

# Form NRSRO

OMB APPROVAL
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## APPLICATION FOR REGISTRATION AS A NATIONALLY RECOGNIZED STATISTICAL RATING ORGANIZATION (NRSRO)

SEC 1541 (4-09)

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**APPLICATION FOR REGISTRATION AS A  
NATIONALLY RECOGNIZED  
STATISTICAL RATING ORGANIZATION (NRSRO)**

- |   |  |
|---|--|
| <input type="checkbox"/> INITIAL APPLICATION  | <input checked="" type="checkbox"/> ANNUAL CERTIFICATION                                   |
| <input type="checkbox"/> APPLICATION TO ADD CLASS<br>OF CREDIT RATINGS                          | <input type="checkbox"/> UPDATE OF REGISTRATION<br>Items and/or Exhibits Amended:<br>_____ |
| <input type="checkbox"/> APPLICATION SUPPLEMENT<br>Items and/or Exhibits Supplemented:<br>_____ | <input type="checkbox"/> WITHDRAWAL FROM REGISTRATION                                      |

**Important:** Refer to Form NRSRO Instructions for General Instructions, Item-by-Item Instructions, an Explanation of Terms, and the Disclosure Reporting Page (NRSRO). "You" and "your" mean the person furnishing this Form NRSRO to the Commission. "Applicant" and "NRSRO" mean the person furnishing this Form NRSRO to the Commission and any credit rating affiliate identified in Item 3.

1. A. Your full name:

HR Ratings de Mexico, S.A. de C.V.  
\_\_\_\_\_

B. (i) Name under which your credit rating business is primarily conducted, if different from Item 1A:

HR Ratings  
\_\_\_\_\_

(ii) Any other name under which your credit rating business is conducted and where it is used (other than the name of a credit rating affiliate identified in Item 3):

N/A  
\_\_\_\_\_

C. Address of your principal office (do not use a P.O. Box):

Paseo de los Tamarindos 400-A, Piso 26, Col. Bosques de las Lomas, 05

(Number and Street) (City) (State/Country) (Zip/Postal Code)

D. Mailing address, if different:

N/A  
\_\_\_\_\_

(Number and Street) (City) (State/Country) (Zip/Postal Code)

E. Contact person (See Instructions):

Felix Boni, Chief Credit Officer  
\_\_\_\_\_

(Number and Street)

Paseo de los Tamarindo Col. Bosques de l: Mexico, D.F. 05120

(Number and Street) (City) (State/Country) (Zip/Postal Code)

**CERTIFICATION:**

The undersigned has executed this Form NRSRO on behalf of, and on the authority of, the Applicant/NRSRO. The undersigned, on behalf of the Applicant/NRSRO, represents that the information and statements contained in this Form, including Exhibits and attachments, all of which are part of this Form, are accurate in all significant respects. If this is an ANNUAL CERTIFICATION, the undersigned, on behalf of the NRSRO, represents that the NRSRO's application on Form NRSRO, as amended, is accurate in all significant respects.

27/MAR/2013  
(Date)

HR Ratings

(Name of the Applicant/NRSRO)

Alberto I. Ramos, Chief Executive Officer

By:

  
(Signature)

(Print Name and Title)

2. A. Your legal status:

Corporation  Limited Liability Company  Partnership  Other (specify) \_\_\_\_\_

December 31

B. Month and day of your fiscal year end: \_\_\_\_\_

C. Place and date of your formation (i.e., state or country where you were incorporated, where your partnership agreement was filed, or where you otherwise were formed):

State/Country of formation: \_\_\_\_\_ Date of formation: \_\_\_\_\_

3. Your credit rating affiliates (See Instructions):

N/A

\_\_\_\_\_  
(Name) (Address)

\_\_\_\_\_  
(Name) (Address)

\_\_\_\_\_  
(Name) (Address)

\_\_\_\_\_  
(Name) (Address)

\_\_\_\_\_  
(Name) (Address)

4. The designated compliance officer of the Applicant/NRSRO (See Instructions):

Claudia Ramirez Mingramm, Head Compliance C

\_\_\_\_\_  
(Name and Title)

Paseo de los Tamarindos 400-A, Piso 26, Col. Bosques de las Loma

\_\_\_\_\_  
(Number and Street) (City) (State/Country) (Postal Code)

5. Describe in detail how this Form NRSRO and Exhibits 1 through 9 to this Form NRSRO will be made publicly available on Web site of the Applicant/NRSRO, or through another comparable, readily accessible means (See Instructions):

Form NRSRO and Exhibits 1 through 9 are publicly available at

\_\_\_\_\_  
www.hrratings.com

6. COMPLETE ITEM 6 ONLY IF THIS IS AN INITIAL APPLICATION, APPLICATION SUPPLEMENT, OR APPLICATION TO ADD A CLASS OF CREDIT RATINGS.

