EXPOSURE FEE ADVICE ALBANIA PRIVATE SECTOR CREDITS

EXPOSURE FEE LEVEL

6 A. SOVEREIGN (e.g., Finance Ministry Guarantee): TRANSACTION RISK INCREMENT: See Public Sector Chart **B. POLITICAL ONLY COVER:** TRANSACTION RISK INCREMENT: -1 C1. BORROWERS/GUARANTORS with RATED/TRADED CROSS BORDER (HARD CURRENCY) DEBTS: TRANSACTION RISK INCREMENT: 0 0 0 0 0 0 1 2 LONG-TERM (S&P. others) AA+,AA,AA-A+,A,A-BBB+,BBB BBB-BB+ BB BB-B+,B B-A1.A2.A3 Ba1.Ba2 Ba3 B1.B2 В3 LONG-TERM (Moody's) Aa1 Aa2 Baa1 Baa2 Baa3 A-1 в С SHORT-TERM (S&P, others) A-1+ A-2 A-3 SHORT-TERM (TBW) TBW-1 TBW-2 TBW-3 TBW-4 P-1 P-2 P-3 SHORT-TERM (Moody's) SPREAD (bp) over T-YIELD < 40 70 140 250 400 600 900 1500 SPREAD (bp) over LIBOR < 10 40 90 220 370 570 870 1470 C2. BORROWERS/GUARANTORS with INTRA-COUNTRY (LOCAL CURRENCY) RATINGS: TRANSACTION RISK INCREMENT: 0 0 0 0 0 0 1 2 BB+,BB LONG-TERM (S&P, TBW) AA+,AA,AA-A+,A,A-BBB+,BBB BBB-BB-B+,B B-Aa1,Aa2 A1,A2,A3 Baa1,Baa2 Baa3 Ba1,Ba2 Ba3 B1,B2 В3 LONG-TERM (Moody's) A-1 A-2 A-3 в С SHORT-TERM (S&P, others) A-1+ P-1 SHORT-TERM (Moody's) P-2 P-3 B/C С C/D в D D/E FINANCIAL STRENGTH (Moody's) A/B Е INTRA-COUNTRY ISSUER (TBW) IC A/B IC в IC B/C IC С IC C/D IC D IC D/E IC Е Е INDIVIDUAL (IBCA) A/B В B/C С C/D D D/E INDIVIDUAL (Capital Intelligence) BBB+,BBB BBB-BB+,BB BB-B+,B B-AA+,AA,AA-A+,A,A-***TRANSACTION RISK INCREMENT:** 0 D1. TRANSACTIONS OF \$10 MILLION OR LESS - FINANCIAL INSTITUTIONS: **D2. TRANSACTIONS OF \$10 MILLION OR LESS - OTHER THAN FINANCIAL INSTITUTIONS: *TRANSACTION RISK INCREMENT:** 1 E. UNRATED LARGEST (PROFITABLE) FINANCIAL INSTITUTION: 0 MAXIMUM TRANSACTION RISK INCREMENT: F1. UNRATED BORROWERS/GUARANTORS OTHER THAN FINANCIAL INSTITUTIONS DEBT TO TANGIBLE NET WORTH <1X <2X <3X <4X <6X >6X TRANSACTION RISK INCREMENT: >25% 0 ٥ ٥ ٥ ٥ 1 OPERATING ٥ >20% 0 Λ Λ 1 2 CASH FLOW 2 >15% 0 0 0 1 2 (2-YEAR AVERAGE) TO >10% 0 0 1 2 2 2 DEBT >5% 0 1 2 2 2 2 2 2 2 2 2 >0% 1 2 <0% 2 2 2 2 2 F2. UNRATED FINANCIAL INSTITUTION BORROWERS/GUARANTORS: TRANSACTION RISK INCREMENT: 0 0 0 0 1 2 SHAREHOLDER'S EQUITY TO ASSETS >7% >5% >4% ~4% >8% >6% NET INCOME TO ASSETS (2-YEAR AVERAGE) >2.5% >2.0% >1.5% >1.0% >0.5% <0.5% BORROWED FUNDS TO NET LOANS <40% <60% <80% <100% <120% >120% LIQUID ASSETS TO ASSETS >25% >20% >15% >10% >5% <5% **RESERVES TO NON-PERFORMING ASSETS** >200% >175% >150% >125 >100 <100%

