

## HR Ratings' Rating Scales

### A. Long Term Local Rating Scale

Symbol	Definition of the Rating
<b>HR AAA</b>	The issuer or issue with this rating is considered to have the highest credit quality, offering high safety for timely payment of debt obligations. Maintains minimum credit risk.
<b>HR AA</b>	The issuer or issue with this rating is considered to have high credit quality and offers high safety for timely payment of debt obligations. Maintains very low credit risk under adverse economic scenarios.
<b>HR A</b>	The issuer or issue with this rating offers acceptable safety for timely payment of debt obligations. Maintains low credit risk.
<b>HR BBB</b>	The issuer or issue with this rating provides moderate safety for timely payment of debt obligations. Maintains moderate credit risk, with weakness in the ability to pay in adverse economic scenarios.
<b>HR BB</b>	The issuer or issue with this rating provides inadequate safety for timely payment of debt obligations. Maintains high credit risk.
<b>HR B</b>	The issuer or issue with this rating provides low safety for timely payment of debt obligations and maintains a high credit risk. The issue or issuer is susceptible to falling into default.
<b>HR C</b>	The issuer or issue with this rating exhibits high probability of falling into default in debt obligation payments.
<b>HR D</b>	The issuer or issue with this rating has the lowest rating. The issue is already in, or is highly likely to fall into, default in the short term.

*\*Our ratings range from HR AAA to HR D, a plus or minus sign may be included in the range from HR AA to HR C, to indicate strength or weakness within a general rating category.*

*To indicate the rating is a limited rating, HR Ratings assigns at the end of each rating the symbol "(L)".*

*HR Ratings could also assign the symbol "P" to indicate a preliminary Rating.*

## B. Short Term Local Rating Scale

Symbol	Definition of the Rating
<b>HR1</b>	The issuer or issue with this rating exhibits high capacity for timely payment of debt obligations in the short term and maintains the lowest credit risk. Within this category, debt instruments and or issuers with features showing relative superiority in terms of credit characteristics may be rated as HR+1.
<b>HR2</b>	The issuer or issue with this rating exhibits an acceptable capacity for timely payment of debt obligations in the short term and maintains a higher credit risk compared with higher credit rating debt instruments.
<b>HR3</b>	The issuer or issue with this rating exhibits a moderate capacity for timely payment of debt obligations in the short term and maintains a higher credit risk compared with higher credit rating debt instruments.
<b>HR4</b>	The issuer or issue with this rating exhibits an insufficient capacity for timely payment of debt obligations in the short term and maintains a very high credit risk. These instruments are susceptible to falling into default.
<b>HR5</b>	The issuer or offering is highly probable they will fall into default on the payment of debt obligations.
<b>HR D</b>	The issuer or offering given this rating has the lowest credit rating and they are already in default.

*To indicate the rating is a limited rating, HR Ratings assigns at the end of each rating the symbol "(L)".  
HR Ratings could also assign the symbol "P" to indicate a preliminary Rating.*

### C. Long Term Rating Scale for Insurance Institutions

Symbol	Definition
<b>HR AAA</b>	The insurance company assigned this rating is considered to offer the highest certainty for timely payment of obligations, maintaining a minimum risk of default.
<b>HR AA</b>	The insurance company assigned this rating is considered to offer a high certainty for timely payment of obligations, maintaining a very low risk of default under adverse economic scenarios.
<b>HR A</b>	The insurance company assigned this rating offers acceptable certainty for timely payment of contracted obligations, maintaining a negligible risk of default under adverse economic scenarios.
<b>HR BBB</b>	The insurance company assigned this rating offers moderate certainty for timely payment of contracted obligations, with weakness in the ability to pay under adverse economic changes.
<b>HR BB</b>	The insurance company assigned this rating offers insufficient certainty for timely payment of contracted obligations, maintaining a considerable risk of default.
<b>HR B</b>	The insurance company assigned this rating offers low certainty for timely payment of contracted obligations, maintaining a considerable risk of falling into default.
<b>HR C</b>	The insurance company assigned this rating offers a high probability of falling into default on the payment of contracted obligations.
<b>HR D</b>	This is the lowest rating on the scale and is assigned to insurance companies that are in default or which HR Ratings believes will not make timely and full payment of their contractual obligations.