A. Indicate below the classes of credit ratings for which the Applicant/NRSRO is applying to be registered. For each class, indicate the approximate number of credit ratings the Applicant/NRSRO presently has outstanding in that class as of the date of this application and the approximate date the Applicant/NRSRO began issuing credit ratings as a "credit rating agency" in that class on a continuous basis through the present (See Instructions):

Class of credit ratings	Applying for registration	Approximate number currently outstanding	Approximate date issuance commenced
<b>financial institutions</b> as that term is defined in section 3(a)(46) of the Exchange Act (15 U.S.C. 78c(a)(46)), <b>brokers</b> as that term is defined in section 3(a)(4) of the Exchange Act (15 U.S.C. 78c(a)(4)), and <b>dealers</b> as that term is defined in section 3(a)(5) of the Exchange Act (15 U.S.C. 78c(a)(5))	<input type="checkbox"/>		
<b>insurance companies</b> as that term is defined in section 3(a)(19) of the Exchange Act (15 U.S.C. 78c(a)(19))	<input type="checkbox"/>		

corporate issuers	<input type="checkbox"/>		
<u>issuers of asset-backed securities</u> as that term is defined in 17 CFR 229.1101(c)	<input type="checkbox"/>		
<u>issuers of government securities</u> as that term is defined in section 3(a)(42) of the Exchange Act (15 U.S.C. 78c(a)(42)), <u>municipal securities</u> as that term is defined in section 3(a)(29) of the Exchange Act (15 U.S.C. 78c(a)(29)), and <u>foreign government securities</u>	<input type="checkbox"/>		

B. Briefly describe how the Applicant/NRSRO makes the credit ratings in the classes indicated in Item 6A readily accessible for free or for a reasonable fee (See Instructions):

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C. Check the applicable box and attach certifications from qualified institutional buyers, if required (See Instructions):

- The Applicant/NRSRO is attaching \_\_\_\_\_ certifications from qualified institutional buyers to this application. Each is marked "Certification from Qualified Institutional Buyer."
- The Applicant/NRSRO is exempt from the requirement to submit certifications from qualified institutional buyers pursuant to section 15E(a)(1)(D) of the Exchange Act.

**Note: You are not required to make a Certification from a Qualified Institutional Buyer submitted with this Form NRSRO publicly available on your Web site, or through another comparable, readily accessible means pursuant to Exchange Act Rule 17g-1(i). You may request that the Commission keep these certifications confidential by marking each page "Confidential Treatment" and complying with Commission rules governing confidential treatment. The Commission will keep the certifications confidential upon request to the extent permitted by law.**

**7. DO NOT COMPLETE ITEM 7 IF THIS IS AN INITIAL APPLICATION.**

A. Indicate below the classes of credit ratings for which the NRSRO is currently registered. For each class, indicate the approximate number of credit ratings the NRSRO had outstanding in that class as of the most recent calendar year end and the approximate date the NRSRO began issuing credit ratings as a "credit rating agency" in that class on a continuous basis through the present (See Instructions):

Class of credit rating	Currently registered	Approximate number outstanding as of the most recent calendar year end	Approximate date issuance commenced
<u>financial institutions</u> as that term is defined in section 3(a)(46) of the Exchange Act (15 U.S.C. 78c(a)(46)), <u>brokers</u> as that term is defined in section 3(a)(4) of the Exchange Act (15 U.S.C. 78c(a)(4)), and <u>dealers</u> as that term is defined in section 3(a)(5) of the Exchange Act (15 U.S.C. 78c(a)(5))	<input type="checkbox"/>		
<u>insurance companies</u> as that term is defined in section 3(a)(19) of the Exchange Act (15 U.S.C. 78c(a)(19))	<input type="checkbox"/>		
corporate issuers	<input type="checkbox"/>		

<b>issuers of asset-backed securities</b> as that term is defined in 17 CFR 229.1101(c)	<input type="checkbox"/>		
<b>issuers of government securities</b> as that term is defined in section 3(a)(42) of the Act (15 U.S.C. 78c(a)(42)), <b>municipal securities</b> as that term is defined in section 3(a)(29) of the Exchange Act (15 U.S.C. 78c(a)(29)), and <b>foreign government securities</b>	<input checked="" type="checkbox"/>	184	2008

B. Briefly describe how the NRSRO makes the credit ratings in the classes indicated in Item 7A readily accessible for free or for a reasonable fee (See Instructions):

Credit ratings in Item 7A are made available by press release and  
 \_\_\_\_\_  
 electronic notification to subscribers and are accessible for free at  
 \_\_\_\_\_  
 HR Ratings website: www.hrratings.com  
 \_\_\_\_\_

<p>8. Answer each question. Provide information that relates to a "Yes" answer on a Disclosure Reporting Page (NRSRO) and submit the Disclosure Reporting Page with this Form NRSRO (See Instructions). You are not required to make any disclosure reporting pages submitted with this Form publicly available on your Web site, or through another comparable, readily accessible means pursuant to Exchange Act Rule 17g-1(i). You may request that the Commission keep any disclosure reporting pages confidential by marking each page "Confidential Treatment" and complying with Commission rules governing confidential treatment. The Commission will keep the disclosure reporting pages confidential upon request to the extent permitted by law.</p>		
	YES	NO
A. Has the Applicant/NRSRO or any person within the Applicant/NRSRO committed or omitted any act, or been subject to an order or finding, enumerated in subparagraphs (A), (D), (E), (G), or (H) of section 15(b)(4) of the Securities Exchange Act of 1934, been convicted of any offense specified in section 15(b)(4)(B) of the Securities Exchange Act of 1934, or been enjoined from any action, conduct, or practice specified in section 15(b)(4)(C) of the Securities Exchange Act of 1934 in the ten years preceding the date of the initial application of the Applicant/NRSRO for registration as an NRSRO or at any time thereafter?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
B. Has the Applicant/NRSRO or any person within the Applicant/NRSRO been convicted of any crime that is punishable by imprisonment for 1 or more years, and that is not described in section 15(b)(4) of the Securities Exchange Act of 1934, or been convicted of a substantially equivalent crime by a foreign court of competent jurisdiction in the ten years preceding the date of the initial application of the Applicant/NRSRO for registration as an NRSRO or at any time thereafter?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
C. Is any person within the Applicant/NRSRO subject to any order of the Commission barring or suspending the right of the person to be associated with an NRSRO?	<input type="checkbox"/>	<input checked="" type="checkbox"/>

