EXPOSURE FEE ADVICE KOREA, SOUTH **PRIVATE SECTOR CREDITS**

1

EXPOSURE FEE LEVEL

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

TRANSACTION RISK INCREMENT:

See Public Sector Chart

B. POLITICAL ONLY COVER:

TRANSACTION RISK INCREMENT:

-1

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

TRANSACTION RISK INCREMENT:	0	0	1	2	3	3	4	5	5
LONG-TERM (S&P, others)	AA+,AA,AA-	A+,A,A-	BBB+,BBB	BBB-	BB+,BE	3	BB-	B+,B	B-
LONG-TERM (Moody's)	Aa1,Aa2	A1,A2,A3	Baa1,Baa2	Baa3	Ba1,Ba2	2	Ba3	B1,B2	B3
SHORT-TERM (S&P, others)	A-1+	A-1	A-2	A-3	E	3		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	400)	600	900	1500
SPREAD (bp) over LIBOR <	10	40	90	220	370)	570	870	1470
C2. BORROWERS/GUARANTORS with INTRA-CO	DUNTRY (LOCAL CURR	ENCY) RAT	INGS:						
TRANSACTION RISK INCREMENT:	1	1	1	2		3	4	5	5
LONG-TERM (S&P, TBW)	AA+,AA,AA-	A+,A,A-	BBB+,BBB	BBB-	BB+,BE	3	BB-	B+,B	B-
LONG-TERM (Moody's)	Aa1,Aa2	A1,A2,A3	Baa1,Baa2	Baa3	Ba1,Ba2	2	Ba3	B1,B2	B3
SHORT-TERM (S&P, others)	A-1+	A-1	A-2	A-3	E	3		С	
SHORT-TERM (Moody's)		P-1	P-2	P-3					
FINANCIAL STRENGTH (Moody's)	A/B	В	B/C	С	C/[C	D	D/E	E
INTRA-COUNTRY ISSUER (TBW)	IC A/E	IC E	IC B/C	IC C	IC C/	'E IC	E I	C D/E	IC E
INDIVIDUAL (IBCA)	A/B	В	B/C	С	C/[C	D	D/E	E
INDIVIDUAL (Capital Intelligence)	AA+,AA,AA-	A+,A,A-	BBB+,BBB	BBB-	BB+,BE	3	BB-	B+,B	B-
D1. TRANSACTIONS OF \$10 MILLION OR LESS	- FINANCIAL INSTITUTIO	ONS:		۲*	RANSACTI	ON RISK		MENT:	1
D2. TRANSACTIONS OF \$10 MILLION OR LESS	OTHER THAN FINANCI	AL INSTITU	JTIONS:	۲*	RANSACTI	ON RISK		/IENT:	2
E. UNRATED LARGEST (PROFITABLE) FINANC	IAL INSTITUTION:		r	MAXIMUM T	RANSACTIO	ON RISK	INCREM	IENT:	1
F1. UNRATED BORROWERS/GUARANTORS OTH	ER THAN FINANCIAL IN	STITUTION	<u>s</u>						
DEBT TO TANGIBLE NET WORTH				<1X	<2X	<3X	<4X	<6X	>6X
					TRANSAC	FION RIS	K INCRE	MENT:	
		>	25%	1	1	2	3	4	5
OPERATING CASH FLOW		>	20%	1	2	3	4	5	5
(2-YEAR AVERAGE)		>	15%	2	3	4	5	5	5
TO DEBT		>	10%	3	4	5	5	5	5
DEBI			>5%	4	5	5	5	5	5
			>0%	5	5	5	5	5	5
			<0%	5	5	5	5	5	5
F2. UNRATED FINANCIAL INSTITUTION BORROW	VERS/GUARANTORS:								
TRANSACTION RISK INCREMENT:				1	2	3	4	5	5
				. 00/	. 70/		- E0/		. 40/

>8%	>7%	>6%	>5%	>4%	<4%
>2.5%	>2.0%	>1.5%	>1.0%	>0.5%	<0.5%
<40%	<60%	<80%	<100%	<120%	>120%
>25%	>20%	>15%	>10%	>5%	<5%
>200%	>175%	>150%	>125	>100	<100%
	>2.5% <40% >25%	>2.5% >2.0% <40%	>2.5% >2.0% >1.5% <40%	>2.5% >2.0% >1.5% >1.0% <40%	>2.5% >2.0% >1.5% >1.0% >0.5% <40%

