

# Corporate Bond Market Review

## Major market decline since 2004

- In November, MXN 4.3 billion were placed in the long-term market, 79.7% below the observed in the same month of 2019 and far below the expected amount at the beginning of the month
- In the month stood out the issuance of a dollarized bond (FMTY 20D, MXN 2.1 billion) and the balance between fixed rate notes (48.4%) and floating rate notes (51.6%)
- In the Banking Bond Market placements returned with the long-term bonds from Banco Actinver and Banobras, for a total amount of MXN 9.5 billion (2.17x y/y)
- In the short-term market, MXN 13.9 billion were placed, 19.5% less than the registered in the same month of 2019; however, outstanding volume increased to MXN 47.8 billion, a 5.0% y/y growth

**Long-term corporate bond market.** In November 2020, placement recovery slowed down after the 30-month high observed in October with the auction of only four long-term notes for MXN 4.37 billion (-79.7% y/y). Looking forward, for the last month of 2020 we expect a rebound in placements with around MXN 18.0 billion through six long-term notes, with the preference skewed towards structured bonds. It's worth noting that, excepting Corpovael's note, issuances on the pipeline for December were originally programmed for November and were postponed. In the eleventh month of the year, the debt market's outstanding volume showed a strong contraction (-8.7% y/y; -2.6% m/m), caused by large maturities, standing out two from the State-owned companies (PEMEX 14 for MXN 9.9 billion, and CFE 10-2 for MXN 16.5 billion), as well as the low number of placements, as aforementioned. It's worth noting that the decline in outstanding volume is the largest observed in the market in our records (since 2004).

December 3, 2020

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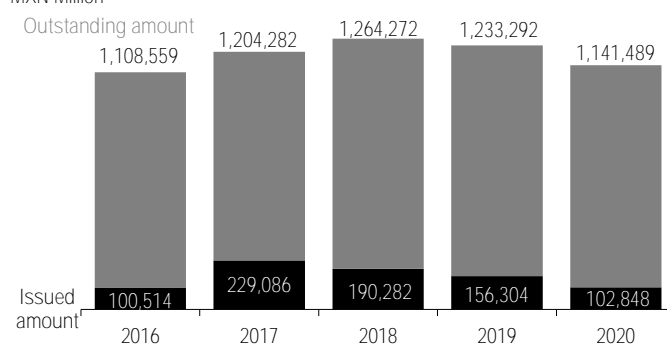
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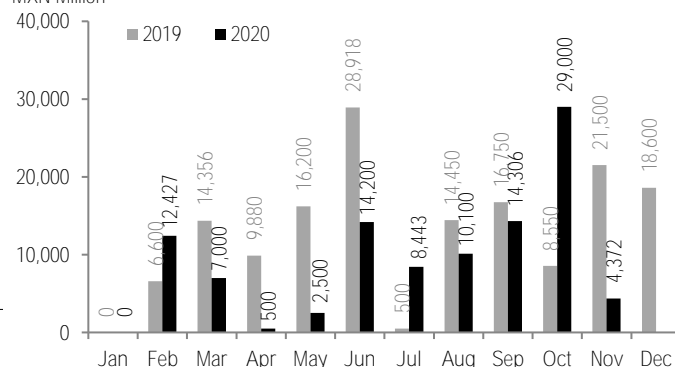
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Corporate Bond Market Volume – Long-Term  
MXN Million



Monthly issued volume – Long-Term  
MXN Million



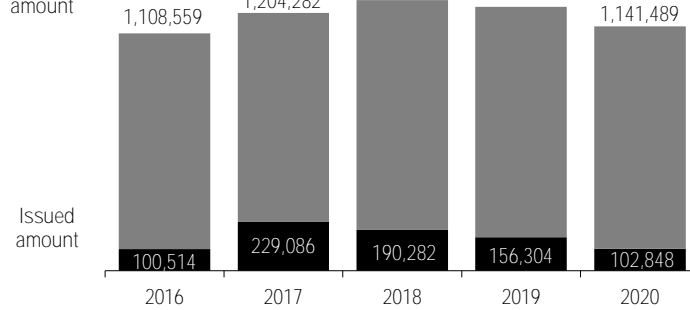
Source: Banorte / BMV / BIVA / PIP as of Noviembre 2020.

## Corporate Bond Market – Long Term

**Market Evolution.** At the end of November 2020, the corporate medium- and long-term bond market added up to MXN 1,141 billion, made up of securities such as Corporate Bonds (CB's) and Ordinary Debt Participation Certificates issued by corporates, states, municipalities, infrastructure programs and state-owned.

Corporate Bond Market Volume – Long-Term

MXN Million  
Outstanding  
amount



Source: Banorte / BMV / BIVA / PIP, as of November 2020.

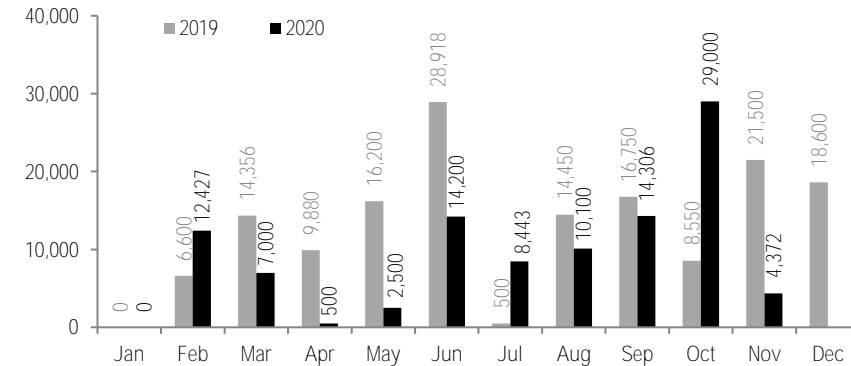
	2016	2017	2018	2019	2020*
<b>Securities Certificates</b>					
Issued	100,514	229,086	190,282	156,304	102,848
Outstanding	1,102,523	1,198,245	1,258,236	1,227,255	1,141,489
<b>CPO's**</b>					
Outstanding	6,037	6,037	6,037	6,037	0
Total Issued	100,514	229,086	190,282	156,304	102,848
YoY Growth*	-54.3%	127.9%	-16.9%	-17.9%	-34.2%
Total Outstanding	1,108,559	1,204,282	1,264,272	1,233,292	1,141,489
YoY Growth*	-0.9%	8.6%	5.0%	-2.5%	-7.4%

Source: Banorte / BMV / PIP, as of November 2020. \*November 2020 YTD vs 2019

**October issuances.** Throughout the month, four long-term issuances were placed for a total amount of MXN 4.4 billion, which is 79.7% lower than the observed in the same month of 2019.

Monthly issued volume

MXN Million



Source: Banorte / BMV / BIVA / PIP as of November 2020.

Monthly Issuances

MXN Million

Issue	Amount	Str.	Settlement Date	Maturity Date	Ref. Rate Spread %	Rating S&P / Moody's / Fitch/ HR / Verum	Issuer
FMTY 20D	2,116	No	03-Nov-20	26-Oct-27	FIXED : 4.6%	//AA(mex)/HR AA	Fibra Mty
VINTE 20X	400	No	11-Nov-20	03-Nov-27	TIIE28 + 2.5%	///HR A+/A+/M	Vinte Viviendas Integrales
VRTCB 20	356	ABS	05-Nov-20	05-Nov-25	TIIE28 + 2.4%	mx AA ///HR AA+	Vanrenta
SORIANA 20	1,500	No	18-Nov-20	12-Oct-23	TIIE28 + 0.6%	//AA+(mex)/HR AA+	Organización Soriana
Total	4,372						

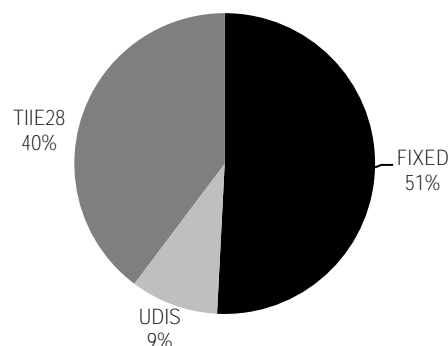
Source: Banorte / BMV / BIVA with information on Prospects, CNBV applications, Public Offer Notices and "Selling Memos". na: Not available or preliminary data. The information set forth herein may differ materially from the final or current information. \* Reopening

**Reference Rate Breakdown.** In the 2H20 a shift in the rates preference has been observed, skewed for fixed-rate issuances, that at the end of November hold 50.8% of the cumulative figure for 2020, followed by placements at floating rates with 39.7%, which had maintained the preference in the first half of the year. Finally, the remaining 9.5% was issued at a real fixed rate. This preference is attributable to expectations of lower benchmark rates.

Securities Certificates – Reference Rate  
MXN Million, %

Ref. Rate	2020 Issuances	%
FIXED	52,257	50.8%
UDIS	9,725	9.5%
Total floating rate	40,866	39.7%
TIIE28	40,866	39.7%
TIIE91	0	0.0%
CETE 182	0	0.0%
LIBOR	0	0.0%
MIX	0	0.0%
Total	102,848	100%

Reference Rate Breakdown, 2020  
%



Source: Banorte / BMV / BIVA / PIP, as of October 2020.

