# EXPOSURE FEE ADVICE KENYA PRIVATE SECTOR CREDITS

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EXPOSURE FEE LEVEL

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

TRANSACTION RISK INCREMENT: See Publi

See Public Sector Chart

#### **B. POLITICAL ONLY COVER:**

TRANSACTION RISK INCREMENT: -1

#### C1. BORROWERS/GUARANTORS with RATED/TRADED CROSS BORDER (HARD CURRENCY) DEBTS:

CI. BORROWERS/GOARANTORS WILL RATED/TRADEL					UKKENC	<u>, , , , ,</u>	DEDIS.								
TRANSACTION RISK INCREMENT:		0	C	)		0	0	1	0		0		0		1
LONG-TERM (S&P, others)	AA+,AA,AA-		A+,A,A	-	BBB+,BBB		BBB-	BB-	-,BB	B BB-			B+,B		B-
LONG-TERM (Moody's)	Aa1,Aa2		A1,A2,A3	3	Baa1,Baa	a2	Baa3	Ba1	Ba1,Ba2		Ba3		B1,B2		B3
SHORT-TERM (S&P, others)	A-	-1+	A-1	1	A	-2	A-3		В				С		
SHORT-TERM (TBW)	TBW	V-1	TBW-2	2	TBW	-3	TBW-4								
SHORT-TERM (Moody's)			P-1	1	Р	-2	P-3								
SPREAD (bp) over T-YIELD <		40	70	)	14	40	250		400		600		900		1500
SPREAD (bp) over LIBOR <		10	4(	)	ę	90	220		370		570		870		1470
C2. BORROWERS/GUARANTORS with INTRA-COUNTR	Y (LOCAL C	URRE	NCY) RA	١T	INGS:										
TRANSACTION RISK INCREMENT:		0	C	)		0	0		0		0		0		1
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	Baa3 Ba1,B		2 Ba3		B1,B2			B3
SHORT-TERM (S&P, others)	A-	-1+	A-1	1	A	-2	A-3		В				С		
SHORT-TERM (Moody's)			P-1	1	Р	-2	P-3								
FINANCIAL STRENGTH (Moody's)	A	λ/B	E	3	B	/C	С		C/D		D		D/E		Е
INTRA-COUNTRY ISSUER (TBW)	IC A	A/B	IC E	3	IC B	/C	IC C	IC	C/D	IC	D	IC	D/E	IC	Е
INDIVIDUAL (IBCA)	A	λ/B	E	3	B	/C	С		C/D		D		D/E		Е
INDIVIDUAL (Capital Intelligence)	AA+,AA,A	۹۹-	A+,A,A	-	BBB+,BE	3B	BBB-	BB-	-,BB		BB-		B+,B		B-
D1. TRANSACTIONS OF \$10 MILLION OR LESS - FINAN	ICIAL INSTIT	UTIO	NS:				*	TRANSA	CTION	RIS	K INC	REN	IENT:	0	
D2. TRANSACTIONS OF \$10 MILLION OR LESS - OTHE	R THAN FINA			τu	TIONS:		*	TRANSA	CTION	RIS	K INC	REN	IENT:	1	
E. UNRATED LARGEST (PROFITABLE) FINANCIAL IN	STITUTION:					N	AXIMUM	TRANSA	CTION	RIS	K INC	REN	MENT:	0	
F1. UNRATED BORROWERS/GUARANTORS OTHER TH	IAN FINANCI	AL IN	STITUTI	10	NS:										
DEBT TO TANGIBLE NET WORTH							<1X	<2X	<3	х	<4	X	<6X	;	>6X
								TRANSACTION RISK INCREMENT:							
				>2	25%		0	0		0		0	0		0
OPERATING	>20% >15%			20%		0	0		0		0	0		1	
CASH FLOW (2-YEAR AVERAGE)				5%		0	0		0		0	1		1	
TO >10%				0%		0	0		0		1	1		1	
DEBT				>	•5%		0	0		1		1	1		1
				>	•0%		0	1		1		1	1		1
				<	:0%		1	1		1		1	1		1
F2. UNRATED FINANCIAL INSTITUTION BORROWERS	GUARANTOF	<u>RS:</u>													
TRANSACTION RISK INCREMENT:							0	0		0		0	0		1
SHAREHOLDER'S EQUITY TO ASSETS						_	>8%	>7%	>6%	6	>5	%	>4%	<	:4%
NET INCOME TO ASSETS (2-YEAR AVERAGE)							>2.5%	>2.0%	>1.5%	6	>1.0	%	>0.5%	<0.	.5%
BORROWED FUNDS TO NET LOANS							<40%	<60%	<80%	6	<100	%	<120%	>12	.0%
LIQUID ASSETS TO ASSETS							>25%	>20%	>15%	6	>10	%	>5%	<	:5%
RESERVES TO NON-PERFORMING ASSETS							>200%	>175%	>150%	6	>12	25	>100	<10	0%