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

Effective: 09/01/2003

EXPOSURE FEE ADVICE KOREA, SOUTH

PUBLIC SECTOR CREDITS

EXPOSURE FEE LEVEL

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

B. POLITICAL ONLY COVER:

TRANSACTION RISK INCREMENT: 0

1

TRANSACTION RISK INCREMENT: See Private Sector Chart

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

C1. BORROWERS/GUARANTORS with RATED/TRA		~		~		-		~			_	-
TRANSACTION RISK INCREMENT:	—	0		0	1	2		3	4	-	5	5
LONG-TERM (S&P, others)	AA+,AA		A+,A,		BBB+,BBB	BBB-	BB+		BB-		B+,B	B-
LONG-TERM (Moody's)		,Aa2	A1,A2,A		Baa1,Baa2	Baa3	Ba1,I		Ba3		B1,B2	B3
SHORT-TERM (S&P, others)		A-1+	A		A-2	A-3		В			С	
SHORT-TERM (TBW)	TE	3W-1	TBW		TBW-3	TBW-4						
SHORT-TERM (Moody's)				-1	P-2	P-3						
SPREAD (bp) over T-YIELD <		40		70 	140	250		400	600		900	1500
SPREAD (bp) over LIBOR <		10		10	90	220		370	570		870	1470
C2. BORROWERS/GUARANTORS with INTRA-COU	JNTRY (LOCAL (CURRE	ENCY) R	ATI	NGS:							
TRANSACTION RISK INCREMENT:		0		0	1	2		3	4	_	5	5
LONG-TERM (S&P, TBW)	AA+,AA	A,AA-	A+,A,	۹-	BBB+,BBB	BBB-	BB+	,BB	BB-		B+,B	B-
LONG-TERM (Moody's)	Aa1	,Aa2	A1,A2,A	3	Baa1,Baa2	Baa3	Ba1,I	Ba2	Ba3		B1,B2	B3
SHORT-TERM (S&P, others)		A-1+	A	-1	A-2	A-3		В			С	
SHORT-TERM (Moody's)			Р	-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/E	IC	Е	IC B/C	IC (IC	C/E	C C	IC	D/E	IC E
INDIVIDUAL (IBCA)		A/B		В	B/C	С		C/D	D		D/E	E
			A . A	۹-	BBB+,BBB	BBB-	BB+	,BB	BB-		B+,B	B-
INDIVIDUAL (Capital Intelligence)	AA+,AA	A,AA-	A+,A,	•								
()						*	TRANSAC	TION RI	SK INCR	EME	NT:	0
INDIVIDUAL (Capital Intelligence)	INANCIAL INST	ΙΤυτια	ONS:				TRANSAC					0 1
INDIVIDUAL (Capital Intelligence) D1. TRANSACTIONS OF \$10 MILLION OR LESS - F	FINANCIAL INST		ONS:		TIONS:		TRANSAC	TION RI	SK INCR	EME	NT:	
INDIVIDUAL (Capital Intelligence) D1. TRANSACTIONS OF \$10 MILLION OR LESS - F D2. TRANSACTIONS OF \$10 MILLION OR LESS - C	FINANCIAL INST OTHER THAN FIN	ITUTIC	<u>DNS:</u> Al INST	<u>TU</u>	TIONS:	*	TRANSAC	TION RI	SK INCR	EME	NT:	1
INDIVIDUAL (Capital Intelligence) D1. TRANSACTIONS OF \$10 MILLION OR LESS - F D2. TRANSACTIONS OF \$10 MILLION OR LESS - C E. UNRATED LARGEST (PROFITABLE) FINANCIA	FINANCIAL INST OTHER THAN FIN	ITUTIC	<u>DNS:</u> Al INST	<u>TU</u>	TIONS:	*	TRANSAC	TION RI	sk incr	EME	NT:	1
INDIVIDUAL (Capital Intelligence) D1. TRANSACTIONS OF \$10 MILLION OR LESS - F D2. TRANSACTIONS OF \$10 MILLION OR LESS - C E. UNRATED LARGEST (PROFITABLE) FINANCIA F1. UNRATED BORROWERS/GUARANTORS OTHER	FINANCIAL INST OTHER THAN FIN	ITUTIC	<u>DNS:</u> Al INST	<u>TU</u>	TIONS:	* Iaximum t	TRANSAC	CTION RI FION RIS <3>	SK INCR K INCRE	EME MEN 4X	NT: IT: <6X	1 1
