12049

Mexico

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Long-term Rating	A-
Outlook*	Negative
Short-term Rating	-

*Long-term Rating refers to Foreign Currency Long-term Issuer Rating in principle.

1. Overview

Mexico is a major regional economy with a population of about 126 million (2019) and a nominal GDP of approximately USD 1.26 trillion (2019), both of which are the second-largest in Latin America after Brazil. Its per capita GDP stands at approximately USD 10,000 (2019). Its land area is about 1.96 million square kilometers, about five times that of Japan.

In terms of ethnic composition, Mestizo, a mixed blood of European (Spanish, etc.) and indigenous people, accounted for about 60%, indigenous people for about 30%, and European (Spanish, etc.) for approximately 9% of the total population. The official language is Spanish and 90% of its population are Catholic. Such population composition, language and religion reflect the influence of the era of Spanish colony.

2. Social and political bases

Mexico is currently a federal republic headed by president and based on constitutional democracy. The president is elected by popular vote and his or her tenure is one term of six years, with reelection prohibited under the constitution. Its legislature is a bicameral Congress composed of the chamber of senators and the chamber of representatives.

Partido Revolucionario Institucional or the Institutional Revolutionary Party (PRI), founded in 1929, had been in power for 70 years since the Mexican Revolution. In 2000, Partido Accion Nacional or the National Action Party (PAN) took over power for the first time and stayed at the helm until 2012. In December 2012, PRI returned to power when its candidate Pena Nieto was elected president. During his presidency, Pena Nieto pursued structural reforms in a variety of fields including energy development. However, the approval rate of his government plunged despite his strong initiatives to promote economic structural reforms, due to his inability to enforce effective measures to stem the spread of corruption, as well as the deterioration of public security.

Under these circumstances, the newly emerging left-wing political party MORENA (Movimiento Regeneración Nacional or the National Regeneration Movement) gained support from the voters who had been disillusioned with established political parties. MORENA's leader Andrés Manuel López Obrador, widely known as AMLO, won the presidential election in 2018, and in the congressional election, a leftist coalition led by MORENA won a majority in both houses. Since its inauguration in December 2018, the AMLO administration has been promoting eradication of corruption and enhancement of social welfare as its top priority issues.

JCR is of the view that the AMLO administration has attained some progress in tackling its top priorities. As to eradication of corruption, in addition to cutting the salary of the president and civil servants, it decided to suspend the construction of new Mexico City airport, which had been promoted under the previous administration, on the grounds that there had been certain corruption. The administration prosecuted the former administration's stakeholders for alleged corruption related to the airport construction project. In addition, it has strengthened the legal framework to fight corruption.

In its social welfare policy, it implemented a substantial increase of the minimum wage for two consecutive years (16% in 2019 and 20% in 2020), as

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well as setting various types of cash transfer programs for vulnerable population. Against the backdrop of these achievements, the approval rate of the administration had remained at a high level exceeding 50%. Nevertheless, the poor public security, which was an issue under the previous administration, has even deteriorated since the beginning of 2020. Moreover, there has been growing public dissatisfaction with the government's policy response to the COVID-19 pandemic since the turn of the year. The latest approval rating for the administration stood at 59% as of July 2020 according to the poll published by Oraculus, however it has been gradually declining since the beginning of 2020.

With regard to economic and financial policies, the AMLO administration has been adjusting the main priorities advocated by the previous administration. Dubious about the effect of the previous administration's active use of the private sector on employment and the economy, in our view the new administration has pronounced a policy to let the public sector take the lead in creating jobs and boosting the economy. The suspension of the airport construction project and the major hike of the minimum wage are in line with this policy. The new administration has also decided to postpone the opening of oil fields to private companies ("round") and joint development with private companies ("farm-out") until the private companies can show good results in terms of investment and production, both of which were strongly pushed by the previous administration. The AMLO administration is now pushing ahead with a plan to aim for self-sufficiency of petroleum products through the renovation of existing refineries and construction of new refinery under the initiative of the state-owned petroleum corporation (PEMEX). However, JCR holds that these measures might be somewhat too hasty. In our view, they have led to the growing uncertainty over the government's economic policy, particularly in the private industrial sector which had been actively committed to the development of oil fields. For this reason, corporate investment has been staying stagnant since the latter half of 2018.

