EXPOSURE FEE ADVICE MALTA **PRIVATE SECTOR CREDITS**

2

EXPOSURE FEE LEVEL

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 CROSS BORDER (HARD CURRENCY) 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+,E	BB	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 (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
C2. BORROWERS/GUARANTORS with INTRA-COUN	TRY (LOCAL CURR	ENCY) RA	TINGS:						
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+,E	BB	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	E
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	С	C	/D	D	D/E	E
INDIVIDUAL (Capital Intelligence)	AA+,AA,AA-	A+,A,A-	BBB+,BBB	BBB-	BB+,E	BB	BB-	B+,B	B-
D1. TRANSACTIONS OF \$10 MILLION OR LESS - FIN	ANCIAL INSTITUTI	ONS:		*	TRANSAC	TION RI	SK INC	REMENT:	0
D2. TRANSACTIONS OF \$10 MILLION OR LESS - OT									
	HER I HAN FINANC	IAL INSTIT	<u>UTIONS:</u>	*'	TRANSAC	TION RI	SK INC	REMENT:	1
		IAL INSTIT							1 0
E. UNRATED LARGEST (PROFITABLE) FINANCIAL	INSTITUTION:			* Maximum					
E. UNRATED LARGEST (PROFITABLE) FINANCIAL F1. UNRATED BORROWERS/GUARANTORS OTHER	INSTITUTION:			MAXIMUM	TRANSAC	TION RI	SK INC	REMENT:	0
E. UNRATED LARGEST (PROFITABLE) FINANCIAL	INSTITUTION:				TRANSAC <2X	TION RI	SK INC <4	REMENT: IX <6X	
E. UNRATED LARGEST (PROFITABLE) FINANCIAL F1. UNRATED BORROWERS/GUARANTORS OTHER	INSTITUTION:	NSTITUTIC	<u>DNS</u>	MAXIMUM <1X	TRANSAC <2X TRANSA	TION RI <3X CTION R	SK INC <4	REMENT: IX <6X CREMENT:	0 >6X
E. UNRATED LARGEST (PROFITABLE) FINANCIAL F1. UNRATED BORROWERS/GUARANTORS OTHER DEBT TO TANGIBLE NET WORTH	INSTITUTION:	<u>NSTITUTIC</u> >	<u>DNS</u> 25%	MAXIMUM <1X 1	TRANSAC <2X TRANSA 1	TION RI <3X CTION R 2	SK INC <4	REMENT: IX <6X CREMENT: 3 4	0 >6X 5
E. UNRATED LARGEST (PROFITABLE) FINANCIAL F1. UNRATED BORROWERS/GUARANTORS OTHER DEBT TO TANGIBLE NET WORTH OPERATING CASH FLOW	INSTITUTION:	<u>NSTITUTIC</u> > >	<u>DNS</u> 25% 20%	MAXIMUM <1X 1 1	TRANSAC <2X TRANSA 1 2	TION RI <3X CTION R 2 3	SK INC <4	REMENT: IX <6X CREMENT: 3 4 4 5	0 >6X 5 5
E. UNRATED LARGEST (PROFITABLE) FINANCIAL F1. UNRATED BORROWERS/GUARANTORS OTHER DEBT TO TANGIBLE NET WORTH OPERATING CASH FLOW (2-YEAR AVERAGE)	INSTITUTION:	INSTITUTIC > > >	DNS 25% 20% 15%	MAXIMUM <1X 1 1 2	TRANSAC <2X TRANSA 1 2 3	CTION RIS <3X CTION R 2 3 4	SK INC <4	REMENT: 4X <6X CREMENT: 3 4 4 5 5 5	0 >6X 5 5 5
E. UNRATED LARGEST (PROFITABLE) FINANCIAL F1. UNRATED BORROWERS/GUARANTORS OTHER DEBT TO TANGIBLE NET WORTH OPERATING CASH FLOW	INSTITUTION:	<u>NSTITUTIC</u> > > > >	25% 20% 15% 10%	MAXIMUM <1X 1 1 2 3	TRANSAC <2X TRANSA 1 2 3 4	CTION RIS <3X CTION R 2 3 4 5	SK INC <4	REMENT: AX <6X CREMENT: 3 4 4 5 5 5 5 5	0 >6X 5 5 5 5 5
E. UNRATED LARGEST (PROFITABLE) FINANCIAL F1. UNRATED BORROWERS/GUARANTORS OTHER DEBT TO TANGIBLE NET WORTH OPERATING CASH FLOW (2-YEAR AVERAGE) TO	INSTITUTION:	NSTITUTIC > > >	25% 20% 15% 10% >5%	MAXIMUM <1X 1 1 2 3 4	TRANSAC <2X TRANSA 1 2 3 4 5	CTION RI <3X CTION R 2 3 4 5 5	SK INC <4	REMENT: AX <6X CREMENT: 3 4 4 5 5 5 5 5 5 5 5 5	0 >6X 5 5 5 5 5 5
E. UNRATED LARGEST (PROFITABLE) FINANCIAL F1. UNRATED BORROWERS/GUARANTORS OTHER DEBT TO TANGIBLE NET WORTH OPERATING CASH FLOW (2-YEAR AVERAGE) TO	INSTITUTION:	INSTITUTIC > > >	25% 20% 15% 10% >5%	MAXIMUM <1X 1 1 2 3	TRANSAC <2X TRANSA 1 2 3 4	CTION RIS <3X CTION R 2 3 4 5	SK INC <4	REMENT: AX <6X CREMENT: 3 4 4 5 5 5 5 5	0 >6X 5 5 5 5 5
