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HR Ratings comments on the implications of the 2026 Economic Package on the General Revenue Sharing Fund (GRSF)

This sectoral report shows that the federal collection policy continues to strengthen, since the real Average Annual Growth Rate (CAGR)¹ from 2020 to 2025 of the Federal Participable Collection (FPC) was 4.3%, which was higher than the rate observed in the country's Gross Domestic Product (GDP) of 2.3%, during the same period. Additionally, within the components of the FPC, the resources that come from oil activity continue to lose relevance, since its real CAGR₂₀₋₂₅ was -3.1% (MPFSD resources²). These results are considered by HR Ratings for the projections of the GRSF that will be distributed among the states and their municipalities in future periods.

In accordance with the different legal systems of our country, the Federal Executive Branch must deliver to the Honorable Congress of the Union, no later than September 8 of each year, the Economic Package for the corresponding fiscal year; which is composed of three documents: the General Economic Policy Criteria (GEPC), the Federal Expenditure Budget Project (FEBP) and the Federal Revenue Law Initiative (FRLI). For 2026, this process began on the date indicated by law and concluded on November 7, 2025 with the publication in the Official Gazette of the Federation (OGF) of the Federal Revenue Law for the Fiscal Year 2026 (LIF), as well as the publication made on November 21, 2025 of the Expenditure Budget of the Federation (PEF) for the same fiscal year.

For HR Ratings, the 2026 Economic Package is especially relevant due to the level of the Public Sector Financial Requirements (RFSP), its relationship with what has been observed in recent years³ and the amount that the GRSF would amount to in this fiscal year. The objective of this package, among others, is to give certainty to the states about the resources they will receive; particularly, on how greater public revenues will be generated to cover the amounts considered in the 2026 PEF. Another relevant aspect to consider is that, despite the fact that revenues are higher in the 2026 LIF (vs. LIF25), the expenditures

¹ They are considered constant figures at 2024 prices, according to the National Consumer Price Index (INPC).

² Mexican Petroleum Fund for Stabilization and Development (MPFSD).

³ According to data published in January 2026 by the Ministry of Finance and Public Credit (SHCP), the RFSP was 4.1% of GDP in 2025; however, this metric does not consider the payment associated with the financial vehicle used to service Petróleos Mexicanos' (Pemex) liabilities with suppliers.



established in the PEF for the same fiscal year would be pressured by programmable spending on social programs (pensions for the elderly, women, and young people), as well as the financial cost of debt (non-programmable spending).

Regarding the amount of revenue for 2026, we must say that various tax changes were made that, in HR Ratings' opinion, could generate growth in the FPC that, in turn, would have an impact on the amount of the GRSF that the states of the Mexican Republic would receive. The tax revenues considered for 2026 would be 6.5% higher than those approved in the LIF for fiscal year 2025, in real terms. Within this growth, the expected amount from the Value Added Tax (VAT) stands out, since it is expected to collect P\$1,589.1 billion (b), which would be 4.9% higher than the amount considered in the economic package of the previous year.

The objective of obtaining higher tax revenues in this fiscal year already showed progress in January 2026, since based on information from the Tax Administration Service (TAS), tax collection for that month had a real growth of 11.0% compared to the same month in 2025; where the growth of the collection of the Income Tax (ISR) with 13.5% and the collection of the Special Tax on Production and Services (IEPS) with an increase of 18.8% for the same period stood out.

As for the GRSF, by 2026, the Federal Government expects that the annual amount to be distributed among the 32 states will amount to P\$1,069.8 billion. This amount would represent a nominal growth of 9.1% compared to the amount budgeted for 2025. According to the analysis carried out by HR Ratings, the state that would have the highest growth in the amount it would receive in 2026 compared to what was budgeted in 2025 would be the state of Coahuila, since its GRSF would have a nominal annual growth of 14.9%. On the other hand, for 2026, the only entity that would reflect a budgeted GRSF lower than that considered in the 2025 PEF would be the state of Campeche, with a reduction of 7.2%. The above would be related to the dynamics of the coefficients with which the national GRSF is distributed among the states and the formula that determines the distribution⁴.

Macroeconomic Environment of the 2026 Economic Package

In the 2026 LIF, the Congress of the Union approved that the FPC for this fiscal year amounted to P\$5,339.6 billion. This would represent 13.79% of the nominal GDP considered in the GEPC26 (vs. 13.58% considering the same data, but from the 2025 economic package). The expected growth of the 2026 ratio (FPC/nominal GDP) is due to the fact that the Ministry of Finance and Public Credit (SHCP) expects a nominal increase in economic activity of 7.0% in 2026 compared to what was considered in the GEPC25, while the expected growth of the FPC would be 9.1% in 2026 compared to what was approved in the LIF25.

