# EXPOSURE FEE ADVICE PAKISTAN PRIVATE SECTOR CREDITS

EXPOSURE FEE LEVEL 6

	EXPOSURE FE	E LEVEL	6								
A. SOVEREIGN (e.g., Finance Ministry Guarantee):		т	RANSACTI	ON RISK IN		T: See	e Public S	Sector Cha	art		
B. POLITICAL ONLY COVER:	TRANSACTION RISK INCREMENT:			T: -1							
C1. BORROWERS/GUARANTORS with RATED/TRADED CROSS BORDER (HARD CURRENCY) DEBTS:											
TRANSACTION RISK INCREMENT:	0	0	0	C	)	0	0	0	1		
LONG-TERM (S&P, others)	AA+,AA,AA-	A+,A,A-	BBB+,BBB	BBB	- BB+,I	3B	BB-	B+,B	B-		
LONG-TERM (Moody's)	Aa1,Aa2	A1,A2,A3	Baa1,Baa2	Baa3	B Ba1,B	a2	Ba3	B1,B2	B3		
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	00	600	900	1500		
SPREAD (bp) over LIBOR <	10	40	90	220	) 3	70	570	870	1470		
C2. BORROWERS/GUARANTORS with INTRA-COUNTRY (LOCAL CURRENCY) RATINGS:											
TRANSACTION RISK INCREMENT:	0	0	0	(	)	0	0	0	1		
LONG-TERM (S&P, TBW)	AA+,AA,AA-	A+,A,A-	BBB+,BBB	BBB	BB+,I	3B	BB-	B+,B	В-		
LONG-TERM (Moody's)	Aa1,Aa2	A1,A2,A3	Baa1,Baa2	Baa3	B Ba1,B	a2	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	; с	:/D	D	D/E	E		
INTRA-COUNTRY ISSUER (TBW)	IC A/B	IC B	IC B/C	IC C		C/D IC	D IC	D/E	IC E		
INDIVIDUAL (IBCA)	A/B	В	B/C	С	; с	/D	D	D/E	E		
INDIVIDUAL (Capital Intelligence)	AA+,AA,AA-	A+,A,A-	BBB+,BBB	BBB	BB+,I	ЗB	BB-	B+,B	В-		
D1. TRANSACTIONS OF \$10 MILLION OR LESS - FINAM	NCIAL INSTITUTI	ONS:		÷	TRANSAC	TION RI	SK INCRE	EMENT:	0		
D2. TRANSACTIONS OF \$10 MILLION OR LESS - OTHER THAN FINANCIAL INSTITUTIONS: *TRANSACTION RISK INCREMENT:							EMENT:	1			
E. UNRATED LARGEST (PROFITABLE) FINANCIAL INSTITUTION: MAXIMUM TRANSACTION RISK INCREMENT:						EMENT:	0				
F1. UNRATED BORROWERS/GUARANTORS OTHER TI		NETITUTIO	MS								
DEBT TO TANGIBLE NET WORTH				<1X	<2X	<3X	<4X	<6X	. CV		
DEBT TO TANGIBLE NET WORTH				<17		-		-	>6X		
				_			ISK INCR		_		
OPERATING			25%	0	0	0			0		
CASH FLOW			20%	0	0	0	0	0	1		
(2-YEAR AVERAGE) TO			15% 10%	0 0	0 0	0 0	0	1	1		
DEBT			>5%	0	0	1	1	1	1 1		
			>0%	0	1	1	1	1	1		
			<0%	9 1	1	1	1	1	1		
F2. UNRATED FINANCIAL INSTITUTION BORROWERS					-			-			
TRANSACTION RISK INCREMENT:				0	0	0	0	0	1		
SHAREHOLDER'S EQUITY TO ASSETS				>8%		>6%	 >5%	>4%	<4%		
NET INCOME TO ASSETS (2-YEAR AVERAGE)				>8% >2.5%	>7% >2.0%	>0% >1.5%	>5% >1.0%	>4% >0.5%	<4% <0.5%		
BORROWED FUNDS TO NET LOANS				~2.5 <i>%</i>	<60%	<80%	<100%	<120%	<0.3 <i>%</i>		
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 INCREMENT HAS BEEN PRE-APPROVED

Effective: 05/15/2007

EXPOSURE FEE ADVICE

## PAKISTAN

#### PUBLIC SECTOR CREDITS

EXPOSURE FEE LEVEL 6

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

#### TRANSACTION RISK INCREMENT:

0

B. POLITICAL ONLY COVER:		٦	RANSACTIO	ON RISK II	NCREME	NT: Se	e Private	Sector Ch	art
C1. BORROWERS/GUARANTORS with RATED/TRAD	ED CROSS BORD	<u>ER (HARD (</u>	URRENCY)	DEBTS:					
TRANSACTION RISK INCREMENT:	0	0	0	(	D	0	0	0	1
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	Baa	B Ba1,	Ba2	Ba3	B1,B2	B3
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	1				
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-COUN	TRY (LOCAL CURF	RENCY) RA	TINGS:						
TRANSACTION RISK INCREMENT:	0	0	0	(	)	0	0	0	1
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	Baa	B Ba1,	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 IC	C/D IC		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 - FINANCIAL INSTITUTIONS: *TRANSACTION RISK INCREMENT:								EMENT:	0
D2. TRANSACTIONS OF \$10 MILLION OR LESS - OT	HER THAN FINANC	IAL INSTIT	UTIONS:		*TRANSA	CTION R	SK INCRE	MENT:	1
E. UNRATED LARGEST (PROFITABLE) FINANCIAL	INSTITUTION		Ν	MAXIMUM	TRANSA	CTION RI	SK INCRE	MENT	1
						ononna			·
F1. UNRATED BORROWERS/GUARANTORS OTHER	THAN FINANCIAL	INSTITUTIC	<u> </u>						
DEBT TO TANGIBLE NET WORTH				<1X	<2X	<3X	<4X	<6X	>6X
				TRANSACTION RISK INCREMENT:					
		>	25%	0	0	0	0	0	0
OPERATING		>	20%	0	0	0	0	0	1
CASH FLOW (2-YEAR AVERAGE) TO DEBT		>	15%	0	0	0	0	1	1
		>	10%	0	0	0	1	1	1
			>5%	0	0	1	1	1	1
			>0%	0	1	1	1	1	1
			<0%	1	1	1	1	1	1
F2. UNRATED FINANCIAL INSTITUTION BORROWER	S/GUARANTORS:								
TRANSACTION RISK INCREMENT:				0	0	0	0	0	1
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

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