EXPOSURE FEE ADVICE BHUTAN

PRIVATE SECTOR CREDITS

EXPOSURE FEE LEVEL 5

| A. SOVEREIGN (e.g., Finance Ministry Guarantee): | | T | RANSACTIO | N RISK INC | CREMENT | : See | See Public Sector Chart | | | |
|---|---|--------------------------------------|---|---|--|--|---|--|---------------------------------------|--|
| 3. POLITICAL ONLY COVER: | TRANSACTION RISK INCREMENT: | | | | | | -1 | | | |
| 1. BORROWERS/GUARANTORS with RATED/TRADE | D CROSS BORDE | R (HARD C | URRENCY) [| 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+,E | BB | BB- | B+,B | В- | |
| LONG-TERM (Moody's) | Aa1,Aa2 | A1,A2,A3 | Baa1,Baa2 | Baa3 | Ba1,Ba | a2 | Ba3 | B1,B2 | В3 | |
| 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 | 40 | 00 | 600 | 900 | 1500 | |
| SPREAD (bp) over LIBOR < | 10 | 40 | 90 | 220 | 3. | 70 | 570 | 870 | 1470 | |
| 2. BORROWERS/GUARANTORS with INTRA-COUNTI | RY (LOCAL CURR | ENCY) RAT | TINGS: | | | | | | | |
| TRANSACTION RISK INCREMENT: | 1 | 1 | 1 | 1 | | 1 | 1 | 1 | 2 | |
| LONG-TERM (S&P, TBW) | AA+,AA,AA- | A+,A,A- | BBB+,BBB | BBB- | BB+,E | | BB- | B+,B | B- | |
| LONG-TERM (Moody's) | Aa1,Aa2 | A1,A2,A3 | Baa1,Baa2 | Baa3 | Ba1,Ba | a2 | Ba3 | B1,B2 | В3 | |
| 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 | Е | |
| INTRA-COUNTRY ISSUER (TBW) | IC A/B | IC B | IC B/C | IC C | IC C | /D IC | D | C D/E | IC E | |
| ` ' | | | | | | | | D/F | _ | |
| INDIVIDUAL (IBCA) | A/B | В | B/C | С | C | /D | D | D/E | Е | |
| , , | A/B AA+,AA,AA- | B A+,A,A- | B/C BBB+,BBB | C BBB- | C BB+,E | | D BB- | B+,B | B- | |
| INDIVIDUAL (IBCA) INDIVIDUAL (Capital Intelligence) | AA+,AA,AA- | A+,A,A- | | BBB- | | вВ | BB- | B+,B | | |
| INDIVIDUAL (IBCA) INDIVIDUAL (Capital Intelligence) 11. TRANSACTIONS OF \$10 MILLION OR LESS - FINA | AA+,AA,AA- NCIAL INSTITUTIO | A+,A,A- DNS: | BBB+,BBB | BBB- * | BB+,E | BB TION RIS | BB- SK INCR | B+,B EMENT: | B- | |
| INDIVIDUAL (IBCA) | AA+,AA,AA- NCIAL INSTITUTION ER THAN FINANC | A+,A,A- DNS: | BBB+,BBB | BBB- * | BB+,E TRANSAC TRANSAC | BB TION RIS | BB- SK INCR | B+,B EMENT: EMENT: | B- 1 | |
| INDIVIDUAL (IBCA) INDIVIDUAL (Capital Intelligence) 1. TRANSACTIONS OF \$10 MILLION OR LESS - FINA 2. TRANSACTIONS OF \$10 MILLION OR LESS - OTHE . UNRATED LARGEST (PROFITABLE) FINANCIAL IN | AA+,AA,AA- NCIAL INSTITUTION: | A+,A,A- <u>DNS:</u> AL INSTITU | BBB+,BBB JTIONS: | BBB- ** | BB+,E TRANSAC TRANSAC | BB TION RIS | BB- SK INCR | B+,B EMENT: EMENT: | B- 1 2 | |