For the projections made by HR Ratings, the FPC to nominal GDP ratio is used to estimate the national GRSF in future periods, considering that the GRSF is equivalent to 20.0% of the FPC. In addition, within the constant monitoring activities of this rating agency, is to see the performance of the oil production platform, the price of the Mexican oil mix, as well as the collection data of the Federal Government. Figure 1 shows the data for some of these variables.

⁴ The GRSF distribution formula is defined in Article 2 of the Fiscal Coordination Law (LCF). In this same article it is determined that the GRSF will be equivalent to 20.0% of the RFP of the corresponding fiscal year.



It is important to note that, according to information from the National Institute of Statistics and Geography (INEGI), the growth of the Mexican economy at the end of 2025 was 0.8%⁵, which was slightly higher than the growth expected by HR Ratings (0.6%), but lower than the level expected in the GEPC26 (1.0%). This growth was the lowest figure in the last five years. This is relevant because it would give signs of the possible growth that would be achieved in 2026 and, consequently, of the effects that this would have on the FPC and the GRSF that the states would receive.

Figure 1. Relevant variables in the GEPC26 and HR Ratings estimates

(Figures in percentages, millions of barrels per day, and dollars)

	2022	2023	2024	2025	2026	2027
Real GDP Growth	3.7%	3.1%	1.1%	1.0%	2.3%	2.0%
					<i>1.5%</i>	<i>1.8%</i>
GDP Deflator growth	6.7%	4.7%	4.0%	5.2%	4.8%	4.2%
					<i>4.8%</i>	<i>4.3%</i>
Daily Average oil production platform	1,785	1,875	1,759	1,714	1,794	1,806
					<i>1,612</i>	<i>1,637</i>
Average price of Mexican oil blend	89.2	71.0	70.2	62.0	54.9	59.6
					<i>57.3</i>	<i>57.2</i>

Source: Prepared by HR Ratings based on data from the 2026 General Economic Policy Criteria and PEMEX.

Notes: 1) Data for 2022 and 2024 are considered observed data, 2) For 2026 and 2027, the midpoint of the range expected by the SHCP is considered, 3) Includes PEMEX, condensates, partners, and private entities, 4) In 2026 and 2027, the values corresponding to HR Ratings' base macroeconomic scenarios published in December 2025, which are updated periodically, are presented in italics and underlined. 5) For 2025, 2026, and 2027, the values expected by the SHCP are shown.

In 2026, the Federal Government estimates that the country's economy will grow between 1.8% and 2.8% compared to 2025⁶. However, when analyzing the expected behavior in estimated revenues for 2026, real growth is higher than what would be observed in economic activity. The amount of the ISR approved in the LIF26 would be 3.8% higher than what was estimated in the LIF25, in real terms; while the IEPS would be 3.1% higher. When talking about estimated tax revenues⁷, these would be 6.5% higher than those considered in the LIF25.

The expected growth in tax revenues would be the result of the collection policy applied during this fiscal year, mainly due to the implementation of healthy taxes (increase in applicable rates or rates related to the IEPS), adjustments of between 10.0% and 50.0% to more than 1,400 tariff items⁸, and the increase in the rates applicable to other activities (related to the collection of ISR and VAT⁹). As for healthy taxes, the quota applicable to each liter of flavored beverage went from P\$1.6451 per liter in 2025 to P\$3.0818 in 2026. There were also increases in the rates applied to alcoholic beverages and beers; to worked and handmade tobacco; and games with bets and raffles.

Among the rates that were modified and that are related to the collection of ISR, is the withholding rate that entities that pay interest must apply in terms of those established in the ISR law. This rate increased in 2026 to 0.90% (vs. 0.50% applicable in 2025). On the other hand, another relevant change was the ISR withholding rate applicable to sellers on digital platforms. In 2025, the ISR withholding rate was 1.0% on gross income earned; however, by 2026, this rate would be 2.5%. It is important to note that this rate could be up to 20.0% if the taxpayer does not provide a valid Federal Taxpayer Registry (RFC).