Due to rounding, totals may not correspond to the sum of all figures shown.

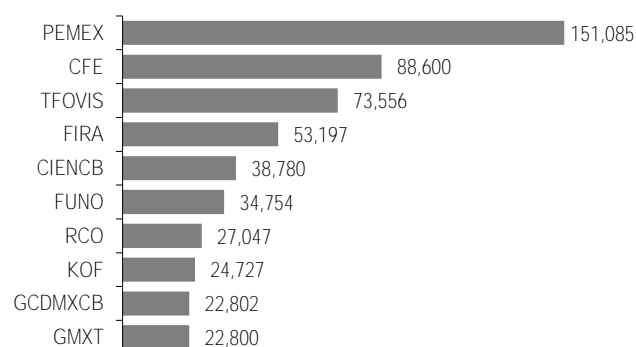
**FOMC.** From Banorte's Economic Analysis team: ***"In the last FOMC's meeting minutes, the broad discussion about the future of the asset purchase program was clear. The minutes of the last FOMC meeting were published, exposing the central bank's staff opinions on the asset purchase program, as Powell had already anticipated in the press conference after the Fed's decision. In this context, the central bank members discussed various changes to the structure of the program, including the rhythm and composition, as well as the guidance that the Committee gives to the public about the future of such purchases [...] We expect an expansion of the asset purchase program and changes in forward guidance at the FOMC meeting on December 15 and 16."***

**Banxico.** From Banorte's Economic Research Team: *"Banco de México published the minutes of the meeting held on November 12th, in which the Board surprisingly held the reference rate unchanged at 4.25%, in a majority decision. The dissenter was Deputy Governor Jonathan Heath, who called for a 25bps cut. We should also mention that comments about growth and inflation lose some relevance given the release of the 3Q20 Quarterly Report yesterday [...] Weighing all information available so far, it is our take the reference rate will end this year at 4.25%. Moreover, we expect the easing cycle to resume somewhere in 2Q21, with accumulated cuts of 50-75bps next year".* (See report: [Banxico Minutes – We expect the easing cycle to resume in 2021](#), published on November 26<sup>th</sup>, 2020).

**Main Issuers.** Ten issuers make up for 7.1% of the market, of which state-owned companies PEMEX & CFE hold 21.0% of the total volume outstanding of long-term private debt, the first and second place of the market. It's worth noting that of the ten main issuers, only Pemex ('A2.mx' by Moody's and 'A(mex)' by Fitch), and CFE ('Aa1.mx' by Moody's), are not rated 'AAA' or equivalent.

Main issuers or trustors\*

MXN Million



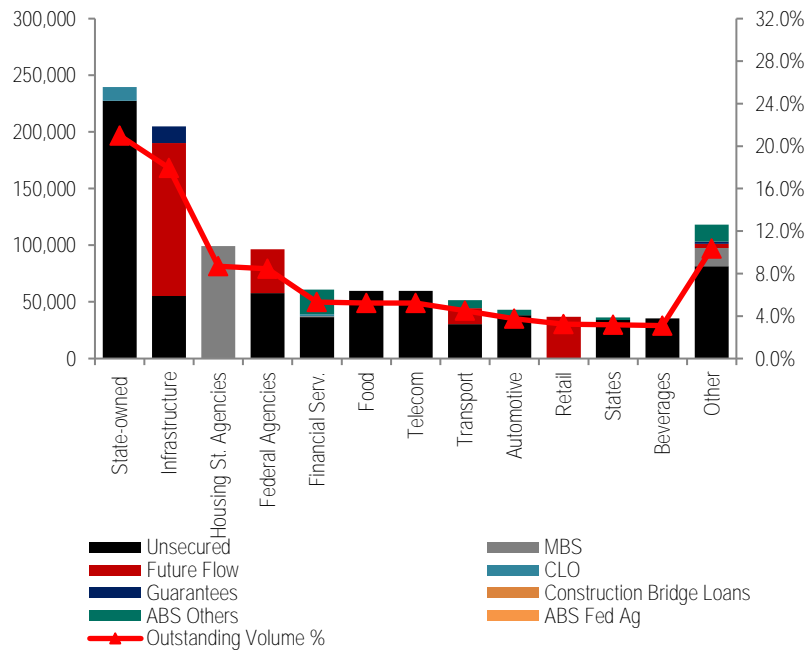
Issuer Credit Rating\*

	PEMEX	CFE	TFOVIS	FIRA	CIENCB	FUNO	RCO	KOF	GCDMXCB	GMXT
S&P	mx AAA	mx AAA	mx AAA	mx AAA	nd	nd	nd	mx AAA	mx AAA	mx AAA
Moody's	A2.mx	Aa1.mx	Nd	nd	nd	nd	nd	Aaa.mx	Aaa.mx	nd
Fitch	A (mex)	AAA (mex)	Nd	AAA (mex)	nd	AAA (mex)	nd	AAA (mex)	AAA (mex)	AAA (mex)
HR	HR AAA	nd	Nd	HR AAA	nd	HR AAA	nd	nd	nd	nd

Source: Banorte / BMV / BIVA / Rating agencies as of November 2020. nd: not available. \* The outstanding amount of the "issuer" includes structured issues whose trustor is equi ratings are from the issuer (unsecured).

**Leading Industry Groups.** As of November 2020, six sectors (State-owned companies, Infrastructure, Housing support, Federal Agencies, Financial services and Food) make up 66.6% of the total outstanding volume of the long-term corporate bond market. As we already mentioned, the State-owned companies, Pemex and CFE, account for the 21.0% of the total market. The remaining 33.4% is pulverized in 18 sectors.

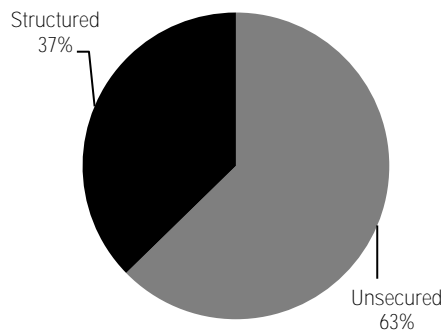
Corporate debt breakdown by industry and structure  
MXN Million



Source: Banorte / BMV / BIVA / PIP as of November 2020.

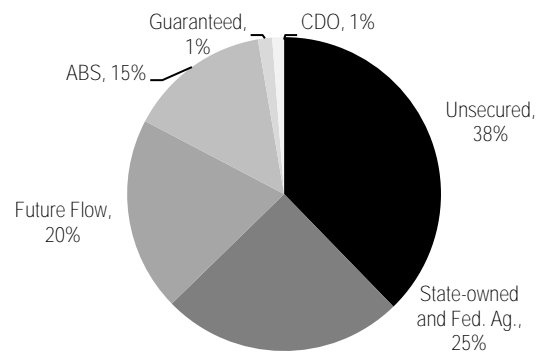
**Breakdown by type of risk (Structure).** As of November 2020, the market accounts for 263 structured issuances, which represent 37.3% (MXN 425.84 billion) of the total outstanding volume, in line with the 39.0% (MXN 486.13 billion) registered during the same period of 2019. Two types of structure make up 34.6% of the total outstanding volume of the market: (1) Asset Backed Securities with 14.6%; and (2) Future Flows with 20.0%. On the other hand, there are 239 unsecured notes (62.7% of the outstanding volume) with seven sectors accounting for 46.8% of total long-term outstanding debt (State-owned companies 19.9%, Food 5.2%, Retail 5.2%, Federal Agencies 5.0%, Infrastructure 4.8%, Telecom 3.4%, and Beverages 3.1%).

Outstanding corporate debt  
%



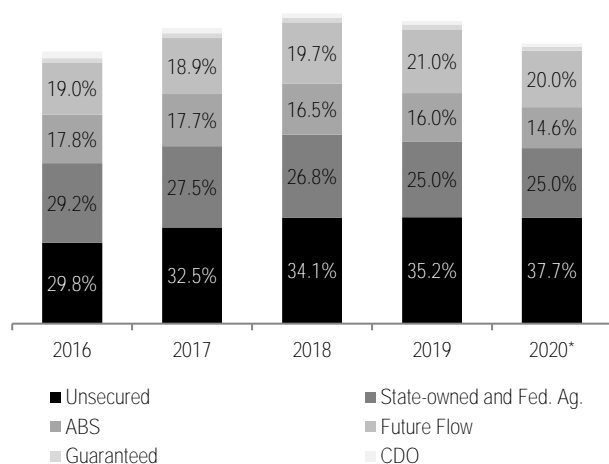
Source: Banorte / BMV / BIVA / PIP, as of November 2020.

Breakdown by structure  
%



Source: Banorte / BMV / BIVA / PIP, as of November 2020.

Outstanding volume by structure  
MXN Million: %



Source: Banorte / BMV / BIVA / PIP, as of November 2020\*.

