## **EXPOSURE FEE ADVICE GERMANY**

## **PRIVATE SECTOR CREDITS**

EXPOSURE FEE LEVEL

	EXPOSU	INE FE	C LEVE														
A. SOVEREIGN (e.g., Finance Ministry Guarantee):	TRANSACT					TIO	TION RISK INCREMENT:					See Public Sector Chart					
B. POLITICAL ONLY COVER:	TRANSACT					TIO	ON RISK INCREMENT:				-1						
C1. BORROWERS/GUARANTORS with RATED/TRADE	D CROSS I	BORDE	ER (HAF	RD C	URREN	CY)	DEBTS	<u>:</u>									
TRANSACTION RISK INCREMENT:		0		1		2		3		4		5		5		5	
LONG-TERM (S&P, others)	AA+,AA,AA-		A+,/	۸,A-	BBB+,BBB		BBB-		BB+,BB		BB-		_	B+,B	-	B-	
LONG-TERM (Moody's)	Aa1,Aa2		A1,A2	2,A3	Baa1,Baa2		Baa3		Ва	1,Ba2		Ba3 B1,B2		B1,B2	В3		
SHORT-TERM (S&P, others)	A-1+			A-1	A	\-2	A-3		В					С			
SHORT-TERM (TBW)	TBW-1		TB	W-2	TBV	<b>V</b> -3	TBW-4										
SHORT-TERM (Moody's)				P-1	P-2		ı	P-3									
SPREAD (bp) over T-YIELD <	40			70	1	40	2	250		400		600		900	1	1500	
SPREAD (bp) over LIBOR <	10			40	90		220		370	370 570		870		1470			
C2. BORROWERS/GUARANTORS with INTRA-COUNTI	RY (LOCAL	CURE	RENCY)	RA	TINGS:												
TRANSACTION RISK INCREMENT:	0			1	2		3		3 4			5		5		5	
LONG-TERM (S&P, TBW)	AA+,AA,AA-		A+,A	٩,Α-	BBB+,BI	вв	B BBB-		- BB+,BB		BB-			B+,B		B-	
LONG-TERM (Moody's)	Aa1,Aa2		A1,A2	2,A3	Baa1,Ba	a2	Baa3		Ba1,Ba2		Ba3			B1,B2		ВЗ	
SHORT-TERM (S&P, others)	A-1+			A-1	A	۸-2	A-3		В		3		С				
SHORT-TERM (Moody's)				P-1	F	P-2	P-3		\$								
FINANCIAL STRENGTH (Moody's)		A/B		В	Е	3/C		С		C/D		D		D/E		Ε	
INTRA-COUNTRY ISSUER (TBW)	IC	A/B	IC	В	IC E	3/C	IC	С	IC	C/D	IC	D	IC	D/E	IC	Ε	
INDIVIDUAL (IBCA)		A/B		В	Е	3/C		С		C/D		D		D/E		Е	
INDIVIDUAL (Capital Intelligence)	AA+,A	A,AA-	A+,#	٩,Α-	BBB+,B	ВВ	BE	3B-	В	B+,BB		BB-		B+,B		B-	
D1. TRANSACTIONS OF \$10 MILLION OR LESS - FINA	NCIAL INS	<u>TITUTI</u>	ONS:					*T	RANS	SACTI	ON RIS	SK INC	REN	ЛENT:	0		
D2. TRANSACTIONS OF \$10 MILLION OR LESS - OTH	ER THAN F	INANC	IAL INS	STIT	UTIONS:	<u>.</u>		*T	RANS	SACTI	ON RIS	SK INC	CREN	ИENT:	1		
E. UNRATED LARGEST (PROFITABLE) FINANCIAL IN	ISTITUTION	<u>\:</u>				N	//AXIMU	мт	RANS	SACTI	ON RIS	SK INC	REN	MENT:	0		
F1. UNRATED BORROWERS/GUARANTORS OTHER T	HAN FINAN	ICIAL I	INSTITU	UTIO	)N												
DEBT TO TANGIBLE NET WORTH							<1X	(	<2	X	<3X	<4	1X	<6X	>	-6X	
									TRAN	ISACT	ION RI	ISK IN	CRE	MENT:			
				>	25%		2	2		2	3		4	5		5	
OPERATING				>	20%		2	2		3	4		5	5		5	
CASH FLOW (2-YEAR AVERAGE)				>	15%		3	3		4	5		5	5		5	
TO				>	10%		4	1		5	5		5	5		5	
DEBT				:	>5%		5	5		5	5		5	5		5	
				:	>0%		5	5		5	5		5	5		5	
					<0%		5	5		5	5		5	5		5	
F2. UNRATED FINANCIAL INSTITUTION BORROWERS	/GUARANT	ORS:															
TRANSACTION RISK INCREMENT:						_	2	2		3	4		5	5		5	
SHAREHOLDER'S EQUITY TO ASSETS							>8%	, D	>7%	6	>6%	>5	%	>4%	<	4%	
NET INCOME TO ASSETS (2-YEAR AVERAGE)							>2.5%	, )	>2.0%	/ <sub>0</sub> >	1.5%	>1.0	%	>0.5%	<0.	5%	
BORROWED FUNDS TO NET LOANS							<40%	ò	<60%	% <	<80%	<100	%	<120%	>12	0%	
LIQUID ASSETS TO ASSETS							>25%	ò	>20%	<b>%</b> >	15%	>10	%	>5%	<	5%	
RESERVES TO NON-PERFORMING ASSETS							>200%	;	>175%	% >1	150%	>12	25	>100	<10	0%	
* MAY NOT APPLY IF A TRANSACTION RISK INCRE	EMENT HAS	S <i>BEEI</i>	N PRE-/	APP	ROVED							Eff	ectiv	ve: 10/	01/19	98	

## EXPOSURE FEE ADVICE GERMANY

## **PUBLIC SECTOR CREDITS**

EXPOSURE FEE LEVEL 1

A. SOVEREIGN (e.g., Finance Ministry Guarantee):		NT: (	)						
B. POLITICAL ONLY COVER:	TRANSACTION TO THE PROPERTY OF	ON RISK II	NCREME	NT: Se	e Private	art			
C1. BORROWERS/GUARANTORS with RATED/TRADED	CROSS BORDI	ER (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+	-,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	3	В		С	
SHORT-TERM (TBW)	TBW-1	TBW-2	TBW-3	TBW-4	ŀ				
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-COUNTR	Y (LOCAL CURF	RENCY) RA	TINGS:						
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+	-,BB	BB-	B+,B	B-
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	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	: IC	C/D I	C D K	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 - FINAN	ICIAL INSTITUTI	ONS:		,	TRANSA	CTION R	ISK INCR	EMENT:	0
D2. TRANSACTIONS OF \$10 MILLION OR LESS - OTHE			IITIONS:				ISK INCR		1
		MAL INOTH							
E. UNRATED LARGEST (PROFITABLE) FINANCIAL INS	<u> </u>			MAXIMUM '	IRANSA	CHON RI	SK INCRE	:IVIEN I :	1
F1. UNRATED BORROWERS/GUARANTORS OTHER TH	IAN FINANCIAL	INSTITUTIO	<u>ON</u>						
DEBT TO TANGIBLE NET WORTH				<1X	<2X	<3X	<4X	<6X	>6X
					TRANS	ACTION I	RISK INCE		
		>	25%	2	2	3	4	5	5
OPERATING CASH FLOW		>	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/	GUARANTORS:								
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 A PRI VIE A TRANSACTION IORAG BATI	NO 1140 DEEN E	005 40000	W.ED				F664"	40	(04/4000

Effective:

10/01/1998

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