Faced with the situation, the government announced its private sector-led infrastructure development plan in November 2019. This will constitute a part of the National Infrastructure Development Plan (PNI 2020-2024), which is scheduled to be announced by the government. It calls for the private sector to promote infrastructure construction by mobilizing funds totaling approximately MXN 860 billion (about 3.5% of GDP) to finance 147 projects. The government will support the private sector from institutional aspects. However, 72 of the 147 projects are concentrated in 2020. It is increasingly uncertain whether the plan will proceed as scheduled. Moreover, the announcement of an infrastructure investment plan for the energy sector, initially scheduled for February 2020, has been delayed due in part to the COVID-19 pandemic.

On the diplomatic front, the Trump administration of the United States inaugurated in 2017 has made strong assertions against Mexico, including the renegotiation of the North American Free Trade Agreement (NAFTA), construction of barriers on the U.S.-Mexico border and repatriation of illegal immigrants. In response, the AMLO administration has taken a stance of prioritizing the conclusion of a new trade agreement in place of NAFTA. Consequently, the United States, Mexico and Canada ratified the United States-Mexico-Canada Agreement (USMCA) by March 2020, and the new pact went into effect on July 1 that year. This has reduced the opacity inherent in Mexico's trade relations with the U.S. as preferential access for Mexican products to the United States and Canada is maintained. As to the issue of illegal immigration from Mexico to the U.S., Washington has made some positive remarks about the measures taken by the AMLO administration, and talks are still continuing between the two governments.

3. Economic base

Since the conclusion of NAFTA, Mexico has established a solid export base for automobiles and home appliances mainly bound for North America by accepting a large amount of direct investments. The share of industrial products in exports reached 89% in 2019. Approximately 80% of its goods exports are bound for the U.S. In particular, the automobile industry has been growing remarkably. It turned out approximately 4 million vehicles in 2019, the sixth largest in the world. Mexico has become increasingly dependent on external trade, with the latest ratio of goods exports and imports to GDP reaching close to 80%. This has made it more susceptible to the impact of the economic situation outside Mexico, particularly the U.S. economy.

Mexico is blessed with abundant mineral resources, such as petroleum, silver and lead. However, the share of mineral resources in the real economy is low, with mining accounting for about 4% of nominal GDP and crude oil accounting for about 6% of exports. On the

fiscal side, however, oil-related revenues accounted for 18% of the total revenues in 2019. Although the ratio has been declining in recent years, it is still high, leaving the national budget highly dependent on revenues from resources.

Mexico ranks 20th in the world (third in Latin America) in terms of proven oil reserves at 5.96 billion barrels per day at the end of 2019, and 12th in the world (second in Latin America) in terms of oil production at 1.92 million barrels per day in 2019. Oil production peaked at 3.38 million barrels per day in 2004 and had since continued to decline. But the decline has been coming to a halt since 2019. This is attributable to the halt of decline in PEMEX’s production and, to a lesser extent, to the start of production in oil fields which were opened to private companies under the previous administration.

As a measure to restore the sagging oil production, the AMLO administration has changed the policy of utilizing the private sector promoted by the previous administration and is shifting to reforms focused on PEMEX. However, the previous administration was not successful in reinforcing PEMEX's production capacity. There remains much uncertainty over whether Mexico can become self-sufficient in oil products in the face of competitive U.S. products. Currently, the global oil demand has steeply fallen due to the COVID-19 pandemic, and Mexico is seen to take a considerable amount of time to attain a clear recovery of its oil production.

