

HR Ratings Signs a Strategic Alliance with Japan's JCR

The agreement will allow the collaboration between both agencies to support Japanese and Mexican companies in fundraising in the respective countries.

- (1) On August 30, 2016, HR Ratings de México, S.A. de C.V. (HR Ratings) and Japan Credit Rating Agency, Ltd. (JCR) ¹, signed a Memorandum of Understanding (MOU) to collaborate with each other as strategic business partners.
- (2) In recent years, Japanese companies, especially in the automobile and automobile-related industries, have been eagerly making direct investments in Mexico. Meanwhile, interest is growing among Mexican entities to tap into the Tokyo market in order to diversify their funding sources and to take advantage of the ultra-low interest rate environment. Nevertheless, barriers in terms of languages and business custom persist. In order for Japanese and Mexican entities to raise funds in each other's country, it is essential to solicit a rating from the rating agencies widely accepted by the local investors.
- (3) HR Ratings and JCR believe that the collaboration between the two leading rating agencies in each market could substantially augment the quality of information and analysis they provide on the issuers from each other's country, and thereby support the fund raising by Japanese companies in Mexico and Mexican entities in Japan.

¹ Also registered with the US Securities and Exchange Commission (SEC) as a Nationally Recognized Statistical Rating Organization (NRSRO) and certified to act as a credit rating agency under the regulations for the credit rating agencies of the European Union.

About HR Ratings

Founded in 2007, HR Ratings is a Mexican credit rating agency, leader in Latin America. With more than nine years of experience, the firm is engaged with transparency, and has designed a rigorous methodology that is differentiated by its constant and anticipatory monitoring.

HR Ratings has grown considerably. This is reflected in the ratings assigned to debt issuances with a value totaling approximately \$35 billion dollars. These ratings encompass the analysis of governmental entities, corporates, financial institutions, insurance companies and infrastructure in Mexico. Today, HR Ratings rates more than 1,210 institutions and governments, in Mexico and internationally, and has more than 370 clients.

Moreover, the firm has transcended borders, in 2012 it became the first Latin American credit rating agency to be registered by the US Securities and Exchange Commission (SEC) to issue credit ratings for government securities in the United States. Also, in 2014, it became the first Latin American credit rating agency to obtain the certification on behalf of the European Securities and Markets Authority (ESMA).



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****HR Ratings de México, S.A. de C.V. (HR Ratings), is a Credit Rating Agency authorized by the National Banking and Securities Commission (CNBV), registered by the Securities and Exchange Commission (SEC) as a Nationally Recognized Statistical Rating Organization (NRSRO) for the assets of public finance as described in clause (v) of section 3 (a) (62) (A) of the US Securities Exchange Act of 1934 and certified as Credit Rating Agency (CRA) by the European Securities and Markets Authority (ESMA).***

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