Issued volume  
MXN Million

	2018	2019	2020*
Corporate			
Issued	94,371	84,361	60,949
Outstanding	431,234	433,888	430,649
State-Owned Entities / Fed. Agencies			
Issued	28,415	19,100	32,443
Outstanding	338,251	308,397	285,003
ABS			
Issued	22,729	25,678	9,456
Outstanding	208,626	197,434	166,985
Future Flow			
Issued	42,467	27,164	0
Outstanding	249,017	258,848	228,268
Total / Partially Guaranteed			
Issued	2,300	0	0
Outstanding	19,095	19,321	16,673
CLO			
Issued	0	0	0
Outstanding	18,050	15,404	13,911
Total			
Issued	190,282	156,304	102,848
Outstanding	1,264,272	1,233,292	1,141,489

Source: Banorte / BMV / PIP, as of November 2020\*.

**Corporate Debt Maturities.** During November, 10 long-term notes matured for an amount of MXN 33.42 billion. Six of them were early maturities, and the rest were on its legal maturity date.

#### Month's Maturities

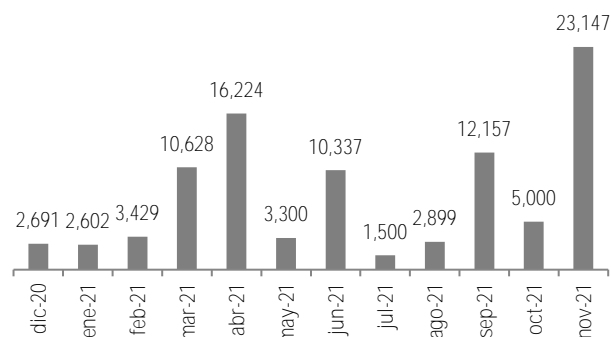
Issue	Amount (MXN Million)	Term (years)	Maturity	Coupon	Amort.	Credit Rating
95INFOHIT09U*	338	16.3	03-Nov-20	UDIS : 5.4%	Partial	/Aaa.mx/AAA(mex)/
95FEFA17-7	1,390	3.0	10-Nov-20	TIIE28 + 0.25%	Bullet	mxAAA//AAA(mex)/HR AAA
91ARCA10	2,500	10.1	13-Nov-20	FIXED : 7.74%	Bullet	mxAAA//AAA(mex)/
95PEMEX14	9,950	6.1	19-Nov-20	TIIE28 + 0.15%	Bullet	mxAAA/A2.mx/A(mex)/HR AAA
91VANRECB18*	172	4.6	05-Nov-20	TIIE28 + 2.4%	Partial	mxAA//HR AA+
95CFE10-2	16,500	10.1	20-Nov-20	FIXED : 7.96%	Bullet	/Aa1.mx/AAA(mex)/
97PATRICB07*	12	30.5	25-Nov-20	FIXED : 8.12%	Partial	mx AAA/A3.mx//
97PATRICB07-2*	6	30.5	25-Nov-20	FIXED : 10.7%	Partial	mx AA+//AA- (mex)/
97PATRICB07U*	54	26.8	25-Nov-20	UDIS : 3.92%	Partial	mx AA/B1.mx//
91XIGNUX13*	2,500	10.1	30-Nov-20	FIXED : 8.96%	Bullet	mxA+//AA(mex)/
Total	33,421					

Source: Banorte with information on Prospects. \* Early Amortization.

In the next 12 months 8.2% of the total outstanding volume will mature. The most relevant issuances by amount are: PEMEX 11-3 for MXN 20.0 billion, ELEKTRA 18 for MXN 7.5 billion, CFE 18 for \$4.7 billion, PEMEX 11U for MXN 4.3 billion, and GCARSO 18 for MXN 3.0 billion. In addition, 8.1% (MXN 92.2 billion) of the outstanding volume will mature in 2021.

## Maturities – Next 12 months

MXN Million

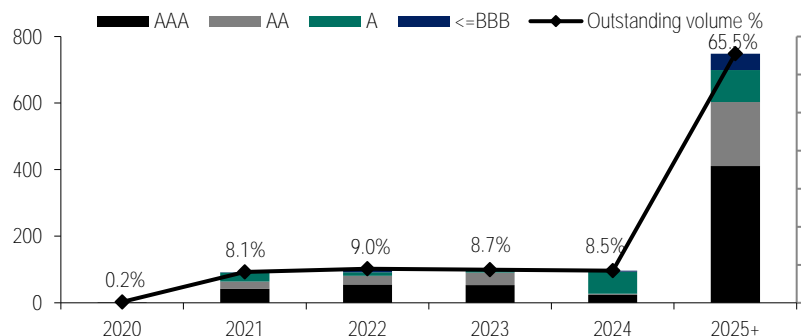


Source: Banorte / BMV / BIVA / PIP, as of November 2020.

Maturities	
Dec. 20	PLANFCB15 (\$277.2; nd); SORIANA15 (\$2414; AA+)
Jan. 21	AXO16 (\$563.9; A-); FEFA19 (\$2038.5; AAA)
Feb. 21	NRF18 (\$2140; AA-); UFINCB16 (\$88.8; AAA); GBM16 (\$1200; AA-)
Mar.21	DAIMLER19-2 (\$1128; AAA); NM18-2 (\$2000; AA+); GCARSO18 (\$3000; AAA); FEFA18-2 (\$2300; AAA); GPROFUT11 (\$1000; AAA); BEGRAND18 (\$1200; A-)
Apr.21	FERROMX11 (\$1500; AAA); GICSA17 (\$1046.3; BBB+); KOF11-2 (\$2500; AAA); CETELEM18 (\$2446.5; AAA); ELEKTRA18 (\$7500; AA+); SORIANA16 (\$731; AA+); ACTINVR20 (\$500; AA-)
May.21	INVEX18 (\$1000; A-); DAIMLER18 (\$1300; AAA); GMFIN19 (\$1000; AA+)
Jun.21	AMIGACB17 (\$149.5; D); CFE18 (\$4687.3; AAA); OMA14 (\$3000; AA+); VWLEASE19 (\$2500; AAA)
Jul. 21	GAP16 (\$1500; AAA)
Aug. 21	BBVALMX18 (\$2898.5; AAA)
Sep. 21	PCARFM17 (\$1500; AAA); PLANFCB16 (\$396.1; nd); PEMEX11U (\$4313.7; A); DAIMLER18-4 (\$1082.9; AAA); VWLEASE18-2 (\$2500; AAA); CETELEM18-2 (\$1500; AAA); UNFINCB16 (\$432.3; AA); UNFINCB16-2 (\$432.3; AA)
Oct. 21	AC11-2 (\$2000; AAA); CIE17-2 (\$500; AA-); FEFA18V (\$2500; AAA)
Nov. 21	FUTILCB18 (\$500; AAA); TOYOTA17-4 (\$646.7; AAA); PEMEX11-3 (\$20000; A); INCARSO17 (\$2000; AA+)

## Maturity profile

MXN million



Source: Banorte / BMV / BIVA / PIP, as of November 2020.

## In the Oven – Long-term Corporate Debt

**Note: The information below is not intended as a recommendation to buy or sell bonds. All data shown is public (BMV and BIVA) and is subject to change without notice.**

According to preliminary programs registered in the BMV (Mexican Stock Exchange) and in BIVA (Institutional Stock Exchange), the following issuances are pending:

### Unsecured Issuances

MXN Million

Issue	Called Amount	Auction Date	Maturity Date	Ref. Rate	Amort.	Sector	Credit Rating S&P/Moody's /Fitch/HR/Verum	Book Runner	Issuer
FIBRAPL 20DV	5,012	04-Dec-20	nd-nd-32	Fixed	Partial	Infrastructure	///AAA(mex)/HR AAA/	BBVA - HSBC	Fibra Prologis
CADU 20V	500	nd-Dec-20	nd-Dec-27	Fixed	Bullet	Housing	///HR A+/AA-/M	Actinver	Corpovael
Total	\$5,512								

Source: Banorte / BMV / BIVA with information on Prospects, CNBV applications, Public Offer Notices and "Selling Memos". nd: Not available or preliminary data. The information set forth herein may differ materially from the final or current information. \* Reopening.

### Structured Issuances

MXN Million

Issue	Called Amount	Auction Date	Maturity Date	Ref. Rate	Amort.	Sector	Str.	Credit Rating S&P/Moody's /Fitch/HR/Verum	Book Runner	Issuer
TFOVICB 20-2U	8,000	10-Dec-20	nd-nd-50	Udis	Partial	Housing	MBS	///AAA(mex)/	HSBC - Actin - BBVA	Fovissste
FHIPOBUR 20	2,000	11-Dec-20	nd-nd-50	Fixed	Partial	Housing	MBS	mxAAA/Aaa.mx//HR AAA/	Bante - HSBC - Actin	Fhipo
TIPMXCB 20	3,000	15-Dec-20	nd-nd-25	Fixed	Partial	Transport	ABS	///AAA(mex)/HR AAA/	BBVA - Scotiabank	TIP de México
TIPMXCB 20-2		15-Dec-20	nd-nd-25	TIE 28	Partial	Transport	ABS	///AAA(mex)/HR AAA/	BBVA - Scotiabank	TIP de México
Total	\$13,000									

Source: Banorte / BMV / BIVA with information on Prospects, CNBV applications, Public Offer Notices and "Selling Memos". nd: Not available or preliminary data. The information set forth herein may differ materially from the final or current information. \* Reopening.

