

TITLE: The Business Year holds a digital roundtable on the role of the finance industry in post-pandemic Mexico

*SF: TBY hosts a digital conference on the role of the finance industry in the economic reactivation of Mexico, in partnership with the stock exchange BIVA.*

Mexico City, May 15, 2020—A day after the Mexican government announced its three-step plan for the economic reactivation of the economy, The Business Year (TBY), a global media group that has been providing investors, businesses, and governments with first-hand insights into the world's most dynamic markets for over a decade, held a digital roundtable to summon decision-makers of key banking and investment institutions to discuss the role of the finance industry. "The national scenario is facing challenges not only in dealing with COVID-19, but also the historic devaluation of the peso and foreign capital outflow from sovereign debt vehicles occurring despite competitive interest rates," emphasized Maria Ariza, CEO of BIVA, during her welcome remarks on May 14, 2020 during the digital event, *The New Rules: Banking for a Post-Pandemic Mexico*.

Investors make decisions by comparing risk in international markets, and the government's decision to proceed with public projects that require the use of federal budget without having proven feasibility or economic viability is impacting Mexico's competitiveness, continued Ariza. "In order to reach the full potential of the Mexican financial system, we need to focus on making it stronger."

One way to increase its attractiveness is by ensuring SMEs, an important source of labor in the country, are taking advantage of the long-term financial solutions that capital markets can offer. "A financial system that is built on both banking and capital markets is stronger than a system that is built on solely traditional banking," she concluded.

Francesc Noguera, CEO of Banco Sabadell; David Ricardo Suarez, Head of Finance in Grupo Salinas; and Arturo J. Saval, President of Nexxus Capital also participated in the conference. During the discussion, panelists shared how the companies they represent have adapted to the challenges of the pandemic and their suggestions for business leaders.

In his participation, Saval reminded the audience that the first steps companies should take is to focus on keeping jobs and customers safe and maintaining cash flow. “We are going to have a very long recession,” he stated. “Economists only speak about how deep the recession will be but not enough people are talking about how long it is going to be.”

When it comes to the strategies companies are using to adapt to a tough economic climate, Grupo Salinas, a conglomerate that encompasses over 20 Mexican companies, is restructuring its business model and employing stringent loan policies. “We used to offer some clients automatic loans, but now we are verifying more information and making sure they are going to be able to pay for it,” Suarez informed. The company is also helping its clients adapt to the pandemic by intensifying its financial education programs.

While the pandemic has become a global tragedy, social distancing has become an accelerator for trends in the digital world. “Digital banking is growing exponentially and people that only used cash before are now starting to open bank accounts to make transfers,” highlighted Noguera. Banco Sabadell predicts that by the end of the year, most if not all banking products will offer 100% online capabilities. “This is going to be a game changer for the industry.”

After being asked in the Q&A segment on his advice to business leaders in Mexico, Saval urged listeners to keep moving forward. “Expect the best but prepare for the worst. Always have a plan b.”



*The New Rules: Banking for a Post-Pandemic Mexico* is part of a series of digital events hosted by TBY, a global media platform specializing on investment and the economies of emerging markets , to keep its C-level audience well informed and up to date during times of change.

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