EXPOSURE FEE ADVICE TONGA

PRIVATE SECTOR CREDITS

EXPOSURE FEE LEVEL 4

	EXPOSURE FEE	LEVEL	4							
A. SOVEREIGN (e.g., Finance Ministry Guarantee):	TRANSACTION RISK INCREMENT:					IT: S	See Public Sector Chart			
B. POLITICAL ONLY COVER:	TRANSACTION RISK INCREMENT:					IT: -1				
C1. BORROWERS/GUARANTORS with RATED/TRADED (CROSS BORDER	(HARD CU	RRENCY) DE	BTS:						
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	BB-	B+,B	B-	
LONG-TERM (Moody's)	Aa1,Aa2	A1,A2,A3	Baa1,Baa2	Baa	Ba1,l	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	1					
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	INGS:							
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	BB-	B+,B	B-	
LONG-TERM (Moody's)	Aa1,Aa2	A1,A2,A3	Baa1,Baa2	Baa	Ba1,l	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 I	C DIC	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+	,ВВ	BB-	B+,B	B-	
D1. TRANSACTIONS OF \$10 MILLION OR LESS - FINAN	ICIAL INSTITUTI	ONS:			*TRANSAC	CTION RIS	SK INCREM	IENT:	0	
D2. TRANSACTIONS OF \$10 MILLION OR LESS - OTHE	R THAN FINANC	IAL INSTIT	JTIONS:		*TRANSAC	CTION RIS	SK INCREM	IENT:	1	
E. UNRATED LARGEST (PROFITABLE) FINANCIAL INSTITUTION: MAXIMUM TRANSACTION RISK INCREMENT:						ENT:	0			
F1. UNRATED BORROWERS/GUARANTORS OTHER THA	AN FINANCIAL IN	ISTITUTION								
S: DEBT TO TANGIBLE NET WORTH				<1X	<2X	<3X	<4X	<6X	>6X	
					TRANSACTION RISK INCREMENT:					
		>	25%	0	0	0	0	1	2	
OPERATING		>	20%	0	0	0	1	2	3	
CASH FLOW (2-YEAR AVERAGE)		>	15%	0	0	1	2	3	3	
TO		>	10%	0	1	2	3	3	3	
DEBT			>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/G	UARANTORS:									
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%	

Effective: 10/01/1998

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

EXPOSURE FEE ADVICE TONGA

PUBLIC SECTOR CREDITS

EXPOSURE FEE LEVEL 4

A. SOVEREIGN (e.g., Finance Ministry Guarantee):	TRANSACTION RISK INCREMENT:					NT: 0)		
B. POLITICAL ONLY COVER:	TRANSACTION RISK INCREMEN			NT: Se	: See Private Sector Chart				
C1. BORROWERS/GUARANTORS with RATED/TRADED CF	ROSS BORDER	(HARD CUI	RRENCY) DE	BTS:					
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	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 (TBW)	TBW-1	TBW-2	TBW-3	TBW-4					
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 CURRE	ENCY) RAT	INGS:						
TRANSACTION RISK INCREMENT:	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	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 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 - FINANC	IAL INSTITUTIO	ONS:		:	TRANSAC	CTION RIS	K INCREM	ENT:	0
D2. TRANSACTIONS OF \$10 MILLION OR LESS - OTHER	THAN FINANCI	AL INSTITU	JTIONS:	:	TRANSAC	CTION RIS	K INCREM	ENT:	1
E. UNRATED LARGEST (PROFITABLE) FINANCIAL INST	ITUTION:		N	/AXIMUM T	RANSAC	TION RISK	INCREME	NT·	1
•		ROTUTION							·
F1. UNRATED BORROWERS/GUARANTORS OTHER THAN S:	I FINANCIAL IN	SIIIUIION							
DEBT TO TANGIBLE NET WORTH				<1X	<2X	<3X	<4X	<6X	>6X
		TRANSACT			ACTION RI	TON RISK INCREMENT:			
		>	25%	0	0	0	0	1	2
OPERATING CASH FLOW		>	20%	0	0	0	1	2	3
(2-YEAR AVERAGE)	>15%		15%	0	0	1	2	3	3
TO		>	10%	0	1	2	3	3	3
DEBT			>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/GU	ARANTORS:								
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%
* MANY NOT ADDITY IF A TRANSPACTION ICDAS DATIN	10 1 140 DEEN E	OC 4000	01/ED				F# C	40	04/4000

Effective:

10/01/1998

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