INDIVIDUAL (Capital Intelligence) D1. TRANSACTIONS OF \$10 MILLION OR LESS - F D2. TRANSACTIONS OF \$10 MILLION OR LESS - C E. UNRATED LARGEST (PROFITABLE) FINANCIA F1. UNRATED BORROWERS/GUARANTORS OTHER	FINANCIAL INST OTHER THAN FIN	ITUTIC	<u>DNS:</u> Al INST	TU	<u>TIONS:</u> N	* IAXIMUM T <1X	TRANSAC RANSAC <2X TRANSA	CTION RI FION RIS <3> ACTION F	SK INCR K INCRE	EME MEN 4X REMI	NT: IT: <6X ENT:	1 1 >6X
INDIVIDUAL (Capital Intelligence) D1. TRANSACTIONS OF \$10 MILLION OR LESS - F D2. TRANSACTIONS OF \$10 MILLION OR LESS - C E. UNRATED LARGEST (PROFITABLE) FINANCIA F1. UNRATED BORROWERS/GUARANTORS OTHER DEBT TO TANGIBLE NET WORTH OPERATING	FINANCIAL INST OTHER THAN FIN	ITUTIC	<u>DNS:</u> Al INST	<u>TU</u> 0NS	<u>TIONS:</u> M 25%	* Iaximum t	TRANSAC RANSAC <2X TRANSA 1	CTION RI FION RIS <3> CTION F	SK INCR K INCRE	EME MEN 4X	NT: IT: <6X ENT: 4	1 1 >6X 5
INDIVIDUAL (Capital Intelligence) D1. TRANSACTIONS OF \$10 MILLION OR LESS - F D2. TRANSACTIONS OF \$10 MILLION OR LESS - C E. UNRATED LARGEST (PROFITABLE) FINANCIA F1. UNRATED BORROWERS/GUARANTORS OTHER DEBT TO TANGIBLE NET WORTH OPERATING CASH FLOW	FINANCIAL INST OTHER THAN FIN	ITUTIC	<u>DNS:</u> Al INST	<u>TU</u> 0NS >2 >2	<u>TIONS:</u> N	* IAXIMUM T <1X 1	TRANSAC RANSAC <2X TRANSA	CTION RI FION RIS <3> ACTION F	sk incre K incre Kisk inc	EME MEN 4X REMI 3	NT: IT: <6X ENT:	1 1 >6X
INDIVIDUAL (Capital Intelligence) D1. TRANSACTIONS OF \$10 MILLION OR LESS - F D2. TRANSACTIONS OF \$10 MILLION OR LESS - C E. UNRATED LARGEST (PROFITABLE) FINANCIA F1. UNRATED BORROWERS/GUARANTORS OTHER DEBT TO TANGIBLE NET WORTH OPERATING	FINANCIAL INST OTHER THAN FIN	ITUTIC	<u>DNS:</u> Al INST	TU DNS >2 >2 >2 >1	<u>TIONS:</u> M 2 25% 20%	* IAXIMUM T <1X 1 1	TRANSAC RANSAC <2X TRANSA 1 2	CTION RI FION RIS <3> CTION F 2 3	SK INCR K INCRE	EME MEN 4X REM 3 4	NT: IT: <6X ENT: 4 5	1 1 >6X 5 5
INDIVIDUAL (Capital Intelligence) D1. TRANSACTIONS OF \$10 MILLION OR LESS - F D2. TRANSACTIONS OF \$10 MILLION OR LESS - C E. UNRATED LARGEST (PROFITABLE) FINANCIA F1. UNRATED BORROWERS/GUARANTORS OTHER DEBT TO TANGIBLE NET WORTH OPERATING CASH FLOW (2-YEAR AVERAGE)	FINANCIAL INST OTHER THAN FIN	ITUTIC	<u>DNS:</u> Al INST	TU >2 >2 >2 >1 >1	TIONS: M 2 25% 20% 15% 10%	* IAXIMUM T <1X 1 1 2	TRANSAC RANSAC <2X TRANSA 1 2 3	CTION RI FION RIS <3) CTION F 2 3 2	SK INCR K INCRE KISK INC	EME MEN 4X REM 3 4 5	NT: IT: <6X ENT: 4 5 5	1 1 >6X 5 5 5
