## EXPOSURE FEE ADVICE ANGUILLA

## PRIVATE SECTOR CREDITS

EXPOSURE FEE LEVEL 3

| A. SOVEREIGN (e.g., Finance Ministry Guarantee):   | TRANSACTION RISK INCREMENT: See Public Sector Chart |            |           |            |                  |          |          |          |          |
|--|---|------------|-----------|------------|------------------|----------|----------|----------|----------|
| B. POLITICAL ONLY COVER:   |   | т          | RANSACTIO | ON RISK IN | CREMEN           | IT: -1   |          |          |          |
| C1. BORROWERS/GUARANTORS with RATED/TRADED   | CROSS BORDE   | R (HARD C  | URRENCY)  | DEBTS:     |                  |          |          |          |          |
| TRANSACTION RISK INCREMENT:  | 0   | 0          | 0         | C          | )                | 1        | 2        | 3        | 4        |
| LONG-TERM (S&P, others)  | AA+,AA,AA-  | A+,A,A-    | BBB+,BBB  | BBB-       | - <u></u><br>BB+ | <br>.BB  | BB-      | B+,B     | B-       |
| LONG-TERM (Moody's)  | Aa1,Aa2   | A1,A2,A3   | Baa1,Baa2 | Baa3       |                  | ,        | Ba3      | B1,B2    | В3       |
| SHORT-TERM (S&P, others)   | A-1+  | A-1        | A-2       | A-3        |                  | В        |          | C        |          |
| SHORT-TERM (TBW)   | TBW-1   | TBW-2      | TBW-3     | TBW-4      |                  |          |          |          |          |
| SHORT-TERM (Moody's)   |   | P-1        | P-2       | P-3        | 1                |          |          |          |          |
| 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-COUNTR   | Y (LOCAL CURR                                       | ENCY) RAT  | TINGS:    |            |                  |          |          |          |          |
| TRANSACTION RISK INCREMENT:  | 0   | 0          | 0         | C          | )                | 1        | 2        | 3        | 4        |
| 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 | Baa3       | 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       | С          | : (              | C/D      | D        | D/E      | Е        |
| INTRA-COUNTRY ISSUER (TBW)   | IC A/B  | IC B       | IC B/C    | IC C       | CIC              | C/D IC   | D IC     | D/E      | IC E     |
| INDIVIDUAL (IBCA)  | A/B   | В          | B/C       | 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 - FINANCIAL INSTITUTIONS: *TRANSACTION RISK INCREMENT:            |   |            |           |            |                  |          |          | 0        |          |
| D2. TRANSACTIONS OF \$10 MILLION OR LESS - OTHER THAN FINANCIAL INSTITUTIONS: *TRANSACTION RISK INCREMENT: |   |            |           |            |                  |          |          | MENT:    | 1        |
| E. UNRATED LARGEST (PROFITABLE) FINANCIAL INSTITUTION:  MAXIMUM TRANSACTION RISK INCREMENT:                |   |            |           |            |                  |          | MENT:    | 0        |          |
| F1. UNRATED BORROWERS/GUARANTORS OTHER TH  | IAN FINANCIAL I                                     | NSTITUTIO  | NS:       |            |                  |          |          |          |          |
| DEBT TO TANGIBLE NET WORTH   |   |            |           | <1X        | <2X              | <3X      | <4X      | <6X      | >6X      |
|  |   |            |           |            | TRANSA           | ACTION R | ISK INCR | EMENT:   |          |
|  |   | >          | 25%       | 0          | 0                | 0        | 1        | 2        | 3        |
| OPERATING  |   | >          | 20%       | 0          | 0                | 1        | 2        | 3        | 4        |
| CASH FLOW<br>(2-YEAR AVERAGE)  |   | >          | 15%       | 0          | 1                | 2        | 3        | 4        | 4        |
| TO   |   | >          | 10%       | 1          | 2                | 3        | 4        | 4        | 4        |
| DEBT   |   |            | >5%       | 2          | 3                | 4        | 4        | 4        | 4        |
|  |   |            | >0%       | 3          | 4                | 4        | 4        | 4        | 4        |
|  |   |            | <0%       | 4          | 4                | 4        | 4        | 4        | 4        |
| F2. UNRATED FINANCIAL INSTITUTION BORROWERS/   | GUARANTORS:   |            |           |            |                  |          |          |          |          |
| TRANSACTION RISK INCREMENT:  |   |            |           | 0          | 0                | 1        | 2        | 3        | 4        |
| 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 INCRE  | MENT HAS BEEN                                       | I PRE-APPF | ROVED     |            |                  |          | Effect   | ive: 01/ | /02/2009 |