* MAY NOT APPLY IF A TRANSACTION RISK INCREMENT HAS BEEN PRE-APPROVED

01/01/2008 Effective

EXPOSURE FEE ADVICE

ALBANIA

PUBLIC SECTOR CREDITS

EXPOSURE FEE LEVEL 6 SOVEREIGN (e.g., Finance Ministry Guarantee): TRANSACTION RISK INCREMENT: 0 <u>A.</u> **B. POLITICAL ONLY COVER:** TRANSACTION RISK INCREMENT: See Private Sector Chart C1. BORROWERS/GUARANTORS with RATED/TRADED CROSS BORDER (HARD CURRENCY) DEBTS: TRANSACTION RISK INCREMENT: 0 0 0 0 0 0 1 LONG-TERM (S&P, others) AA+.AA.AA-A+.A.A-BBB+.BBB BBB-BB+.BB BB-B+.B LONG-TERM (Moody's) Ba1 Ba2 Ba3 B1,B2 Aa1.Aa2 A1.A2.A3 Baa1.Baa2 Baa3 A-1 R С SHORT-TERM (S&P, others) A-3 A-1+ A-2 TBW-2 TBW-3 SHORT-TERM (TBW) TBW-1 TBW-4 SHORT-TERM (Moody's) P-1 P-2 P-3 SPREAD (bp) over T-YIELD < 40 70 140 250 400 600 900 1500 SPREAD (bp) over LIBOR < 10 40 90 220 370 570 870 1470 C2. BORROWERS/GUARANTORS with INTRA-COUNTRY (LOCAL CURRENCY) RATINGS: TRANSACTION RISK INCREMENT: 0 0 0 0 0 0 1 LONG-TERM (S&P, TBW) AA+,AA,AA-A+,A,A-BBB+,BBB BBB-BB+,BB BB-B+,B Aa1,Aa2 LONG-TERM (Moody's) A1.A2.A3 Baa1.Baa2 Baa3 Ba1.Ba2 Ba3 B1.B2 С SHORT-TERM (S&P, others) A-1 A-3 R A-1+ A-2 P-1 P-2 P-3 SHORT-TERM (Moody's) FINANCIAL STRENGTH (Moody's) A/B В B/C С C/D D D/E С **INTRA-COUNTRY ISSUER (TBW)** IC A/B IC В IC B/C IC IC C/D IC D IC D/E IC INDIVIDUAL (IBCA) A/B В B/C С C/D D D/E INDIVIDUAL (Capital Intelligence) AA+,AA,AA-A+,A,A-BBB+,BBB BBB-BB+,BB BB-B+,B D1. TRANSACTIONS OF \$10 MILLION OR LESS - FINANCIAL INSTITUTIONS: ***TRANSACTION RISK INCREMENT: D2. TRANSACTIONS OF \$10 MILLION OR LESS - OTHER THAN FINANCIAL INSTITUTIONS: *TRANSACTION RISK INCREMENT:** E. UNRATED LARGEST (PROFITABLE) FINANCIAL INSTITUTION: MAXIMUM TRANSACTION RISK INCREMENT: F1. UNRATED BORROWERS/GUARANTORS OTHER THAN FINANCIAL INSTITUTIONS DEBT TO TANGIBLE NET WORTH <1X <2X <3X <4X <6X >6X TRANSACTION RISK INCREMENT: >25% 0 n Λ n Ω **OPERATING** 0 0 0 0 >20% 1 CASH FLOW >15% 0 0 0 1 2 (2-YEAR AVERAGE) TO >10% 0 0 2 2 1 DEBT >5% 0 1 2 2 2 >0% 1 2 2 2 2 <0% 2 2 2 2 2 F2. UNRATED FINANCIAL INSTITUTION BORROWERS/GUARANTORS: TRANSACTION RISK INCREMENT: 0 0 0 0 1 >7% SHAREHOLDER'S EQUITY TO ASSETS >8% >6% >5% >4% <4% NET INCOME TO ASSETS (2-YEAR AVERAGE) >2.5% >2.0% >1.5% >1.0% >0.5% < 0.5% BORROWED FUNDS TO NET LOANS <40% <60% <80% <100% <120% >120% LIQUID ASSETS TO ASSETS >25% >20% >15% >10% >5% <5% RESERVES TO NON-PERFORMING ASSETS >200% >175% >150% >125% >100% <100%

* MAY NOT APPLY IF A TRANSACTION ICRAS RATING HAS BEEN PRE-APPROVED

Effective: 01/01/2008

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