## **EXPOSURE FEE ADVICE KENYA**

## **PRIVATE SECTOR CREDITS**

EXPOSURE FEE LEVEL

	EXPOSURE FEI	LEVEL	Ü							
A. SOVEREIGN (e.g., Finance Ministry Guarantee):	TRANSACTION RISK INCREMENT:						See Public Sector Chart			
B. POLITICAL ONLY COVER:	TRANSACTION RISK INCREMENT: -1									
C1. BORROWERS/GUARANTORS with RATED/TRADED C	CROSS BORDER	(HARD CU	RRENCY) D	EBTS:						
TRANSACTION RISK INCREMENT:	0	0	0	(	)	0	0	0	0	
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,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 CURR	ENCY) RAT	INGS:							
TRANSACTION RISK INCREMENT:	0	0	0		<u> </u>	0	0	0	0	
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/C		C IC	C/D IC			IC E	
INDIVIDUAL (IBCA)	A/B	В	B/C	C		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 - FINAN	CIAL INSTITUT	ONS:			*TRANSAC	CTION RIS	K INCREM	ENT:	0	
D2. TRANSACTIONS OF \$10 MILLION OR LESS - OTHER	R THAN FINANC	IAL INSTIT	UTIONS:		*TRANSAC	CTION RIS	K INCREM	ENT:	0	
E. UNRATED LARGEST (PROFITABLE) FINANCIAL INS	TITUTION:			MAXIMUM	TRANSAC	TION RISH	( INCREME	ENT:	0	
F1. UNRATED BORROWERS/GUARANTORS OTHER THA	N FINANCIAL IN	ISTITUTION	<u>s</u>							
: DEBT TO TANGIBLE NET WORTH				<1X	<2X	<3X	<4X	<6X	>6X	
					TRANSA	ACTION RI	SK INCREI	MENT:		
		>	25%	0	0	0	0	0	0	
OPERATING		>	20%	0	0	0	0	0	0	
CASH FLOW (2-YEAR AVERAGE)		>	15%	0	0	0	0	0	0	
TO DEBT		>	10%	0	0	0	0	0	0	
DEBI			>5%	0	0	0	0	0	0	
			>0%	0	0	0	0	0	0	
			<0%	0	0	0	0	0	0	
F2. UNRATED FINANCIAL INSTITUTION BORROWERS/G	UARANTORS:									
TRANSACTION RISK INCREMENT:				0	0	0	0	0	0	
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	MENT HAS BE	EN PRE-AP	PROVED				Effec	tive: 07/	02/2004	

<sup>\*</sup> MAY NOT APPLY IF A TRANSACTION RISK INCREMENT HAS BEEN PRE-APPROVED

## EXPOSURE FEE ADVICE KENYA

## **PUBLIC SECTOR CREDITS**

EXPOSURE FEE LEVEL 6

A. SOVEREIGN (e.g., Finance Ministry Guarantee):		-	TRANSACTION TO THE PROPERTY OF	ON RISK I	NCREME	NT:	0		
B. POLITICAL ONLY COVER:	TRANSACTION RISK INCREM			NCREME	NT: S	See Private Sector Chart			
C1. BORROWERS/GUARANTORS with RATED/TRADED CI	ROSS BORDER	(HARD CU	RRENCY) DE	BTS:					
TRANSACTION RISK INCREMENT:	0	0	0	(	)	0	0	0	0
LONG-TERM (S&P, others)	AA+,AA,AA-	A+,A,A-	BBB+,BBB	BBB	- <del>-</del> BB+	,BB	BB-	B+,B	B-
LONG-TERM (Moody's)	Aa1,Aa2	A1,A2,A3	Baa1,Baa2	Baa	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					
SHORT-TERM (Moody's)		P-1	P-2	P-0	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 CURRI	ENCY) RAT	INGS:						
TRANSACTION RISK INCREMENT:	0	0	0	(	)	0	0	0	0
LONG-TERM (S&P, TBW)	AA+,AA,AA-	A+,A,A-	BBB+,BBB	BBB	- <u></u> - BB+	,BB	BB-	B+,B	B-
LONG-TERM (Moody's)	Aa1,Aa2	A1,A2,A3	Baa1,Baa2	Baa	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/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	(	;	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 - FINANCE	CIAL INSTITUTION	ONS:			*TRANSA(	CTION RI	SK INCREM	IENT:	0
D2. TRANSACTIONS OF \$10 MILLION OR LESS - OTHER	THAN FINANCI	AL INSTITU	JTIONS:		*TRANSA(	CTION RI	SK INCREM	IENT:	1
E. UNRATED LARGEST (PROFITABLE) FINANCIAL INST	TITUTION:		N	MAXIMUM <sup>-</sup>	TRANSAC	TION RIS	K INCREME	ENT:	1
F1. UNRATED BORROWERS/GUARANTORS OTHER THAN		STITI ITION							
:	T INANOIAL III	SIIIOIIOI	<u>s</u>						
DEBT TO TANGIBLE NET WORTH				<1X	<2X	<3X	<4X	<6X	>6X
		TRANSACTI				ACTION F	ON RISK INCREMENT:		
		>	25%	0	0	C	0	0	0
OPERATING		>	20%	0	0	C	0	0	0
CASH FLOW (2-YEAR AVERAGE)		>	15%	0	0	C	0	0	0
TO DEBT		>	10%	0	0	C	0	0	0
DEBI			>5%	0	0	C	0	0	0
			>0%	0	0	C	0	0	0
			<0%	0	0	C	0	0	0
F2. UNRATED FINANCIAL INSTITUTION BORROWERS/GU	ARANTORS:								
TRANSACTION RISK INCREMENT:				0	0		0	0	0
SHAREHOLDER'S EQUITY TO ASSETS				>8%	>7%	>6%	>5%	>4%	<4%
NET INCOME TO ASSETS (2-YEAR AVERAGE)				>2.5%	>2.0%	>1.5%		>0.5%	<0.5%
BORROWED FUNDS TO NET LOANS				<40%	<60%	<80%		<120%	>120%
LIQUID ASSETS TO ASSETS				>25%	>20%	>15%		>5%	<5%
RESERVES TO NON-PERFORMING ASSETS				>200%	>175%	>150%	>125%	>100%	<100%

Effective:

07/02/2004

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