Banxico announces corporate bond repo transactions

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- **Banxico will offer credit institutions the facility to enter into corporate securities repo operation with a maturity of up to 90 days for an amount of MXN 90.59 billion (US$ 4.5 billion)**
- **Repo operations will be offered today from 10:00am to 11:00am (ET)**
- **The settlement date will be on Monday, February 22nd**
- **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, as well as on the adjustments announced by Banxico on July 15th**
- **Based on both documents, the cost of the repo agreement will be equivalent to 1.03x the average of Banco de México's overnight interbank interest rate -today at 4.00%- in effect on the day of the repurchase agreement -cost at 4.12%-**
- **Securities offered for repo must have at least two global or national ratings by S&P Global Ratings, Fitch Ratings, Moody's Investor Service, HR Ratings or Verum (national scale) of at least 'BB+ / BB+ / Ba1 / HR BB+ (G)' and 'mxA / A(mex) / A2.mx / HRA / A/M', 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**
- **Additionally, the range of securities that can be subject to repo transactions was extended in order to include bonds issued by private banks under certain conditions**
- **This repo operation is part of the additional credit and liquidity measures 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$ 4.6 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**

Document for distribution among public

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