### Bank Issuances

MXN Million

Issue	Called Amount	Auction Date	Maturity Date	Ref. Rate	Amort.	Credit Rating S&P/Moody's /Fitch/HR	Book Runner	Issuer
BACMEXT 20	5,000	16-Dec-20	nd-Dec-23	TIE 28	Bullet	mxAAA/AAA(mex)/	BBVA - Citi - Scotiabank	Bancomext
BACMEXT 20-2		16-Dec-20	nd-Dec-27	Fixed	Bullet	mxAAA/AAA(mex)/	BBVA - Citi - Scotiabank	Bancomext
Total	\$5,000							

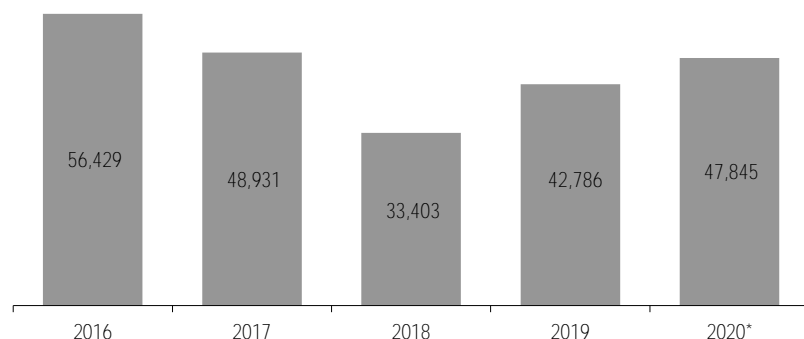
Source: Banorte / BMV / BIVA with information on Prospects, CNBV applications, Public Offer Notices and "Selling Memos". nd: Not available or preliminary data. The information set forth herein may differ materially from the final or current information. \* Reopening.



## Corporate Debt Market – Short-Term

At the end of November 2020, the outstanding amount of the short-term (ST) Corporate Debt Market, which includes short-term securities certificates (tickers 92 and 93), totaled MXN 47.8 billion, a 5% increase y/y. During November 2020, MXN 13.9 billion of short-term debt was issued, 19.5% lower than the same month in 2019. In the last months, a slight recovery has been observed in the outstanding amount through issuers who had not been active in recent years because of the COVID-19 sanitary crisis and current limitations in the different funding sources, as well as an increase in the average days to maturity of issuances. As for the placed volume, during November there was a recovery, for the second consecutive month, with 96.16% of the summoned, reaching levels observed in prior months -pre-pandemic COVID-19.

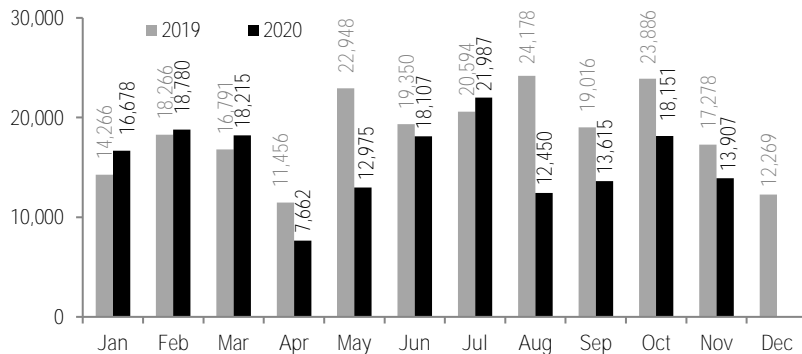
Corporate Debt Market Volume Short-Term (ST)  
MXN Million



Source: Banorte / BMV / BIVA / PIP, \*as of November 2020.

**November issuances.** The issued amount during the month (MXN 13.9 billion) was 19.5% lower than in November 2019 (MXN 17.3 billion). It is worth noting that the aggregated volume placed in 2020 (MXN 173.3 billion) was 16.9% lower than the recorded in 2019.

Monthly Issued amount  
MXN Million



Source: Banorte / BMV / BIVA / PIP, as of November 2020.

**Market Conditions –Auctions.** During November 2020, 96.16% of the resources summoned were placed. Throughout the month, the average spread of short-term unsecured bonds pegged to the 28-day TIIE resulted in 0.95%, that is 27bp higher than the average of 0.68% recorded in November 2019. On the other hand, of the amount placed in the month (MXN 13.9 billion), 74.3% maintains a domestic short-term rating of 'F1+'. During the month, issuers such as Almacénadora Afirme, GM Financial México and Volkswagen Leasing stood out for having issued the largest amounts.

Amount called and issued in short-term corporate debt by issuer  
MXN Million

Issuer	Called	% Issued	Issuer	Called	% Issued
Almacénadora Afirme S.A. de C.V., Org. Aux. Créd.	2,493	100%	Mercader Financial, S.A. de C.V., SOFOM, ENR	240	99%
GM Financial de México, S.A.deC.V., SOFOM ENR	2,200	100%	ION Financiera, S.A.P.I. de C.V., SOFOM, E.R.	213	100%
Volkswagen Leasing, S.A. de C.V.	2,000	81%	MEXARREND S.A.P.I. de C.V.	195	100%
Paccar Financial México, SA.deC.V., SOFOM, ENR	1,554	90%	Factoring Corporativo, S.A. de C.V. SFOM ENR	128	100%
Ford Credit de México, S.A. de C.V. SFOM ENR	1,200	100%	Compañía Minera Autlán, S.A.B. de C.V.	120	100%
Daimler México, S.A. de C.V.	1,000	100%	Fideicomiso Hipotecario	100	100%
Grupo Comercial Chedraui, S.A.B de C.V.	1,000	100%	Sofoplus, S.A.P.I. de C.V. SOFOM, ER	85	100%
Start Banregio, S.A. de C.V., SOFOM, ER	700	97%	Comercializadora Círculo CCK, S.A. de C.V.	75	100%
Arrendadora Actinver, S.A. de C.V.	639	100%	Arrendadora Afirme S.A. de C.V.	20	100%
Financiera Bepensa, S.A. de C.V., SOFOM, E.R.	500	100%			
TOTAL				14,462	96.16%

Source: Banorte with information of Auctions and Public Offer Notices of November 2020 debt published by Emisnet and BIVA.

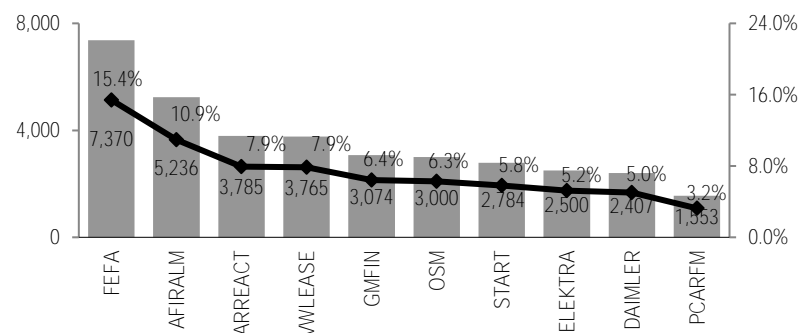
Short-term debt renewals per week  
MXN Million

Week	Called Amount	Issued Amount	%	Spread	Avr Term	F1+	ST Ratings*							Main Issuers
November 2 to 6	2,665	2,642	99.1%	0.72%	92 days	79%	3%	17%	1%	0%	0%	0%	0%	GMFIN, VWLEASE, AFIRALM
November 9 to 13	3,381	3,181	94.1%	0.72%	84 days	85%	0%	15%	0%	0%	0%	0%	0%	GMFIN, FINBE, PCARFM
November 16 to 20	3,313	3,241	97.8%	0.88%	142 days	74%	0%	25%	2%	0%	0%	0%	0%	AFIRALM, GMFIN, VWLEASE
November 23 to 30	5,104	4,844	94.9%	0.75%	99 days	66%	0%	32%	2%	0%	0%	0%	0%	AFIRALM, CHDRAUI, GMFIN
Total	14,462	13,907	96.16%	0.76%	103 days	74.3%	0.5%	24%	2%	0%	0%	0%	0%	AFIRALM, GMFIN, VWLEASE

Source: Banorte with information of Auctions and Public Offer Notices of debt of November 2020. \* Rating's percentage on the amount placed per week.

**Main Issuers.** Ten issuers account for 74.1% of the short-term Corporate Market, among which stand out for its outstanding amount: FEFA (MXN 7.4 billion), Almacenedora Afirmé (MXN 5.2 billion) and Arrendadora Actinver (MXN 3.8 billion). It should be noted that all of the top ten issuers have a credit rating (by at least one agency) higher or equal to 'F1' (or equivalent).