| INDIVIDUAL (IBCA) INDIVIDUAL (Capital Intelligence) 1. TRANSACTIONS OF \$10 MILLION OR LESS - FINA 2. TRANSACTIONS OF \$10 MILLION OR LESS - OTHE . UNRATED LARGEST (PROFITABLE) FINANCIAL IN | AA+,AA,AA- NCIAL INSTITUTION: | A+,A,A- <u>DNS:</u> AL INSTITU | BBB+,BBB JTIONS: | BBB- ** | BB+,E TRANSAC TRANSAC | BB TION RIS | BB- SK INCR | B+,B EMENT: EMENT: EMENT: | B- 1 2 | |
| INDIVIDUAL (IBCA) INDIVIDUAL (Capital Intelligence) 1. TRANSACTIONS OF \$10 MILLION OR LESS - FINA 2. TRANSACTIONS OF \$10 MILLION OR LESS - OTHE . UNRATED LARGEST (PROFITABLE) FINANCIAL IN 1. UNRATED BORROWERS/GUARANTORS OTHER T | AA+,AA,AA- NCIAL INSTITUTION: | A+,A,A- <u>DNS:</u> AL INSTITU | BBB+,BBB JTIONS: | BBB- * *- 1AXIMUM ⁻ | BB+,E TRANSAC TRANSAC TRANSAC <2X | BB TION RIS TION RIS TION RIS | BB- SK INCR SK INCR SK INCR | B+,B EMENT: EMENT: EMENT: | B- 1 2 1 | |
| INDIVIDUAL (IBCA) INDIVIDUAL (Capital Intelligence) 1. TRANSACTIONS OF \$10 MILLION OR LESS - FINA 2. TRANSACTIONS OF \$10 MILLION OR LESS - OTHE . UNRATED LARGEST (PROFITABLE) FINANCIAL IN 1. UNRATED BORROWERS/GUARANTORS OTHER T | AA+,AA,AA- NCIAL INSTITUTION: | A+,A,A- DNS: AL INSTITU | BBB+,BBB JTIONS: | BBB- * *- 1AXIMUM ⁻ | BB+,E TRANSAC TRANSAC TRANSAC <2X | BB TION RIS TION RIS TION RIS | BB- SK INCR SK INCR SK INCR | B+,B EMENT: EMENT: EMENT: C < 6X REMENT: | B- 1 2 1 | |
| INDIVIDUAL (IBCA) INDIVIDUAL (Capital Intelligence) 1. TRANSACTIONS OF \$10 MILLION OR LESS - FINA 2. TRANSACTIONS OF \$10 MILLION OR LESS - OTHE . UNRATED LARGEST (PROFITABLE) FINANCIAL IN 1. UNRATED BORROWERS/GUARANTORS OTHER T DEBT TO TANGIBLE NET WORTH OPERATING | AA+,AA,AA- NCIAL INSTITUTION: | A+,A,A- DNS: AL INSTITUTIO > | BBB+,BBB JTIONS: N NS: | BBB- * *- *- *- *- *- *- *- *- | BB+,E FRANSAC FRANSAC FRANSAC <2X TRANSAC | TION RISTION RISTION RISTION RISTION RISTION RISTION RISTION RISTION R | BB- SK INCR SK INCR SK INCR <4X | B+,B EMENT: EMENT: EMENT: < <6X REMENT: 1 | B- 1 2 1 >6X | |
| INDIVIDUAL (IBCA) INDIVIDUAL (Capital Intelligence) 1. TRANSACTIONS OF \$10 MILLION OR LESS - FINA 2. TRANSACTIONS OF \$10 MILLION OR LESS - OTHE . UNRATED LARGEST (PROFITABLE) FINANCIAL IN 1. UNRATED BORROWERS/GUARANTORS OTHER T DEBT TO TANGIBLE NET WORTH OPERATING CASH FLOW | AA+,AA,AA- NCIAL INSTITUTION: | A+,A,A- DNS: AL INSTITUTIO >> | BBB+,BBB JTIONS: NS: | BBB- * ** MAXIMUM <1X | BB+,E TRANSAC TRANSAC TRANSAC <2X TRANSAC | TION RISTION R | BB- SK INCR SK INCR SK INCR <4X ISK INC | B+,B EMENT: EMENT: EMENT: < <6X REMENT: 1 1 | B- 1 2 1 >6X | |