9. Exhibits (See Instructions).

<p><b>Exhibit 1.</b> Credit ratings performance measurement statistics.</p> <p><input checked="" type="checkbox"/> Exhibit 1 is attached and made a part of this Form NRSRO.</p>
<p><b>Exhibit 2.</b> A description of the procedures and methodologies used in determining credit ratings.</p> <p><input type="checkbox"/> Exhibit 2 is attached and made a part of Form NRSRO.</p>
<p><b>Exhibit 3.</b> Policies or procedures adopted and implemented to prevent the misuse of material, nonpublic information.</p> <p><input type="checkbox"/> Exhibit 3 is attached and made a part of this Form NRSRO.</p>

**Exhibit 4.** Organizational structure.

Exhibit 4 is attached to and made a part of this Form NRSRO.

**Exhibit 5.** The code of ethics or a statement of the reasons why a code of ethics is not in effect.

Exhibit 5 is attached to and made a part of this Form NRSRO.

**Exhibit 6.** Identification of conflicts of interests relating to the issuance of credit ratings.

Exhibit 6 is attached to and made a part of this Form NRSRO.

**Exhibit 7.** Policies and procedures to address and manage conflicts of interest.

Exhibit 7 is attached to and made a part of this Form NRSRO.

**Exhibit 8.** Certain information regarding the credit rating agency's credit analysts and credit analyst supervisors.

Exhibit 8 is attached to and made a part of this Form NRSRO.

**Exhibit 9.** Certain information regarding the credit rating agency's designated compliance officer.

Exhibit 9 is attached to and made a part of this Form NRSRO.

**Exhibit 10.** A list of the largest users of credit rating services by the amount of net revenue earned from the user during the fiscal year ending immediately before the date of the initial application.

Exhibit 10 is attached to and made a part of this Form NRSRO.

**Note: You are not required to make this Exhibit publicly available on your Web site, or through another comparable, readily accessible means pursuant to Exchange Act Rule 17g-1(i). You may request that the Commission keep this Exhibit confidential by marking each page "Confidential Treatment" and complying with Commission rules governing confidential treatment. The Commission will keep the information and documents in the Exhibit confidential upon request to the extent permitted by law.**

**Exhibit 11.** Audited financial statements for each of the three fiscal or calendar years ending immediately before the date of the initial application.

Exhibit 11 is attached to and made a part of this Form NRSRO.

**Note: You are not required to make this Exhibit publicly available on your Web site, or through another comparable, readily accessible means pursuant to Exchange Act Rule 17g-1(i). You may request that the Commission keep this Exhibit confidential by marking each page "Confidential Treatment" and complying with Commission rules governing confidential treatment. The Commission will keep the information and documents in the Exhibit confidential upon request to the extent permitted by law.**

**Exhibit 12.** Information regarding revenues for the fiscal or calendar year ending immediately before the date of the initial application.

Exhibit 12 is attached to and made a part of this Form NRSRO.

**Note:** You are not required to make this Exhibit publicly available on your Web site, or through another comparable, readily accessible means pursuant to Exchange Act Rule 17g-1(i). You may request that the Commission keep this Exhibit confidential by marking each page "Confidential Treatment" and complying with Commission rules governing confidential treatment. The Commission will keep the information and documents in the Exhibit confidential upon request to the extent permitted by law.

**Exhibit 13.** The total and median annual compensation of credit analysts.

Exhibit 13 is attached and made a part of this Form NRSRO.

**Note:** You are not required to make this Exhibit publicly available on your Web site, or through another comparable, readily accessible means pursuant to Exchange Act Rule 17g-1(i). You may request that the Commission keep this Exhibit confidential by marking each page "Confidential Treatment" and complying with Commission rules governing confidential treatment. The Commission will keep the information and documents in the Exhibit confidential upon request to the extent permitted by law.



## HR Ratings

Credit Ratings Performance Measurement Statistics:  
Credit Ratings Transition Matrix

### - One- Year Transition Matrix – 2011-2012

Our one year transition matrix includes all ratings under the **government securities** category, in local long-term rating scale, in the time frame between January 1, 2011 to December 31, 2011, and its movements during the period of January 1, 2012, to December 31, 2012. The columns at the far right summarize the migration of our ratings.

*NOTE: The following matrix excludes ratings that were withdrawn during the review period.*