⁵ Primary activities had a growth of 4.0%, secondary activities decreased 1.1% and tertiary activities increased 1.5%. For more information, please visit: https://www.inegi.org.mx/contenidos/saladeprensa/boletines/2026/pibt/pib_Pconst2026_02.pdf

⁶ The midpoint of this growth range would be 2.3%. This percentage would be higher than the economic growth expected by HR Ratings for 2026 of 1.5%, according to the macroeconomic scenarios published on the website of this rating agency in December 2025.

⁷ Income tax, VAT, IEPS, FOREIGN TRADE taxes, among others, are considered. It is important to note that these revenues represent 57.3% of the total revenues estimated by the Federal Government in the LIF26.

⁸ The sectors that would be included would be chemical industries, plastics, glass, leather goods, paper, cardboard, motorcycles, textiles, footwear, aluminum, household appliances, automotive, among others.

⁹ As for VAT, the changes that stand out are the withholding rates applicable to taxpayers who obtain income through digital platforms.



Other changes that would stimulate the collection of income tax would be the program of regularization and repatriation of capital, which contemplates a rate of 15.0% on resources that have been kept abroad (article twenty-four of the LIF26). The monthly late payment surcharge rate was also modified, which went from 1.47% to 2.07% from 2025 to 2026, respectively.

Finally, it is important to note that the changes made to the Federal Tax Code (CFF), contemplated in the presentation of the 2026 Economic Package, will reinforce the collection policy that has been observed in recent years. Particularly, for this fiscal year, the TAS's powers to combat tax evasion and avoidance were strengthened, as well as to expand its powers of inspection and control.

FPC Performance

Article 2 of the Fiscal Coordination Law (LCF) specifies that the FPC is made up of the resources obtained by the Federation from federal taxes, mining rights and other additional resources. Figure 2 shows the monetary data of the FPC disaggregated into its main items for the period from 2020 to 2025, in nominal terms.

Figure 2. FPC Components

(Figures in billions of nominal pesos and percentages)

	2020	2021	2022	2023	2024	2025	CAGR ₂₀₋₂₅
Federal Participable Collection (FPC)	3,095.6	3,361.0	3,858.9	4,236.6	4,603.6	5,012.0	10.1%
Income Tax (ISR)	1,395.8	1,468.2	1,861.5	2,055.3	2,187.4	2,402.1	11.5%
Value Added Tax (VAT)	949.5	1,130.1	1,224.5	1,306.9	1,423.3	1,485.9	9.4%
Special Tax on Production and Services (IEPS)	456.0	392.4	72.7	437.3	616.2	660.7	7.7%
MPFSD	172.6	233.1	509.9	247.3	150.2	192.8	2.2%
Others ¹	121.7	137.2	190.3	189.8	226.5	270.5	17.3%

Source: Prepared by HR Ratings based on information from the SHCP.

Notes: 1) Other taxes and fees are considered, such as Foreign Trade Taxes, New Car Tax, Surcharges and Adjustments, Mining Fees, Income Tax on oil contracts and allocations, among other items.

Within the FPC, tax revenues have become relevant because of the lower dependence on oil revenues. From 2020 to 2025, the nominal CAGR of the Participable Income Tax was 11.5%. In 2025 alone, this concept had a growth of 9.8% compared to the amount observed in 2024.

IEPS's annual growth observed in 2025 was 7.2% compared to the amount observed in the previous year. The reason for this was that the Federal Government stopped applying large-scale incentives to gasoline because of the levels of inflation observed in the country, in addition to the fact that there was an inflationary adjustment in the quotas applicable to fuels¹⁰. Finally, the Mexican Petroleum Fund for Stabilization and Development (MPFSD) had a nominal annual growth of 28.3% in 2025 compared to 2024; however, it is important to mention that, in the last six years, 2024 was the year in which the lowest amount from the MPFSD was observed due to the forgiveness of the Shared Utility Right (DUC) that the Federation granted as financial support to Pemex¹¹.

¹⁰ This inflationary adjustment was 4.5% compared to the quota that was applied in 2024, in accordance with Article 2 - A of the IEPS Law and Article 17 - A of the Federal Tax Code. These adjustments are made annually based on what is indicated in the same articles.