Main issuers – short-term  
MXN Million



ST Ratings (local scale)

	FEFA	AFIRALM	ARREACT	VWLEASE	GMFIN	OSM	START	ELEKTRA	DAIMLER	PCARFM
S&P	mxA-1+	mxA-2	-	mxA-1+	mxA-1+	-	-	-	mxA-1+	mxA-1+
Moody's	-	-	-	MX-1	-	-	MX-1	-	-	-
Fitch	F1+mex	-	F1+mex	-	F1+mex	F1+mex	F1+mex	F1+mex	F1+mex	F1+mex
HR Ratings	HR+1	HR1	HR1	HR+1	-	HR1	HR+1	HR1	-	-
PCR Verum	-	-	1+/M	-	-	-	1+/M	1+/M	-	-

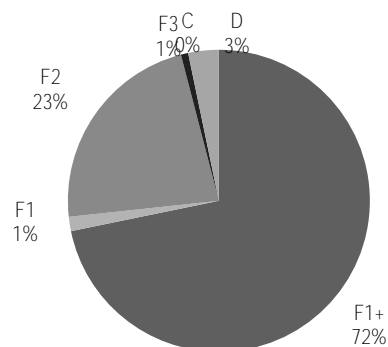
Source: Banorte / BMV / Rating agencies as of November 2020.

**Main Sectors and Ratings.** During November 2020 the Financial Services sector keeps leading with the highest percentage of the amount outstanding (47.1% vs. 34.9% in November 2019), explained by the contributions of Arrendadora Actinver and Almacenedora Afirmé. This sector is followed by the Automotive with a 16.1% share (vs. 24.6% in November 2019) due to the active auctions of Volkswagen Leasing and Daimler.

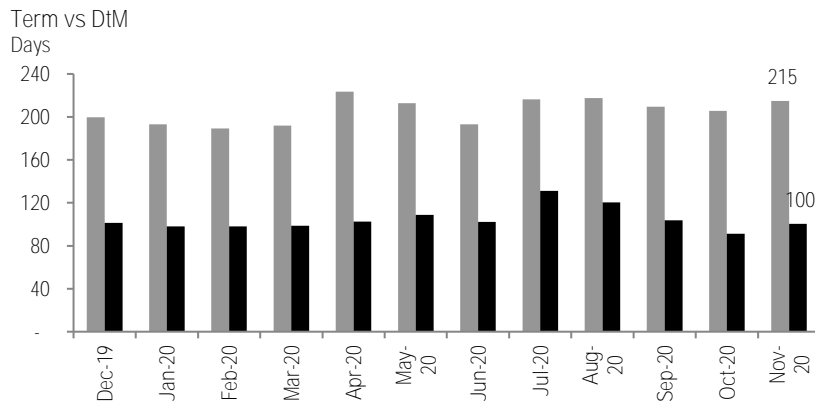
Distribution by sector and rating  
MXN Million

Sector	2020*		2019	Var.
	Amount	%	%	
Financial Services	22,520	47.1%	34.9%	12.2%
Automotive	7,725	16.1%	24.6%	-8.4%
Retail	5,476	11.4%	10.2%	1.2%
Telecom	3,000	6.3%	0.0%	6.3%
NFE - Interim	2,784	5.8%	6.5%	-0.6%
Airlines	1,287	2.7%	7.6%	-4.9%
Others	5,053	10.6%		
Total*	47,845	100%		

Source: Banorte / BMV / BIVA / Rating agencies, \*as of November 2020.

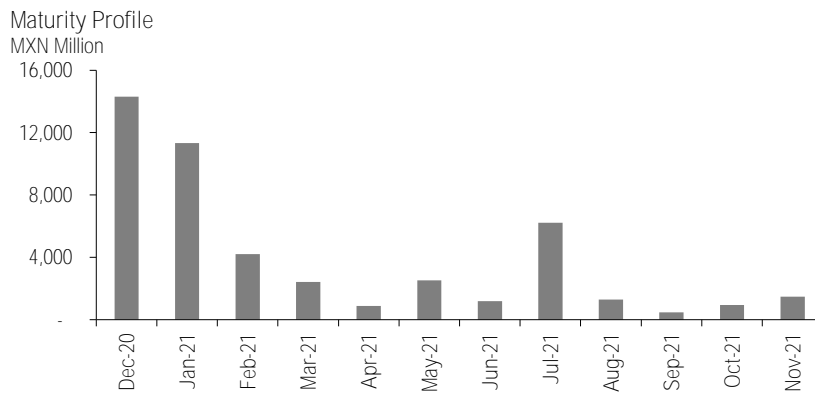


**Maturity profile.** The average days to maturity at November 2020 are above those recorded in 2019. During November 2020, the weighted average days to maturity ST debt were 100 days, compared to the 85 days recorded in November 2019.



Source: Banorte / BMV / BIVA / PIP, as of November 2020.

Maturities for MXN 14.3 billion are expected in December 2020. 29.9% of the MXN 47.8 billion of ST Corporate Debt outstanding expires in December 2020, when at the end of October 36.0% was expected to expire during November 2020. It is important to consider that the issuers of this market refinance their maturities on a frequent basis. Nevertheless, based on the actual market conditions, with a high-risk aversion from investors, we expect that these maturities will be covered with cash or revolving credit facilities.

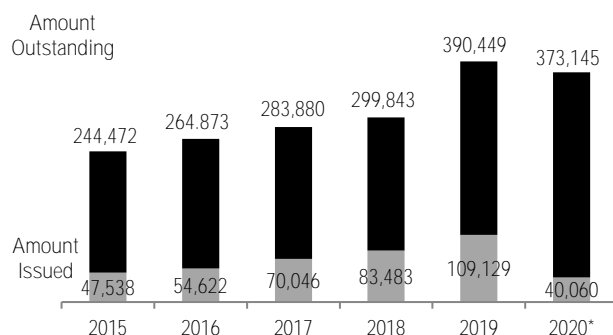


Source: Banorte / BMV / BIVA / PIP, as of November 2020.

## Banking Bond Market

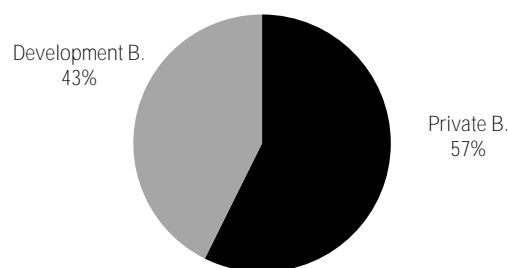
**Market evolution.** As of November 2020, the banking bond market outstanding amount totaled MXN 373.1 billion, a 3.6% increase compared with the outstanding volume as of November 2019. For this market we consider bonds issued by private banks (94) and development banks (CD). In this regard, as of November 2020, 57.3% of the market amount outstanding comes from private banks.

Banking Bond Market Volume  
MXN Million



Source: Banorte / BMV / BIVA / PIP, \*as of November 2020.

Breakdown by bank type  
%



Source: Banorte / BMV / BIVA / PIP, as of November 2020.

**Last Issuances.** In November, placements for an amount of MXN 9.5 billion were presented through three issuances by Banobras and Banco Actinver. Issuances recorded in 2020 (MXN 40.1 billion) were compared negatively (-61.2%) vs the same period in 2019 (MXN 103.1 billion).

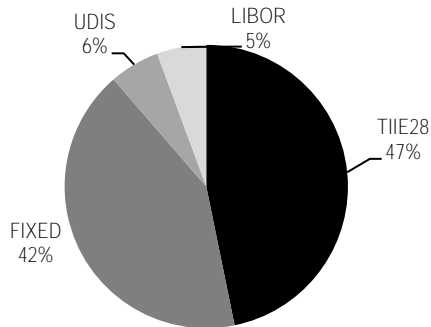
Last issuances  
MXN Million

Issuance	Amount	Date Issued	Maturity	Reference Rate	Amort.	Rating S&P/Moody's/Fitch/HR	Sector	Issuer
94BACTIN20	2,000	03-nov-20	31-oct-23	TIIE28 + 0.95%	Bullet	//AA (mex)/HRAA-	Privado	Banco Actinver
CDBANOB20-2X	5,000	27-nov-20	21-nov-25	TIIE28 + 0.04%	Bullet	mxAAA/Aaa.mx/AAA (mex)/	B. Desarrollo	B. Nacional de Obras y Serv. Públicos
CDBANOB20X	2,500	27-nov-20	24-nov-23	TIIE28 - 0.03%	Bullet	mxAAA/Aaa.mx/AAA (mex)/	B. Desarrollo	B. Nacional de Obras y Serv. Públicos
Total	\$9,500							

Source: Banorte / BMV / BIVA with information from Prospectus, CNBV Applications, and Selling Memos. na: not available. Information displayed here may differ substantially from final or current information. \*Reopening.

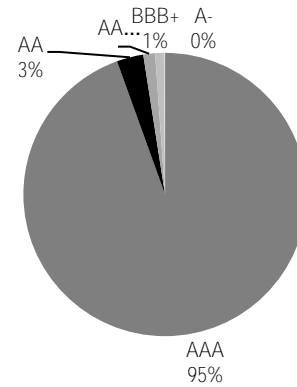
**Market conditions.** As of November 2020, 52.4% of the outstanding amount is pegged to a floating rate (28-day TIIE or LIBOR). While preference for floating rates is notable, fixed rate placements are also found in this market (41.8%), as well as a smaller part in UDIS (5.7%). On the other hand, it's worth noting that most bank issuances hold the highest local credit ratings 'AAA' (94.5% of the outstanding volume).

Breakdown by reference rate  
%



Source: Banorte / BMV / BIVA / PIP, as of November 2020.

