EXPOSURE FEE ADVICE UNITED KINGDOM

PRIVATE SECTOR CREDITS

	EXPOSURE FEE		1							
A. SOVEREIGN (e.g., Finance Ministry Guarantee):		TRANSACTION RISK INCRE				REMENT: See Public Sector Chart				
B. POLITICAL ONLY COVER:	TRANSACTION RISK INCREMENT:									
C1. BORROWERS/GUARANTORS with RATED/TRADED CI	KUSS BURDER	(HARD CUI	<u>KRENCT) DE</u>	<u>BI3:</u>						
TRANSACTION RISK INCREMENT:	0	1	2	3	<u> </u>	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	Ba1,B	a2	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						
SHORT-TERM (Moody's)		P-1	P-2	P-3	3					
SPREAD (bp) over T-YIELD <	40	70	140	250) 2	100	600	900	1500	
SPREAD (bp) over LIBOR <	10	40	90	220) 3	370	570	870	1470	
C2. BORROWERS/GUARANTORS with INTRA-COUNTRY	(LOCAL CURRI	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	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	3	В		С		
SHORT-TERM (Moody's)		P-1	P-2	P-3	3					
FINANCIAL STRENGTH (Moody's)	A/B	В	B/C	С	; с	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	С	; с	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 - FINANC	CIAL INSTITUTIO	ONS:		k	TRANSAC	TION RIS	K INCREM	ENT:	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:								0		
									0	
F1. UNRATED BORROWERS/GUARANTORS OTHER THAN S:	N FINANCIAL IN	STITUTION								
DEBT TO TANGIBLE NET WORTH				<1X	<2X	<3X	<4X	<6X	>6X	
				TRANSACTION RISK INCREMENT:						
		>	25%	2	2	3	4	5	5	
OPERATING		>	20%	2	3	4	5	5	5	
CASH FLOW (2-YEAR AVERAGE)		>15%		3	4	5	5	5	5	
то		>	10%	4	5	5	5	5	5	
DEBT			>5%	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	ARANTORS:									
TRANSACTION RISK INCREMENT:				2	3	4	5	5	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 RISK INCREMENT HAS BEEN PRE-APPROVED

Effective: 10/01/1998

EXPOSURE FEE ADVICE

UNITED KINGDOM

PUBLIC SECTOR CREDITS

EXPOSURE FEE LEVEL 1

	EXPOSU	RE FEE LEV	/EL	1						
A. SOVEREIGN (e.g., Finance Ministry Guarantee):		1	RANSACTIC	ON RISK IN	CREMENT	: O				
B. POLITICAL ONLY COVER:	TRANSACTIO			on risk in	: 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+,B	В	BB-	B+,B	B-	
LONG-TERM (Moody's)	Aa1,Aa2	A1,A2,A3	Baa1,Baa2	Baa3	Ba1,Ba	2	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	40	00	600	900	1500	
SPREAD (bp) over LIBOR <	10	40	90	220	37	70	570	870	1470	
C2. BORROWERS/GUARANTORS with INTRA-COUNTRY (LOCAL CURRENCY) RATINGS:										
TRANSACTION RISK INCREMENT:	0	1	2	3	. <u> </u>	4	5	5	5	
LONG-TERM (S&P, TBW)	AA+,AA,AA-	A+,A,A-	BBB+,BBB	BBB-	BB+,B	В	BB-	B+,B	B-	
LONG-TERM (Moody's)	Aa1,Aa2	A1,A2,A3	Baa1,Baa2	Baa3	Ba1,Ba	2	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	C	C/	D	D	D/E	E	
INDIVIDUAL (Capital Intelligence)	AA+,AA,AA-	A+,A,A-	BBB+,BBB	BBB-	BB+,B	В	BB-	B+,B	B-	
D1. TRANSACTIONS OF \$10 MILLION OR LESS - FINANCIAL INSTITUTIONS: *TRANSACTION RISK INCREMENT:							ENT:	0		
D2. TRANSACTIONS OF \$10 MILLION OR LESS - OTHER THAN FINANCIAL INSTITUTIONS: *TRANSACTION RISK INCREMENT:							ENT:	1		
E. UNRATED LARGEST (PROFITABLE) FINANCIAL INSTITUTION: MAXIMUM TRANSACTION RISK INCREMENT:							NT:	1		
F1. UNRATED BORROWERS/GUARANTORS OTHER THAN	I FINANCIAL IN	STITUTION								
S: DEBT TO TANGIBLE NET WORTH				<1X	<2X	<3X	<4X	<6X	>6X	
					TRANSAC	TION RIS	SK INCREM	IENT:		
		>	25%	2	2	3	4	5	5	
OPERATING			20%	2	3	4	5	5	5	
CASH FLOW (2-YEAR AVERAGE)		>	15%	3	4	5	5	5	5	
TO		>	10%	4	5	5	5	5	5	
DEBT			>5%	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	ARANTORS:									
TRANSACTION RISK INCREMENT:				2	3	4	5	5	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