| INDIVIDUAL (IBCA) INDIVIDUAL (Capital Intelligence) 1. TRANSACTIONS OF \$10 MILLION OR LESS - FINA 2. TRANSACTIONS OF \$10 MILLION OR LESS - OTHE . UNRATED LARGEST (PROFITABLE) FINANCIAL IN 1. UNRATED BORROWERS/GUARANTORS OTHER T DEBT TO TANGIBLE NET WORTH OPERATING CASH FLOW (2-YEAR AVERAGE) TO | AA+,AA,AA- NCIAL INSTITUTION: | A+,A,A- DNS: AL INSTITUTIO >> >> | BBB+,BBB JTIONS: NS: 25% 20% | ************************************** | BB+,E FRANSAC FRANSAC <2X TRANSAC 1 1 | TION RISTION R | BB- SK INCR SK INCR SK INCR 44) ISK INC | B+,B EMENT: EMENT: EMENT: < <6X REMENT: 1 1 2 | B- 1 2 1 >6X 1 2 | |
| INDIVIDUAL (IBCA) INDIVIDUAL (Capital Intelligence) 1. TRANSACTIONS OF \$10 MILLION OR LESS - FINA 2. TRANSACTIONS OF \$10 MILLION OR LESS - OTHE . UNRATED LARGEST (PROFITABLE) FINANCIAL IN 1. UNRATED BORROWERS/GUARANTORS OTHER T DEBT TO TANGIBLE NET WORTH OPERATING CASH FLOW (2-YEAR AVERAGE) | AA+,AA,AA- NCIAL INSTITUTION: | A+,A,A- DNS: AL INSTITUTIO >> >> | BBB+,BBB JTIONS: NS: 25% 20% 15% | ************************************** | BB+,E FRANSAC FRANSAC <2X TRANSAC 1 1 1 | TION RISTION R | BB- SK INCR SK INCR SK INCR <4) ISK INC | B+,B EMENT: EMENT: EMENT: 46X REMENT: 1 1 2 2 2 | B- 1 2 1 >6X 1 2 2 | |
| INDIVIDUAL (IBCA) INDIVIDUAL (Capital Intelligence) 1. TRANSACTIONS OF \$10 MILLION OR LESS - FINA 2. TRANSACTIONS OF \$10 MILLION OR LESS - OTHE . UNRATED LARGEST (PROFITABLE) FINANCIAL IN 1. UNRATED BORROWERS/GUARANTORS OTHER T DEBT TO TANGIBLE NET WORTH OPERATING CASH FLOW (2-YEAR AVERAGE) TO | AA+,AA,AA- NCIAL INSTITUTION: | A+,A,A- DNS: AL INSTITUTIO >> >> | BBB+,BBB JTIONS: NS: 25% 20% 15% 10% | ************************************** | BB+,E TRANSAC TRANSAC <2X TRANSAC 1 1 1 1 | TION RISTON RIST | BB- SK INCR SK INCR <4X ISK INC 1 1 2 | B+,B EMENT: EMENT: EMENT: 46X REMENT: 1 1 2 2 2 2 2 | B- 1 2 1 >6X 1 2 2 2 | |
| INDIVIDUAL (IBCA) INDIVIDUAL (Capital Intelligence) 1. TRANSACTIONS OF \$10 MILLION OR LESS - FINA 2. TRANSACTIONS OF \$10 MILLION OR LESS - OTHE . UNRATED LARGEST (PROFITABLE) FINANCIAL IN 1. UNRATED BORROWERS/GUARANTORS OTHER T DEBT TO TANGIBLE NET WORTH OPERATING CASH FLOW (2-YEAR AVERAGE) TO | AA+,AA,AA- NCIAL INSTITUTION: | A+,A,A- DNS: AL INSTITUTIO >> >> >> | BBB+,BBB JTIONS: NS: 25% 20% 15% 10% >5% | ************************************** | BB+,E TRANSAC TRANSAC <2X TRANSAC 1 1 1 1 1 | TION RISTON RIST | BB- SK INCR SK INCR <4X ISK INC 1 1 2 2 | B+,B EMENT: EMENT: EMENT: (<6X REMENT: 1 1 2 2 2 2 2 2 2 | B- 1 2 1 >6X 1 2 2 2 2 2 | |