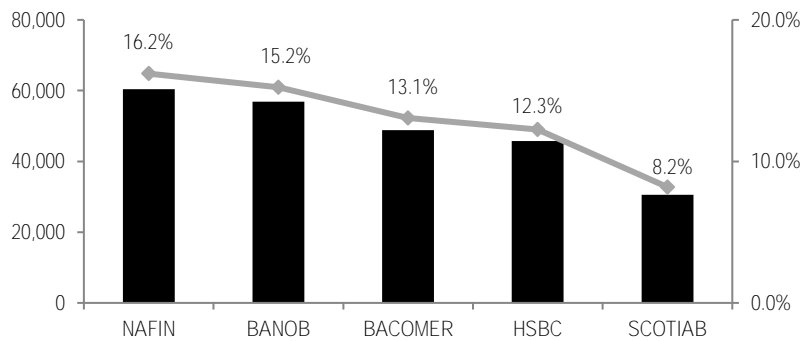
Credit rating distribution  
%



Source: Banorte / BMV / BIVA / PIP, as of November 2020.

**Main issuers.** As of November 2020, five issuers make up for the 65.0% of the outstanding volume, of which NAFIN leads the market with the 16.2%.

Largest Issuers  
MXN Million / %

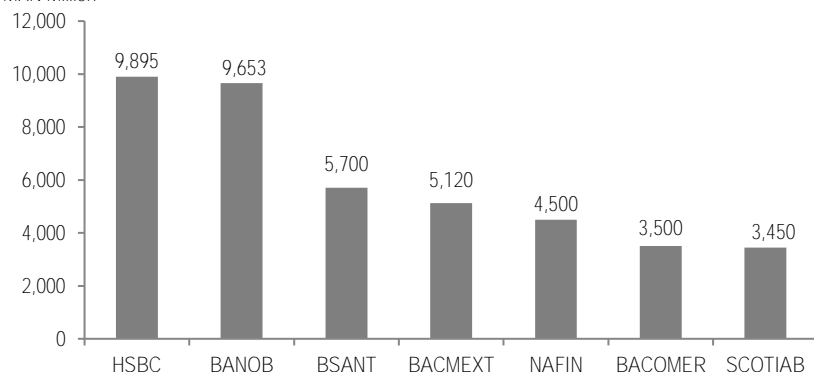


Source: Banorte / BMV / BIVA / PIP, as of November 2020.

**Maturity profile.** Throughout November of 2020, there were two maturities by Scotiabank (SCOTIACB 15-2) and Banorte (BANORTE 18) for a total amount of MXN 4.2 billion. Moreover, for the next 12 months we expect maturities adding up to MXN 47.6 billion, which represent 12.8% of the outstanding amount. It's worth noticing that maturities from HSBC account for MXN 9.9 billion.

Forthcoming maturities (NTM)

MXN Million

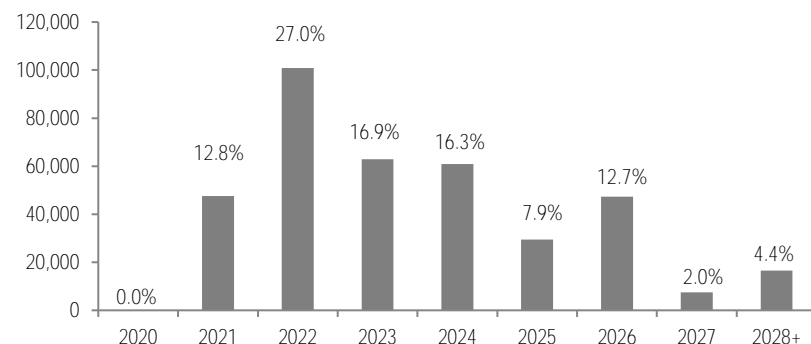


Source: Banorte / BMV / BIVA / PIP. \*Early maturities.

In 2021, 12.8% (MXN 47.6 billion) of the total outstanding volume will mature. The most relevant issuances by amount are: HSBC 18D (MXN 7.9 billion), BANOB 18 (MXN 7.4 billion) and BACMEXT 18 (MXN 5.1 billion); as for 2022 (27.0% of outstanding), largest maturities expected are: HSBC 19 (MXN 12.1 billion), SCOTIAB 18 (MXN 6.3 billion) and SCOTIAB 19 (MXN 6.0 billion).

Maturity profile

MXN Million / %



Source: Banorte / BMV / BIVA / PIP, as of November 2020.

Attachment 1. Main Issuers\* - Long-term corporate bond market

Ticker	Issued amount (mxn million)	%	Issuer credit rating (S&P/Moody's/Fitch/HR)	Issuer
1 PEMEX	151,086	13.24%	mx AAA/A2.mx/A (mex)/HR AAA	Petróleos Mexicanos
2 CFE	88,601	7.76%	mx AAA/Aa1.mx/AAA (mex)/nd	Comisión Federal de Electricidad
3 TFOVIS	73,558	6.44%	mx AAA/nd/nd/nd	FOVISSSTE
4 FIRA	53,197	4.66%	mx AAA/nd/AAA (mex)/HR AAA	Fondo Especial para Financiamientos Agropecuarios
5 CIENCB	38,780	3.40%	nd/nd/nd/nd	Corporación Mexicana de Inversiones de Capital, S.A. de C.V.
6 FUNO	34,755	3.04%	nd/nd/AAA (mex)/HR AAA	Fibra Uno Administración, S.A. de C.V.
7 RCO	27,048	2.37%	nd/nd/nd/nd	Red de Carreteras de Occidente, S.A.P.I.B. de C.V.
8 KOF	24,727	2.17%	mx AAA/Aaa.mx/AAA (mex)/nd	Coca-Cola Femsa
9 GCDMXCB	22,802	2.00%	mx AAA/Aaa.mx/AAA (mex)/nd	Gobierno del Distrito Federal
10 GMXT	22,800	2.00%	mx AAA/nd/AAA (mex)/nd	GMéxico Transportes, S.A. de C.V.
11 MXPUCB	22,507	1.97%	nd/nd/nd/nd	Fonadin
12 LALA	21,634	1.90%	nd/nd/AA (mex)/HR AA-	Grupo LALA, S.A.B. de C.V.
13 OSM	18,453	1.62%	mx AA-/nd/AA (mex)/nd	Operadora de Siles Mexicanos, S.A. de C.V.
14 BIMBO	18,000	1.58%	mx AA+/Aa2.mx/AAA (mex)/nd	Grupo Bimbo, S.A. de C.V.
15 ELEKTRA	18,000	1.58%	nd/nd/AA- (mex)/HR AA+	Grupo Elektra, S.A.B. de C.V.
16 CEDEVIS	17,107	1.50%	mx AAA/nd/AAA (mex)/nd	Infonavit
17 GAP	17,000	1.49%	mx AAA/Aaa.mx/nd/nd	Grupo Aeroportuario del Pacífico, S.A.B. de C.V.
18 LIVEPOL	16,900	1.48%	mx AAA/nd/AAA (mex)/nd	El Puerto de Liverpool, S.A.B. de C.V.
19 CHIHCB	14,515	1.27%	mx A+/A2.mx/BBB+ (mex)/nd	Gobierno del Estado de Chihuahua
20 TMMCB	14,106	1.24%	nd/nd/nd/nd	Transportación Marítima Mexicana y TMM División Marítima
21 DAIMLER	12,113	1.06%	mx AAA/nd/AAA (mex)/nd	DAIMLER México, S.A. de C.V.
22 CETELEM	10,947	0.96%	mx AAA/nd/AAA (mex)/nd	Cetelem, S.A. de C.V., Sociedad Financiera de Objeto Múltiple, E.R.
23 ARCA	10,700	0.94%	mx AAA/Aaa.mx/AAA (mex)/nd	Arca Continental, S.A.B. DE C.V.
24 CONMEX	9,666	0.85%	mx AAA/nd/AAA (mex)/nd	Concesionaria Mexiquense
25 SORIANA	9,645	0.85%	nd/nd/AA+ (mex)/HR AA+	Organización Soriana, S.A.B. de C.V.
26 GICSA	9,608	0.84%	mx BBB+/nd/nd/HR AA-	Grupo GICSA, S.A.B. de C.V.
27 VWLEASE	9,500	0.83%	mx AAA/Aaa.mx/nd/nd	Volkswagen Leasing, S.A. de C.V.
28 CAMS	9,246	0.81%	nd/nd/nd/nd	Concesionaria de la Autopista Monterrey Saltillo, S.A. de C.V.
29 PAMMCB	8,806	0.77%	nd/nd/nd/nd	Red Estatal de Autopistas de Nuevo León
30 ALSEA	8,000	0.70%	nd/nd/A- (mex)/HR A-	ALSEA, S.A.B. de C.V.
31 EDONL	7,879	0.69%	nd/nd/nd/nd	Red Estatal de Autopistas de Nuevo León
32 PASACB	7,841	0.69%	nd/nd/nd/nd	Pápagos Servicios para la Infraestructura, y Sarre Infraestructura y Servicios,
33 HERDEZ	7,500	0.66%	mx AA/nd/AA (mex)/nd	Grupo Herdez, S.A.B. de C.V.
34 GPH	7,500	0.66%	nd/nd/AAA (mex)/HR AAA	Grupo Palacio de Hierro, S.A.B. de C.V.
35 GCARSO	6,500	0.57%	nd/nd/AAA (mex)/HR AAA	Grupo Carso, S.A.B. de C.V.
36 FHIPO	6,425	0.56%	nd/nd/nd/HR AA	Fideicomiso Hipotecario (FHIPO)
37 CHIACB	6,406	0.56%	mx A/A1.mx/A- (mex)/nd	Estado de Chiapas
38 UNIFIN	6,193	0.54%	mx A-/nd/A (mex)/HR AA-	Unifin Financiera, S.A.B. de C.V., SOFOM., E.N.R.
39 CASITA	6,179	0.54%	nd/C.mx/nd/nd	Hipotecaria Su Casita, S.A. de C.V.
40 INCARSO	6,000	0.53%	nd/nd/AA+ (mex)/HR AA+	INMUEBLES CARSO, S.A.B. DE C.V.
41 IPORCB	5,941	0.52%	nd/nd/nd/nd	Operadora Metropolitana de Carreteras, S.A. de C.V.
42 LPSLCB	5,770	0.51%	nd/nd/nd/nd	Libramiento ICA La Piedad, S.A. de C.V., ICA San Luis, S.A. de C.V.
43 TOYOTA	5,688	0.50%	mx AAA/nd/AAA (mex)/nd	Toyota Financial Services México, S.A. de C.V.
44 FSHOP	5,502	0.48%	nd/nd/AA- (mex)/HR AA+	Fibra Shop Portafolios Inmobiliarios, S.A.P.I. de C.V.
45 DANHOS	5,500	0.48%	nd/nd/AAA (mex)/HR AAA	Concentradora Fibra Danhos, S.A. de C.V.
46 AERMxCB	5,150	0.45%	nd/nd/nd/nd	Aerovías de México
47 FACILSA	5,099	0.45%	nd/nd/AAA (mex)/HR AAA	BBVA Leasing México, S.A. de C.V.
48 OPI	5,007	0.44%	nd/nd/nd/nd	Organización de Proyectos de Infraestructura, S. de R.L. de C.V.
49 TELMEX	5,000	0.44%	mx AAA/Aaa.mx/nd/nd	Teléfonos de México, S.A. de C.V.
50 FERROMX	5,000	0.44%	mx AAA/nd/AAA (mex)/nd	Ferrocarril Mexicano
51 MFRISCO	5,000	0.44%	nd/B3.mx/BBB+ (mex)/HR A	Minera Frisco, S.A.B. de C.V.
52 AMX	4,909	0.43%	mx AAA/Aaa.mx/AAA (mex)/nd	America Móvil S.A. De C.V.
53 GASN	4,800	0.42%	mx AA+/nd/AAA (mex)/nd	Naturgy México, S.A. de C.V.
54 NRF	4,640	0.41%	mx AA+/Aa3.mx/nd/nd	NR Finance Mexico S.A. de C.V.
55 TLEVISA	4,500	0.39%	mx AAA/Aa1.mx/AAA (mex)/nd	Grupo Televisa, S.A.B.
Total Sample*	959,734	84.08%		