*As there is a wide range of possible specific characteristics for insurance companies and considering that ratings are expressed based on a limited number of symbols, HR Ratings assigns "+" or "-" from HR AA to HR C, to positions of relative strength or weakness (where necessary) within each rating scale.*

*\*Our ratings range from HR AAA (G) to HR D (G), a plus or minus sign may be included in the range from HR AA (G) to HR C (G), to indicate strength or weakness within a general rating category.*

*To indicate the rating is a limited rating, HR Ratings assigns at the end of each rating the symbol "(L)".*

*HR Ratings could also assign the symbol "P" to indicate a preliminary Rating.*

**D. Short Term\* Local Rating Scale for Insurance Institutions**

<b>Symbol</b>	<b>Definition</b>
<b>HR1</b>	The insurance company assigned this rating offers a high ability to make timely payment on obligations. Insurers in this category with a relative superiority in their ability to pay will be assigned the rating HR+1.
<b>HR2</b>	The insurance company assigned this rating offers an acceptable ability to make timely payment on obligations due in the short term and maintains a greater risk of default compared with higher rated insurers.
<b>HR3</b>	The insurance company assigned this rating offers a moderate ability to make timely payment on obligations in the short term and maintains a greater risk of default compared with higher rated insurers.
<b>HR4</b>	The insurance company assigned this rating offers an insufficient ability to make timely payment on contracted obligations in the short term. The insurance company is susceptible to fall into default.
<b>HR5</b>	The insurance company assigned this rating has defaulted on its obligations or it is highly probable the insurance company will fall into default.
<b>HR D</b>	This is the lowest rating on the scale and is assigned to insurance companies that are in default or which HR Ratings believes will not make timely and full payment of their contractual obligations.

*To indicate the rating is a limited rating, HR Ratings assigns at the end of each rating the symbol "(L)".  
HR Ratings could also assign the symbol "P" to indicate a preliminary Rating. Short-term refers to periods shorter than twelve months.*

### E. Structured Finance Rating Scale

Symbol	Definition of the Rating
HR AAA (E)*	The issue with this rating is considered to have the highest credit quality, offering high safety for timely payment of debt obligations. Maintains minimum credit risk.
HR AA (E)*	The issue with this rating is considered to have high credit quality and offers high safety for timely payment of debt obligations. Maintains very low credit risk under adverse economic scenarios.
HR A (E)*	The issue with this rating offers acceptable safety for timely payment of debt obligations. Maintains low credit risk.
HR BBB (E)*	The issue with this rating provides moderate safety for timely payment of debt obligations. Maintains moderate credit risk, with weakness in the ability to pay in adverse economic scenarios.
HR BB (E)*	The issue with this rating provides inadequate safety for timely payment of debt obligations. Maintains high credit risk.
HR B (E)*	The issue with this rating provides low safety for timely payment of debt obligations and maintains a high credit risk. The issue is susceptible to falling into default.
HR C (E)*	The issue with this rating exhibits high probability of falling into default in debt obligation payments.
HR D (E)*	The issue with this rating has the lowest rating. The issue is already in, or is highly likely to fall into, default in the short term.

(E)\* is a local rating

*\*\*Our ratings range from HR AAA (E) to HR D (E), a plus or minus sign may be included in the range from HR AA (E) to HR C (E), to indicate strength or weakness within a general rating category.*

*To indicate the rating is a limited rating, HR Ratings assigns at the end of each rating the symbol "(L)".*

*HR Ratings could also assign the symbol "P" to indicate a preliminary Rating.*

**F. Market Risk Rating Scale (SIEFORES)**

Symbol	Definition of the Rating
<b>1HR</b>	The asset portfolio has extremely low sensitivity to changes in market conditions.
<b>2HR</b>	The asset portfolio has low sensitivity to changes in market conditions.
<b>3HR</b>	The asset portfolio has low to moderate sensitivity to changes in market conditions.
<b>4HR</b>	The asset portfolio is moderately sensitive to changes in market conditions.
<b>5HR</b>	The asset portfolio has moderate to high sensitivity to changes in market conditions.
<b>6HR</b>	The asset portfolio is highly sensitive to changes in market conditions.
<b>7HR</b>	The asset portfolio is extremely sensitive to changes in market conditions.

*To indicate the rating is a limited rating, HR Ratings assigns at the end of each rating the symbol "(L)".  
HR Ratings could also assign the symbol "P" to indicate a preliminary Rating.*