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





# Credit Ratings Performance Measurement Statistics

## 1 year Transition Matrix

Government securities

### - One- Year Transition Matrix – 2011-2012

	HR AAA	HR AA+	HR AA	HR AA-	HR A+	HR A	HR A-	HR BBB+	HR BBB	HR BBB-	HR BB+	HR BB	HR BB-	HR B+	HR B	HR B-	HR C+	HR C	HR C-	HR D	Total	Down	Up	Reaff
HR AAA	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR AA+	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR AA	-	-	3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3	-	-	3
HR AA-	-	-	-	4	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5	1	-	4
HR A+	-	-	-	-	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	3	1	-	2
HR A	-	-	-	-	-	2	1	-	-	-	-	-	-	-	-	-	-	-	-	-	3	1	-	2
HR A-	-	-	-	-	-	3	3	1	-	-	-	-	-	-	-	-	-	-	-	-	7	1	3	3
HR BBB+	-	-	-	-	-	-	-	5	1	1	-	-	-	-	-	-	-	-	-	-	7	2	-	5
HR BBB	-	-	-	-	-	-	-	-	4	3	-	2	-	-	-	-	-	-	-	-	9	5	-	4
HR BBB-	-	-	-	-	-	-	-	-	-	3	-	-	-	-	-	-	-	-	-	-	3	-	-	3
HR BB+	-	-	-	-	-	-	-	-	-	-	2	-	-	-	-	-	-	-	-	-	2	-	-	2
HR BB	-	-	-	-	-	-	-	-	-	-	1	-	-	1	-	-	-	-	-	-	2	1	1	-
HR BB-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR B+	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR B	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR B-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR C+	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR C	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR C-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR D	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total																					44	12	4	28

Source HR Ratings



# Credit Ratings Performance Measurement Statistics 1 year Transition Matrix

Government securities

	HR AAA	HR AA+	HR AA	HR AA-	HR A+	HR A	HR A-	HR BBB+	HR BBB	HR BBB-	HR BB+	HR BB	HR BB-	HR B+	HR B	HR B-	HR C+	HR C	HR C-	HR D	Total	Down	Up	Reaff
HR AAA	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR AA+	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR AA	-	-	100.0%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	100.0%	-	-	100.0%
HR AA-	-	-	-	80.0%	-	20.0%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	100.0%	20.0%	-	80.0%
HR A+	-	-	-	-	67.0%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	100.0%	33.0%	-	67.0%
HR A	-	-	-	-	-	67.0%	33.0%	-	-	-	-	-	-	-	-	-	-	-	-	-	100.0%	33.3%	-	67.0%
HR A-	-	-	-	-	-	43.0%	43.0%	14.0%	-	-	-	-	-	-	-	-	-	-	-	-	100.0%	14.0%	43.0%	43.0%
HR BBB+	-	-	-	-	-	-	-	71.4%	14.3%	14.3%	-	-	-	-	-	-	-	-	-	-	100.0%	28.6%	-	71.4%
HR BBB	-	-	-	-	-	-	-	-	44.4%	33.3%	-	22.2%	-	-	-	-	-	-	-	-	100.0%	55.6%	-	44.4%
HR BBB-	-	-	-	-	-	-	-	-	-	100.0%	-	-	-	-	-	-	-	-	-	-	100.0%	-	-	100.0%
HR BB+	-	-	-	-	-	-	-	-	-	-	100.0%	-	-	-	-	-	-	-	-	-	100.0%	-	-	100.0%
HR BB	-	-	-	-	-	-	-	-	-	-	50.0%	-	-	50.0%	-	-	-	-	-	-	100.0%	50.0%	50.0%	-
HR BB-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR B+	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR B	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR B-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR C+	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR C	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR C-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR D	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total																					100.0%	27.3%	9.1%	63.6%

Source HR Ratings



# Credit Ratings Performance Measurement Statistics

## 1 year Transition Matrix

Government securities

### - Ratings movements

The last transition matrix is based in the following rating movements.

CLIENT		PREVIOUS RATING		FINAL RATING	
		DATE	RATING	DATE	RATING
Nuevo Leon	Unsecured / General Obligations	Feb 2011	HR A	Mar 2012	HR A -
Aguascalientes	Unsecured / General Obligations	Feb 2011	HR AA	Feb 2012	HR AA
Yucatan	Unsecured / General Obligations	Feb 2011	HR A	Mar 2012	HR A
Sonora	Unsecured / General Obligations	Feb 2011	HR A +	Jun 2012	HR A +
Ensenada	Unsecured / General Obligations	Feb 2011	HR A -	Apr 2012	HR A -
Atizapan de Zaragoza	Unsecured / General Obligations	Feb 2011	HR A -	May 2012	HR BBB
Nicolas Romero	Unsecured / General Obligations	Feb 2011	HR BBB +	May 2012	HR BBB +
Huehuetoca	Unsecured / General Obligations	Mar 2011	HR BBB	May 2012	HR BBB
Agua Prieta	Unsecured / General Obligations	Mar 2011	HR BBB +	Dec 2012	HR BBB -
Jalisco	Unsecured / General Obligations	May 2011	HR A +	Dec 2012	HR D
Tamazunchale	Unsecured / General Obligations	May 2011	HR BB	Jun 2012	HR BB +
Ixtlahuacan de los Membrillos	Unsecured / General Obligations	May 2011	HR BBB +	Aug 2012	WITHDRAW
Tapachula	Unsecured / General Obligations	May 2011	HR BBB	Jul 2012	HR BBB -
El Salto	Unsecured / General Obligations	May 2011	HR BBB +	Jun 2012	WITHDRAW
Ecatepec de Morelos	Unsecured / General Obligations	Jun 2011	HR A -	May 2012	HR A -
Metepec	Unsecured / General Obligations	Jun 2011	HR AA -	Jul 2012	HR AA -
Tultepec	Unsecured / General Obligations	Jun 2011	HR BBB +	Aug 2012	WITHDRAW
Michoacan de Ocampo	Unsecured / General Obligations	Jun 2011	HR HR A-	Nov 2012	HR BBB +
Linares	Unsecured / General Obligations	Jul 2011	HR A -	Aug 2012	WITHDRAW
Juarez	Unsecured / General Obligations	Jul 2011	HR BBB +	Sep 2012	HR BBB +
Chihuahua Estado	Unsecured / General Obligations	Jul 2011	HR AA -	Oct 2012	HR A
Irapuato	Unsecured / General Obligations	Jul 2011	HR AA -	Aug 2012	HR AA -
Oaxaca de Juarez	Unsecured / General Obligations	Jul 2011	HR A -	Jul 2012	HR A
San Juan del Rio	Unsecured / General Obligations	Jul 2011	HR BBB	Aug 2012	HR BBB
Chicoloapan	Unsecured / General Obligations	Jul 2011	HR BBB	Aug 2012	HR BBB
Nayarit	Unsecured / General Obligations	Sep 2011	HR BBB +	Sep 2012	WITHDRAW
Corregidora	Unsecured / General Obligations	Sep 2011	HR AA -	Apr 2012	WITHDRAW
Merida	Unsecured / General Obligations	Sep 2011	HR AA	Aug 2012	HR AA
Chimalhuacan	Unsecured / General Obligations	Sep 2011	HR BBB -	Sep 2012	WITHDRAW
Zumpango	Unsecured / General Obligations	Sep 2011	HR BB +	Feb 2012	HR BB +
Coacalco de Berriozabal	Unsecured / General Obligations	Sep 2011	HR BBB	Aug 2012	HR BB