The Mexican economy contracted 0.3% in real GDP terms in 2019 as compared to the previous year, the first negative growth since 2009 when it shrank 5.3%. In addition to bleak consumer spending, private-sector investment was sluggish amid the growing uncertainty over the Mexico-U.S. trade issue and the AMLO administration's economic policy. As stated above, the government announced its private sector-led infrastructure development plan in November 2019. However, whether the plan will proceed as scheduled remains highly opaque due to the impact of the pandemic.

At the end of March 2020, the AMLO administration issued a sanitary state of emergency in response to the spread of COVID-19, imposing restrictions on economic activity across the country and urging people to refrain from going out. These restrictions have been gradually eased since May, but both the number of infections and the number of deaths have been rapidly increasing. As of the end of July, the number of confirmed cases reached about 400,000, with the cumulative number of deaths exceeding 40,000, the third-highest after the U.S. and Brazil. This situation was compounded by the fall of exports resulting from the stagnation of global economic activity and a heavy damage the oil industry suffered from the collapse of oil prices. As a result, the Mexican economy suffered an 18.9% year-on-year negative growth in the second quarter of 2020, contracting for five quarters running for the worst-ever result on record, as other countries have also experienced their worst-ever economic contraction. In this situation, the central bank has cut its interest rates by a cumulative 250 basis points since March. In addition, the AMLO administration and the central bank worked out economic measures including a comprehensive liquidity provision equivalent to 3.3% of GDP for the domestic financial market. The package put priority to support for low-income households and SMEs, and the infusion of liquidity to the banking system implemented by the authorities has led to certain increase in lending to non-financial private sector in March and April. In our view, however, there has also been persistent voices from the business community for large-scale funding support and other financial assistance for the entire corporate sector. JCR holds that current financial support to the corporates might not be necessarily sufficient to fully recover entire business activities. Considering the current rebound of the pandemic and its impact on the domestic economy, JCR holds that the slowdown of the economy will become severer and its contraction can be deeper than the 5.3% it suffered at the time of the global financial crisis in 2009.

4. Fiscal base

On the fiscal front, while the budget deficit has been reduced and the government debt has been curbed since the previous administration's fiscal reconstruction initiatives, the country's financial administration has still remained susceptible to the performance of the oil sector as a whole including PEMEX. Oil-related revenues, including those from PEMEX, account for 18% of the total public-sector revenues in 2019, although the ratio was lower than the latest peak-time level of 39% registered in 2012. Given its oil hedging strategy, though, Mexico’s oil-related government revenues are completely hedged against the risk of falling oil prices.

Under these circumstances, the Fiscal Responsibility Act was amended in 2014 under the previous administration, requiring the government to set an

annual target for Public Sector Borrowing Requirement (PSBR), the broadest-based budget deficit. In 2019, PSBR was kept at 2.3% of GDP, almost flat from 2.2% in the previous year (including the transfer of the operating surplus from the central bank) and clearing the government-set 2.5% target. That was attained by way of restrained expenditures and revenue compensation through the use of the Budgetary Revenue Stabilization Fund (FEIP). The primary balance ended with a surplus equivalent to 1.1% of GDP. The cumulative PSBR came to 44.8% of GDP, a modest decrease from 44.9% in the previous year, which indicated that the AMLO administration kept fiscal discipline in 2019.

In its draft budget for 2020 submitted in September 2019, the government had envisaged a primary surplus equivalent to 0.7% of GDP and PSBR equivalent to 2.6% of GDP to be attained mainly through continued spending restraints. In April 2020, however, it made public a preliminary macroeconomic outlook as the basis for its 2020 budget following the economic downturn caused by COVID-19 and the sharp fall of oil prices. In this outlook, the government lowered the growth estimate from 2.0% to minus 2.9% in anticipation of reduced tax revenues, the peso’s depreciation and contraction of economic activity. It then downgraded its PSBR estimates for 2020 and 2021 to 4.4% and 4.0% of GDP, respectively, predicting that cumulative PSBR will rise to 52%. The government has been working to hold back any further increase of cumulative PSBR through utilization of FEIP and sale of public assets. The tax revenue of the government for the period between January and July of 2020 has dropped only 0.8% in real terms y-o-y. In case of a decrease in revenues in 2020 or 2021, the government is expected to have access to the resources in the FEIP. Moreover, in 2021 the federal government is also expected to receive the central bank's "Remanente de Operación", due to an expected depreciation of the peso as compared to 2019.Considering the gravity of the COVID-19 pandemic and its impact on the economy, however, JCR holds that fiscal deterioration may severely worsen and that the annual PSBR might exceed 6%, with the cumulative PSBR topping 60%.