### G. Primary Asset Servicers Rating Scale

Symbol	Definition of the Rating
HR AP1	The Primary Servicer given the rating HR AP1 exhibits the best quality in credit management and/or origination. Their organizational structure includes highly experienced human resources. Their procedures and controls, and also their risk management systems are outstanding, and they present high financial solidity.
HR AP2	The Primary Servicer given the rating HR AP2 exhibits high quality in credit management and/or origination. Their organizational structure includes experienced human resources. Their procedures and controls, and also their risk management systems are good, and they present healthy financial solidity. <b>The rating may be differentiated with a (+) or (-) sign, representing a position of relative strength or weakness within the same rating.</b>
HR AP3	The Primary Servicer given the rating HR AP3 exhibits acceptable quality in credit management and/or origination. Their organizational structure includes human resources with sufficient experience. Their procedures and controls, as well as also their risk management systems are sufficient, and they present acceptable financial solidity. <b>The rating may be differentiated with a (+) or (-) sign, representing a position of relative strength or weakness within the same rating.</b>
HR AP4	The Primary Servicer given the rating HR AP4 exhibits areas of opportunity in terms of the quality of their credit management and/or origination. Their organizational structure and human resources, as well as their procedures and controls, risk management systems, and their financial position also present areas of opportunity.
HR AP5	The Primary Servicer given the rating HR AP5 exhibits some deficiency or limitation at this time in both the organization and quality of their credit management and/or origination. Their human resources lack sufficient experience, and they exhibit limitations in terms of procedures and controls, and also present deficient management systems and risks in their financial position.

*To indicate the rating is a limited rating, HR Ratings assigns at the end of each rating the symbol "(L)".  
HR Ratings could also assign the symbol "P" to indicate a preliminary Rating.*

## H. Master Servicer Rating Scale

Symbol	Definition of the Rating
HR AM1	The Master Servicer given the rating HR AM1 exhibits the best quality in credit management and/or origination. Their organizational structure includes highly experienced human resources. Their procedures and controls, and their risk management systems, are outstanding and they present high financial solidity. <b>The rating may be differentiated with a (-) sign, representing a position of relative weakness within the same rating.</b>
HR AM2	The Master Servicer given the rating HR AM2 exhibits high quality in credit management and/or origination. Their organizational structure includes experienced human resources. Their procedures and controls, and their risk management systems are good, and they present healthy financial solidity. <b>The rating may be differentiated with a (+) or (-) sign, representing a position of relative strength or weakness within the same rating.</b>
HR AM3	The Master Servicer given the rating HR AM3 exhibits acceptable quality in credit management and/or origination. Their organizational structure includes human resources with sufficient experience. Their procedures and controls, and their risk management systems are sufficient, and they present acceptable financial solidity. <b>The rating may be differentiated with a (+) or (-) sign, representing a position of relative strength or weakness within the same rating.</b>
HR AM4	The Master Servicer given the rating HR AM4 exhibits areas of opportunity in terms of the quality of their credit management and/or origination. Their organizational structure and human resources, and their procedures and controls, risk management systems, and their financial position also present areas of opportunity.
HR AM5	The Master Servicer given the rating HR AM5 exhibits some deficiency or limitation at this time in both the organization and quality of their credit management and/or origination. Their human resources lack sufficient experience, and they exhibit limitations in terms of procedures and controls, and present deficient management systems and risks in their financial position.

To indicate the rating is a limited rating, HR Ratings assigns at the end of each rating the symbol "(L)".  
HR Ratings could also assign the symbol "P" to indicate a preliminary Rating.

### I. Special Asset Servicers Rating Scale

Symbol	Definition of the Rating
HR AE1	The Special Servicer given the rating HR AE1 exhibits the best quality in credit management and/or origination. Their organizational structure includes highly experienced human resources. Their procedures and controls, and their risk management systems are outstanding, and they present high financial solidity. <b>The rating may be differentiated with a (-) sign, representing a position of relative weakness within the same rating.</b>
HR AE2	The Special Servicer given the rating HR AE2 exhibits high quality in credit management and/or origination. Their organizational structure includes experienced human resources. Their procedures and controls, and their risk management systems are good, and they present healthy financial solidity. <b>The rating may be differentiated with a (+) or (-) sign, representing a position of relative strength or weakness within the same rating.</b>
HR AE3	The Special Servicer given the rating HR AE3 exhibits acceptable quality in credit management and/or origination. Their organizational structure includes human resources with sufficient experience. Their procedures and controls, and also their risk management systems are sufficient, and they present acceptable financial solidity. <b>The rating may be differentiated with a (+) or (-) sign, representing a position of relative strength or weakness within the same rating.</b>
HR AE4	The Special Servicer given the rating HR AE4 exhibits areas of opportunity in terms of the quality of their credit management and/or origination. Their organizational structure and human resources, and their procedures and controls, risk management systems, and their financial position also present areas of opportunity.
HR AE5	The Special Servicer given the rating HR AE5 exhibits some deficiency or limitation at this time in both the organization and quality of their credit management and/or origination. Their human resources lack sufficient experience, and they exhibit limitations in terms of procedures and controls, and present deficient management systems and risks in their financial position.