E. UNRATED LARGEST (PROFITABLE) FINANCIAL F1. UNRATED BORROWERS/GUARANTORS OTHER DEBT TO TANGIBLE NET WORTH OPERATING CASH FLOW (2-YEAR AVERAGE) TO	INSTITUTION: THAN FINANCIAL I	INSTITUTIC > > >	25% 20% 15% 10% >5%	MAXIMUM <1X 1 1 2 3 4 5	TRANSAC <2X TRANSA 1 2 3 4 5 5	-TION RI <3X CTION R 2 3 4 5 5 5	SK INC <4	REMENT: AX <6X CREMENT: 3 4 4 5 5 5 5 5 5 5 5 5 5 5	0 >6X 5 5 5 5 5 5 5 5
E. UNRATED LARGEST (PROFITABLE) FINANCIAL F1. UNRATED BORROWERS/GUARANTORS OTHER DEBT TO TANGIBLE NET WORTH OPERATING CASH FLOW (2-YEAR AVERAGE) TO DEBT	INSTITUTION: THAN FINANCIAL I	INSTITUTIC > > >	25% 20% 15% 10% >5%	MAXIMUM <1X 1 1 2 3 4 5	TRANSAC <2X TRANSA 1 2 3 4 5 5	-TION RI <3X CTION R 2 3 4 5 5 5	SK INC <4	REMENT: AX <6X CREMENT: 3 4 4 5 5 5 5 5 5 5 5 5 5 5	0 >6X 5 5 5 5 5 5 5 5
E. UNRATED LARGEST (PROFITABLE) FINANCIAL F1. UNRATED BORROWERS/GUARANTORS OTHER DEBT TO TANGIBLE NET WORTH OPERATING CASH FLOW (2-YEAR AVERAGE) TO DEBT F2. UNRATED FINANCIAL INSTITUTION BORROWER TRANSACTION RISK INCREMENT:	INSTITUTION: THAN FINANCIAL I	INSTITUTIC > > >	25% 20% 15% 10% >5%	MAXIMUM <1X 1 1 2 3 4 5 5 5	TRANSAC <2X TRANSA 1 2 3 4 5 5 5 5 2	CTION RI <3X CTION R 2 3 4 5 5 5 5 3	SK INC <4	EREMENT: AX <6X CREMENT: 3 4 4 5 5 5 5 5 5 5 5 5 5 5 4 5 5 5 5	0 >6X 5 5 5 5 5 5 5 5 5 5
E. UNRATED LARGEST (PROFITABLE) FINANCIAL F1. UNRATED BORROWERS/GUARANTORS OTHER DEBT TO TANGIBLE NET WORTH OPERATING CASH FLOW (2-YEAR AVERAGE) TO DEBT F2. UNRATED FINANCIAL INSTITUTION BORROWER TRANSACTION RISK INCREMENT: SHAREHOLDER'S EQUITY TO ASSETS	INSTITUTION: THAN FINANCIAL I	INSTITUTIC > > >	25% 20% 15% 10% >5% >0%	MAXIMUM <1X 1 1 2 3 4 5 5 5 	<pre>TRANSAC <2X TRANSA 1 2 3 4 5 5 5 5 2 2 >7%</pre>	CTION RI <3X CTION R 2 3 4 5 5 5 5 5 3 3 >6%	SK INC <4 :ISK IN4 	$\begin{array}{r} \text{REMENT:} \\ 4 \\ \text{CREMENT:} \\ 3 \\ 4 \\ 5 \\ 5 \\ 5 \\ 5 \\ 5 \\ 5 \\ 5 \\ 5 \\ 5$	0 >6X 5 5 5 5 5 5 5 5 5 5 5 5
E. UNRATED LARGEST (PROFITABLE) FINANCIAL F1. UNRATED BORROWERS/GUARANTORS OTHER DEBT TO TANGIBLE NET WORTH OPERATING CASH FLOW (2-YEAR AVERAGE) TO DEBT F2. UNRATED FINANCIAL INSTITUTION BORROWER TRANSACTION RISK INCREMENT:	INSTITUTION: THAN FINANCIAL I	INSTITUTIC > > >	25% 20% 15% 10% >5% >0%	MAXIMUM <1X 1 1 2 3 4 5 5 5	TRANSAC <2X TRANSA 1 2 3 4 5 5 5 5 2	CTION RI <3X CTION R 2 3 4 5 5 5 5 3 2 6% >1.5%	SK INC <4	$\begin{array}{r} \text{REMENT:} \\ 4X & < 6X \\ \text{CREMENT:} \\ 3 & 4 \\ 4 & 5 \\ 5 & 5 \\ 6 & 5 \\ 6 & 5 \\ 6 & 5 \\ 6 & 5 \\ 6 & 5 \\ 7 & 5 \\ $	0 >6X 5 5 5 5 5 5 5 5 5 5
E. UNRATED LARGEST (PROFITABLE) FINANCIAL F1. UNRATED BORROWERS/GUARANTORS OTHER DEBT TO TANGIBLE NET WORTH OPERATING CASH FLOW (2-YEAR AVERAGE) TO DEBT F2. UNRATED FINANCIAL INSTITUTION BORROWER TRANSACTION RISK INCREMENT: SHAREHOLDER'S EQUITY TO ASSETS NET INCOME TO ASSETS (2-YEAR AVERAGE)	INSTITUTION: THAN FINANCIAL I	INSTITUTIC > > >	25% 20% 15% 10% >5% >0%	MAXIMUM <1X 1 1 2 3 4 5 5 - 1 - - - - - - - - - - - - -	<pre>TRANSAC <2X TRANSA 1 2 3 4 5 5 5 5 2 2 >7% >2.0%</pre>	CTION RI <3X CTION R 2 3 4 5 5 5 5 5 3 3 >6%	SK INC <4 SISK IN >5 >1.0	REMENT: 4 5 6 4 7 8 <	0 >6X 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5