With regard to PEMEX, while its EBITDA has been in surplus, it has been obliged to pay about 80% of the surplus to the government. Therefore, it has been in chronic deficit, staying in excess liabilities since 2009. The current government has acknowledged this problem, and has implemented several measures to mitigate the financial burden of PEMEX including the reduction of the tax rate and profit sharing duty rate. However, it is still the fact that this problem has the capital investments of PEMEX has not returned to be fully sufficient to recover its production. It incurred a final loss equivalent to 1.4% of GDP in 2019, with its accumulated financial liabilities reaching 8.2% of GDP at the end of the year. The situation forced the AMLO administration in 2019 to launch a series of support measures totaling 1% of GDP for PEMEX. In 2020, its financial situation is being further stressed due to reduced oil demand caused by the pandemic in addition to the plunge of oil prices. In our view, the government's fiscal position may come under greater pressure with the need of additional financial support for PEMEX increasing, although both PEMEX and the government has implemented various measures including cutting expenditure and the reduction of the burden of the tax and profit sharing duty as mentioned above.

5. External position

Mexico's current account deficit has stayed in the range of 1-2% of GDP in recent year due mainly to a trade deficit and interest payments on foreign direct investment despite a steady inflow of remittances by migrant workers. In 2019, however, the trade balance turned positive due to reduced imports and the current account deficit narrowed to 0.3% of GDP. A net inflow of FDI into Mexico has been in the range of 2-3% of GDP in recent years as the country has been easier to attract investment because of its proximity to the U.S. market under NAFTA. As a result, its structure for financing the current account deficit has stayed stable and the impact of volatile portfolio investment on the external balance has been alleviated. Net FDI inflows in 2019 totaled 1.9% of GDP, enough to cover the current account deficit.

In 2020, Mexico’s exports are expected to stagnate due to the sluggish economic activities both at home and abroad caused by the COVID-19 pandemic. While an increase of the current account deficit is expected to be restrained to some extent by reduced imports, JCR holds that the FDI inflow may slow down due in part to the growing uncertainty over the current administration's economic policy. JCR will closely watch future developments.

Mexico's external debt has been under control since 2015. The gross external debt stood at USD 441.3 billion (36.0% of GDP) at the end of March 2020, down 3.2% from a year earlier, which is relatively low among the countries rated in the A range by JCR. Its short-term debt

accounted for USD 53.5 billion (4.4% of GDP). The foreign exchange reserves had stayed little changed at around USD 177 billion since 2015, but they have since been on the increase, reaching USD 192.6 billion at the end of July2020. The reserves were 3.5 times as much as the short-term external debt and were enough to cover five months of imports. In addition, Mexico has a SDR 44.6 billion (approximately USD 61 billion) Flexible Credit Line (FCL) with the IMF and is therefore highly resistant to external shocks.

The renegotiation of NAFTA, which began among the U.S., Mexico and Canada in August 2017, was concluded in September 2018 and the new agreement was named USMCA. It was ratified by the three countries by the end of March 2020 and came into force on July 1 that year. Under USMCA, the regulations on the origin of automobiles have been tightened. Specifically, it called for: (1) a phased increase of the regional value content (RVC) of completed vehicles from the current 62.5% to 75% in 2023; (2) introducing a wage clause that requires 40-45% of the parts and materials of automobiles to be produced in regions with an hourly wage higher than USD 16; and (3) obliging the steel and aluminum purchased by completed vehicle manufacturers to meet a 70% RVC. Washington's assertion for a higher procurement ratio for U.S. products has been reflected to a certain extent on the agreement.

