EXPOSURE FEE ADVICE

SPAIN

PRIVATE SECTOR CREDITS

EXPOSURE FEE LEVEL 1

	EXPOSURE FEE	LEVEL	1						
A. SOVEREIGN (e.g., Finance Ministry Guarantee):		т	RANSACTIC	N RISK IN	CREMEN	Г: Se	e Public :	Sector C	hart
B. POLITICAL ONLY COVER:	TRANSACTION RISK INCREMENT:				Г: -1	-1			
C1. BORROWERS/GUARANTORS with RATED/TRADED C	ROSS BORDER	(HARD CUI	RRENCY) DE	BTS:					
TRANSACTION RISK INCREMENT:	0	1	2	3		4	5	5	5
LONG-TERM (S&P, others)	AA+,AA,AA-	A+,A,A-	BBB+,BBB	BBB-	BB+,E	3B	BB-	B+,B	B-
LONG-TERM (Moody's)	Aa1,Aa2	A1,A2,A3	Baa1,Baa2	Baa3	Ba1,B	a2	Ba3	B1,B2	B3
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	4	00	600	900	1500
SPREAD (bp) over LIBOR <	10	40	90	220	3	70	570	870	1470
C2. BORROWERS/GUARANTORS with INTRA-COUNTRY		ENCY) RAT	INGS:						
TRANSACTION RISK INCREMENT:	0	1	2	3		4	5	5	5
LONG-TERM (S&P, TBW)	AA+,AA,AA-	A+,A,A-	BBB+,BBB	BBB-	BB+,E	ЗB	BB-	B+,B	B-
LONG-TERM (Moody's)	Aa1,Aa2	A1,A2,A3	Baa1,Baa2	Baa3	Ba1,B	a2	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	/D	D	D/E	E
INTRA-COUNTRY ISSUER (TBW)	IC A/B	IC B	IC B/C	IC (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+,E	3B	BB-	B+,B	В-
D1. TRANSACTIONS OF \$10 MILLION OR LESS - FINAN	CIAL INSTITUTIO	ONS:		*	TRANSAC	TION RIS	K INCREMI	ENT:	0
D2. TRANSACTIONS OF \$10 MILLION OR LESS - OTHER		AL INSTITU	JTIONS:	*	TRANSAC	TION RIS	K INCREMI	ENT:	1
E. UNRATED LARGEST (PROFITABLE) FINANCIAL INS	TITUTION:		Ν		RANSACT	10N RISK	INCREME	NT:	0
F1. UNRATED BORROWERS/GUARANTORS OTHER THA		STITUTION							
S:				.4.V	.01	.0V		.CV	
DEBT TO TANGIBLE NET WORTH				<1X	<2X	<3X	<4X	<6X	>6X
				TRANSACTIC					
OPERATING			25%	2	2	3	4	5	5
CASH FLOW			20%	2	3	4	5	5	5
(2-YEAR AVERAGE)			15%	3	4	5	5	5	5
TO DEBT			10%	4	5	5	5	5	5
			>5%	5	5	5	5	5	5
			>0% <0%	5 5	5 5	5 5	5 5	5 5	5 5
F2. UNRATED FINANCIAL INSTITUTION BORROWERS/GU			<070	5	5	5	5	5	5
TRANSACTION RISK INCREMENT:	<u>JANANTONO.</u>			2	3	4	5	5	5
SHAREHOLDER'S EQUITY TO ASSETS NET INCOME TO ASSETS (2-YEAR AVERAGE)				>8% >2.5%	>7% >2.0%	>6% >1.5%	>5% >1.0%	>4% >0.5%	<4% <0.5%
BORROWED FUNDS TO NET LOANS				>2.5% <40%	>2.0% <60%	>1.5% <80%	>1.0% <100%	>0.5% <120%	<0.5% >120%
LIQUID ASSETS TO ASSETS				<40 <i>%</i>	<00 <i>%</i>	<00 <i>%</i>	>10%	>5%	<5%
RESERVES TO NON-PERFORMING ASSETS						>150%	>125	>100	<100%

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

Effective: 10/01/1998

EXPOSURE FEE ADVICE

SPAIN

PUBLIC SECTOR CREDITS

	EXPOS										
	EXPOS	JRE FEE LE	VEL	1							
A. SOVEREIGN (e.g., Finance Ministry Guarantee):	TRANSACTION RISK INCREMENT:				IT: 0	0					
B. POLITICAL ONLY COVER:	TRANSACTION RISK INCREMENT:				IT: Se	See Private Sector Chart					
C1. BORROWERS/GUARANTORS with RATED/TRADED CROSS BORDER (HARD CURRENCY) DEBTS:											
TRANSACTION RISK INCREMENT:	0	1	2	:	3	4	5	5	5		
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	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 (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	1	2	3	3	4	5	5	5		
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		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	Е		
INTRA-COUNTRY ISSUER (TBW)	IC A/B	IC B	IC B/0		C IC	C/D IC	C 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-		
				,	*TRANISAC			=NIT·	0		
D1. TRANSACTIONS OF \$10 MILLION OR LESS - FINANCIAL INSTITUTIONS: *TRANSACTION RISK INCREMENT:								0			
D2. TRANSACTIONS OF \$10 MILLION OR LESS - OTHER THAN FINANCIAL INSTITUTIONS: *TRANSACTION RISK INCREMENT:									1		
E. UNRATED LARGEST (PROFITABLE) FINANCIAL INSTITUTION: MAXIMUM TRANSACTION RISK INCREMENT:								1			
F1. UNRATED BORROWERS/GUARANTORS OTHER THAI	N FINANCIAL IN	NSTITUTION	l								
S: DEBT TO TANGIBLE NET WORTH				<1X	<2X	<3X	<4X	<6X	>6X		
				\$173		-	SK INCREN	-	2011		
			250/	2	2				F		
OPERATING			·25% ·20%	2	2	3 4	4 5	5 5	5 5		
CASH FLOW			·20%	2	4	4 5	5	5	5		
(2-YEAR AVERAGE) TO			·10%	3 4	4 5	5	5	5	5		
DEBT			>5%	4 5	5	5	5	5	5		
			>0%	5	5	5	5	5	5		
			<0%	5	5	5	5	5	5		
F2. UNRATED FINANCIAL INSTITUTION BORROWERS/GU											
TRANSACTION RISK INCREMENT:				2	3	4	5	5	5		
				<u> </u>	<u> </u>						
SHAREHOLDER'S EQUITY TO ASSETS				>8%	>7%	>6%	>5%	>4%	<4%		
NET INCOME TO ASSETS (2-YEAR AVERAGE) BORROWED FUNDS TO NET LOANS				>2.5% <40%	>2.0% <60%	>1.5% <80%	>1.0% <100%	>0.5% <120%	<0.5% >120%		
LIQUID ASSETS TO ASSETS				<40% >25%	<00%	<00%	<100% >10%	<120%	>120% <5%		
RESERVES TO NON-PERFORMING ASSETS				>200%	>175%	>150%	>125%	>100%	<100%		
				00/0			0/0				

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

Effective: 10/01/1998