EXPOSURE FEE ADVICE BOTSWANA

PRIVATE SECTOR CREDITS

EXPOSURE FEE LEVEL 2

A. SOVEREIGN (e.g., Finance Ministry Guarantee):	TRANSACTION RISK INCREMENT: See Public Sector Chart								
B. POLITICAL ONLY COVER:		1	TRANSACTI	ION RISK IN	ICREMEN	IT: -1			
C1. BORROWERS/GUARANTORS with RATED/TRADED CI	ROSS BORDE	R (HARD CUI	RRENCY) D	EBTS:					
TRANSACTION RISK INCREMENT:	0	0	1		2	3	4	5	5
LONG-TERM (S&P, others)	AA+,AA,AA-	A+,A,A-	BBB+,BBB	BBB	- BB+	,ВВ	BB-	B+,B	B-
LONG-TERM (Moody's)	Aa1,Aa2	A1,A2,A3	Baa1,Baa2	Baa	Ba1,l	Ba2	Ba3	B1,B2	В3
SHORT-TERM (S&P, others)	A-1+	A-1	A-2	A-3	3	В		С	
SHORT-TERM (TBW)	TBW-1	TBW-2	TBW-3	TBW-4	ļ				
SHORT-TERM (Moody's)		P-1	P-2	P-3	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 CUR	RENCY) RAT	INGS:						
TRANSACTION RISK INCREMENT:	1	1	1		2	3	4	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,l	Ba2	Ba3	B1,B2	В3
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	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	B IC B/C	C IC	C IC	C/D I	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+	,ВВ	BB-	B+,B	B-
D1. TRANSACTIONS OF \$10 MILLION OR LESS - FINANC	CIAL INSTITUT	ΓΙΟΝS:			*TRANSAC	CTION RIS	K INCREM	ENT:	1
D2. TRANSACTIONS OF \$10 MILLION OR LESS - OTHER	THAN FINAN	CIAL INSTITU	UTIONS:		*TRANSA(CTION RIS	K INCREM	ENT:	2
E. UNRATED LARGEST (PROFITABLE) FINANCIAL INST	TITUTION:			MAXIMUM ¹	TRANSAC	TION RISI	(INCREME	ENT:	1
F1. UNRATED BORROWERS/GUARANTORS OTHER THAI	N FINANCIAI	INSTITUTION	I						
S: DEBT TO TANGIBLE NET WORTH	11110 (1101) (2		•	<1X	<2X	<3X	<4X	<6X	>6X
DEBT TO TANGIBLE NET WORTH				<17		-			>0∧
			TRANSACTION				SK INCREI	MEN1:	
ODED ATIMO		>	25%	1	1	2	3	4	5
OPERATING CASH FLOW			20%	1	2	3	4	5	5
(2-YEAR AVERAGE)			15%	2	3	4	5	5	5
TO DEBT			10%	3	4	5	5	5	5
DEBT			>5%	4	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:				1	2	3	4	5	5
SHAREHOLDER'S EQUITY TO ASSETS				>8%	>7%	>6%	>5%	>4%	<4%
NIET INICOME TO ACCETO (C.V.EAD. AV.EDACE)									<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				>2.5% <40%	>2.0% <60%	>1.5% <80%	>1.0% <100%	>0.5% <120%	
,									<0.5%