## EXPOSURE FEE ADVICE ANGUILLA

## PUBLIC SECTOR CREDITS

EXPOSURE FEE LEVEL 3

| A. SOVEREIGN (e.g., Finance Ministry Guarantee):          |                    | T   | RANSACTIO | ON RISK II       | NCREME                            | NT: C         | )             |              |                  |
|---|--------------------|---|-----------|------------------|-----------------------------------|---------------|---------------|--------------|------------------|
| B. POLITICAL ONLY COVER:                                  | TRANSACTION RISK I |   |           | NCREME           | CREMENT: See Private Sector Chart |               |               |              |                  |
| C1. BORROWERS/GUARANTORS with RATED/TRADED                | CROSS BORDE        | R (HARD C                                 | URRENCY)  | DEBTS:           |                                   |               |               |              |                  |
| TRANSACTION RISK INCREMENT:                               | 0                  | 0   | 0         |                  | 0                                 | 1             | 2             | 3            | 4                |
| LONG-TERM (S&P, others)                                   | AA+,AA,AA-         | A+,A,A-                                   | BBB+,BBB  | BBB              | - BB+                             | <br>BB        | BB-           | B+,B         | B-               |
| LONG-TERM (Moody's)                                       | Aa1,Aa2            | A1,A2,A3                                  | Baa1,Baa2 | Baa              |                                   |               | Ba3           | B1,B2        | В3               |
| SHORT-TERM (S&P, others)                                  | A-1+               | A-1                                       | A-2       | A-:              |                                   | В             |               | C            |                  |
| 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       | 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                                 | ΓINGS:    |                  |                                   |               |               |              |                  |
| TRANSACTION RISK INCREMENT:                               | 0                  | 0   | 0         |                  | 0                                 | 1             | 2             | 3            | 4                |
| 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 | Baa              | 3 Ba1,                            | 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 IC        | D IC          | 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+                             | -,BB          | BB-           | B+,B         | B-               |
| D1. TRANSACTIONS OF \$10 MILLION OR LESS - FINAN          | ICIAL INSTITUTIO   | ONS:                                      |           |                  | *TRANSA                           | CTION R       | SK INCRE      | MENT:        | 0                |
| D2. TRANSACTIONS OF \$10 MILLION OR LESS - OTHE           | R THAN FINANCI     | AL INSTITU                                | JTIONS:   |                  | *TRANSA                           | CTION R       | SK INCRE      | MENT:        | 1                |
| E. UNRATED LARGEST (PROFITABLE) FINANCIAL IN              | STITUTION:         |   |           | MAXIMUM          | TRANSA                            | CTION RI      | SK INCREI     | MENT:        | 1                |
| F1. UNRATED BORROWERS/GUARANTORS OTHER TH                 |                    | NSTITLITIO                                |           |                  |                                   |               |               |              | ·                |
| DEBT TO TANGIBLE NET WORTH                                | IAN I INANOIAL I   | 1431110110                                | <u> </u>  | άV               | οV                                | ΩV            | .4٧           | <6X          | . CV             |
| DEBT TO TANGIBLE NET WORTH                                |                    | <1X <2X <3X <4X<br>TRANSACTION RISK INCRI |           |                  |                                   |               | _             | >6X          |                  |
|   |                    |   |           |                  | ACTION F                          | KISK INCK     | EMENT:        |              |                  |
| OPERATING   |                    |   | 25%       | 0                | 0                                 | 0             | 1             | 2            | 3                |
| OPERATING<br>CASH FLOW                                    |                    |   | 20%       | 0                | 0                                 | 1             | 2             | 3            | 4                |
| (2-YEAR AVERAGE)  |                    |   | 15%       | 0                | 1                                 | 2             | 3             | 4            | 4                |
| TO<br>DEBT  |                    |   | 10%       | 1                | 2                                 | 3             | 4             | 4            | 4                |
|   |                    |   | >5%       | 2                | 3                                 | 4             | 4             | 4            | 4                |
|   |                    |   | >0%       | 3                | 4                                 | 4             | 4             | 4            | 4                |
|   |                    |   | <0%       | 4                | 4                                 | 4             | 4             | 4            | 4                |
| F2. UNRATED FINANCIAL INSTITUTION BORROWERS/              | GUARANTORS:        |   |           |                  |                                   |               | _             |              |                  |
| TRANSACTION RISK INCREMENT:                               |                    |   |           | 0                | 0                                 | 1             | 2             | 3            | 4                |
| 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 RESERVES TO NON-PERFORMING ASSETS |                    |   |           | >25%<br>>200%    | >20%<br>>175%                     | >15%<br>>150% | >10%<br>>125% | >5%<br>>100% | <5%<br><100%     |
| NESERVES TO NON-FERFORMING ASSETS                         |                    |   |           | > <b>2</b> UU 70 | 211070                            | ≥100%         | ≥1ZU70        | >100%        | < 100 <i>7</i> 0 |
| * MAY NOT APPLY IF A TRANSACTION ICRAS RATIN              | NG HAS BEEN PF     | RE-APPROV                                 | /ED       |                  |                                   |               | Effective     | : 01/        | 02/2009          |