However, a transition period lasting till the end of 2020 has been put in place for the new requirements during which their application can be deferred. In addition, the most-favored-nation (MFN) tariff rate imposed on U.S.-bound passenger cars and SUVs will be low at 2.5% even when the rules are not met. Some automakers may find it less costly and more rational to pay the tariff instead of making major adjustments to their production and procurement systems.

A side letter attached to USMCA stipulates a limit on Mexican auto exports to the U.S. It provides that even when the U.S. raises its tariff rate based on Article 232 of its Trade Expansion Act, Mexican auto exports can be exempted from the higher tariff as long as they fall short of the quantitative quota. The cap on passenger car and SUV exports has been set at 2.6 million units. Considering that such exports in 2019 totaled approximately 2.1 million units and given their rate of growth in recent years, the cap may be reached as early as in 2023. All in all, USMCA is unlikely to act immediately as a constraint on Mexican auto exports to the U.S. and auto-related direct investment in Mexico, but future developments still warrant some attention.

6. Financial system

Mexico's banking sector mainly consists of commercial banks and government-affiliated development banks, with the former accounting for nearly 90% of the sector's total assets. As part of the reforms on the financial system after the currency crisis in 1994, the restriction on foreign investment in Mexican banks was abolished in 1999. This prompted foreign banks to acquire major Mexican banks. Their combined assets now account for about 70% of the total assets of the banking sector, and four of the top five banks in asset terms are owned by foreign capital. This high presence of foreign banks is one of the characteristics of Mexico’s banking sector. As foreign banks have taken a cautious stance toward credit provision, the sector's total lending stays at mid-50% of GDP, the lowest among the countries rated in the A range by JCR. Its financial intermediation is not deep enough for the country's economic scale and the supply of growth funds by the sector alone is not necessarily sufficient. The current government has acknowledged the issue and has implemented various measures to promote financial deepening.

Mexican banks have generally retained their high profitability and financial soundness even amid the cyclic hike of interest rates by the central bank from 2015 through 2019. Their average ROA stood high at 2.2% in 2019. Their capital adequacy ratio and Tier 1 ratio also stood high at 16.2% and 14.7%, respectively, at the end of March 2020. According to the central bank, the capital adequacy ratio after deducting the expected CVaR with a confidence level of 99.9% is estimated at about 10%, still higher than the 8% regulatory lower bound. Moreover, stress tests conducted by the central bank have proved that the ratio will exceed the lower limit even in the most pessimistic scenario.

The banking sector's NPL ratio was kept reined at 2.2% at the end of March 2020. The liquidity coverage ratio (LCR) has recently declined slightly, but it still stays at a high level of just less than 200% and the net stable funding ratio (NFSR) stands at around 130%, well above the regulatory lower limit of 100%. The loan-to-deposit ratio has been stable at around 90%. The sector's interest-bearing debt remains low at about 17% of GDP and approximately 80% is denominated in peso.

Loans made by commercial banks had grown faster than 10% year-on-year in the mid-2010s, but the growth rate has been declining in keeping with the economic slowdown after 2018. It fell to 4.9% at the end of 2019.

The country's business activities have shrunk in 2020 due to the pandemic, and in April, the government and the central bank announced a financial support package equivalent to 3.3% of GDP. However, JCR holds that the size of the assistance is not necessarily sufficient.

The household debt has been kept low at about 16% of GDP. Its foreign exchange risk is limited as it is mostly peso-denominated. The debt owed by non-financial businesses is also low at about 25% of GDP, although 70% of their debt is denominated in foreign currencies. Many of these businesses benefit from a natural hedge, receiving a large proportion of revenues in dollars, or make use of financial hedging instruments, and the foreign exchange risk has been somewhat mitigated.

