EXPOSURE FEE ADVICE SERBIA PRIVATE SECTOR CREDITS

EXPOSURE FEE LEVEL 7

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

TRANSACTION RISK INCREMENT: See Public

See Public Sector Chart

B. POLITICAL ONLY COVER:

TRANSACTION RISK INCREMENT: -1

C1. BORROWERS/GUARANTORS with RATED/TRADED CROSS BORDER (HARD CURRENCY) DEBTS:

| CT. BURROWERS/GUARANTURS WITH RATED/TRADE | | | | | | | | | | | |
|---|------------|---------|------------|---------------------------------|--------------------------------|---|--|-----------------------|---|--------------------|--|
| TRANSACTION RISK INCREMENT: | | 0 | 0 | 0 | 0 |) | 0 | 0 | 0 | | 1 |
| LONG-TERM (S&P, others) | AA+,A | A,AA- | A+,A,A- | BBB+,BBB | BBB- | BB+, | BB | BB- | B+,B | | B- |
| LONG-TERM (Moody's) | Aa | 1,Aa2 | A1,A2,A3 | Baa1,Baa2 | Baa3 | Ba1,E | Ba2 | Ba3 | B1,B2 | | B3 |
| SHORT-TERM (S&P, others) | | A-1+ | A-1 | A-2 | A-3 | | В | | С | | |
| SHORT-TERM (TBW) | т | BW-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 | 4 | 400 | 600 | 900 | 1 | 500 |
| SPREAD (bp) over LIBOR < | | 10 | 40 | 90 | 220 | 3 | 370 | 570 | 870 | 1 | 470 |
| C2. BORROWERS/GUARANTORS with INTRA-COUNT | RY (LOCAL | CURR | ENCY) RAT | TINGS: | | | | | | | |
| TRANSACTION RISK INCREMENT: | 0 | | 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 | Baa3 | Ba1,E | Ba2 | Ba3 | B1,B2 | | B3 |
| 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 | 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 | Е |
| INDIVIDUAL (IBCA) | | A/B | В | B/C | С | C | C/D | D | D/E | | Е |
| INDIVIDUAL (Capital Intelligence) | AA+,A | A,AA- | A+,A,A- | BBB+,BBB | BBB- | BB+, | BB | BB- | B+,B | | B- |
| D1. TRANSACTIONS OF \$10 MILLION OR LESS - FINA | NCIAL INS | ΓΙΤυτια | ONS: | | * | TRANSA | CTION RI | SK INC | REMENT: | 0 | |
| D2. TRANSACTIONS OF \$10 MILLION OR LESS - OTH | ER THAN F | | AL INSTITU | JTIONS: | * | TRANSA | CTION RI | SK INC | REMENT: | 1 | |
| E. UNRATED LARGEST (PROFITABLE) FINANCIAL II | ISTITUTION | l: | | | MAXIMUM | TRANSA | CTION RI | SK INC | REMENT: | 0 | |
| F1. UNRATED BORROWERS/GUARANTORS OTHER 1 | HAN FINAN | ICIAL I | NSTITUTIO | NS: | | | | | | | |
| DEBT TO TANGIBLE NET WORTH | | | | | | | | | | | |
| | | | | | <1X | <2X | <3X | <4 | 4X <6X | > | •6X |
| | | | | | <1X | <2X TRANSA | | | IX <6X | > | •6X |
| | | | | 0.50/ | | TRANSA | CTION R | | CREMENT: | > | - |
| OPERATING | | | | 25% | 0 | TRANSA 0 | ACTION R | | CREMENT: 0 0 | > | 0 |
| OPERATING CASH FLOW | | | > | 20% | 0 0 | TRANSA 0 0 | ACTION R 0 0 | | CREMENT: 0 0 0 0 | > | 0 1 |
| CASH FLOW (2-YEAR AVERAGE) | | | > | 20% 15% | 0 0 0 | TRANSA 0 0 0 | ACTION R 0 0 0 | | CREMENT: 0 0 0 0 0 1 | > | 0 1 1 |
| CASH FLOW | | | > > | 20% 15% 10% | 0 0 0 | TRANSA 0 0 0 0 | ACTION R 0 0 0 0 | | CREMENT: 0 0 0 0 0 1 1 1 | > | 0 1 1 1 |
