Mexico City May 6th, 2021

HR Ratings, Kroll Bond Rating Agency (KBRA) and DBRS Morningstar affirmed Mexico's credit rating

- **The three agencies have maintained Mexico's long-term foreign-currency issuer ratings above investment grade category. The rating agencies acknowledge the solid debt management during the pandemic which has limited indebtedness. They also emphasize that sustainable public finances underpin our country's macroeconomic stability.**
- **This is the fifth affirmation of the Mexico's sovereign debt rating in 2021.**

On April 30, the Mexican agency HR Ratings affirmed Mexico's sovereign rating at BBB+ with a negative outlook. The agency recognizes the increase in tax collection in 2020 as a result of the enhancements to the tax framework to fight tax evasion and avoidance, despite the worst economic crisis since 1932.

Today, the Canadian agency DBRS Morningstar affirmed Mexico's at BBB and upgraded the outlook from negative to stable. According to the rating agency, the improvement in the outlook reflects that the Mexican economy will recover in 2021 and 2022, after a strong shock in 2020. Furthermore, DBRS highlighted that the government's commitment to sustainable public finances will continue to strengthen the macroeconomic stability.

Moreover, today, the agency Kroll Bond Rating Agency (KBRA) ratified Mexico's rating at BBB, with a negative outlook. KBRA highlights that the Mexican economy is large, relatively well diversified and competitive, which is attractive to the United States manufacturing.

All three rating agencies acknowledge the sound debt management that helped limit indebtedness in 2020. They also point out that sustainable public finances stand behind the macroeconomic stability of our country.

They highlight downside risks to growth prospects in the coming years, in particular due to possible weakness in private investment. In order to mitigate this risk, the Mexican Government is working with the private sector to provide certainty and more investment opportunities.

In 2019, the USMCA entered into force, which gave greater certainty to investments and to the economic relationship with our main trade partner. On one side, with the Labor Reform approved in 2019, the resolution of labor disputes will speed up and the associated monetary costs will decrease, benefitting both companies and workers. On the other side, it is expected that with the 2020 Pension Reform, savings in the pension system will double in a few years, increasing the funds available for productive investment in the country. Likewise, to strengthen investment, the public and private sectors have come together to reactivate investment, through 67 infrastructure projects worth 2.3% of GDP.

The Ministry of Finance remains fully committed to fiscal discipline, economic stability and to protect the well-being of all Mexicans, which are the basis for a sustained economic recovery.

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