## EXPOSURE FEE ADVICE CHINA

## PRIVATE SECTOR CREDITS

EXPOSURE FEE LEVEL 2

A. SOVEREIGN (e.g., Finance Ministry Guarantee):	TRANSACTION RISK INCREMENT: See Public Sector Chart								art
B. POLITICAL ONLY COVER:		Т	RANSACTIO	ON RISK IN	CREMEN	IT: -1			
C1. BORROWERS/GUARANTORS with RATED/TRADE	D CROSS BORD	ER (HARD (	CURRENCY)	DEBTS:					
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	В-
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 (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-COUNTI	RY (LOCAL CUR	RENCY) RA	TINGS:						
TRANSACTION RISK INCREMENT:	4	4	4	4	ļ	4	4	5	5
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,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	IC B/C	IC C	C IC	C/D IC	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	BB-	B+,B	B-
D1. TRANSACTIONS OF \$10 MILLION OR LESS - FINA	NCIAL INSTITUT	IONS:		,	TRANSA	CTION RI	SK INCRE	MENT:	4
D2. TRANSACTIONS OF \$10 MILLION OR LESS - OTHE	ER THAN FINAN	CIAL INSTIT	UTIONS:	,	TRANSA	CTION RI	SK INCRE	MENT:	5
E. UNRATED LARGEST (PROFITABLE) FINANCIAL IN	ISTITUTION:			MAXIMUM	TRANSA	CTION RI	SK INCRE	MENT:	4
F1. UNRATED BORROWERS/GUARANTORS OTHER T	HAN FINANCIAL	INSTITUTIO	NS:						
DEBT TO TANGIBLE NET WORTH				<1X	<2X	<3X	<4X	<6X	>6X
			TRANSACTION RISK INCREMENT:						
		>	>25%	4	4	4	4	4	5
OPERATING		>	-20%	4	4	4	4	5	5
CASH FLOW (2-YEAR AVERAGE)		>	<b>-</b> 15%	4	4	4	5	5	5
` TO ´		>	<b>-</b> 10%	4	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	/GUARANTORS	<u>.</u>							
TRANSACTION RISK INCREMENT:				4	4	4	4	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 RISK INCRE	EMENT HAS BEE	N PRE-APPI	ROVED				Effec	tive: 05	/12/2008

## EXPOSURE FEE ADVICE CHINA

## **PUBLIC SECTOR CREDITS**

EXPOSURE FEE LEVEL 2

A. SOVEREIGN (e.g., Finance Ministry Guarantee):		Т	RANSACTIO	ON RISK I	NCREME	NT: C	)		
B. POLITICAL ONLY COVER:	TRANSACTION RISK INCREMENT: See Private				Sector Ch	art			
C1. BORROWERS/GUARANTORS with RATED/TRADED	CROSS BORDE	R (HARD C	URRENCY)	DEBTS:					
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+		BB-	B+,B	B-
LONG-TERM (Moody's)	Aa1,Aa2	A1,A2,A3	Baa1,Baa2	Baa	3 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	25	0	400	600	900	1500
SPREAD (bp) over LIBOR <	10	40	90	22	0	370	570	870	1470
C2. BORROWERS/GUARANTORS with INTRA-COUNTR	Y (LOCAL CURR	ENCY) RAT	ΓINGS:						
TRANSACTION RISK INCREMENT:	0	0	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	В-
LONG-TERM (Moody's)	Aa1,Aa2	A1,A2,A3	Baa1,Baa2	Baa	3 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	(	3	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 IC	D/E	IC E
INDIVIDUAL (IBCA)	A/B	В	B/C	(	0	C/D	D	D/E	Е
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 - FINAN	ICIAL INSTITUTIO	ONS:			*TRANSA	CTION R	ISK INCRE	MENT:	0
D2. TRANSACTIONS OF \$10 MILLION OR LESS - OTHE	R THAN FINANCI	AL INSTITU	UTIONS:		*TRANSA	CTION R	ISK INCRE	MENT:	1
E. UNRATED LARGEST (PROFITABLE) FINANCIAL INS	STITUTION:		r	MAXIMUM	TRANSA	CTION RI	SK INCRE	MENT:	1
F1. UNRATED BORROWERS/GUARANTORS OTHER TH		NSTITUTIO	NS.						
DEBT TO TANGIBLE NET WORTH	IAN I INANOIAL I	1101110110	<u></u>	<1X	<2X	<3X	<4X	<6X	>6X
DEBT TO TANGIBLE NET WORTH								>0/	
							ION RISK INCREMENT:		
ODEDATING			25%	1	1	2	3	4	5
OPERATING CASH FLOW			20%	1	2	3	4	5	5
(2-YEAR AVERAGE) TO			15%	2	3	4	5	5	5
DEBT			10%	3	4	5	5	5	5
			>5%	4	5	5	5	5	5
			>0%	5	5	5	5	5	5
EQ LINDATED FINANCIAL INSTITUTION DODDOWEDO			<0%	5	5	5	5	5	5
F2. UNRATED FINANCIAL INSTITUTION BORROWERS/	GUARANTORS:							_	_
TRANSACTION RISK INCREMENT:				1	2	3	4	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 RATIN	NG HAS BEEN PF	RE-APPROV	<b>VED</b>				Effective	: 05/	12/2008