| CASH FLOW (2-YEAR AVERAGE) TO | | | > > | 20% 15% 10% >5% | 0 0 0 0 | TRANSA 0 0 0 0 0 | ACTION R 0 0 0 0 1 | | CREMENT: 0 0 0 0 0 1 1 1 1 1 | > | 0 1 1 1 1 |
| CASH FLOW (2-YEAR AVERAGE) TO | | | > > | 20% 15% 10% >5% >0% | 0 0 0 | TRANSA 0 0 0 0 | ACTION R 0 0 0 0 | | CREMENT: 0 0 0 0 1 1 1 1 1 1 | > | 0 1 1 1 |
| CASH FLOW (2-YEAR AVERAGE) TO DEBT | /GUAR ANT | ORS: | > > | 20% 15% 10% >5% | 0 0 0 0 0 | TRANSA 0 0 0 0 0 1 | ACTION R 0 0 0 1 1 | | CREMENT: 0 0 0 0 0 1 1 1 1 1 | > | 0 1 1 1 1 1 |
| CASH FLOW (2-YEAR AVERAGE) TO DEBT F2. UNRATED FINANCIAL INSTITUTION BORROWERS | /GUARANT | ORS: | > > | 20% 15% 10% >5% >0% | 0 0 0 0 0 1 | TRANSA 0 0 0 0 1 1 | ACTION R 0 0 0 1 1 1 | | CREMENT: 0 0 0 0 1 1 1 1 1 1 1 1 1 1 | > | 0 1 1 1 1 1 |
| CASH FLOW (2-YEAR AVERAGE) TO DEBT F2. UNRATED FINANCIAL INSTITUTION BORROWERS TRANSACTION RISK INCREMENT: | /GUARANT | ORS: | > > | 20% 15% 10% >5% >0% | 0 0 0 0 0 1 | TRANSA 0 0 0 0 1 1 1 | ACTION R 0 0 0 1 1 1 1 0 | | CREMENT: 0 0 0 0 1 1 1 1 1 1 1 1 0 0 0 0 | | 0 1 1 1 1 1 1 |
| CASH FLOW (2-YEAR AVERAGE) TO DEBT F2. UNRATED FINANCIAL INSTITUTION BORROWERS TRANSACTION RISK INCREMENT: SHAREHOLDER'S EQUITY TO ASSETS | /GUARANT | ORS: | > > | 20% 15% 10% >5% >0% | 0 0 0 0 0 1 | TRANSA 0 0 0 0 1 1 1 2 7% | ACTION R 0 0 0 1 1 1 1 1 0 2 6% | | $ \begin{array}{c} \text{CREMENT:} \\ 0 & 0 \\ 0 & 0 \\ 1 & 1 \\ 1 & 1 \\ 1 & 1 \\ 1 & 1 \\ 0 \\ 0 \\ \% & >4\% \end{array} $ | | 0 1 1 1 1 1 1 1 1 4% |
| CASH FLOW (2-YEAR AVERAGE) TO DEBT F2. UNRATED FINANCIAL INSTITUTION BORROWERS TRANSACTION RISK INCREMENT: SHAREHOLDER'S EQUITY TO ASSETS NET INCOME TO ASSETS (2-YEAR AVERAGE) | GUARANT | ORS: | > > | 20% 15% 10% >5% >0% | 0 0 0 0 0 1 | TRANSA 0 0 0 0 1 1 1 2 0 >7% >2.0% | ACTION R 0 0 0 1 1 1 1 1 1 0 0 >6% >1.5% | | CREMENT: 0 0 0 0 1 1 1 1 1 1 1 1 1 1 0 0 $\frac{0}{\%} - \frac{0}{>4\%}$ >0.5% | <0.5 | 0 1 1 1 1 1 1 1 1 4% |
| CASH FLOW (2-YEAR AVERAGE) TO DEBT F2. UNRATED FINANCIAL INSTITUTION BORROWERS TRANSACTION RISK INCREMENT: SHAREHOLDER'S EQUITY TO ASSETS NET INCOME TO ASSETS (2-YEAR AVERAGE) BORROWED FUNDS TO NET LOANS | /GUARANT | ORS: | > > | 20% 15% 10% >5% >0% | 0 0 0 0 1 1 | TRANSA 0 0 0 0 1 1 1 2 0 >7% >2.0% <60% | ACTION R 0 0 0 0 1 1 1 1 1 1 2 0 >6% >1.5% <80% | SISK IN/ >5 >1.0 <100 | CREMENT: 0 0 0 0 1 1 1 1 1 1 1 1 1 1 0 0 % >4% % >0.5% % <120% | <2 <0.5 >120 | 0 1 1 1 1 1 1 1 1 4% 5% 0% |
| CASH FLOW (2-YEAR AVERAGE) TO DEBT F2. UNRATED FINANCIAL INSTITUTION BORROWERS TRANSACTION RISK INCREMENT: SHAREHOLDER'S EQUITY TO ASSETS NET INCOME TO ASSETS (2-YEAR AVERAGE) | GUARANT | ORS: | > > | 20% 15% 10% >5% >0% | 0 0 0 0 0 1 | TRANSA 0 0 0 0 1 1 1 2 0 >7% >2.0% | ACTION R 0 0 0 1 1 1 1 1 1 0 0 >6% >1.5% | | $\begin{array}{c} \text{CREMENT:} \\ 0 & 0 \\ 0 & 0 \\ 1 & 1 \\ 1 & 1 \\ 1 & 1 \\ 1 & 1 \\ 1 & 1 \\ 1 & 1 \\ 0 \\ \hline 0 \\ \hline$ | <2 <0.5 >120 | 0 1 1 1 1 1 1 1 1 1 4% 5% 0% 5% |

