EXPOSURE FEE ADVICE TRINIDAD & TOBAGO PRIVATE SECTOR CREDITS

EXPOSURE FEE LEVEL 2 A. SOVEREIGN (e.g., Finance Ministry Guarantee): TRANSACTION RISK INCREMENT: **B. POLITICAL ONLY COVER:** TRANSACTION RISK INCREMENT: C1. BORROWERS/GUARANTORS with RATED/TRADED CROSS BORDER (HARD CURRENCY) DEBTS: TRANSACTION RISK INCREMENT: 0 0 0 1 2 BBB+,BBB BBB-BB+,BB LONG-TERM (S&P. others) AA+,AA,AA-A+,A,A-A1,A2,A3 Ba1,Ba2 LONG-TERM (Moody's) Aa1.Aa2 Baa1.Baa2 Baa3 SHORT-TERM (S&P, others) A-1+ A-1 A-2 A-3 в SHORT-TERM (TBW) TRW-1 TRW-2 TBW-3 TRW-4 P-1 P-2 P-3 SHORT-TERM (Moody's) SPREAD (bp) over T-YIELD < 40 70 140 250 400 SPREAD (bp) over LIBOR < 10 40 90 220 370 C2. BORROWERS/GUARANTORS with INTRA-COUNTRY (LOCAL CURRENCY) RATINGS: TRANSACTION RISK INCREMENT: 0 0 0 1 2 LONG-TERM (S&P, TBW) AA+,AA,AA-A+,A,A-BBB+,BBB BBB-BB+,BB Aa1,Aa2 A1,A2,A3 Baa1,Baa2 Ba1,Ba2 LONG-TERM (Moody's) Baa3 SHORT-TERM (S&P, others) A-1 A-3 в A-1+ A-2 P-1 SHORT-TERM (Moody's) P-2 P-3 С В B/C C/D FINANCIAL STRENGTH (Moody's) A/B **INTRA-COUNTRY ISSUER (TBW)** IC A/B IC В IC B/C IC С IC C/D INDIVIDUAL (IBCA) A/B В B/C С C/D INDIVIDUAL (Capital Intelligence) A+,A,A-BBB+,BBB BBB-BB+,BB AA+,AA,AA-***TRANSACTION RISK INCREMENT:** D1. TRANSACTIONS OF \$10 MILLION OR LESS - FINANCIAL INSTITUTIONS: **D2. TRANSACTIONS OF \$10 MILLION OR LESS - OTHER THAN FINANCIAL INSTITUTIONS: *TRANSACTION RISK INCREMENT:** E. UNRATED LARGEST (PROFITABLE) FINANCIAL INSTITUTION: MAXIMUM TRANSACTION RISK INCREMENT: F1. UNRATED BORROWERS/GUARANTORS OTHER THAN FINANCIAL INSTITUTIONS DEBT TO TANGIBLE NET WORTH <1X <2X <3X TRANSACTION RISK INCREMENT: >25% 0 ٥ OPERATING 0 >20% 1 CASH FLOW >15% 1 2 (2-YEAR AVERAGE) TO >10% 2 3 DEBT >5% 3 4 4 5 >0% 5 <0% 5 F2. UNRATED FINANCIAL INSTITUTION BORROWERS/GUARANTORS:

5
<4%
).5%
20%
<5%
00%
).5 20 <5

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

01/15/2004 Effective:

See Public Sector Chart

4

С

900

870

4

С

D/E

D/E

D/E

B+,B

<6X

3

4

5

5

5

5

5

B+,B

B1,B2

B+,B

B1,B2

5

B-

В3

1500

1470

5

B-

В3

Е

Е Е

B-

IC

0

1

0

>6X

4

5

5

5

5

5

5

3

BB-

Ba3

600

570

3

BB-

Ba3

D

D

BB-

D IC

<4X

2

3

4

5

5

5

5

IC

1

2

3

4

5

5

5

-1

EXPOSURE FEE ADVICE TRINIDAD & TOBAGO PUBLIC SECTOR CREDITS

EXPOSURE FEE LEVEL

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

TRANSACTION RISK INCREMENT:

2

0

B. POLITICAL ONLY COVER:	TRANSACTION RISK INCREMENT:					NT: Se	See Private Sector Chart			
C1. BORROWERS/GUARANTORS with RATED/TRADE	D CROSS BORDI	<u>ER (HARD (</u>		DEBTS:						
TRANSACTION RISK INCREMENT:	0	0	0		1	2	3	4	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	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	ł					
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 CURF	RENCY) RA	TINGS:							
TRANSACTION RISK INCREMENT:	0	0	0		1	2	3	4	5	
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		Baa1,Baa2	Baa	B Ba1,	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	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	NCIAL INSTITUTI	ONS:		:	*TRANSA	CTION R	ISK INCRE	EMENT:	0	
D2. TRANSACTIONS OF \$10 MILLION OR LESS - OTH	ER THAN FINANC	IAL INSTIT	UTIONS:		*TRANSA	CTION R	ISK INCRE	EMENT:	1	
E. UNRATED LARGEST (PROFITABLE) FINANCIAL IN	ISTITUTION:		Ν	MAXIMUM	TRANSA		SK INCRF	MENT	1	
F1. UNRATED BORROWERS/GUARANTORS OTHER T		INSTITUTIO								
DEBT TO TANGIBLE NET WORTH			<u>///0</u>	<1X	<2X	<3X	<4X	<6X	>6X	
DEDI TO TANGIBLE NET WORTH									~0^	
					TRANS	ACTION	RISK INCF	REMENT		
			25%	0	0	1	2	3	4	
OPERATING CASH FLOW			20%	0	1	2	3	4	5	
(2-YEAR AVERAGE)			15%	1	2	3	4	5	5	
TO DEBT			10%	2	3	4	5	5	5	
			>5%	3	4	5	5	5	5	
			>0%	4	5	5	5	5	5	
			<0%	5	5	5	5	5	5	
F2. UNRATED FINANCIAL INSTITUTION BORROWERS	GUARANTORS:									
TRANSACTION RISK INCREMENT:				0	1	2	3	4	5	
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

Effective: 01/15/2004