Source: Banorte / BMV / PIP / Rating agencies, as of November 2020. \* The sample does not consider the whole market, only 84.0% of outstanding volume. Includes CB's, PMP, CPO's & debentures.



Attachment 2. Main Issuers\* - Short-term corporate bond market

	Ticker	Issued amount (mxn million)	%	Issuer credit rating S&P/Moody's/Fitch/HR	Issuer
1	FEFA	7,370	15.4%	mxA-1+ / - / F1+mex / HR+1	Fondo Especial para Financiamientos Agropecuarios
2	AFIRALM	5,236	10.9%	mxA-2 / - / - / HR1	Almacenadora Afirme S.A. de C.V., Org. Aux. del Créd., Afirme Gpo. Fin.
3	ARREACT	3,785	7.9%	- / - / F1+mex / HR1	Arrendadora Actinver, S.A. de C.V.
4	VWLEASE	3,765	7.9%	mxA-1+ / MX-1 / - / HR+1	Volkswagen Leasing, S.A. de C.V.
5	GMFIN	3,074	6.4%	mxA-1+ / - / F1+mex / -	GM Financiamientos de México, S.A. de C.V., SOFOM ENR
6	OSM	3,000	6.3%	- / - / F1+mex / HR1	Operador de Sites Mexicanos, S.A. de C.V.
7	START	2,784	5.8%	- / MX-1 / F1+mex / HR+1	Start Banregio, S.A. de C.V., SOFOM, ER, Banregio Grupo Financiero
8	ELEKTRA	2,500	5.2%	- / - / F1+mex / HR1	Grupo Elektra S.A. de C.V.
9	DAIMLER	2,407	5.0%	mxA-1+ / - / F1+mex / -	Daimler México, S.A. de C.V.
10	PCARFM	1,553	3.2%	mxA-1+ / - / F1+mex / -	Paccar Financiamientos México, S.A. de C.V., SOFOM, E.N.R.
11	LAB	1,250	2.6%	- / - / F1+mex / HR1	Genomma Lab Internacional, S.A.B. de C.V.
12	FORD	1,200	2.5%	- / MX-1 / F1+mex / -	Ford Credit de México, S.A. de C.V. SFOM ENR
13	AEROMEX	1,162	2.4%	- / - / - / HRD	Grupo Aeroméxico, S.A.B. de C.V.
14	FACTOR	1,056	2.2%	- / - / F2mex / HR2	Factoring Corporativo, S.A. de C.V. SFOM ENR
15	DOCUFOR	1,000	2.1%	mxA-2 / - / F2mex / HR2	MEXARREND S.A.P.I. de C.V.
16	CHDRAUI	1,000	2.1%	- / - / F1+mex / HR+1	Grupo Comercial Chedraui, S.A.B. de C.V.
17	INVEX	950	2.0%	mxA-2 / - / F1mex / -	INVEX Controladora S.A.B. de C.V.
18	AUTLAN	551	1.2%	- / - / F2mex / HR2	Compañía Minera Autlán, S.A.B. de C.V.
19	AFIRMAR	534	1.1%	mxA-2 / - / - / HR1	Arrendadora Afirme S.A. de C.V.
20	MFRISCO	500	1.0%	- / - / F2mex / HR2	Minera Frisco, S.A.B. de C.V.
21	FINBE	500	1.0%	- / - / F1+mex / HR1	Financiera Bepensa, S.A. de C.V., SOFOM, E.R.
22	SFPLUS	385	0.8%	- / - / F2mex / HR2	Sofoplus, S.A.P.I. de C.V. SOFOM, ER
23	GFAMSA	358	0.7%	- / - / Dmex / -	Grupo Famsa, S.A.B. de C.V.
24	ION	325	0.7%	- / - / - / HR3	ION Financiera, S.A.P.I. de C.V., SOFOM, E.R.
25	MINSA	270	0.6%	- / MX-2 / - / -	Grupo Minsa S.A.B. de C.V.
26	PDN	262	0.5%	- / - / F1mex / HR1	Portafolio de Negocios
27	VASCONI	250	0.5%	- / - / F2mex / HR2	Grupo Vasconia, S.A.B.
28	MERCFIN	238	0.5%	- / - / F2mex / HR2	Mercader Financiamientos, S.A. de C.V., SOFOM, ENR
29	FHIPO	151	0.3%	- / - / - / HR1	Fideicomiso Hipotecario
30	GFMEGA	135	0.3%	mxA-2 / - / - / -	Operadora de Servicios Mega S.A. de C.V. SOFOM. ENR.
31	GVIVA	125	0.3%	- / - / - / HR2	Grupo Viva Aerobus, S.A. de C.V.
32	CIRCLEK	75	0.2%	- / - / - / HR2	Comercializadora Círculo CCK, S.A. de C.V.
33	BIM	50	0.1%	mxA-3 / - / - / HR3	Banco Inmobiliario Mexicano, S.A. Institución de Banca Múltiple
34	COMERCI	43	0.1%	- / - / Dmex / -	Controladora Comercial Mexicana, S.A.B. de C.V.
Total *		47,845	100%		

Source: Banorte / BMV / PIP / BIVA / Rating agencies, as of November 2020. \*Includes all commercial papers (D) and short-term CBs (92 and 93).