Following the slump of economic activity resulting from pandemic, the National Banking and Securities Commission (CNBV), which oversees the Mexican banking sector, granted a partial or total deferral of principal and/or interest payments for up to 6 months on consumer, housing and commercial loans, which have allowed to restructure 6.5 million credits (14.7% of total loan portfolio). In addition, CNVB and the National Insurance Security Commission (CNSF) have been jointly urging banks to restrict dividend payments and share buybacks. CNBV has also allowed banks to reduce their capital buffer based on the capital adequacy requirements by up to 50% as a temporary measure to ramp up their liquidity position.

7. Overall assessment and rating outlook

The ratings are supported by the country's solid export-oriented industrial base, flexible and agile monetary and exchange rate policies, and resilience to external shocks. On the other hand, they are constrained by the country's oil industry that needs modernization and the existence of large-scale informal labor which impedes economic efficiency.

The new left-wing AMLO administration has been promoting eradication of corruption and enhancement of social welfare as its top priorities, drawing a high approval rating from the public. It also kept fiscal discipline in 2019 by holding down PSBR below its planned target. On the other hand, the Mexican economy suffered a negative growth in 2019 due mainly to sluggish private investment. The government announced its private sector-led infrastructure development plan in November 2019, but JCR holds that there remains uncertainty as to whether it can be implemented as initially planned. Under these circumstances, the economy may further contract in 2020 due to the halt of economic activity caused by COVID-19 and the plunge of crude oil prices. The government is prepared to support the economy through additional fiscal measures and JCR holds that its fiscal position may severely worsen due to reduced tax revenues as well as expanding expenditure following economic slowdown. Moreover, uncertainty over the government's economic policy has been mounting as evidenced by its growing feud with the business community over its funding support for the corporate sector. Based on the above, JCR has changed the rating outlook to Negative while keeping the ratings themselves unchanged. It will closely monitor the impact that the COVID-19 pandemic and the plunge of oil prices may have on the economy and the fiscal position along with future progress on the government's additional economic package in order to have the outcome reflected on its ratings.

The strategy of the government is to reallocate non-priority spending strategically across the country and through time to maintain a balance between stimulating the economy and maintaining stable public finances. Due to high uncertainty of the evolution of the pandemic, the government is administering the room of maneuver and continuously assessing the situation to provide extra funding if needed. The government may come under growing pressure to spend more for an additional economic support if its initial anti-coronavirus package does not work effectively. Furthermore, if the government does not swiftly provide effective support measures to stem a deterioration of corporate funding caused by the persistent COVID-19 pandemic, the slump of business activities may become even more serious. When JCR is convinced that such course of events has become surer, it will promptly downgrade its ratings. On the other hand, when it judges that the government's initial package and its corporate funding support measures do function effectively and that a swift implementation of the private sector-led infrastructure development plan will stimulate private investment and greatly alleviate the economic downturn, the possibility of downgrading will decline. However, JCR thinks such possibility is remote.

On a separate note, JCR has retained A+ for the country ceiling for Mexico in line with the affirmation of its ratings.