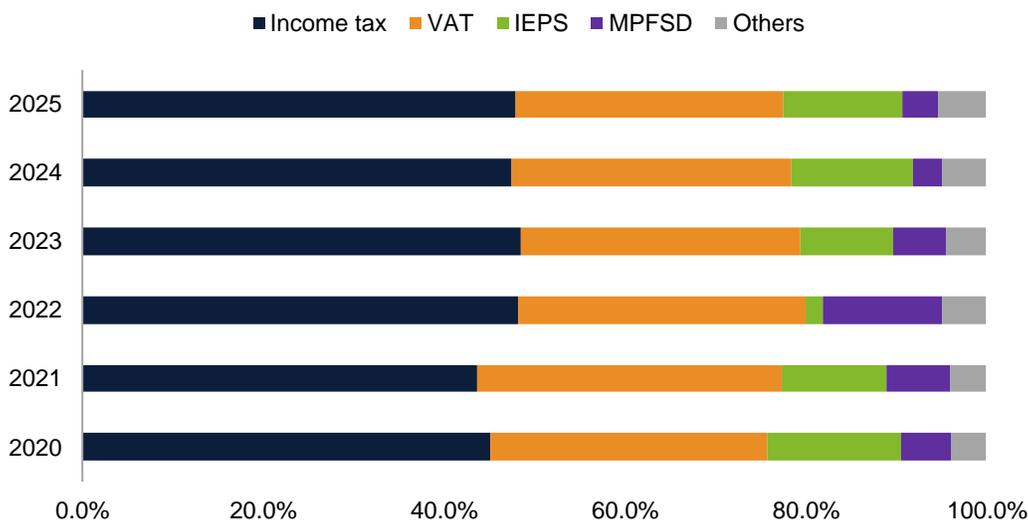
¹¹ According to the notes to Pemex's consolidated financial statements, in 2024 a tax benefit in the amount of P\$63,122.0m was recorded as a result of two decrees. Likewise, the difference between the observed and budgeted transfers from the MPFSD to TESOFE was P\$75,191.0m.



In 2025, the DUC along with other rights were replaced by the Oil Law for Welfare. In that year, there was a difference between the budgeted MPFSD transfers and those observed¹². The amount received by Federal Treasure (TESOFE) was 14.2% lower than budgeted (P\$240.1 billion observed vs. P\$279.8 billion budgeted). This was the result of a lower oil production platform observed compared to the scheduled one (-8.7%, considering condensate products), lower crude oil exports (-30.9%) and a lower price of the Mexican blend during some specific periods of the year.

Finally, because of the inflation levels observed in the country as of 2020, the Federal Government implemented a series of fiscal stimulus in terms of the collection of the IEPS applicable to fuels to partially cushion variations in final prices¹³. This consisted of reducing the IEPS tax quotas for magna gasoline, premium gasoline and diesel in periods when the price of a barrel of oil was high. This dynamic was very noticeable in 2022, where the annual amount collected for the IEPS represented 1.9% of the total FPC (equivalent to P\$72.7 billion). The application of this stimulus was lower from the end of 2023. Magna gasoline received small fiscal stimulus during 2024, while premium gasoline and diesel were practically without them. By 2025, the implementation of these supports was for very short and specific periods such as the first days of January and some days of May¹⁴.

Figure 3. Historical percentage composition of the FPC



Source: HR Ratings based on information from the SHCP.

Figures 4 and 5 present the historical performance of the FPC and the GRSF during the period 2019-2025. Although the GRSF is normatively equivalent to 20.0% of the FPC, the annual evolution of both concepts is not identical in observed terms. The variances are mainly attributable to: (i) adjustments between estimates used for the calculation of advances and final settlements; ii) temporary delays in the determination and payment of shares; iii) accounting modifications in the integration of the FPC; and iv) the methodological difference between income accrued in the FPC and amounts actually paid for GRSF¹⁵.

¹² According to the FCL, the MPFSD transfers resources periodically to TESOFE and 80.29% of these are reflected in the RFP, since they are resources that can be participated in the states of the Mexican Republic.

¹³ Final fuel prices consider international reference prices for fuels; transportation, storage, and distribution; commercial margins of stations and marketers; the applicable IEPS fees and the corresponding VAT.

¹⁴ The implementation of these incentives is announced weekly through the Official Gazette of the Federation, in case they are applied.

¹⁵ These changes are related to possible tax refunds, tax incentives, accounting reclassifications, among others.

Consequently, although in the long term the structural relationship is maintained, in the annual analysis differentiated variations between both indicators can be observed.

Figure 4. Historical FPC Performance

Federal Participable Collection (FPC)				
Year	LIF	Observed	Obs. vs. LIF Variation	Annual Growth
2019	\$3,288.6	\$3,196.9	-2.8%	
2020	\$3,394.2	\$3,095.6	-8.8%	-3.2%
2021	\$3,351.8	\$3,361.0	0.3%	8.6%
2022	\$3,729.0	\$3,858.9	3.5%	14.8%
2023	\$4,443.3	\$4,236.6	-4.7%	9.8%
2024	\$4,564.9	\$4,603.7	0.8%	8.7%
2025	\$4,892.2	\$5,012.0	2.4%	8.9%

Source: HR Ratings based on information from the SHCP.