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

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EXPOSURE FEE ADVICE SERBIA

PUBLIC SECTOR CREDITS

EXPOSURE FEE LEVEL 7

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

TRANSACTION RISK INCREMENT:

0

| B. POLITICAL ONLY COVER: | TRANSACTION RISK INCREMENT: | | | | | See Private Sector Chart | | | |
|---|-----------------------------|-------------|-----------|-----------------------------|---------|--------------------------|----------|--------|-------|
| C1. BORROWERS/GUARANTORS with RATED/TRAD | ED CROSS BORDE | R (HARD C | URRENCY) | DEBTS: | | | | | |
| TRANSACTION RISK INCREMENT: | 0 | 0 | 0 | (|) | 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 | 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-COUNT | RY (LOCAL CURR | ENCY) RAT | 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 | В- |
| LONG-TERM (Moody's) | Aa1,Aa2 | A1,A2,A3 | Baa1,Baa2 | Baa2 Baa3 | | Ba1,Ba2 | | 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 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 - FINA | ANCIAL INSTITUTIO | ONS: | | | *TRANSA | CTION RI | SK INCRE | EMENT: | 0 |
| D2. TRANSACTIONS OF \$10 MILLION OR LESS - OTH | IER THAN FINANC | IAL INSTITU | JTIONS: | | *TRANSA | CTION RI | SK INCRE | EMENT: | 1 |
| E. UNRATED LARGEST (PROFITABLE) FINANCIAL I | NSTITUTION: | | Ν | MAXIMUM | TRANSAG | CTION RIS | SK INCRE | MENT: | 1 |
| F1. UNRATED BORROWERS/GUARANTORS OTHER | THAN FINANCIAL I | NSTITUTIO | NS: | | | | | | |
| 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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