Attachment 3. Main issuers\* - Banking Bond Market

	Ticker	Issued amount (mxn million)	%	Issuer credit rating <b>S&amp;P/Moody's/Fitch/HR</b>	Issuer
1	NAFIN	60,450	16.2%	mxAAA/Aaa.mx/AAA (mex)/HRAAA	Nacional Financiera
2	BANOB	56,855	15.2%	mxAAA/Aaa.mx/AAA (mex)/	Banco Nacional de Obras y Servicios Públicos
3	BACOMER	48,786	13.1%	mxAAA/Aaa.mx/AAA (mex)/	BBVA Bancomer
4	HSBC	45,725	12.3%	mxAAA/Aaa.mx/AAA (mex)/	HSBC
5	SCOTIAB	30,543	8.2%	mxAAA/Aaa.mx/AAA (mex)/	Scotiabank Inverlat
6	BSANT	23,161	6.2%	mxAAA/Aaa.mx/AAA (mex)/	Banco Santander S.A.
7	BINBUR	21,483	5.8%	mxAAA/AAA (mex)/HRAAA	Banco Inbursa
8	BACMEXT	21,000	5.6%	mxAAA/Aaa.mx/AAA (mex)/	Banco Nacional de Comercio Exterior
9	BANORTE	12,680	3.4%	mxAAA/Aaa.mx/AAA (mex)/	Banco Mercantil del Norte
10	SHF	13,902	3.7%	mxAAA/Aaa.mx/AAA (mex)/	Sociedad Hipotecaria Federal
11	BLADEX	10,000	2.7%	mxAAA/AAA (mex)/	Banco Latinoamericano de Comercio Exterior
12	COMPART	8,360	2.2%	mxAA+/AA (mex)/	Banco Compartamos
13	KEXIM	7,000	1.9%	/Aaa.mx/HRAAA	Banco de Exportaciones e Importaciones de Corea
14	CSBANCO	3,700	1.0%	mxBBB+/A- (mex)/HRA	Consurbanco S.A.
15	BBAJIO	3,000	0.8%	/Aa2.mx/AA (mex)/HRAAA	Banco del Bajío
16	BACTIN	5,000	1.3%	//AA (mex)/HRAA-	Banco Actinver
17	VW BANK	1,000	0.3%	mxAAA/Aaa.mx//	Volkswagen Bank
18	BASE	500	0.1%	mxA-/A (mex)/	Banco Base
	Total	373,145	100.0%		

Source: Banorte / BMV // BIVA Rating Agencies, as of November 2020. \*Includes bonds issued by private Banks (94) and development banks (CD).

#### **Attachment 4. Breakdown by type of risk (Structure)**

As the private bond market grows, different types of classifications are emerging, depending on the type of risk and/or structure:

##### **Unsecured**

**Corporate bonds.** This category includes unsecured (“plain vanilla”) issues or issues backed directly by the parent company.

**State-owned companies and federal agency corporate bonds.** Issues whose issuer or trustor has a close relationship and interdependence with the government, although it is not directly endorsed. We break out these issues according to their risk (linked to the country's).

##### **Structured**

**Collateralized Debt Obligations (CDO).** These are securitizations of other loans from banks or financial institutions.

**Asset-Backed Securities (ABS).** Issues that have a payment structure or mechanism in which assets back the issue payment and thus the issue risk depends on the quality of the assets and/or their management.

**Future Flows (FF).** The sources of payment for these issues are future flows or contributions from some source or revenues (operations). The risk depends on the certainty and magnitude of those flows.

**Totally or Partially Guaranteed Corporate Debt.** The issue risk depends partly on the creditworthiness of the guarantor and partly on the credit risk of the issuer or trustor.

## Attachment 5. Glossary

**Rating Agencies:** Credit-risk rating companies, specifically Standard & Poor's (S&P), Fitch Ratings, Moody's, HR Ratings and Verum.

**CBs:** Securities Certificates. A debt instrument whose ticker symbol on the Mexican Exchanges is 91 (for corporate CBs) or 90 (for government issues, including state-owned enterprises).

**CPO's:** Ordinary Debt Participation Certificates. Fixed-income instrument whose ticker symbol on the Mexican Exchange is R1.

**Corporate Debt:** Debt securities issued by companies (corporates) or government (states and municipalities). Includes CBs, CPO's, Debentures and Medium-Term Notes.

**Structured Issues:** Fixed-income issues that have some form of payment structure (future flows, ABS, etc.) and/or partial endorsement.

**Unsecured Issues:** Generally unsecured (without collateral or “plain vanilla”) or without a payment structure.

**Outstanding amount:** In this document, the unpaid balance of current corporate debt issues.

**“MXN Million”.-** Millon of pesos.

**Gross up:** To calculate the gross coupon rate, taxes are added back in (the issuer pays the tax).

**Debentures:** Debt obligations. A debt instrument whose ticker symbol on the Mexican Exchange is 2.

**MTN:** Medium-term note. Debt instrument whose ticker symbol on the Mexican Exchange is 71.

**Basis points (bp):** Hundredths of a percentage point.

**Spread:** Difference between one rate and another.

**Placement Rate:** Coupon rate paid by a debt issue at the time it is issued. Base rate + initial spread.

**Yield to Maturity (YTM):** Refers to the rate of the yield being paid on the market for a given debt security. Expected flows on the issue (interest and principal payment) are discounted from this rate to obtain its price.

## Certification of Analysts.

We, Gabriel Casillas Olivera, Alejandro Padilla Santana, Delia María Paredes Mier, Juan Carlos Alderete Macal, Manuel Jiménez Zaldívar, Marissa Garza Ostos, Tania Abdul Massih Jacobo, Francisco José Flores Serrano, Katia Celina Goya Ostos, Santiago Leal Singer, José Itzamna Espitia Hernández, Valentín III Mendoza Balderas, Víctor Hugo Cortes Castro, Hugo Armando Gómez Solís, Miguel Alejandro Calvo Domínguez, Luis Leopoldo López Salinas, Leslie Thalía Orozco Vélez, Gerardo Daniel Valle Trujillo, Eridani Ruibal Ortega and Juan Barbier Arizmendi, certify that the points of view expressed in this document are a faithful reflection of our personal opinion on the company (s) or firm (s) within this report, along with its affiliates and/or securities issued. Moreover, we also state that we have not received, nor receive, or will receive compensation other than that of Grupo Financiero Banorte S.A.B. of C.V for the provision of our services.

## Relevant statements.

In accordance with current laws and internal procedures manuals, analysts are allowed to hold long or short positions in shares or securities issued by companies that are listed on the Mexican Stock Exchange and may be the subject of this report; nonetheless, equity analysts have to adhere to certain rules that regulate their participation in the market in order to prevent, among other things, the use of private information for their benefit and to avoid conflicts of interest. Analysts shall refrain from investing and holding transactions with securities or derivative instruments directly or through an intermediary person, with Securities subject to research reports, from 30 calendar days prior to the issuance date of the report in question, and up to 10 calendar days after its distribution date.

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Analysts' compensation is based on activities and services that are aimed at benefiting the investment clients of Casa de Bolsa Banorte and its subsidiaries. Such compensation is determined based on the general profitability of the Brokerage House and the Financial Group and on the individual performance of each analyst. However, investors should note that analysts do not receive direct payment or compensation for any specific transaction in investment banking or in other business areas.

## Last-twelve-month activities of the business areas.

*Grupo Financiero Banorte S.A.B. de C.V., through its business areas, provides services that include, among others, those corresponding to investment banking and corporate banking, to a large number of companies in Mexico and abroad. It may have provided, is providing or, in the future, will provide a service such as those mentioned to the companies or firms that are the subject of this report. Casa de Bolsa Banorte or its affiliates receive compensation from such corporations in consideration of the aforementioned services.*

*Over the course of the last twelve months, Grupo Financiero Banorte S.A.B. C.V., has not obtained compensation for services rendered by the investment bank or by any of its other business areas of the following companies or their subsidiaries, some of which could be analyzed within this report.*

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Casa de Bolsa Banorte, Grupo Financiero Banorte or its subsidiaries expect to receive or intend to obtain revenue from the services provided by investment banking or any other of its business areas, by issuers or their subsidiaries, some of which could be analyzed in this report.

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The Analysts of Grupo Financiero Banorte S.A.B. of C.V. do not maintain direct investments or through an intermediary person, in the securities or derivative instruments object of this analysis report.

## Guide for investment recommendations.

	Reference
<b>BUY</b>	When the share expected performance is greater than the MEXBOL estimated performance.
<b>HOLD</b>	When the share expected performance is similar to the MEXBOL estimated performance.
<b>SELL</b>	When the share expected performance is lower than the MEXBOL estimated performance.

Even though this document offers a general criterion of investment, we urge readers to seek advice from their own Consultants or Financial Advisors, in order to consider whether any of the values mentioned in this report are in line with their investment goals, risk and financial position.

## Determination of Target Prices

For the calculation of estimated target prices for securities, analysts use a combination of methodologies generally accepted among financial analysts, including, but not limited to, multiples analysis, discounted cash flows, sum-of-the-parts or any other method that could be applicable in each specific case according to the current regulation. No guarantee can be given that the target prices calculated for the securities will be achieved by the analysts of Grupo Financiero Banorte S.A.B. C.V, since this depends on a large number of various endogenous and exogenous factors that affect the performance of the issuing company, the environment in which it performs, along with the influence of trends of the stock market, in which it is listed. Moreover, the investor must consider that the price of the securities or instruments can fluctuate against their interest and cause the partial and even total loss of the invested capital.

**The information contained hereby has been obtained from sources that we consider to be reliable, but we make no representation as to its accuracy or completeness. The information, estimations and recommendations included in this document are valid as of the issue date, but are subject to modifications and changes without prior notice; Grupo Financiero Banorte S.A.B. of C.V. does not commit to communicate the changes and also to keep the content of this document updated. Grupo Financiero Banorte S.A.B. of C.V. takes no responsibility for any loss arising from the use of this report or its content. This document may not be photocopied, quoted, disclosed, used, or reproduced in whole or in part without prior written authorization from Grupo Financiero Banorte S.A.B. of C.V.**

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