| INDIVIDUAL (IBCA) INDIVIDUAL (Capital Intelligence) 1. TRANSACTIONS OF \$10 MILLION OR LESS - FINA 2. TRANSACTIONS OF \$10 MILLION OR LESS - OTHI . UNRATED LARGEST (PROFITABLE) FINANCIAL IN 1. UNRATED BORROWERS/GUARANTORS OTHER T DEBT TO TANGIBLE NET WORTH OPERATING CASH FLOW (2-YEAR AVERAGE) TO DEBT | AA+,AA,AA- NCIAL INSTITUTION ER THAN FINANC ISTITUTION: HAN FINANCIAL I | A+,A,A- DNS: AL INSTITUTIO >> >> >> | BBB+,BBB JTIONS: NS: 25% 20% 15% 10% >5% >0% | ************************************** | BB+,E TRANSAC TRANSAC <2X TRANSAC 1 1 1 1 1 2 | TION RISTION RISTI | BB- SK INCR SK INCR <4) ISK INC 1 1 2 2 2 | B+,B EMENT: EMENT: EMENT: (<6X REMENT: 1 1 2 2 2 2 2 2 2 | B- 1 2 1 >6X 1 2 2 2 2 2 2 | |
| INDIVIDUAL (IBCA) INDIVIDUAL (Capital Intelligence) 1. TRANSACTIONS OF \$10 MILLION OR LESS - FINA 2. TRANSACTIONS OF \$10 MILLION OR LESS - OTHI UNRATED LARGEST (PROFITABLE) FINANCIAL IN 1. UNRATED BORROWERS/GUARANTORS OTHER T DEBT TO TANGIBLE NET WORTH OPERATING CASH FLOW (2-YEAR AVERAGE) TO DEBT | AA+,AA,AA- NCIAL INSTITUTION ER THAN FINANC ISTITUTION: HAN FINANCIAL I | A+,A,A- DNS: AL INSTITUTIO >> >> >> | BBB+,BBB JTIONS: NS: 25% 20% 15% 10% >5% >0% | ************************************** | BB+,E TRANSAC TRANSAC <2X TRANSAC 1 1 1 1 1 2 | TION RISTION RISTI | BB- SK INCR SK INCR <4) ISK INC 1 1 2 2 2 | B+,B EMENT: EMENT: EMENT: 3 <6X REMENT: 1 1 2 2 2 2 2 2 2 2 2 2 | B- 1 2 1 >6X 1 2 2 2 2 2 2 | |
| INDIVIDUAL (IBCA) INDIVIDUAL (Capital Intelligence) I. TRANSACTIONS OF \$10 MILLION OR LESS - FINA I. TRANSACTIONS OF \$10 MILLION OR LESS - OTHE UNRATED LARGEST (PROFITABLE) FINANCIAL IN I. UNRATED BORROWERS/GUARANTORS OTHER T DEBT TO TANGIBLE NET WORTH OPERATING CASH FLOW (2-YEAR AVERAGE) TO DEBT I. UNRATED FINANCIAL INSTITUTION BORROWERS | AA+,AA,AA- NCIAL INSTITUTION ER THAN FINANC ISTITUTION: HAN FINANCIAL I | A+,A,A- DNS: AL INSTITUTIO >> >> >> | BBB+,BBB JTIONS: NS: 25% 20% 15% 10% >5% >0% | ************************************** | BB+,E FRANSAC FRANSAC <2X TRANSAC 1 1 1 1 2 2 | TION RISTON RIST | BB- SK INCR SK INCR SK INCR 44) ISK INC 1 1 2 2 2 2 | B+,B EMENT: EMENT: EMENT: (<6X REMENT: 1 1 2 2 2 2 2 2 2 1 1 | B- 1 2 1 >6X 1 2 2 2 2 2 2 2 | |