# Credit Ratings Performance Measurement Statistics

## 1 year Transition Matrix

Government securities

CLIENT		PREVIOUS RATING		FINAL RATING	
		DATE	RATING	DATE	RATING
Zinacantepec	Unsecured / General Obligations	Sep 2011	HR BBB -	Aug 2012	WITHDRAW
Cozumel	Unsecured / General Obligations	Oct 2011	HR BBB	Oct 2012	HR BBB
Ahome	Unsecured / General Obligations	Oct 2011	HR A -	Sep 2012	HR A
Chihuahua	Unsecured / General Obligations	Oct 2011	HR AA	Sep 2012	HR AA
Tlalnepantla de Baz	Unsecured / General Obligations	Oct 2011	HR BBB +	Aug 2012	HR BBB +
Santa Catarina	Unsecured / General Obligations	Oct 2011	HR BBB	May 2012	HR BB
El Fuerte	Unsecured / General Obligations	Nov 2011	HR BB +	Oct 2012	WITHDRAW
La Paz	Unsecured / General Obligations	Nov 2011	HR BBB +	Nov 2012	HR BBB
Oaxaca	Unsecured / General Obligations	Nov 2011	HR A -	Nov 2012	HR A
Othon P. Blanco	Unsecured / General Obligations	Nov 2011	HR BBB	Oct 2012	HR BBB -
Tonala	Unsecured / General Obligations	Nov 2011	HR BB	Oct 2012	HR B
Tepotzotlan	Unsecured / General Obligations	Nov 2011	HR BBB	Jul 2012	HR BBB -
Cuquio	Unsecured / General Obligations	Nov 2011	HR BBB -	Oct 2012	WITHDRAW
Tampamolón Corona	Unsecured / General Obligations	Nov 2011	HR BB +	Nov 2012	HR BB +
Bahía de Banderas	Unsecured / General Obligations	Apr 2011	HR A -	Mar 2012	WITHDRAW
Ebano	Unsecured / General Obligations	Apr 2011	HR BBB -	May 2012	HR BBB -
Huixquilucan	Unsecured / General Obligations	Apr 2011	HR BBB -	Mar 2012	HR BBB -
Jiquipilco	Unsecured / General Obligations	Apr 2011	HR BBB -	May 2012	HR BBB -
Tamuín	Unsecured / General Obligations	Apr 2011	HR BBB	Mar 2012	WITHDRAW
Toluca	Unsecured / General Obligations	Aug 2011	HR A +	Jul 2012	HR A +
Apodaca	Unsecured / General Obligations	Dec 2011	HR AA -	Dec 2012	HR AA -
Celaya	Unsecured / General Obligations	Dec 2011	HR AA -	Dec 2012	HR AA -
Comalcalco	Unsecured / General Obligations	Dec 2011	HR BBB -	Oct 2012	WITHDRAW
San Luis Potosí	Unsecured / General Obligations	Dec 2011	HR A -	Dec 2012	HR A -
Colima Estado	Unsecured / General Obligations	Dec 2011	HR A	Dec 2012	HR A
Cuautitlán Izcalli	Unsecured / General Obligations	Dec 2011	HR BBB +	Oct 2012	HR BBB +



## HR Ratings

Credit Ratings Performance Measurement Statistics:  
Credit Ratings Transition Matrix

### - Three-Year Transition Matrix – 2009-2012

Our three year transition matrix includes all ratings under the **government securities** category, in local long-term rating scale, in the time frame between January 01, 2009 to December 31, 2009 and its movements during the period of January 01, 2012 to December 31, 2012. The columns at the far right summarize the migration of our ratings.