Note: Figures in billions of nominal pesos.

Figure 5. Historical performance of the GRSF

General Revenue-Sharing Fund (GRSF)				
	PEF	Observed	Obs. vs. PEF variation	Annual Growth
2019	\$662.2	\$628.0	-5.2%	
2020	\$679.7	\$610.1	-10.2%	-2.9%
2021	\$671.8	\$663.3	-1.3%	8.7%
2022	\$747.4	\$775.5	3.8%	16.9%
2023	\$890.3	\$838.3	-5.8%	8.1%
2024	\$914.8	\$922.7	0.9%	10.1%
2025	\$980.3	\$982.3	0.2%	6.5%

Source: HR Ratings based on information from the SHCP.

Note: Figures in billions of nominal pesos.

Prospects for the Distribution of the GRSF in 2026

GRSF is the most relevant fund within Branch 28 that distributes federal resources among the states. According to the Survey of State and Municipal Public Finances (EFIPEM), in 2024 and in cumulative nominal terms, the GRSF represented around 55.1% of the Unrestricted Income (ILD)¹⁶ of the 32 states (vs. 54.3% in 2023). In addition, 91.6% of the structured financing (bank and stock exchange) evaluated by HR Ratings and contracted by states, municipalities and decentralized organizations have a percentage of the GRSF assigned as a repayment source.

During the last six years, from 2020 to 2025, the distribution of the national GRSF among the states has had a differentiated performance, in line with the distribution formula of this fund. Although the CAGR of the national GRSF from 2020 to 2025 was 12.6% (vs. CAGR₂₀₋₂₅ of 10.1% of the FPC), there were entities such as Tabasco that had a CAGR₂₀₋₂₅ of 8.1% (the lowest among all states); in contrast, the state of Quintana Roo had a CAGR₂₀₋₂₅ of 16.1%, which was the highest. The difference observed in the growth rates of the states is based on the performance of the GRSF distribution coefficients. The data used by these coefficients are updated periodically according to the information published by INEGI (State GDP and population data), as well as the local collection data reported in the public accounts of the subnationals.

When analyzing the 2025 annual performance of the GRSF of the states, differentiated behaviors are also observed. In that year, the national GRSF had a nominal growth of 6.5%; however, Campeche's GRSF had an increase of 21.2%, compared to the amount observed in 2024. On the other hand, the state of Hidalgo saw a 3.8% reduction in its GRSF in 2025, compared to the amount received in the previous year. The performance of the GRSF of the state of Campeche and the state of Hidalgo in 2025 was a consequence of the behavior of their local economies in 2023¹⁷; since the nominal GDP of Campeche grew 22.3% (vs. 8.3% which was the average of all states), while that of the state of Hidalgo grew 5.2%.

¹⁶ The ILDs consider taxes, duties, products, uses, federal participations, improvement contributions and social security contributions and contributions.

¹⁷ According to the GRSF distribution formula, the data on the State Gross Domestic Product (GDP) used within this formula are updated in November of each year considering the data of the previous year. It is for this reason that as of December 2024, the GDP figures for the year 2023 of the 32 states were updated, data that were considered monthly within the formula from December 2024 to November 2025.



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By 2026, based on the PEF26 and HR Ratings' own estimates, the national GRSF is expected to have a nominal growth of 6.3% to reach an annual amount of P\$1,044.0 billion (vs. P\$982.2 billion observed in 2025). This year, the dynamics of the GRSF of Campeche and Hidalgo would be reversed, so it would be expected that the GRSF of the state of Hidalgo will have the highest annual growth with 12.8% compared to the data observed in 2025, while for the state of Campeche a reduction of 13.0% would be observed. This would be the result of the nominal 2024 GDP data considered in the GRSF distribution formula as of December 2025. Figure 6 shows the five states that would have the highest growth in their GRSF, as well as the five that would have the least. In addition, Figure 7 shows the growth rates observed in the last two years, the expected growth for 2026, as well as the CAGR₂₀₋₂₅. It is important to note that the value of the CAGR₂₀₋₂₅ for the 32 states is positive and that by 2026 only two states could register a decrease (according to HR Ratings estimates).