| INDIVIDUAL (IBCA) INDIVIDUAL (Capital Intelligence) I. TRANSACTIONS OF \$10 MILLION OR LESS - FINA I. TRANSACTIONS OF \$10 MILLION OR LESS - OTHE UNRATED LARGEST (PROFITABLE) FINANCIAL IN I. UNRATED BORROWERS/GUARANTORS OTHER TO DEBT TO TANGIBLE NET WORTH OPERATING CASH FLOW (2-YEAR AVERAGE) TO DEBT C. UNRATED FINANCIAL INSTITUTION BORROWERS TRANSACTION RISK INCREMENT: | AA+,AA,AA- NCIAL INSTITUTION ER THAN FINANC ISTITUTION: HAN FINANCIAL I | A+,A,A- DNS: AL INSTITUTIO >> >> >> | BBB+,BBB JTIONS: NS: 25% 20% 15% 10% >5% >0% | ************************************** | BB+,E TRANSAC TRANSAC <2X TRANSAC 1 1 1 2 2 1 | TION RISTON RIST | BB- SK INCR SK INCR SK INCR 44) ISK INC 1 1 2 2 2 2 | B+,B EMENT: EMENT: EMENT: 3 | B- 1 2 1 36X 1 2 2 2 2 2 2 2 | |
| INDIVIDUAL (IBCA) INDIVIDUAL (Capital Intelligence) 1. TRANSACTIONS OF \$10 MILLION OR LESS - FINA 2. TRANSACTIONS OF \$10 MILLION OR LESS - OTHE . UNRATED LARGEST (PROFITABLE) FINANCIAL IN 1. UNRATED BORROWERS/GUARANTORS OTHER TO DEBT TO TANGIBLE NET WORTH OPERATING CASH FLOW (2-YEAR AVERAGE) TO DEBT TRANSACTION RISK INCREMENT: SHAREHOLDER'S EQUITY TO ASSETS | AA+,AA,AA- NCIAL INSTITUTION ER THAN FINANC ISTITUTION: HAN FINANCIAL I | A+,A,A- DNS: AL INSTITUTIO >> >> >> | BBB+,BBB JTIONS: NS: 25% 20% 15% 10% >5% >0% | ************************************** | BB+,E TRANSAC TRANSAC <2X TRANSAC 1 1 1 2 2 1 >7% | TION RISTON RIST | BB- SK INCR SK INCR SK INCR 44) ISK INC 1 1 2 2 2 2 1 3 55% | B+,B EMENT: EMENT: EMENT: 3 | B- 1 2 1 >6X 1 2 2 2 2 2 2 2 | |
| INDIVIDUAL (IBCA) INDIVIDUAL (Capital Intelligence) 1. TRANSACTIONS OF \$10 MILLION OR LESS - FINA 2. TRANSACTIONS OF \$10 MILLION OR LESS - OTHE . UNRATED LARGEST (PROFITABLE) FINANCIAL IN 1. UNRATED BORROWERS/GUARANTORS OTHER T DEBT TO TANGIBLE NET WORTH OPERATING CASH FLOW (2-YEAR AVERAGE) TO DEBT 2. UNRATED FINANCIAL INSTITUTION BORROWERS TRANSACTION RISK INCREMENT: SHAREHOLDER'S EQUITY TO ASSETS NET INCOME TO ASSETS (2-YEAR AVERAGE) | AA+,AA,AA- NCIAL INSTITUTION ER THAN FINANC ISTITUTION: HAN FINANCIAL I | A+,A,A- DNS: AL INSTITUTIO >> >> >> | BBB+,BBB JTIONS: NS: 25% 20% 15% 10% >5% >0% | ************************************** | BB+,E TRANSAC TRANSAC <2X TRANSAC 1 1 1 2 2 1 >7% >2.0% | TION RISTON RIST | BB- SK INCR SK INCR SK INCR 44) ISK INC 1 1 2 2 2 2 1 35% >1.0% | B+,B EMENT: EMENT: EMENT: 1 1 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 | B- 1 2 1 >6X 1 2 2 2 2 2 2 2 4% <0.5% | |

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

Effective: 05/12/2008

EXPOSURE FEE ADVICE BHUTAN

PUBLIC SECTOR CREDITS

EXPOSURE FEE LEVEL 5

| A. SOVEREIGN (e.g., Finance Ministry Guarantee): | | 7 | RANSACTI | ON RISK IN | ICREME | NT: (|) | | |