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HR Ratings could also assign the symbol "P" to indicate a preliminary Rating.*

## J. Fiduciary and Common Representative Rating Scale

Symbol	Definition of the Rating
HR SF1	The Fiduciary and/or Common Representative given the rating HR SF1 exhibits the highest ability to offer fiduciary and/or common representative services. Their technological tools and reporting capacity are excellent; their procedures and controls, and their human resources are outstanding, and they present high financial solidity and legal capacity. <b>The rating may be differentiated with a (-) sign, representing a position of relative weakness within the same rating.</b>
HR SF2	The Fiduciary and/or Common Representative given the rating HR SF2 exhibits a high ability to offer fiduciary and/or common representative services. Their technological tools and reporting capacity are excellent; their procedures and controls, and their human resources are good, and they present financial solidity and legal capacity. <b>The rating may be differentiated with a (+) or (-) sign, representing a position of relative strength or weakness within the same rating.</b>
HR SF3	The Fiduciary and/or Common Representative given the rating HR SF3 exhibits an acceptable ability to offer fiduciary and/or common representative services. Their technological tools and reporting capacity, procedures and controls, and their human resources are sufficient, and they present acceptable financial solidity and legal capacity. <b>The rating may be differentiated with a (+) or (-) sign, representing a position of relative strength or weakness within the same rating.</b>
HR SF4	The Fiduciary and/or Common Representative given the rating HR SF4 exhibits certain weaknesses in offering fiduciary and/or common representative services. Their technological tools and reporting capacity, procedures and controls, and their human resources show some areas of opportunity, and they present a weak financial situation and legal capacity.
HR SF5	The Fiduciary and/or Common Representative given the rating HR SF5 exhibits deficiencies in offering fiduciary and/or common representative services. Their technological tools and reporting capacity, procedures and controls, and their human resources show some limitations, and they present a deficient financial situation and legal capacity.

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HR Ratings could also assign the symbol "P" to indicate a preliminary Rating.

## K. Long-term Global Rating Scale

Symbol	Definition of the Rating
<b>HR AAA (G)</b>	The issuer or issue with this rating is considered to have the highest credit quality, offering high safety for timely payment of debt obligations. Maintains minimum credit risk on a global scale basis.
<b>HR AA (G)</b>	The issuer or issue with this rating is considered to have high credit quality and offers high safety for timely payment of debt obligations. Maintains very low credit risk on a global scale basis, under adverse economic scenarios.
<b>HR A (G)</b>	The issuer or issue with this rating offers acceptable safety for timely payment of debt obligations. Maintains low credit risk on a global scale basis.
<b>HR BBB (G)</b>	The issuer or issue with this rating provides moderate safety for timely payment of debt obligations. Maintains moderate credit risk on a global scale, with weakness in the ability to pay in adverse economic scenarios.
<b>HR BB (G)</b>	The issuer or issue with this rating provides inadequate safety for timely payment of debt obligations. Maintains high credit risk on a global scale basis.
<b>HR B (G)</b>	The issuer or issue with this rating provides low safety for timely payment of debt obligations and maintains a high credit risk on a global scale. The issue or issuer is susceptible to falling into default.
<b>HR C (G)</b>	The issuer or issue with this rating exhibits high probability of falling into default in debt obligation payments.
<b>HR D (G)</b>	The issuer or issue with this rating has the lowest rating on a global scale basis. The issue is already in, or is highly likely to fall into, default in the short term.

*\*Our ratings range from HR AAA (G) to HR D (G), a plus or minus sign may be included in the range from HR AA (G) to HR C (G), to indicate strength or weakness within a general rating category.*

*To indicate the rating is a limited rating, HR Ratings assigns at the end of each rating the symbol "(L)".*

*HR Ratings could also assign the symbol "P" to indicate a preliminary Rating.*

#### L. Short-term\* Global Rating Scale

Symbol	Definition of the Rating
<b>HR1 (G)</b>	The issuer or issue with this rating exhibits high capacity for timely payment of debt obligations in the short term and maintains the lowest credit risk on a global scale basis. Within this category, debt instruments and or issuers with features showing relative superiority in terms of credit characteristics may be rated as HR+1 (G).
<b>HR2 (G)</b>	The issuer or issue with this rating exhibits an acceptable capacity for timely payment of debt obligations in the short term and maintains a higher credit risk compared with higher credit rating debt instruments on a global scale basis.
<b>HR3 (G)</b>	The issuer or issue with this rating exhibits a moderate capacity for timely payment of debt obligations in the short term and maintains a higher credit risk compared with higher credit rating debt instruments on a global scale basis.
<b>HR4 (G)</b>	The issuer or issue with this rating exhibits an insufficient capacity for timely payment of debt obligations in the short term and maintains a very high credit risk on a global scale basis. These instruments are susceptible to falling into default.
<b>HR5 (G)</b>	The issuer or offering is highly probable they will fall into default on the payment of debt obligations.
<b>HR D (G)</b>	The issuer or offering given this rating has the lowest credit rating and they are already in default.

