EXPOSURE FEE ADVICE AUSTRALIA

PRIVATE SECTOR CREDITS

EXPOSURE FEE LEVEL 1

	EXPOSURE FEE	LEVEL	1								
A. SOVEREIGN (e.g., Finance Ministry Guarantee):		т	RANSACTIC	ON RISK IN	ICREMEN ⁻	T: Se	e Public	Sector Cl	nart		
B. POLITICAL ONLY COVER:	TRANSACTION RISK INCREMENT: -1										
C1. BORROWERS/GUARANTORS with RATED/TRADED CROSS BORDER (HARD CURRENCY) DEBTS:											
TRANSACTION RISK INCREMENT:	0	1	2	3	3	4	5	5	5		
LONG-TERM (S&P, others)	AA+,AA,AA-	A+,A,A-	BBB+,BBB	BBB-	BB+,I	BB	BB-	B+,B	B-		
LONG-TERM (Moody's)	Aa1,Aa2	A1,A2,A3	Baa1,Baa2	Baa3	Ba1,B	a2	Ba3	B1,B2	B3		
SHORT-TERM (S&P, others)	A-1+	A-1	A-2	A-3	5	в		С			
SHORT-TERM (TBW)	TBW-1	TBW-2	TBW-3	TBW-4							
SHORT-TERM (Moody's)		P-1	P-2	P-3	6						
SPREAD (bp) over T-YIELD <	40	70	140	250) 4	100	600	900	1500		
SPREAD (bp) over LIBOR <	10	40	90	220) 3	370	570	870	1470		
C2. BORROWERS/GUARANTORS with INTRA-COUNTRY (LOCAL CURRENCY) RATINGS:											
TRANSACTION RISK INCREMENT:	0	1	2	3	3	4	5	5	5		
LONG-TERM (S&P, TBW)	AA+,AA,AA-	A+,A,A-	BBB+,BBB	BBB-	BB+,I	BB	BB-	B+,B	B-		
LONG-TERM (Moody's)	Aa1,Aa2	A1,A2,A3	Baa1,Baa2	Baa3	Ba1,B	a2	Ba3	B1,B2	B3		
SHORT-TERM (S&P, others)	A-1+	A-1	A-2	A-3	3	В		С			
SHORT-TERM (Moody's)		P-1	P-2	P-3	5						
FINANCIAL STRENGTH (Moody's)	A/B	В	B/C	C	c C	C/D	D	D/E	E		
INTRA-COUNTRY ISSUER (TBW)	IC A/B	IC B	IC B/C			C/D IC	DIC	D/E	IC E		
INDIVIDUAL (IBCA)	A/B	В	B/C	С	c C	C/D	D	D/E	E		
INDIVIDUAL (Capital Intelligence)	AA+,AA,AA-	A+,A,A-	BBB+,BBB	BBB-	BB+,I	BB	BB-	B+,B	B-		
D1. TRANSACTIONS OF \$10 MILLION OR LESS - FINAM	ICIAL INSTITUTIO	ONS:		ł.	TRANSAC	TION RISI	K INCREMI	ENT:	0		
D2. TRANSACTIONS OF \$10 MILLION OR LESS - OTHE	<u>R THAN FINANCI</u>	AL INSTITU	JTIONS:	ł	TRANSAC	TION RISI	K INCREM	ENT:	1		
E. UNRATED LARGEST (PROFITABLE) FINANCIAL INSTITUTION: MAXIMUM TRANSACTION RISK INCREMENT:						NT:	0				
F1. UNRATED BORROWERS/GUARANTORS OTHER TH	AN FINANCIAL IN	STITUTION									
S: DEBT TO TANGIBLE NET WORTH		<u>emenen</u>		<1X	<2X	<3X	<4X	<6X	>6X		
DEBT TO TANGIBLE NET WORTH								-	>07		
			0- 0/				SK INCREN		_		
OPERATING			25%	2	2	3	4	5	5		
CASH FLOW			20% 15%	2 3	3 4	4 5	5 5	5 5	5		
(2-YEAR AVERAGE) TO			15% 10%	3	4 5	5 5	5 5	5 5	5 5		
DEBT			>5%	4 5	5	5	5	5	5		
			>0%	5	5	5	5	5	5		
			<0%	5	5	5	5	5	5		
F2. UNRATED FINANCIAL INSTITUTION BORROWERS/G	UARANTORS:			-	-	-	-	-	-		
TRANSACTION RISK INCREMENT:				2	3	4	5	5	5		
SHAREHOLDER'S EQUITY TO ASSETS				>8%	>7%	>6%	>5%	>4%	<4%		
NET INCOME TO ASSETS (2-YEAR AVERAGE)				>2.5%	>2.0%	>1.5%	>1.0%	>0.5%	<4 <i>%</i> <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