Effective: 10/01/1998

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

EXPOSURE FEE ADVICE BOTSWANA

PUBLIC SECTOR CREDITS

EXPOSURE FEE LEVEL 2

<u>A.</u>	SOVEREIGN (e.g., Finance Ministry Guarantee):		7	TRANSACTION TO THE PROPERTY OF	ON RISK IN	ICREMEN	NT: ()			
<u>B.</u>	POLITICAL ONLY COVER:		7	TRANSACTION TO SERVICE	ON RISK IN	ICREMEN	NT: Se	ee Private	Sector C	hart	
<u>C1.</u>	BORROWERS/GUARANTORS with RATED/TRADED CF	ROSS BORDER	(HARD CUI	RRENCY) DE	BTS:						
	TRANSACTION RISK INCREMENT:	0	0	1	2	2	3	4	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,I	3a2	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		400	600	900	1500	
	SPREAD (bp) over LIBOR <	10	40	90	220		370	570	870	1470	
<u>C2.</u>	BORROWERS/GUARANTORS with INTRA-COUNTRY	(LOCAL CURRE	ENCY) RAT	INGS:							
	TRANSACTION RISK INCREMENT:	0	0	1	2	<u>!</u>	3	4	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,I	3a2	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	E	
	INTRA-COUNTRY ISSUER (TBW)	IC A/B	IC B	IC B/C	IC (CIC	C/D I	C DIC	D/E	IC E	
	INDIVIDUAL (IBCA)	A/B	В	B/C	С		C/D	D	D/E	Е	
	INDIVIDUAL (Capital Intelligence)	AA+,AA,AA-	A+,A,A-	BBB+,BBB	BBB-	BB+	,BB	BB-	B+,B	B-	
<u>D1</u> .	. TRANSACTIONS OF \$10 MILLION OR LESS - FINANC	IAL INSTITUTIO	ONS:		*	TRANSAC	CTION RIS	K INCREM	ENT:	0	
D2.	. TRANSACTIONS OF \$10 MILLION OR LESS - OTHER	THAN FINANCI	AL INSTITU	JTIONS:	*	TRANSAC	CTION RIS	SK INCREM	ENT:	1	
	UNRATED LARGEST (PROFITABLE) FINANCIAL INST				/AXIMUM T	RANSACI	TION RISK	INCREME	NT·	1	
	,		OTITUTION		W-VIINOINI I	10410/10/10	TION TON	(II VOI (LIVIL	141.	'	
<u>F1.</u> S:	UNRATED BORROWERS/GUARANTORS OTHER THAI	N FINANCIAL IN	SIIIUIION								
	DEBT TO TANGIBLE NET WORTH				<1X	<2X	<3X	<4X	<6X	>6X	
			TRANSACT					FION RISK INCREMENT:			
			>	25%	1	1	2	3	4	5	
	OPERATING		>	20%	1	2	3	4	5	5	
	CASH FLOW (2-YEAR AVERAGE)		>	15%	2	3	4	5	5	5	
	TO		>	10%	3	4	5	5	5	5	
	DEBT					5	5	5	_		
				>5%	4	5	•	•	5	5	
				>5% >0%	4 5	5	5	5	5 5	5 5	
						_	_	_	_		
<u>F2.</u>	UNRATED FINANCIAL INSTITUTION BORROWERS/GU	ARANTORS:		>0%	5	5	5	5	5	5	
<u>F2.</u>	UNRATED FINANCIAL INSTITUTION BORROWERS/GU TRANSACTION RISK INCREMENT:	ARANTORS:		>0%	5	5	5	5	5	5	
<u>F2.</u>		ARANTORS:		>0%	5 5	5	5	5	5	5 5	
<u>F2.</u>	TRANSACTION RISK INCREMENT:	ARANTORS:		>0%	5 5	5 5	5 5	5 5 ——————————————————————————————————	5 5 5	5 5 5	
<u>F2.</u>	TRANSACTION RISK INCREMENT: SHAREHOLDER'S EQUITY TO ASSETS	ARANTORS:		>0%	5 5 ——————————————————————————————————	5 5 2 >7%	5 5 ——————————————————————————————————	5 5 ——————————————————————————————————	5 5 5 	5 5 5 <4%	
<u>F2.</u>	TRANSACTION RISK INCREMENT: SHAREHOLDER'S EQUITY TO ASSETS NET INCOME TO ASSETS (2-YEAR AVERAGE)	<u>ARANTORS:</u>		>0%	5 5 1 >8% >2.5%	5 5 2 >7% >2.0%	5 5 3 >6% >1.5%	5 5 4 >5% >1.0%	5 5 5 	5 5 5 <4% <0.5%	
<u>F2.</u>	TRANSACTION RISK INCREMENT: SHAREHOLDER'S EQUITY TO ASSETS NET INCOME TO ASSETS (2-YEAR AVERAGE) BORROWED FUNDS TO NET LOANS	ARANTORS:		>0%	5 5 1 >8% >2.5% <40%	5 5 2 >7% >2.0% <60%	5 5 3 >6% >1.5% <80%	5 5 5 4 >5% >1.0% <100% >10%	5 5 5 >4% >0.5% <120%	5 5 5 <4% <0.5% >120%	

Effective:

10/01/1998

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