INDIVIDUAL (Capital Intelligence) D1. TRANSACTIONS OF \$10 MILLION OR LESS - F D2. TRANSACTIONS OF \$10 MILLION OR LESS - C E. UNRATED LARGEST (PROFITABLE) FINANCIA F1. UNRATED BORROWERS/GUARANTORS OTHER DEBT TO TANGIBLE NET WORTH OPERATING CASH FLOW (2-YEAR AVERAGE) TO	FINANCIAL INST OTHER THAN FIN	ITUTIC	<u>DNS:</u> Al INST	TU DNS >2 >2 >1 >1 >1 >1	<u>TIONS:</u> M 2 25% 20% 15%	* IAXIMUM T <1X 1 1 2 3	TRANSAC <2X TRANSA 1 2 3 4	CTION RI FION RIS <3> CTION F 2 3 4 2 5	SK INCR K INCRE	EME MEN 4X REM 3 4 5 5 5	NT: IT: ENT: 4 5 5 5	1 1 >6X 5 5 5 5 5
INDIVIDUAL (Capital Intelligence) D1. TRANSACTIONS OF \$10 MILLION OR LESS - F D2. TRANSACTIONS OF \$10 MILLION OR LESS - C E. UNRATED LARGEST (PROFITABLE) FINANCIA F1. UNRATED BORROWERS/GUARANTORS OTHER DEBT TO TANGIBLE NET WORTH OPERATING CASH FLOW (2-YEAR AVERAGE) TO	FINANCIAL INST OTHER THAN FIN	ITUTIC	<u>DNS:</u> Al INST	TU NS >2 >2 >1 >1 >1 >1 >1 >1	TIONS: N 25% 20% 15% 10% 5%	* IAXIMUM T <1X 1 1 2 3 4	TRANSAC <2X TRANSA 1 2 3 4 5	CTION RI FION RIS CTION F 2 2 2 5 5 5 5 5	SK INCR K INCRE	EME MEN 4X REMI 3 4 5 5 5 5	NT: IT: ENT: 4 5 5 5 5	1 1 >6X 5 5 5 5 5 5 5
INDIVIDUAL (Capital Intelligence) D1. TRANSACTIONS OF \$10 MILLION OR LESS - F D2. TRANSACTIONS OF \$10 MILLION OR LESS - C E. UNRATED LARGEST (PROFITABLE) FINANCIA F1. UNRATED BORROWERS/GUARANTORS OTHER DEBT TO TANGIBLE NET WORTH OPERATING CASH FLOW (2-YEAR AVERAGE) TO DEBT	FINANCIAL INST		<u>DNS:</u> Al INST	TU NS >2 >2 >1 >1 >1 >1 >1 >1	TIONS: N 25% 20% 15% 10% 5% 0%	* AXIMUM T <1X 1 1 2 3 4 5	TRANSAC RANSAC <2X TRANSA 1 2 3 4 5 5	CTION RI FION RIS CTION F CTION F 2 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5	SK INCR K INCRE	EME 3 4X 8 5 5 5 5 5 5	NT: IT: ENT: 4 5 5 5 5 5 5	1 1 >6X 5 5 5 5 5 5 5 5 5
INDIVIDUAL (Capital Intelligence) D1. TRANSACTIONS OF \$10 MILLION OR LESS - F D2. TRANSACTIONS OF \$10 MILLION OR LESS - C E. UNRATED LARGEST (PROFITABLE) FINANCIA F1. UNRATED BORROWERS/GUARANTORS OTHER DEBT TO TANGIBLE NET WORTH OPERATING CASH FLOW (2-YEAR AVERAGE) TO	FINANCIAL INST		<u>DNS:</u> Al INST	TU NS >2 >2 >1 >1 >1 >1 >1 >1	TIONS: N 25% 20% 15% 10% 5% 0%	* AXIMUM T <1X 1 1 2 3 4 5	TRANSAC RANSAC <2X TRANSA 1 2 3 4 5 5	CTION RI FION RIS CTION F CTION F 2 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5	SK INCR K INCRE	EME 3 4X 8 5 5 5 5 5 5	NT: IT: ENT: 4 5 5 5 5 5 5	1 1 >6X 5 5 5 5 5 5 5 5 5
INDIVIDUAL (Capital Intelligence) D1. TRANSACTIONS OF \$10 MILLION OR LESS - F D2. TRANSACTIONS OF \$10 MILLION OR LESS - C E. UNRATED LARGEST (PROFITABLE) FINANCIA F1. UNRATED BORROWERS/GUARANTORS OTHER DEBT TO TANGIBLE NET WORTH OPERATING CASH FLOW (2-YEAR AVERAGE) TO DEBT F2. UNRATED FINANCIAL INSTITUTION BORROWER TRANSACTION RISK INCREMENT:	FINANCIAL INST		<u>DNS:</u> Al INST	TU NS >2 >2 >1 >1 >1 >1 >1 >1	TIONS: N 25% 20% 15% 10% 5% 0%	* IAXIMUM T <1X 1 1 2 3 4 5 5 5	TRANSAC RANSAC 2X TRANSA 1 2 3 4 5 5 5 2	CTION RIS	SK INCR K INCRE	EME MEN 4X REMI 3 4 5 5 5 5 5 5 4 -	NT: IT: ENT: 4 5 5 5 5 5 5 5 5	1 1 >6X 5 5 5 5 5 5 5 5 5 5
