

Banxico announces corporate bond repo transactions

- Banxico will offer credit institutions the facility to enter into corporate securities repo operation with a maturity of up to 91 days for an amount of MXN 99.9 billion (US\$ 4.4 billion)
- This repo operation is part of the <u>additional credit and liquidity measures</u> announced together with Banxico's 50bps rate cut on April 21st, with the total amount of the program being of up to MXN 100 billion (US\$ 4.4 billion) with the possibility of adjusting, attending market conditions. Hence, financial authorities continue to actively implement strategies to preserve the best liquidity conditions of the financial system
- Repo operations will be offered today from 10:00am to 11:00am (ET)
- The settlement date will be on Monday, July 13th
- This repo operation will be carried out based on the terms of the Operating Rules of Circular 18/2020, published in the Official gazette on May 19th
- Based on Circular 18/2020, the cost of the repo agreement will be equivalent to 1.1x the average of Banco de México's overnight interbank interest rate at 5.50%- in effect on the day of the repurchase agreement
- Securities offered for repo must have at least two global or national ratings by S&P Global Ratings, Fitch Ratings, Moody's Investor Service or HR Ratings of at least 'BB+ / BB+ / Ba1 / HR BB+ (G)' and 'mxA / A(mex) / A2.mx / HRA', respectively
- For short-term securities, the minimum rating by S&P Global Ratings, Fitch Ratings, Moody's Investor Service or HR Ratings will be 'A-2 / F2 / P-2 / HR2 (G)' or the national equivalent, respectively
- We do not have additional information on which securities will be offered as repo transactions, some of the issuers that meet the characteristics described above are Pemex, CFE, Coca-Cola Femsa, América Móvil, Arca Continental, Bimbo, FEFA, Liverpool, Grupo Palacio de Hierro, GAP, Grupo Carso, Grupo México Transporte, Orbia, Opsimex, among others
- It is important to mention that the list of securities is dynamic, so it will constantly change

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Document for distribution among the general public



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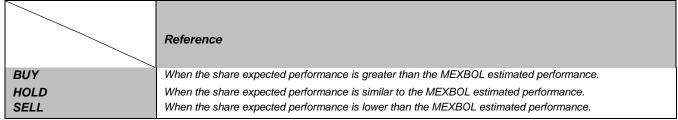
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