Effective: 10/01/1998

EXPOSURE FEE ADVICE

AUSTRALIA

PUBLIC SECTOR CREDITS

EXPOSURE FEE LEVEL 1										
A. SOVEREIGN (e.g., Finance Ministry Guarantee):		T	RANSACTIC	ON RISK IN	ICREMEN	IT: 0				
B. POLITICAL ONLY COVER:	TRANSACTION RISK INCREMENT:			IT: Se	See Private Sector Chart					
C1. BORROWERS/GUARANTORS with RATED/TRADED CROSS BORDER (HARD CURRENCY) DEBTS:										
TRANSACTION RISK INCREMENT:	0	1	2	3	<u> </u>	4	5	5	5	
LONG-TERM (S&P, others)	AA+,AA,AA-	A+,A,A-	BBB+,BBB	BBB-	BB+,	BB	BB-	B+,B	B-	
LONG-TERM (Moody's)	Aa1,Aa2	A1,A2,A3	Baa1,Baa2	Baa3	Ba1,E	la2	Ba3	B1,B2	B3	
SHORT-TERM (S&P, others)	A-1+	A-1	A-2	A-3		В		С		
SHORT-TERM (TBW)	TBW-1	TBW-2	TBW-3	TBW-4						
SHORT-TERM (Moody's)		P-1	P-2	P-3						
SPREAD (bp) over T-YIELD <	40	70	140	250	4	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	1	2	3	<u> </u>	4	5	5	5	
LONG-TERM (S&P, TBW)	AA+,AA,AA-	A+,A,A-	BBB+,BBB	BBB-	BB+,	BB	BB-	B+,B	B-	
LONG-TERM (Moody's)	Aa1,Aa2	A1,A2,A3	Baa1,Baa2	Baa3	Ba1,E	la2	Ba3	B1,B2	B3	
SHORT-TERM (S&P, others)	A-1+	A-1	A-2	A-3		В		С		
SHORT-TERM (Moody's)		P-1	P-2	P-3						
FINANCIAL STRENGTH (Moody's)	A/B	В	B/C	С	(C/D	D	D/E	E	
INTRA-COUNTRY ISSUER (TBW)	IC A/B	IC B	IC B/C	IC (CIC	C/D IC	D IC	D/E	IC E	
INDIVIDUAL (IBCA)	A/B	В	B/C	С	(C/D	D	D/E	E	
INDIVIDUAL (Capital Intelligence)	AA+,AA,AA-	A+,A,A-	BBB+,BBB	BBB-	BB+,	BB	BB-	B+,B	B-	
D1. TRANSACTIONS OF \$10 MILLION OR LESS - FINANC	IAL INSTITUTIO	ONS:		*	TRANSAC	TION RISI	K INCREM	ENT:	0	
D2. TRANSACTIONS OF \$10 MILLION OR LESS - OTHER THAN FINANCIAL INSTITUTIONS: *TRANSACTION RISK INCREMENT:						ENT:	1			
E. UNRATED LARGEST (PROFITABLE) FINANCIAL INSTITUTION: MAXIMUM TRANSACTION RISK INCREMENT:							NT:	1		
F1. UNRATED BORROWERS/GUARANTORS OTHER THAN	I FINANCIAL IN	STITUTION								
S: DEBT TO TANGIBLE NET WORTH				<1X	<2X	<3X	<4X	<6X	>6X	
			TRANSACTION RISK INCREMENT:							
		>	25%	2	2	3	4	5	5	
OPERATING		>	20%	2	3	4	5	5	5	
CASH FLOW (2-YEAR AVERAGE)		>	15%	3	4	5	5	5	5	
ТО		>	10%	4	5	5	5	5	5	
DEBT		:	>5%	5	5	5	5	5	5	
		:	>0%	5	5	5	5	5	5	
			<0%	5	5	5	5	5	5	
F2. UNRATED FINANCIAL INSTITUTION BORROWERS/GU	ARANTORS:									
TRANSACTION RISK INCREMENT:			-	2	3	4	5	5	5	
SHAREHOLDER'S EQUITY TO ASSETS				>8%	>7%	>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