To indicate the rating is a limited rating, HR Ratings assigns at the end of each rating the symbol "(L)".

HR Ratings could also assign the symbol "P" to indicate a preliminary Rating.

\*Short-term refers to periods shorter than twelve months.

### M. Levels and degrees of Non-compliance

Default	Default Definition
HR D / HR DT <sup>1</sup>	In the case that an analysis by HR determines that the default of an entity (payment non-compliance or restructured payments) extends to the "predominant part of its debt. It is not necessary to conduct a Preliminary Analysis <sup>2</sup> for the entity.
HR DS	In those cases, in which our analysis determines that there is no basis for declaring defaulted debt or debt in compliance as being preponderant the rating process will not need to take into consideration an analysis in accordance with the asset's relevant methodology.
<b>Qualitative penalization on the Preliminary Analysis</b>	This refers to those cases in which HR Ratings concludes that the debt in default does not represent a predominant portion of the entity's total debt, rather that the debt predominantly is current. In these cases, the normal rating process will be followed, leaving the qualitative penalization judgment to the Analysis Committee. This penalization will use as its starting point the results of the Preliminary Analysis to incorporate the effect of the default history on the entity's the credit rating. This qualitative penalization for default is added to other penalization factors or qualitative rewards that would have affected the result of the Preliminary Analysis.

<sup>1</sup>DT is the nomenclature that we use for Technical Default, which refers to the entity that does not pay its creditors accordance to the originally agreed terms, due to a forced debt restructure.

<sup>2</sup> The concept of Preliminary Analysis refers to the quantitative analysis section in our methodologies

## N. Structured Products Global Rating Scale

Symbol	Definition of the Rating
<b>HR AAA (GE)</b>	The issuer or issue with this rating is considered to have the highest credit quality, offering high safety for timely payment of debt obligations. Maintains minimum credit risk on a global scale basis.
<b>HR AA (GE)</b>	The issuer or issue with this rating is considered to have high credit quality and offers high safety for timely payment of debt obligations. Maintains very low credit risk on a global scale basis, under adverse economic scenarios.
<b>HR A (GE)</b>	The issuer or issue with this rating offers acceptable safety for timely payment of debt obligations. Maintains low credit risk on a global scale basis.
<b>HR BBB (GE)</b>	The issuer or issue with this rating provides moderate safety for timely payment of debt obligations. Maintains moderate credit risk on a global scale, with weakness in the ability to pay in adverse economic scenarios.
<b>HR BB (GE)</b>	The issuer or issue with this rating provides inadequate safety for timely payment of debt obligations. Maintains high credit risk on a global scale basis.
<b>HR B (GE)</b>	The issuer or issue with this rating provides low safety for timely payment of debt obligations and maintains a high credit risk on a global scale. The issue or issuer is susceptible to falling into default.
<b>HR C (GE)</b>	The issuer or issue with this rating exhibits high probability of falling into default in debt obligation payments.
<b>HR D (GE)</b>	The issuer or issue with this rating has the lowest rating on a global scale basis. The issue is already in, or is highly likely to fall into, default in the short term.

*\*Our ratings range from HR AAA (GE) to HR D (GE), a plus or minus sign may be included in the range from HR AA (GE) to HR C (GE), to indicate strength or weakness within a general rating category.*

*To indicate the rating is a limited rating, HR Ratings assigns at the end of each rating the symbol "(L).*

*HR Ratings could also assign the symbol "P" to indicate a preliminary Rating.*

## O. Credit Rating Scales for Investment Funds

Symbol	Definition of the Rating
HR AAA	The Investment Fund with this rating is considered to have the highest credit quality and has a credit risk like an instrument with the minimum credit risk.
HR AA	The Investment Fund with this rating is considered to have high credit quality and has a credit risk like an instrument with a very low credit risk.
HR A	The Investment Fund with this rating is considered to have an adequate credit quality and has a credit risk like an instrument with a low credit risk.
HR BBB	The Investment Fund with this rating is considered to have a moderate credit quality and has a credit risk like an instrument with a moderate credit risk.
HR BB	The Investment Fund with this rating is considered to have an inadequate credit quality and has a credit risk like an instrument with a high credit risk.
HR B	The Investment Fund with this rating is considered to have a low credit quality and has a credit risk like an instrument with a very high credit risk.
HR C	The Investment Fund with this rating is considered to have a very low credit quality and has a credit risk like an instrument with an extremely credit risk.
HR D	The Investment Fund with this rating is considered to have the lowest credit quality and has a credit risk like an instrument in default.