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

Effective: 01/02/2009

EXPOSURE FEE ADVICE

## **KENYA**

# PUBLIC SECTOR CREDITS

EXPOSURE FEE LEVEL

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

### TRANSACTION RISK INCREMENT:

0

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B. POLITICAL ONLY COVER:	TRANS					ANSACTION RISK INCREMENT:					See Private Sector Chart					
C1. BORROWERS/GUARANTORS with RATED/TRAD	ED CROSS BOI	RDER (HAF	RD C		DEBTS:											
TRANSACTION RISK INCREMENT:		0	0	0		0	0		0	0	1					
LONG-TERM (S&P, others)	AA+,AA,A	A- A+,	A,A-	BBB+,BBB	BBB	- BB-	+,BB	E	3B-	B+,B	В-					
LONG-TERM (Moody's)	Aa1,A	a2 A1,A2	2,A3	Baa1,Baa2	Baa	3 Ba1	,Ba2	В	a3	B1,B2	B3					
SHORT-TERM (S&P, others)	A-	1+	A-1	A-2	A-	3	В			С						
SHORT-TERM (TBW)	TBW	/-1 TB	W-2	TBW-3	TBW-	4										
SHORT-TERM (Moody's)			P-1	P-2	P-1	3										
SPREAD (bp) over T-YIELD <		40	70	140	25	0	400	6	00	900	1500					
SPREAD (bp) over LIBOR <		10	40	90	22	0	370	5	70	870	1470					
C2. BORROWERS/GUARANTORS with INTRA-COUN	TRY (LOCAL CU	JRRENCY)	RAT	INGS:												
TRANSACTION RISK INCREMENT:	0		0	0		0	0		0	0	1					
LONG-TERM (S&P, TBW)	AA+,AA,AA-		A,A-	BBB+,BBB	BBB	- BB-	+,BB	,BB BB-		B+,B	B-					
LONG-TERM (Moody's)	Aa1,A	a2 A1,A2	2,A3	Baa1,Baa2	Baa	3 Ba1	,Ba2	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)	۵	/В	В	B/C	(	0	C/D		D	D/E	E					
INTRA-COUNTRY ISSUER (TBW)	IC A	A/B IC	В	IC B/C	IC	C IC	C/D	IC	D IC	D/E	IC E					
INDIVIDUAL (IBCA)	۵	/В	В	B/C	(	0	C/D		D	D/E	E					
INDIVIDUAL (Capital Intelligence)	AA+,AA,A	A- A+,	A,A-	BBB+,BBB	BBB	- BB-	+,BB	E	3B-	B+,B	B-					
D1. TRANSACTIONS OF \$10 MILLION OR LESS - FINANCIAL INSTITUTIONS: *TRANSACTION RISK INCREMENT:									MENT:	0						
D2. TRANSACTIONS OF \$10 MILLION OR LESS - OTH	HER THAN FINA		STITU	JTIONS:		*TRANSA		RISK	INCRE	MENT:	1					
E. UNRATED LARGEST (PROFITABLE) FINANCIAL INSTITUTION: MAXIMUM TRANSACTION RISK INCREMENT:									MENT:	1						
F1. UNRATED BORROWERS/GUARANTORS OTHER	THAN FINANCI	AL INSTITU	JTIO	NS:												
DEBT TO TANGIBLE NET WORTH					<1X	<2X	<3	3X	<4X	<6X	>6X					
						TRANS		ION RISK INCREMENT:								
				25%							0					
OPERATING				25%	0	0		-		0	0					
CASH FLOW (2-YEAR AVERAGE) TO DEBT				20% 15%	0 0	0		0 0	0 0	1	1					
				10% 0 >5% 0		0		0	1	1	1					
						0		1	1	1	1					
				>0%	0	1		1	1	1	1					
				<0%	1	1		1	1	1	1					
F2. UNRATED FINANCIAL INSTITUTION BORROWER	S/GUARANTOR	<u> </u>														
TRANSACTION RISK INCREMENT:					0	0		0	0	0	1					
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: 01/02/2009