EXPOSURE FEE ADVICE PHILIPPINES

PRIVATE SECTOR CREDITS

EXPOSURE FEE LEVEL 4

| A. SOVEREIGN (e.g., Finance Ministry Guarantee): | TRANSACTION RISK INCREMENT: S | | | | | IT: Se | See Public Sector Chart | | | |
|---|-------------------------------|-------------|-----------|------------------------------|---------------|---------------|-------------------------|-------------|----------------|--|
| B. POLITICAL ONLY COVER: | | Т | RANSACTI | ON RISK IN | CREMEN | IT: -1 | | | | |
| C1. BORROWERS/GUARANTORS with RATED/TRADE | D CROSS BORD | ER (HARD C | URRENCY |) DEBTS: | | | | | | |
| TRANSACTION RISK INCREMENT: | 0 | 0 | 0 | (|) | 0 | 1 | 2 | 3 | |
| LONG-TERM (S&P, others) | AA+,AA,AA- | A+,A,A- | BBB+,BBB | BBB- | - 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-COUNTR | RY (LOCAL CURF | RENCY) RAT | TINGS: | | | | | | | |
| TRANSACTION RISK INCREMENT: | 0 | 0 | 0 | C |) | 0 | 1 | 2 | 3 | |
| 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 | 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 - FINAL | NCIAL INSTITUTI | ONS: | | , | TRANSA | CTION RI | SK INCRE | EMENT: | 0 | |
| D2. TRANSACTIONS OF \$10 MILLION OR LESS - OTHE | R THAN FINANC | IAL INSTIT | UTIONS: | , | TRANSA | CTION RI | SK INCRE | EMENT: | 1 | |
| E. UNRATED LARGEST (PROFITABLE) FINANCIAL IN | STITUTION: | | | MAXIMUM | TRANSA | CTION RI | SK INCRE | EMENT: | 0 | |
| F1. UNRATED BORROWERS/GUARANTORS OTHER TO | | INSTITLITIO | MS: | | | | | | | |
| | HAN FINANCIAL | INSTITUTIO | <u> </u> | 4V | οV | .0.V | .47 | ·CV | CV | |
| DEBT TO TANGIBLE NET WORTH | | | | <1X | <2X | <3X | <4X | <6X | >6X | |
| | | TRANSACT | | | | ACTION R | ION RISK INCREMENT: | | | |
| | | > | 25% | 0 | 0 | 0 | 0 | 1 | 2 | |
| OPERATING CASH FLOW | | | 20% | 0 | 0 | 0 | 1 | 2 | 3 | |
| (2-YEAR AVERAGE) TO DEBT | | >15% | | 0 | 0 | 1 | 2 | 3 | 3 | |
| | | >10% | | 0 | 1 | 2 | 3 | 3 | 3 | |
| | | | >5% | 1 | 2 | 3 | 3 | 3 | 3 | |
| | | | >0% | 2 | 3 | 3 | 3 | 3 | 3 | |
| | /OA.D.A.N.T.O.D.O. | | <0% | 3 | 3 | 3 | 3 | 3 | 3 | |
| F2. UNRATED FINANCIAL INSTITUTION BORROWERS | <u>/GUARANTORS:</u> | | | 0 | 0 | 0 | | 0 | 0 | |
| TRANSACTION RISK INCREMENT: | | | | 0 | 0 | 0 | 1 | 2 | 3 | |
| 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 RESERVES TO NON-PERFORMING ASSETS | | | | >25% >200% | >20% >175% | >15% >150% | >10% >125 | >5% >100 | <5% <100% | |
| REDERVED TO NON-FERT ORIVING ASSETS | | | | ~∠ ∪∪ ⁷ /0 | /1/37/0 | ×100% | 2120 | >100 | ~100 70 | |
| * MAY NOT APPLY IF A TRANSACTION RISK INCRE | MENT HAS BEEI | N PRE-APP | ROVED | | | | Effec | tive: 04 | /25/2008 | |

EXPOSURE FEE ADVICE PHILIPPINES

PUBLIC SECTOR CREDITS

EXPOSURE FEE LEVEL 4

| 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 | | | | | Sector Ch | art | | |
| C1. BORROWERS/GUARANTORS with RATED/TRADED | CROSS BORDE | R (HARD C | URRENCY) | DEBTS: | | | | | |
| TRANSACTION RISK INCREMENT: | 0 | 0 | 0 | | 0 | 0 | 1 | 2 | 3 |
| LONG-TERM (S&P, others) | AA+,AA,AA- | A+,A,A- | BBB+,BBB | BBB | - 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 (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 | 0 | | 0 | 0 | 1 | 2 | 3 |
| LONG-TERM (S&P, TBW) | AA+,AA,AA- | A+,A,A- | BBB+,BBB | BBB | - 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 | (| | 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 - FINAN | ICIAL INSTITUTION | ONS: | | | *TRANSA | CTION R | ISK INCRE | MENT: | 0 |
| D2. TRANSACTIONS OF \$10 MILLION OR LESS - OTHE | R THAN FINANC | IAL INSTITI | JTIONS: | | *TRANSA | CTION R | ISK INCRE | MENT: | 1 |
| E. UNRATED LARGEST (PROFITABLE) FINANCIAL INS | STITUTION | | | MIMIXAN | TRANSA | CTION RI | SK INCREI | MENT. | 1 |
| F1. UNRATED BORROWERS/GUARANTORS OTHER TH | | NETITUTIO | | VIII O CIIVI O IVI | 110,110,10 | o non na | or ii tore | VILIVI. | ' |
| | IAN FINANCIAL I | NSTITUTIO | <u> </u> | 437 | O.V. | 0)/ | 437 | 0)/ | >6X |
| DEBT TO TANGIBLE NET WORTH | | <1X <2X | | | <3X | | | | |
| | | TRANSACT | | | | ACTION F | ION RISK INCREMENT: | | |
| | | > | 25% | 0 | 0 | 0 | 0 | 1 | 2 |
| OPERATING CASH FLOW | | > | 20% | 0 | 0 | 0 | 1 | 2 | 3 |
| (2-YEAR AVERAGE) | | > | 15% | 0 | 0 | 1 | 2 | 3 | 3 |
| TO DEBT | | > | 10% | 0 | 1 | 2 | 3 | 3 | 3 |
| DEB1 | | | >5% | 1 | 2 | 3 | 3 | 3 | 3 |
| | | | >0% | 2 | 3 | 3 | 3 | 3 | 3 |
| | | | <0% | 3 | 3 | 3 | 3 | 3 | 3 |
| F2. UNRATED FINANCIAL INSTITUTION BORROWERS/ | GUARANTORS: | | | | | | | | |
| TRANSACTION RISK INCREMENT: | | | | 0 | 0 | 0 | 1 | 2 | 3 |
| 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-APPRO\ | /ED | | | | Effective | : 04/ | 25/2008 |