INDIVIDUAL (Capital Intelligence) D1. TRANSACTIONS OF \$10 MILLION OR LESS - F D2. TRANSACTIONS OF \$10 MILLION OR LESS - C E. UNRATED LARGEST (PROFITABLE) FINANCIA F1. UNRATED BORROWERS/GUARANTORS OTHER DEBT TO TANGIBLE NET WORTH OPERATING CASH FLOW (2-YEAR AVERAGE)) TO DEBT F2. UNRATED FINANCIAL INSTITUTION BORROWER TRANSACTION RISK INCREMENT: SHAREHOLDER'S EQUITY TO ASSETS	FINANCIAL INST		<u>DNS:</u> Al INST	TU NS >2 >2 >1 >1 >1 >1 >1 >1	TIONS: N 25% 20% 15% 10% 5% 0%	* IAXIMUM T <1X 1 1 2 3 4 5 5 5 	TRANSAC RANSAC 2X TRANSA 1 2 3 4 5 5 5 5 2 2 >7%	CTION RI FION RIS CTION F 2 3 4 CTION F 2 3 4 5 5 5 5 5 6%		EME MEN 4X 8 4 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5	NT: IT: ENT: 4 5 5 5 5 5 5 5 5 5 5 5 5	1 1 >6X 5 5 5 5 5 5 5 5 5
INDIVIDUAL (Capital Intelligence) D1. TRANSACTIONS OF \$10 MILLION OR LESS - F D2. TRANSACTIONS OF \$10 MILLION OR LESS - C E. UNRATED LARGEST (PROFITABLE) FINANCIA F1. UNRATED BORROWERS/GUARANTORS OTHER DEBT TO TANGIBLE NET WORTH OPERATING CASH FLOW (2-YEAR AVERAGE) TO DEBT F2. UNRATED FINANCIAL INSTITUTION BORROWER TRANSACTION RISK INCREMENT:	FINANCIAL INST		<u>DNS:</u> Al INST	TU NS >2 >2 >1 >1 >1 >1 >1 >1	TIONS: N 25% 20% 15% 10% 5% 0%	* IAXIMUM T <1X 1 1 2 3 4 5 5 5	TRANSAC RANSAC 2X TRANSA 1 2 3 4 5 5 5 2	CTION RIS		EME 4X REMI 3 4 5 5 5 5 4 - - - - - - - - - - - - -	NT: IT: ENT: 4 5 5 5 5 5 5 5 5	1 1 >6X 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5
INDIVIDUAL (Capital Intelligence) D1. TRANSACTIONS OF \$10 MILLION OR LESS - F D2. TRANSACTIONS OF \$10 MILLION OR LESS - C E. UNRATED LARGEST (PROFITABLE) FINANCIA F1. UNRATED BORROWERS/GUARANTORS OTHER DEBT TO TANGIBLE NET WORTH OPERATING CASH FLOW (2-YEAR AVERAGE) TO DEBT F2. UNRATED FINANCIAL INSTITUTION BORROWER TRANSACTION RISK INCREMENT: SHAREHOLDER'S EQUITY TO ASSETS NET INCOME TO ASSETS (2-YEAR AVERAGE)	FINANCIAL INST		<u>DNS:</u> Al INST	TU NS >2 >2 >1 >1 >1 >1 >1 >1	TIONS: N 25% 20% 15% 10% 5% 0%	* AXIMUM T <1X 1 1 2 3 4 5 5 5 1 - 8% >2.5%	TRANSAC RANSAC 22X TRANSA 1 2 3 4 5 5 5 2 2 >7% >2.0%	CTION RI FION RIS (CTION F 2 3 4 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5		EME 4X REMI 4X S 5 5 5 5 4	NT: IT: <6X ENT: 4 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5	1 1 >6X 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5

* MAY NOT APPLY IF A TRANSACTION ICRAS RATING HAS BEEN PRE-APPROVED

Effective: 09/01/2003