To indicate the rating is a limited rating, HR Ratings assigns at the end of each rating the symbol "(L)".  
HR Ratings could also assign the symbol "P" to indicate a preliminary Rating.

**P. Short-Term Market Risk (Investment Funds)**

Symbol	Definition of the Rating
<b>1CP</b>	The asset portfolio has extremely low sensitivity to changes in market conditions.
<b>2CP</b>	The asset portfolio has low sensitivity to changes in market conditions.
<b>3CP</b>	The asset portfolio has low to moderate sensitivity to changes in market conditions.
<b>4CP</b>	The asset portfolio is moderately sensitive to changes in market conditions.
<b>5CP</b>	The asset portfolio has moderate to high sensitivity to changes in market conditions.
<b>6CP</b>	The asset portfolio is highly sensitive to changes in market conditions.
<b>7CP</b>	The asset portfolio is extremely sensitive to changes in market conditions.

**Q. Long-Term Market Risk (Investment Funds)**

Symbol	Definition of the Rating
1LP	The asset portfolio has extremely low sensitivity to changes in market conditions.
2LP	The asset portfolio has low sensitivity to changes in market conditions.
3LP	The asset portfolio has low to moderate sensitivity to changes in market conditions.
4LP	The asset portfolio is moderately sensitive to changes in market conditions.
5LP	The asset portfolio has moderate to high sensitivity to changes in market conditions.
6LP	The asset portfolio is highly sensitive to changes in market conditions.
7LP	The asset portfolio is extremely sensitive to changes in market conditions.

**R. Long-Term ratings for Special-Tax Bonds of U.S.A. Local Entities (U.S.A. Scale only)**

Symbol	Definition of the Rating
<b>HR AAA</b>	The bond with this rating is considered to have the highest credit quality, offering high safety for timely payment of debt obligations. The pledge is insensitive to market changes and shows steady growth above inflation. The bond offers multiple and adequate protections to bondholders.
<b>HR AA</b>	The bond with this rating is considered to have high credit quality and offers high safety for timely payment of debt obligations. Maintains very low credit risk due to the low sensitivity of its pledge to market changes, and to a steady revenue growth. The bond offers adequate protections to bondholders.
<b>HR A</b>	The bond with this rating offers acceptable safety for timely payment of debt obligations. Maintains low credit risk to a steady pledge that grows with inflation and that shows low sensitivity to market changes. The bond offers protections to bondholders.
<b>HR BBB</b>	The bond with this rating provides moderate safety for timely payment of debt obligations. Maintains moderate credit risk with weakness in the ability to pay in adverse economic scenarios due to a pledge that grows below inflation and with certain volatility.
<b>HR BB</b>	The Bond with this rating provides inadequate safety for timely payment of debt obligations. Maintains high credit risk due to a decreasing or volatile pledge, that is sensitive to market changes.
<b>HR B</b>	The bond with this rating provides low safety for timely payment of debt obligations and maintains a high credit risk. The bond is susceptible to falling into default due to a decreasing and volatile pledge that is sensitive to market changes and that depends on a concentrated tax base.
<b>HR C</b>	The bond with this rating exhibits high probability of falling into default in debt obligation payments.
<b>HR D</b>	The bond with this rating has the lowest rating on the U.S.A. scale basis. The issue is already in, or is highly likely to fall into, default in the short term.

*\*Our ratings range from HR AAA to HR D, a plus or minus sign may be included in the range from HR AA to HR C, to indicate strength or weakness within a general rating category.*

*To indicate the rating is a limited rating, HR Ratings assigns at the end of each rating the symbol "(L).*

*HR Ratings could also assign the symbol "P" to indicate a preliminary Rating.*

### S. Green Bonds Evaluation Scale

Symbol	Definition of the Level
<b>HR GB 1</b>	Bonds related to projects that, considering their nature and context, offer the superior environmental solution contributing to the limitation of global temperature increase in accordance with the terms of the Paris Agreement.
<b>HR GB 2</b>	Bonds related to projects that, considering their nature and context, offer a good environmental solution contributing to the limitation of global temperature increase in accordance with the terms of the Paris Agreement.
<b>HR GB 3</b>	Bonds related to projects that, considering their nature and context, offer an acceptable environmental solution contributing to the limitation of global temperature increase in accordance with the terms of the Paris Agreement.
<b>HR GB 4</b>	Bonds related to projects that, considering their nature and context, offer a sufficient environmental solution contributing to the limitation of global temperature increase in accordance with the terms of the Paris Agreement.
<b>HR GB 5</b>	Bonds related to projects that, considering their nature and context, offer a limited environmental solution contributing to the limitation of global temperature increase in accordance with the terms of the Paris Agreement.