Figure 6. GRSF observed for 2025 and expected by HR Ratings for 2026

(Figures in millions of nominal pesos and percentages)

	GRSF 2025	GRSF 2026E	Expected Deviation
National GRSF	\$982,258	\$1,044,022	6.3%
Hidalgo	\$20,098	\$22,666	12.8%
Zacatecas	\$11,439	\$12,680	10.8%
Guanajuato	\$43,403	\$47,687	9.9%
Tamaulipas	\$25,544	\$27,690	8.4%
Michoacán	\$32,434	\$35,125	8.3%
San Luis Potosí	\$20,148	\$20,899	3.7%
Colima	\$5,730	\$5,860	2.3%
Aguascalientes	\$11,021	\$11,104	0.7%
Quintana Roo	\$14,543	\$14,260	-1.9%
Campeche	\$8,327	\$7,245	-13.0%

Source: HR Ratings based on information from the SHCP and own estimates.

Finally, throughout each fiscal year, certain variables that have an impact on the distribution of the GRSF are updated. It is for this reason that, by the end of 2026, there could be variations in the amount of GRSF that each entity would receive with respect to what was approved in the PEF. Likewise, as is to be expected, the levels of collection effectively achieved by the Federal Government have a direct impact on the resources that are dispersed among the states.

To the extent that federal tax collection policy is strengthened, either through greater efficiency in tax collection (as has been happening), the expansion of the tax base or the reduction of tax evasion and avoidance, the FPC will tend to show greater stability and predictability. Given that the GRSF is determined as a fixed proportion of such collection, a more solid and less volatile trajectory of federal revenues would translate into greater certainty about the revenues that the states and their municipalities would receive, and thus their budget programming would be more efficient. However, there is still the challenge for subnationals to improve and consolidate their local collection to, as far as possible, reduce their dependence on federal transfers.



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Figure 7. Observed and estimated annual nominal growth of the GRSF by entity

(Figures in percentages)

	CAGR ₂₀₋₂₅	Annual growth 2024	Annual growth 2025	Annual growth 2026
<i>National GRSF</i>	12.6%	10.1%	6.5%	6.3%
Aguascalientes	13.9%	15.4%	12.4%	0.7%
Baja California	13.9%	8.4%	7.7%	4.8%
Baja California Sur	9.5%	-3.1%	5.7%	7.5%
Campeche	12.8%	1.6%	21.2%	-13.0%
Coahuila	13.8%	2.6%	13.0%	8.0%
Colima	10.1%	10.3%	7.6%	2.3%
Chiapas	12.8%	12.8%	5.7%	7.7%
Chihuahua	13.5%	12.1%	5.8%	6.0%
Mexico City	11.3%	9.6%	6.4%	4.6%
Durango	14.4%	4.3%	15.9%	6.9%
Guanajuato	13.8%	10.3%	4.7%	9.9%
Guerrero	11.6%	12.5%	5.6%	7.4%
Hidalgo	12.7%	16.7%	-3.8%	12.8%
Jalisco	12.9%	11.8%	4.8%	7.1%
Mexico	12.7%	10.2%	9.3%	6.4%
Michoacán	13.9%	16.0%	1.1%	8.3%
Morelos	12.4%	5.3%	8.8%	5.7%
Nayarit	11.2%	4.8%	2.2%	7.2%
Nuevo León	14.2%	8.8%	6.5%	7.3%
Oaxaca	13.2%	17.8%	3.6%	5.8%
Puebla	13.8%	12.1%	5.1%	8.2%
Querétaro	15.3%	10.0%	5.9%	5.5%
Quintana Roo	16.1%	0.1%	13.6%	-1.9%
San Luis Potosí	13.1%	14.7%	7.2%	3.7%
Sinaloa	11.1%	8.1%	6.0%	6.2%
Sonora	11.5%	8.0%	8.2%	4.8%
Tabasco	8.1%	6.7%	-2.9%	3.9%
Tamaulipas	10.2%	10.5%	4.3%	8.4%
Tlaxcala	12.3%	9.3%	6.5%	6.6%
Veracruz	11.7%	8.1%	8.5%	5.6%
Yucatán	14.0%	8.9%	6.2%	5.7%
Zacatecas	12.5%	10.6%	6.8%	10.8%

Source: HR Ratings based on information from the SHCP, the 2026 PEF, and own estimates.

Note: 1) HR Ratings estimate based on the 2026 PEF and macroeconomic scenarios at the beginning of the year.



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