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Moody's affirms Value Casa de Bolsa's Ba3 issuer ratings; changes outlook to stable

Mexico, December 06, 2013 – Moody's de Mexico affirmed Value, S.A. de C.V. Casa de Bolsa's (Value) long- and short-term global local currency Ba3/Not-Prime issuer ratings, and changed the outlook to stable from positive. At the same time, Moody's affirmed Value's A3.mx/MX-2 long- and short-term Mexican National Scale ratings. The outlook on these ratings is also stable.

RATINGS RATIONALE

Moody's noted that the Ba3 rating reflects the broker dealer's stable performance that derives from a low-risk business model and a highly capitalized operation. Particularly important is Value's success in leveraging its agency trading business to support its franchise value as reflected by its good core earnings generation and comfortable levels of pre-tax margins over time. The ratings are also underpinned by Value's good track record of operations, successful niche business and conservative risk management.

In changing the outlook to stable from positive, Moody's cited the increasing competition in Value's niche segment of asset management and brokerage services to high net worth individuals, which will limit the company's expansion and earnings generation. Value's less diversified operation and distribution capacity relative to its larger, international peers --as reflected in narrow geographic focus in two major Mexican cities-- is likely to constrain business growth potential. Moreover, because of its predominantly domestic brokerage business, Value is also less likely to benefit from growing interest by foreign investors for Mexican assets. Conversely, management's conservative risk profile and the company's focus on agency trading in money markets provide comfort that Value will adhere to its low-risk business model.

Moody's also notes that the decision-making process at Value is concentrated in a handful of key executives, which may result in potential key-man risks. Moreover, the brokerage house's family-based ownership structure raises concerns of potential corporate governance risks.

Value is primarily engaged in agency trading in the money markets, and is also active in the distribution of mutual funds. Proprietary trading is of low relevance for Value thus the firm bears a low-risk profile overall.

Value is headquartered in Monterrey, NL; Mexico. As of 30 September 2013 it reported MXN 715 million in pre-tax earnings and held MXN 77 billion of assets under management.

The long-term Mexican National Scale ratings of A.mx indicate issuers or issues with above-average creditworthiness relative to other domestic issuers. The short- term Mexican National Scale ratings of issuers rated MX-2 indicate above average ability to repay short-term senior unsecured debt obligations relative to other domestic issuers.

The principal methodology used in this rating was the Global Securities Industry Methodology published in May 2013. Please see the Credit Policy page on www.moodys.com.mx for a copy of this methodology.

The period of time covered in the financial information used to determine the ratings is between 31 December 2008 and 30 September 2013 (source: Moody's and Value).

The sources and items of information used to determine the ratings include 2012 and 2013 interim financial statements (source: Moody's and Value); year-end 2012 and 2011 audited financial statements (source: Value, audited by PricewaterhouseCoopers, S. C., and Moody's); financial statements and information on market position (source: CNBV); regulatory capital information (source: CNBV).

Moody's National Scale Ratings (NSRs) are intended as relative measures of creditworthiness among debt issues and issuers within a country, enabling market participants to better differentiate relative risks. NSRs differ from Moody's global scale ratings in that they are not globally comparable with the full universe of Moody's rated entities, but only with NSRs for other rated debt issues and issuers within the same country. NSRs are designated by a ".nn" country modifier signifying the relevant country, as in ".mx" for Mexico. For further information on Moody's approach to national scale ratings, please refer to Moody's Rating Methodology published in October 2012 entitled "Mapping Moody's National Scale Ratings to Global Scale Ratings".

REGULATORY DISCLOSURES

Information sources used to prepare the rating are the following: parties involved in the ratings, parties not involved in the ratings, public information, and confidential and proprietary Moody's information.

The rating has been disclosed to the rated entity prior to public dissemination.

A general listing of the sources of information used in the rating process, and the structure and voting process for the rating committees responsible for the assignment and monitoring of ratings can be found in the Disclosure tab in www.moodys.com.mx.

The date of the last Credit Rating Action was 29/March/2012.

For ratings issued on a program, series or category/class of debt, this announcement provides certain regulatory disclosures in relation to each rating of a subsequently issued bond or note of the same series or category/class of debt or pursuant to a program for which the ratings are derived exclusively from existing ratings in accordance with Moody's rating practices. For ratings issued on a support provider, this announcement provides certain regulatory disclosures in relation to the rating action on the support provider and in relation to each particular rating action for securities that derive their credit ratings from the support provider's credit rating. For provisional ratings, this announcement provides certain regulatory disclosures in relation to the provisional rating assigned,

and in relation to a definitive rating that may be assigned subsequent to the final issuance of the debt, in each case where the transaction structure and terms have not changed prior to the assignment of the definitive rating in a manner that would have affected the rating. For further information please see the ratings tab on the issuer/entity page for the respective issuer on www.moodys.com.mx.

For any affected securities or rated entities receiving direct credit support from the primary entity(ies) of this rating action, and whose ratings may change as a result of this rating action, the associated regulatory disclosures will be those of the guarantor entity. Exceptions to this approach exist for the following disclosures, if applicable to jurisdiction: Ancillary Services, Disclosure to rated entity, Disclosure from rated entity.

This Rating is subject to upgrade or downgrade based on future changes in the financial condition of the Issuer/Security, and said modifications will be made without Moody's de Mexico S.A. de C.V accepting any liability as a result.

Regulatory disclosures contained in this press release apply to the credit rating and, if applicable, the related rating outlook or rating review.

Moody's considers the quality of information available on the rated entity, obligation or credit satisfactory for the purposes of issuing a rating.

Moody's adopts all necessary measures so that the information it uses in assigning a rating is of sufficient quality and from sources Moody's considers to be reliable including, when appropriate, independent third-party sources. However, Moody's is not an auditor and cannot in every instance independently verify or validate information received in the rating process.

Please see Moody's Rating Symbols and Definitions on the Rating Process page on www.moodys.com.mx for further information on the meaning of each rating category and the definition of default and recovery.

Please see ratings tab on the issuer/entity page on www.moodys.com.mx for the last rating action and the rating history. The date on which some ratings were first released goes back to a time before Moody's ratings were fully digitized and accurate data may not be available. Consequently, Moody's provides a date that it believes is the most reliable and accurate based on the information that is available to it. Please see the ratings disclosure page on our website www.moodys.com.mx for further information.

Please see www.moodys.com.mx for any updates on changes to the lead rating analyst and to the Moody's legal entity that has issued the rating.

The ratings issued by Moody's de Mexico are opinions regarding the credit quality of securities and/or their issuers and not a recommendation to invest in any such security and/or issuer.

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