The level will be differentiated with a sign of "+", "flat" or "-" depending on the compliance level (Very Good, Good, Sufficient) that it shows in accordance with the international Green Bond Principles.

**T. Social Bonds Evaluation Scale**

Symbol	Definition of the Level
<b>HR SB 1</b>	Bonds associated with projects that, considering their nature and context, offer a superior social solution which allows for permanent wellbeing and development, and generates favorable incentives and collateral effects.
<b>HR SB 2</b>	Bonds associated with projects that, considering their nature and context, offer a good social solution which allows for long term wellbeing and development, and generates adequate incentives with no adverse collateral effects.
<b>HR SB 3</b>	Bonds associated with projects that, considering their nature and context, offer an acceptable social solution which allows for certain wellbeing and development, does not alter incentives, and has limited positive collateral effects.
<b>HR SB 4</b>	Bonds associated with projects that, considering their nature and context, offer a fair social solution which allows for certain wellbeing and development in the mid-term, does not alter incentives, and has limited positive collateral effects.
<b>HR SB 5</b>	Bonds associated with projects that, considering their nature and context, offer a limited social solution which allows for certain wellbeing and development in the short-term, does not alter incentives, and generates some negative collateral effects.

The level will be differentiated with a sign of "+", "flat" or "-" depending on the compliance level (Very Good, Good, Sufficient) that it shows in accordance with the international Social Bond Principles.

**U. Sustainable Bonds Evaluation Scale**

Symbol	Definition of the Level
<b>HR XB 1</b>	Bonds related to projects that, given their nature and context, offer a superior social solution that allows for sustainable development and well-being, producing favorable incentives and side effects; they also offer a superior environmental solution that helps limit the rise in global temperature in accordance with the terms of the Paris Agreement.
<b>HR XB 2</b>	Bonds related to projects that, given their nature and context, offer at the least a good social solution that allows for long-term development and well-being, producing adequate incentives without adverse side effects. They also offer an environmental solution that is at least adequate and helps limit the rise in global temperature in accordance with the terms of the Paris Agreement.
<b>HR XB 3</b>	Bonds related to projects that, given their nature and context, offer at the least an acceptable social solution that allows for some development and well-being, without altering incentives and with neutral side effects. They also offer at least one acceptable environmental solution that helps limit the rise in global temperature in accordance with the terms of the Paris Agreement.
<b>HR XB 4</b>	Bonds related to projects that, given their nature and context, offer at the least a fair social solution that allows for some development and well-being, which could produce unwanted incentives and side effects in certain cases. They also offer at least one sufficient environmental solution that helps limit the rise in global temperature in accordance with the terms of the Paris Agreement.
<b>HR XB 5</b>	Bonds related to projects that, given their nature and context, offer a limited social solution that allows for some development and well-being, which could produce negative incentives and side effects in certain cases. They also offer a limited environmental solution that helps limit the rise in global temperature in accordance with the terms of the Paris Agreement.

The level will be differentiated with a sign of "+", "flat" or "-" depending on the compliance level (Very Good, Good, Sufficient) that it shows in accordance with the international Green and/or Social Bond Principles.

## V. Sustainability Linked Bonds Evaluation Scale

Symbol	Definition of the Level
<b>HR LB 1</b>	The KPIs and SPTs selected by the issuer are clearly defined, considering all relevant variables; the indicators and targets are those most relevant to measuring the issuer's performance, given their goals; the issuer has all the necessary tools to calculate the indicators frequently and promptly, and the set goals are attainable.
<b>HR LB 2</b>	The KPIs and SPTs selected by the issuer are clearly defined, considering all relevant variables; the indicators and targets are relevant, but there are others that are more widely accepted in the market and that could better describe the issuer's ability to meet their goals; and the issuer may not have all the necessary tools to calculate the indicators frequently and promptly.
<b>HR LB 3</b>	The KPIs and/or SPTs selected by the issuer are defined, but some of the variables involved are not clearly detailed. The indicators and targets are relevant, but there are others that are more widely accepted in the market and that could better describe the issuer's ability to meet their goals. The indicators can be calculated under regular conditions but will pose significant challenges in stressful situations.
<b>HR LB 4</b>	The KPIs and/or SPTs selected by the issuer are defined, but the variables involved are not clearly detailed. The indicators and targets are relevant, but there are others that are more widely accepted in the market and that could better describe the issuer's ability to meet their goals. The indicators are difficult to calculate, and the issuer does not have the necessary tools to calculate them frequently and promptly.
<b>HR LB 5</b>	The KPIs and/or SPTs selected by the issuer are moderately well defined. The indicators and targets are relevant in general terms and/or describe the issuer's ability to meet its goals in limited terms. The indicators are difficult to calculate, and the issuer has sufficient tools to calculate them.