|--|-------------------|-------------|---------------------|------------|--------|--------------------------|-----------|--------|---------|
| 3. POLITICAL ONLY COVER: TRANSACT | | | ION RISK INCREMENT: | | | See Private Sector Chart | | | |
| C1. BORROWERS/GUARANTORS with RATED/TRADEI | O CROSS BORDE | R (HARD C | URRENCY) | DEBTS: | | | | | |
| TRANSACTION RISK INCREMENT: | 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 | В- |
| LONG-TERM (Moody's) | Aa1,Aa2 | A1,A2,A3 | Baa1,Baa2 | Baa3 | Ba1, | Ba2 | Ba3 | B1,B2 | В3 |
| 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 | ı | 400 | 600 | 900 | 1500 |
| SPREAD (bp) over LIBOR < | 10 | 40 | 90 | 220 | 1 | 370 | 570 | 870 | 1470 |
| C2. BORROWERS/GUARANTORS with INTRA-COUNTR | Y (LOCAL CURR | ENCY) RA | TINGS: | | | | | | |
| TRANSACTION RISK INCREMENT: | 0 | 0 | 0 | (|) | 0 | 0 | 1 | 2 |
| LONG-TERM (S&P, TBW) | AA+,AA,AA- | A+,A,A- | BBB+,BBB | BBB- | BB+ | -,BB | BB- | B+,B | В- |
| LONG-TERM (Moody's) | Aa1,Aa2 | A1,A2,A3 | Baa1,Baa2 | Baa3 | Ba1, | Ba2 | Ba3 | B1,B2 | В3 |
| 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 | C | | C/D | D | D/E | Е |
| INTRA-COUNTRY ISSUER (TBW) | IC A/B | IC B | IC B/C | IC C | : IC | C/D I | C D IC | D/E | IC E |
| INDIVIDUAL (IBCA) | A/B | В | B/C | C | | C/D | D | D/E | Е |
| INDIVIDUAL (Capital Intelligence) | AA+,AA,AA- | A+,A,A- | BBB+,BBB | BBB- | | ,BB | BB- | B+,B | B- |
| D1. TRANSACTIONS OF \$10 MILLION OR LESS - FINAN | NCIAL INSTITUTION | ONS: | | 4 | TRANSA | CTION R | ISK INCRE | MENT: | 0 |
| D2. TRANSACTIONS OF \$10 MILLION OR LESS - OTHE | | | IITIONS: | | | | ISK INCRE | | 1 |
| | | IAL INSTITU | | | | | | | · |
| E. UNRATED LARGEST (PROFITABLE) FINANCIAL IN | | | | MAXIMUM ' | IRANSA | CHON RI | SK INCRE | MENI: | 1 |
| F1. UNRATED BORROWERS/GUARANTORS OTHER TI | HAN FINANCIAL I | NSTITUTIO | NS: | | | | | | |
| DEBT TO TANGIBLE NET WORTH | | | | <1X | <2X | <3X | <4X | <6X | >6X |
| | | | | | TRANS | ACTION F | RISK INCR | EMENT: | |
| | | > | 25% | 0 | 0 | 0 | 0 | 0 | 1 |
| OPERATING CASH FLOW | | > | 20% | 0 | 0 | 0 | 0 | 1 | 2 |
| (2-YEAR AVERAGE) | | > | 15% | 0 | 0 | 0 | 1 | 2 | 2 |
| TO DEBT | | > | 10% | 0 | 0 | 1 | 2 | 2 | 2 |
| DEBI | | | >5% | 0 | 1 | 2 | 2 | 2 | 2 |
| | | | >0% | 1 | 2 | 2 | 2 | 2 | 2 |
| | | | <0% | 2 | 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 | | | | >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 RATI | NG HAS BEEN PF | RE-APPRO | VED | | | | Effective | : 05/ | 12/2008 |