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

Effective: 01/28/2005

EXPOSURE FEE ADVICE

MALTA

PUBLIC SECTOR CREDITS

EXPOSURE FEE LEVEL 2

A. SOVEREIGN (e.g., Finance Ministry Guarantee):

TRANSACTION RISK INCREMENT: 0

B POLITICAL ONLY COVER

```
TRANSACTION RISK INCREMENT: See Private Sector Chart
```

B. POLITICAL ONLY COVER:		TRANSACTION RISK INCREMENT:					See Private Sector Chart			
C1. BORROWERS/GUARANTORS with RATED/TRAD	ED CROSS BORD	<u>ER (HARD (</u>	CURRENCY	<u>) DEBTS:</u>						
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	B Ba1,E	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) 4	400	600	900	1500	
SPREAD (bp) over LIBOR <	10	40	90	220) ;	370	570	870	1470	
C2. BORROWERS/GUARANTORS with INTRA-COUN	TRY (LOCAL CURF	RENCY) RA	TINGS:							
TRANSACTION RISK INCREMENT:	0	0	1	2	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	B Ba1,E	Ba2	Ba3	B1,B2	B3	
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	E	
INTRA-COUNTRY ISSUER (TBW)	IC A/B	IC B	IC B/C	IC C	C IC	C/D IC		C D/E	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 - FIN	ANCIAL INSTITUTI	ONS:		ł	TRANSA	CTION R	ISK INCRE	EMENT:	0	
D2. TRANSACTIONS OF \$10 MILLION OR LESS - OT	HER THAN FINANC	IAL INSTIT	UTIONS:	ŕ	TRANSA	CTION R	ISK INCRE	EMENT:	1	
E. UNRATED LARGEST (PROFITABLE) FINANCIAL	INSTITUTION:			MAXIMUM	TRANSAC	CTION RI	SK INCRE	MENT:	1	
F1. UNRATED BORROWERS/GUARANTORS OTHER	THAN FINANCIAL	INSTITUTIO	DNS							
DEBT TO TANGIBLE NET WORTH				<1X	<2X	<3X	<4X	<6X	>6X	
		TRA			TRANS	ACTION F	CTION RISK INCREMENT:			
		>	25%	1	1	2	3	4	5	
		>	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%	4	5	5	5	5	5	
			>0%	5	5	5	5	5	5	
			<0%	5	5	5	5	5	5	
F2. UNRATED FINANCIAL INSTITUTION BORROWER	RS/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 RATING HAS BEEN PRE-APPROVED

Effective: 01/28/2005