*NOTE: The following matrix excludes ratings that were withdrawn during the review period.*

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



# Credit Ratings Performance Measurement Statistics 3 year Transition Matrix

Government securities

## - Three-Year Transition Matrix – 2009-2012

	HR AAA	HR AA+	HR AA	HR AA-	HR A+	HR A	HR A-	HR BBB+	HR BBB	HR BBB-	HR BB+	HR BB	HR BB-	HR B+	HR B	HR B-	HR C+	HR C	HR C-	HR D	Total	Down	Up	Reaff
HR AAA	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR AA+	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR AA	-	-	3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3	-	-	3
HR AA-	-	-	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	-	-	1
HR A+	-	-	-	-	-	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-	1	1	-	-
HR A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR A-	-	-	-	-	-	1	1	-	-	-	-	-	-	-	-	-	-	-	-	-	2	-	1	1
HR BBB+	-	-	-	-	-	1	-	1	-	1	-	1	-	-	-	-	-	-	-	-	4	2	1	1
HR BBB	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR BBB-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR BB+	-	-	-	-	-	-	-	-	-	1	-	-	-	-	-	-	-	-	-	-	1	-	1	-
HR BB	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR BB-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR B+	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR B	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR B-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR C+	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR C	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR C-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR D	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total																					12	3	3	6

Source HR Ratings



# Credit Ratings Performance Measurement Statistics 3 year Transition Matrix

Government securities

	HR AAA	HR AA+	HR AA	HR AA-	HR A+	HR A	HR A-	HR BBB+	HR BBB	HR BBB-	HR BB+	HR BB	HR BB-	HR B+	HR B	HR B-	HR C+	HR C	HR C-	HR D	Total	Down	Up	Reaff
HR AAA	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR AA+	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR AA	-	-	100.0%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	100.0%	-	-	100.0%
HR AA-	-	-	-	100.0%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	100.0%	-	-	100.0%
HR A+	-	-	-	-	-	-	100.0%	-	-	-	-	-	-	-	-	-	-	-	-	-	100.0%	100.0%	-	-
HR A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR A-	-	-	-	-	-	50.0%	50.0%	-	-	-	-	-	-	-	-	-	-	-	-	-	100.0%	-	50.0%	50.0%
HR BBB+	-	-	-	-	-	25.0%	-	25.0%	-	25.0%	-	25.0%	-	-	-	-	-	-	-	-	100.0%	50.0%	25.0%	25.0%
HR BBB	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR BBB-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR BB+	-	-	-	-	-	-	-	-	-	100.0%	-	-	-	-	-	-	-	-	-	-	100.0%	-	100.0%	-
HR BB	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR BB-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR B+	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR B	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR B-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR C+	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR C	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR C-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR D	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total																					100.0%	25.0%	25.0%	50.0%



# Credit Ratings Performance Measurement Statistics

## 3 year Transition Matrix

Government securities

### - Ratings movements

Current transition matrix is based in the following rating movements.

CLIENT		PREVIOUS RATING		FINAL RATING	
		DATE	RATING	DATE	RATING
Bahia de Banderas	Unsecured / General Obligations	Mar 2009	HR A +	Mar 2012	WITHDRAW
Huixquilucan	Unsecured / General Obligations	Mar 2009	HR BB +	Mar 2012	HR BBB -
Boca del Rio	Unsecured / General Obligations	Mar 2009	HR A	Mar 2010	WITHDRAW
Ecatepec de Morelos	Unsecured / General Obligations	Mar 2009	HR A -	May 2012	HR A -
Metepec	Unsecured / General Obligations	Apr 2009	HR AA -	Jul 2012	HR AA -
Ahome	Unsecured / General Obligations	May 2009	HR BBB +	Sep 2012	HR A
Chihuahua	Unsecured / General Obligations	May 2009	HR AA	Sep 2012	HR AA
Merida	Unsecured / General Obligations	Jun 2009	HR AA	Aug 2012	HR AA
Othon P. Blanco	Unsecured / General Obligations	Jun 2009	HR BBB +	Oct 2012	HR BBB -
Tlalnepantla de Baz	Unsecured / General Obligations	Jun 2009	HR BBB +	Aug 2012	HR BBB +
Coacalco de Berriozabal	Unsecured / General Obligations	Jun 2009	HR BBB +	Aug 2012	HR BB
Xalapa	Unsecured / General Obligations	Jul 2009	HR A+	Sep 2010	WITHDRAW
Tepic	Unsecured / General Obligations	Aug 2009	HR BBB +	Aug 2010	WITHDRAW
Puerto Peñasco	Unsecured / General Obligations	Sep 2009	HR BB	Oct 2011	WITHDRAW
Colima Edo	Unsecured / General Obligations	Sep 2009	HR A -	Dec 2012	HR A
Nuevo Leon	Unsecured / General Obligations	Oct 2009	HR A +	Mar 2012	HR A -
Aguascalientes	Unsecured / General Obligations	Nov 2009	HR AA	Feb 2012	HR AA





## EXHIBIT 4: ORGANIZATIONAL STRUCTURE

HR Ratings operates as a privately-owned corporation which is wholly independent and free of any ties to investment banks, brokerage firms, government institutions, or any similar entities that could affect the objectivity of its analysis. As a specialized credit rating firm, HR Ratings depends solely on the acceptance and confidence of the general public in its opinions, analyses, and reports.





## EXHIBIT 8: CREDIT ANALYST AND SUPERVISOR INFORMATION

### Summary

The total number of Credit Analysts (including Supervisors) as of December 2012 is 29 of which 9 are Credit Analysts Supervisors, including all Committee Members. A Supervisor means any Credit Analyst holding a title of Vicepresident or above.

All HR Ratings' Analysts Supervisors are Credit Analysts with at least four years of proven experience in credit and risk analysis. The Department of Administration and Human Resources confirms this experience through the hiring process. All Credit Analysts, including Supervisors, have a university degree; some of them have earned a Master's Degree, PHD, and one have the Chartered Financial Analyst degree.

