Mexico City, May 17th, 2021

Fitch Ratings affirms Mexico's credit rating

- **Fitch Ratings Agency affirmed Mexico's BBB- rating, with stable outlook.**
- **Fitch highlights the prudent fiscal policy and strong performance of public finances, which have contributed to macroeconomic stability and investment confidence.**
- **The agency also points out Mexico's low debt level with respect to peer economies, the stable and robust external finances and a consistent macroeconomic policy framework.**

Fitch Ratings ratified the credit rating for Mexico's sovereign debt at BBB-, with a stable outlook. The decision is in line with the ratifications in 2021 by JCR, Moody's, HR Ratings, DBRS and KBRA.

The rating agency improved its growth outlook for 2021, from 4.2% to 5.0% based on the reopening of the economy and strong US demand.

Additionally, the agency identifies as factors supporting potential growth a lower drag from the oil sector, greater certainty on trade with the US following the signing of the USMCA, and the trend of near-shoring.

The agency highlights that Mexico's public finances have outperformed its peers, recording a relatively smaller deficit and a more limited increase in the public debt/GDP ratio. In addition, tax revenues outperformed expectations by increasing in real terms in 2020, in contrast to previous recessions.

Fitch mentions that Pemex's debt represents a contingent liability for public finances. In this sense, the Ministry of Finance and Public Credit reaffirms the strategy launched in 2019 to strengthen Pemex as a medium and long-term investment given the fact that it is the largest contributor to the federal budget.

This strategy has successfully resulted in oil production stabilization and increased reserves during 2019 and 2020, after years of consecutive declines, while maintaining sound public finances. As a result, in 2020, Pemex contributed with nearly 600 billion pesos to the Federal Government even during the worst year for the oil industry since 1933.

Fitch's affirmation helps to preserve favorable public and private sector access to international and domestic financial markets. Hence, the commitment of the Ministry of Finance and Public Credit with fiscal responsibility, as a pillar of macroeconomic stability, continues contributing to the economic recovery and equitable development.

* * *