATEGORY



Regulatory Leadership

SOFR (2023) and TIIE F (2024) transitions executed ahead of mandatory market-wide cut-over dates; Markitwire integration (2024) following the clearing-house transition.



Client-Facing Innovation and Self-Service

CBL self-service FX forwards in USD/MXN (2023) and EUR/MXN (2025); BFX, a Bloomberg-based self-service forward platform planned for 2026.



Balance-Sheet Hedging & Risk Management

CDS (2019) and CDX credit indices (2025) for credit-risk and XVA hedging; CCIRS and USD IRS (2022); TRS (2026) to hedge the repricing profile.



Profitability and Trading Expansion

Rate derivatives and cross-currency swaps in the Brokerage House (2021–2022); equity derivatives in the Bank, expanded to fourteen strategies (2021–2024).

NEW PRODUCT ROADMAP (2019–2026)

The table below consolidates all new products released by Banorte:

Year	Product	Detail
2019	CDS: Credit Default Swaps	CDS
2021	Rate derivatives in Brokerage House	Rate swaps & options
2021	Equity derivatives in Bank	Forwards & options
2021	New structured products in Bank	Range swap, Collar extra, Forward KO, Participating Fwd
2022	USD rate Cash Flow hedges	Rate swaps & cross-currency swaps
2022	Cross-currency swaps in Brokerage House	Cross currency swaps
2022	CMS: Constant Maturity Swaps	CMS
2023	CBL: Self-service	FX Forwards USD/MXN
2023	RFR Transition: SOFR	Trading & Treasury new products: 40; Loan new products: 10
2024	Equity derivatives in Bank	14 equity strategies & structured notes

Year	Product	Detail
2024	RFR Transition: TIIE F	Trading & Treasury new products: 36; Loan new products: 10
2024	Markitwire	Automated transactions of Rate swaps with Clearing Houses
2025	CDX: Credit Indices	5 CDS baskets
2025	CBL Self-service	FX Forwards EUR/MXN
2026	TRS: Total Return Swaps	Bond Return Swaps
2026*	BFX: Self-Service Forwards	Forwards via Bloomberg
2026*	Debt Central Counterparty Clearing Member for Bank & Brokerage House	Mexican Bonds (MBonos) & Repos
2027	New Repos	Evergreen Repo, Open repo, Fwd Starting Repo

* Estimated completion date 2026.

STRATEGIC CONCLUSIONS

Taken together, the roadmap supports three strategic conclusions:

- Consistency**
 New products have been released every year since 2019, indicating an institutionalized capability rather than isolated initiatives, across front office, legal team, risk department, IT, middle and back office, finance and compliance areas.
- Breadth**
 The product set spans rate, FX, credit and equity asset classes, and serves Treasury, Transactional Banking and Markets, across Bank and the Brokerage House, making the capability resilient across entities, business cycles and client segments.
- Foresight**
 Regulatory transitions (SOFR, TIIE F, hedges) were addressed with structural product launches rather than minimum-compliance fixes, positioning Banorte ahead of peers when each transition became market-wide.

This combination of consistency, breadth, and foresight is the basis for positioning Banorte as a pioneer in the implementation of new derivatives & fixed income products in the Mexican market.

CONCLUSION

Banorte's eight-year road map is clear evidence that the bank is a pioneer in bringing new derivatives and fixed income products to the Mexican market. The roadmap shows not a series of isolated launches, but a deliberate, multi-year capability build spanning regulatory compliance, client self-service, balance-sheet hedging, and trading profitability, a track record that merits continued investment and should anchor Banorte's positioning with peers, regulators, clients, and the market at large. Beyond product innovation, Banorte has consistently invested in market infrastructure, automation, and risk-management capabilities, creating barriers to entry and supporting sustainable competitive advantages beyond individual product launches.

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