### Detailed Information of Minimum Qualifications Required for both Credit Analysts and Credit Analysts Supervisors

Credit Analysts must have the appropriate knowledge, preparation and experience in order to be employed by HR Ratings. Analysts must exhibit several years of experience in a specific sector, or debt or credit markets, show analytical skills such as the ability to critically review any information received, establish intelligent questions regarding this information, determine and identify relevant quantitative and qualitative data and must exhibit other skills such as the ability to correctly apply rating methodologies. Additionally, Junior Credit Analyst level must show a full understanding of the rating methodology and criteria. In some cases may assume some rating or review responsibility for certain issuers or transactions with strictly direct supervision by a Senior Analyst or above.

A Credit Analyst holding the title of Senior Credit Analyst or above must have a proven expertise and analytical knowledge of sector and must show evidence of strong knowledge of the dynamics of credit risk. Analytical, problem solving, decision making and conflict management skills must be confirmed by this level.

The most important skills to be shown by this level, due its knowledge and experience include the promotion and adherence to HR Ratings internal procedures and policies such as: "General Operating Program", "Operating Manual", "Internal Control Manual" "Policies of Conduct" and "Human Resources Manual". As part of these expectations, Senior Analysts or above level must guarantee consistency and effective application of methodologies and criteria and must exhibit strong team management skills in order to take a lead role in Ratings Committees and any other supervisory roles.

Here follows a brief curricula of HR Ratings Committee Members:

**Felix Boni Brandani – Chief Credit Officer** – Felix has a Ph.D. in Political Sciences from the University of Pittsburgh and a Master's degree in Management from La Salle University in Philadelphia.



He has more than 25 years experience in financial market analysis in Mexico, as well as writing on its politics and economics. He is an expert in creating strategic and forecasting models and is currently the Chief Credit Officer at HR Ratings.

His professional career in Mexico spans the following posts: Director of Analysis Scotia Capital, Senior Equity Analyst at ABN-AMRO Securities Mexico, Director of Analysis at Credit Lyonnais Securities Asia (CLSA), West Merchant Bank and ING Barings, Director of Analysis at Interacciones Casa de Bolsa and Director of Analysis at Bursamex.

In 1993, he received an honorable mention as part of the Latin American Research Team for Mexico, and, in 1997, he was awarded second place for Institutional Investor. He won the Global Finance Emerging Markets Superstar Award 1994/1995 and was runner up in 1993; he also won first place in the Extel Survey in 1996. He was an Associate Professor in the Department of Political Science at Chestnut College, Philadelphia.

As Chief Credit Officer at HR Ratings, he supervises the analytical work for all ratings, opinions, analyses or reports, while maintaining the highest standards of quality, objectivity, independence and integrity. He is also responsible for coordinating the analysts responsible for each sector and for ensuring the correct use of the appropriate methodologies.

**Rogelio Argüelles Cavazos – Chief Operating Officer** – Rogelio has more than 20 years experience in Structured Finance Analysis, Investment Firms, Pension Funds, Financial Institutions and Industrial, Commercial and Services Companies. Before joining HR Ratings, he worked as a Structured Finance Analysis Director, Investment Firm and Pension Fund Analysis Director, and Industrial, Commercial and Services Company and Financial Institution Analysis Director at Fitch Ratings Mexico. His areas of responsibility during this period were the development of the criteria and methodologies used to securitize mortgages in Mexico and to rate Investment and Pension Fund firms in Mexico, as well as the securitization of accounts receivable and other assets.

He has a Bachelor's degree in Accounting and Auditing from the Universidad de Monterrey (UDEM) and a number of diplomas relating to investment funds from the IIR in Spain.

As Chief Operating Officer at HR Ratings, he is responsible for coordinating the analysis process:, from the distribution and assignment of analysts, the organization of meetings of the Analysis Committees, of which he is a voting member, to the publication of the ratings issued. He analyzes the viability of undertaking new projects and ensures compliance with conflict of interest policies. He is also a member of the Methodology Committee and the Regulatory Committee.

**Fernando Montes de Oca Gatica – Deputy Chief Credit Officer** – Fernando has more than 7 years experience in financial analysis and was a founding member of HR Ratings. He is currently the Deputy Chief Credit Officer and coordinates efforts in the areas of analysis and methodology development.



Before joining HR Ratings, he was a Money and Capital Markets Operator at IXE Casa de Bolsa, where he was responsible for operations on the securities and capital market in Portfolio Management. Prior to that, he worked at B&R Consulting Group as an Analyst for Market Strategies and Company Monitoring.

Fernando Montes de Oca has ascended quickly through the ranks of HR Ratings since he first started working as a Senior Analyst on a number of projects.

He has a Bachelor's degree in Financial Management from the Instituto Tecnológico y de Estudios Superiores de Monterrey (ITESM) and has studied at the ESADE Business School in Barcelona, Spain.

**Salvador Salazar Avendaño – Executive Director - Infraestructure/ABS –** Salvador has 25 years experience in the Financial Analysis and IT Management sectors. During his career, he has worked at Fitch Ratings Mexico, where he began collaborating in the AAFC / Services Area and their corresponding issuances. He then moved on to specialize in Structured Finance Analysis as part of the Global Infrastructure Group (GIG).

From 2003 to 2008, he specialized in analyzing debt issuances from toll highways and assets relating to the financing of infrastructure projects.

He was also Deputy Director of Finance at Promotora y Operadora de Infraestructura (PINFRA), and, one year later, he joined the HR Ratings team as Executive Director - Infrastructure.

He has a Bachelor's degree in Chemical and Systems Engineering from the Instituto Tecnológico y de Estudios Superiores de Monterrey (ITESM).