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Major Economic Indicators

		2015	2016	2017	2018	2019
Nominal GDP per capita	USD	9,701	8,831	9,397	9,811	9,997
Real GDP growth	%	3.3	2.6	2.1	2.2	-0.3
CPI inflation (annual average)	%	2.7	2.8	6.0	4.9	3.6
Public sector primary balance to GDP	%	-1.2	-0.1	1.4	0.6	1.1
Public sector fiscal balance to GDP	%	-3.4	-2.5	-1.1	-2.1	-1.6
Public sector borrowing requirement (PSBR) to GDP	%	-4.0	-2.8	-1.1	-2.2	-2.3
Public sector historical PSBR to GDP	%	46.5	48.7	45.8	44.9	44.8
Current account balance to GDP	%	-2.6	-2.3	-1.8	-2.1	-0.3
Trade balance to GDP	%	-1.2	-1.2	-0.9	-1.1	0.4
Financial account balance to GDP	%	-1.8	-3.0	-2.5	-2.8	-1.4
Official reserve assets	bn USD	177.6	178.0	175.4	176.4	183.0
Official reserve assets to imports of goods and services	months	5.0	5.1	4.6	4.2	4.4
Official reserve assets to short-term external debt	x	2.4	3.2	3.1	2.7	2.8
External debt to GDP	%	35.6	38.3	37.7	36.5	36.8
Foreign exchange rate (annual average)	MXN/USD	15.9	18.7	18.9	19.2	19.2
Capital Adequacy Ratio (domestic deposit-taking institutions)	%	15.0	14.9	15.6	15.9	16.0
NPL Ratio (domestic deposit-taking institutions)	%	2.5	2.1	2.1	2.1	2.1
Domestic claims to GDP	%	52.5	54.7	54.8	54.4	58.8

* Figures for the most recent period could be indicators based on preliminary figures.
Source: National Institute of Statistics and Geography (INEGI), Central Bank, Secretariat of Finance and Public Credit (SHCP), IMF and CEIC

Ratings

	Rating	Outlook*	Amount (millions)	Currency	Rate (%)	Issue Date	Maturity Date	Release
Local Currency Long-term Issuer Rating	A+	Negative	-	-	-	-	-	2020.04.27
Foreign Currency Long-term Issuer Rating	A-	Negative	-	-	-	-	-	2020.04.27
Japanese Yen Bonds 22th Series (2016)	A-	-	50,900	JPY	0.70	2016.06.16	2021.06.16	2020.04.27
Japanese Yen Bonds 29th Series (2019)	A-	-	65,500	JPY	0.62	2019.07.05	2022.07.05	2020.04.27
Japanese Yen Bonds 25th Series (2018)	A-	-	57,200	JPY	0.60	2018.04.20	2023.04.20	2020.04.27
Japanese Yen Bonds 30th Series (2019)	A-	-	41,200	JPY	0.83	2019.07.05	2024.07.05	2020.04.27
Japanese Yen Bonds 19th Series (2014)	A-	-	13,900	JPY	1.44	2014.07.24	2024.07.24	2020.04.27
Japanese Yen Bonds 26th Series (2018)	A-	-	24,100	JPY	0.85	2018.04.20	2025.04.18	2020.04.27
Japanese Yen Bonds 23th Series (2016)	A-	-	16,300	JPY	1.09	2016.06.16	2026.06.16	2020.04.27
Japanese Yen Bonds 31th Series (2019)	A-	-	27,300	JPY	1.05	2019.07.05	2026.07.03	2020.04.27
Japanese Yen Bonds 27th Series (2018)	A-	-	38,700	JPY	1.05	2018.04.20	2028.04.20	2020.04.27
Japanese Yen Bonds 32th Series (2019)	A-	-	31,000	JPY	1.30	2019.07.05	2029.07.05	2020.04.27
Japanese Yen Bonds 20th Series (2014)	A-	-	12,300	JPY	2.57	2014.07.24	2034.07.24	2020.04.27
Japanese Yen Bonds 24th Series (2016)	A-	-	21,900	JPY	2.40	2016.06.16	2036.06.16	2020.04.27
Japanese Yen Bonds 28th Series (2018)	A-	-	15,000	JPY	2.00	2018.04.20	2038.04.20	2020.04.27

History of Long-term Issuer Rating (Foreign Currency Long-term Issuer Rating or its equivalent)

Date	Rating	Outlook*	Issuer Name
1998.06.17	BB+	-	Mexico
2000.11.02	BBB	-	Mexico
2005.01.26	BBB	Stable	Mexico
2006.01.20	BBB+	Stable	Mexico
2008.01.28	A-	Stable	Mexico
2020.04.27	A-	Negative	Mexico

*Outlook for Foreign Currency long-term issuer rating, or direction in case of Credit Monitor

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