The level will be differentiated with a sign of "+", "flat" or "-" depending on the reporting quality (Very Good, Good, Sufficient) that it shows in accordance with market standards.

## W. ESG Evaluation Scale

Symbol	Definition of the Level
<b>HR ESG 1</b>	The evaluated entity is not exposed to ESG risks, or the exposure is reduced. It also refers to entities that, regardless of the exposure level, have adequate mitigation mechanisms and resources to efficiently adapt their policies in the short term.
<b>HR ESG 2</b>	The evaluated entity maintains a reduced ESG risk or has efficient mitigation mechanisms in place. HR Ratings believes that the potential damage from ESG risks in the medium to long term will be significantly mitigated by existing mechanisms.
<b>HR ESG 3</b>	The evaluated entity maintains an ESG risk that could unfold financially or structurally in the medium or long term; however, HR Ratings believes that the mechanisms to identify new risks, mitigate the risks already identified, and the resources to adapt these mechanisms are partially efficient.
<b>HR ESG 4</b>	The entity is highly exposed to a range of ESG risks and lacks adequate mechanisms to identify and/or mitigate these risks. Therefore, the entity could be financially or structurally affected in the medium or long term.
<b>HR ESG 5</b>	The entity is greatly exposed to a range of ESG risks and lacks the mechanisms to identify and mitigate these risks. Therefore, the entity will be financially or structurally affected in the medium or long term.

HR Ratings assigns, from HR ESG 1 up to HR ESG 4, the signs of "+" or "-" to signal the relative strength or weakness (when necessary) in each of the evaluation levels.

## X. Integrity Policy Rating Scale

Symbol	Definition of the Rating
HR PAC 1	The Integrity Policy of the Organization accounts for the highest international standards, with clear and integral manuals, and the integrity culture is spread by managers and executives. The Integrity Policy has the necessary policies to adapt and transmit the most recent changes through the organization on time.
HR PAC 2 (+/-)	The Integrity Policy of the Organization accounts for international standards, with clear manuals, and the integrity culture is well known through the organization. The Integrity Policy can adapt, and it is regularly transmitted. <b>The sign (+/-) reflects relative strength/weakness within the rating range.</b>
HR PAC 3 (+/-)	The Integrity Policy of the Organization accounts for minimal international standards, although they do not necessarily define relevant concepts. The Integrity Policy has been formalized but is not well known through the organization. The Integrity Policy is constantly revised, but the process of adaptation and transmission is not efficient. <b>The sign (+/-) reflects relative strength/weakness within the rating range.</b>
HR PAC 4	The Integrity Policy of the Organization is deficient, manuals are not written clearly and do not consider relevant concepts. The Integrity Policy exists but is constantly and openly contradicted by management. The Integrity Policy has no established mechanisms for reviewing, adapting or transmitting through the organization.
HR PAC 5	The Organization does not have an Integrity Policy, it is deficient, or its Policy hasn't been formalized in a manual or any document. Relevant concepts are not clearly defined anywhere and there is no, or a very weak, compliance culture in the organization. The Integrity Policy exists but is constantly and openly contradicted by management. The Integrity Policy has no established mechanisms for reviewing, adapting or transmitting through the organization, or these mechanisms are deficient and not adequate documented.

**Y. Corporate Governance Rating Scale**

Symbol	Definition of the Rating
<b>HR GC 1</b>	The strength of the entity's corporate governance meets the highest standard of best practices.
<b>HR GC 2</b>	The strength of the entity's corporate governance is above the standard for best practices.
<b>HR GC 3</b>	The strength of the entity's corporate governance meets the standard for best practices.
<b>HR GC 4</b>	The strength of the entity's corporate governance is below the standard for best practices.
<b>HR GC 5</b>	The strength of the entity's corporate governance falls at the lowest level for the standard of best practices.

HR Ratings assigns, from HR GC 1 up to HR GC 3, the signs of "+" or "-" to signal the relative strength or weakness (when necessary) in each of the evaluation levels.