He is currently the Executive Director – Infrastructure / ABS at HR Ratings where he is responsible for rating infrastructure projects, specializing in the analysis of ABS backed by cash flow generated from toll highways.

**Ricardo Gallegos Miranda – Executive Director - Public Finance/ABS –** With wide-ranging experience in public finances, prior to joining HR Ratings, Ricardo Gallegos worked with Thesis Consulting as a Specialist Consultant in the area of Project Evaluation for State and Local Entities. He has also worked at the United Nations' Food and Agriculture Organization (FAO) as a State Coordinator.

He has a Bachelor's degree in Finance from the Instituto Tecnológico y de Estudios Superiores de Monterrey (ITESM) and a Master's degree in Public Policies from the Instituto Tecnológico Autónomo de México (ITAM).

He is currently the Executive Director - Public Finance / ABS at HR Ratings where he analyzes issues relating to Public Finance, including unsecured state and local debt ratings. He also analyzes ABS and structured banking credits whose source of payment is linked to resources generated or managed by a state or local government.



**Roberto Ballínez Ambriz – Vicepresident - Public Finance/ABS –** Roberto has more than 15 years experience in the areas of Financial Risks, Financial Economics, Financial Mathematics, Financial Econometrics, Industrial Organization and Macroeconomics.

Before joining HR Ratings, he was VALMER-Algorithmics Risk Management Director for the Mexican Stock Exchange and an Asset – Liability and Liquidity – Credit Risk Management Consultant at the ScotiaBank Inverlat Financial Group.

He was Technical Deputy Director at the Revista Mexicana de Economía y Finanzas (REMEF), an economics and finances magazine published by the Tecnológico de Monterrey. He works in academia as a lecturer for Bachelor's, Master's and Ph.D. students at the Center for Financial Research at the Tecnológico de Monterrey's EGADE school and at the Center for Research and Teaching in Economics (CIDE).

He has a Ph.D. in Financial Sciences from the Instituto Tecnológico y de Estudios Superiores de Monterrey (ITESM), and a Bachelor's and Master's degree in Economics from the CIDE. As Vice President – Public Finance / ABS at HR Ratings, he analyzes ABS and structured banking credits whose source of payment is linked to resources generated or managed by state or local entities.

**Pedro Latapi Angelini – Vicepresident - Financial Institutions/ABS –** A founding member of HR Ratings, Pedro began his career as a financial analyst. He has a Bachelor's degree in Financial Management from the Instituto Tecnológico de Estudios Superiores de Monterrey (ITESM).

He has received a number of awards during his career including first place at the Deutsche Bank Financial Case Competition in 2010 and runner-up at the CFA Mexico Global Investment Research Challenge held in Mexico City in 2009.

He is currently a candidate for Level 3 certification from the CFA Institute, which is an international recognition of investment analysis knowledge and a high standard of ethics. He has given preparation courses for Level 1 of the CFA exam at the Tecnológico de Monterrey. Furthermore, he has taken part in Investment Strategy Consultancy seminars in conjunction with the Mexican Association of Securities Intermediaries (AMIB) and undertaken a course of study in Finances at the Carnegie Mellon University in Pittsburgh.

As Vice President - Financial Institutions / ABS at HR Ratings he is responsible for reviewing areas relating to unsecured credits from banking and non-banking financial institutions. He also analyzes unsecured and ABS issuances whose source of payment stems from a financial institution or the generation of cash flow from joint financial assets managed by said institution.



**Luis Quintero Letayf – Vicepresident - Corporates** – Luis joined the HR Ratings team in 2009 as an Analyst charged with drafting credit rating and financial and industry analysis for a number of different financial institutions, such as SOFOMES (Multi-Purpose Financial Institutions), SOFOLES (Limited-Scope Financial Institution), Banks and Brokerage Firms. Prior to this, he was a Commercial Analyst for the Mexican Association of General Motors Dealers.

He has a Bachelor's degree in Economics from the Instituto Tecnológico de Estudios Superiores de Monterrey (ITESM) and is certified in Public Policies by the University of British Columbia (UBC). He also has a Diploma in Project Planning, Management, Evaluation and Control from the ITESM's campus in Santa Fe. He has given courses in Advanced Mathematics at the ITESM's high school in Santa Fe.

He is currently Vice President – Corporates at HR Ratings and is in charge of analyzing areas relating to unsecured credits to industrial, commercial and utility companies.

**Jose Luis Cano Mendoza – Vicepresident - Corporates/ABS** – José Luis has more than 20 years experience at both banks and multinational consumer goods companies. He has worked as an analyst for corporate debt, a country manager and an analyst in the areas of strategic planning, trade marketing and sales.

Before joining the HR Ratings team, he was a Sales Information Director at Philip Morris International in New York and Mexico, where he also held the post of Trade Manager, as well as a number of other posts in the areas of Strategic Planning, Finances, Operations, Marketing and Sales for Mexico and Latin America. He has also worked as a financial analyst for Insurance /

Reinsurance companies such as Allianz Mexico and Asemex, and as a financial analyst for Banco Mexicano, now Santander.

He has a Bachelor's degree in Business Management from the Universidad Intercontinental and an MBA from the Instituto Panamericano de Alta Dirección de Empresas (IPADE).

As part of his responsibilities as Vice President – Corporates / ABS at HR Ratings, he analyzes payment capacity for ABS whose source of payment is linked to the generation of cash flow from a corporation, cash flows generated by the sale of assets, services or from operations.