EXPOSURE FEE ADVICE MARSHALL ISLANDS PRIVATE SECTOR CREDITS

EXPOSURE FEE LEVEL 4

	EXPOSURE FE	E LEVEL	4							
A. SOVEREIGN (e.g., Finance Ministry Guarantee):		т	RANSACTIO	ON RISK IN	ICREMEN	IT: Se	e Public S	Sector Cha	art	
B. POLITICAL ONLY COVER:	TRANSACTION RISK INCREMENT: -1									
C1. BORROWERS/GUARANTORS with RATED/TRADED CROSS BORDER (HARD CURRENCY) DEBTS:										
TRANSACTION RISK INCREMENT:	0	0	0	()	0	1	2	3	
LONG-TERM (S&P, others)	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			Ba3	B1,B2	В3	
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	1					
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-COUNTRY (LOCAL CURRENCY) RATINGS:										
TRANSACTION RISK INCREMENT:	1	1	1	,	1	1	1	2	3	
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	Baa	Ba1,E	Ва2	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	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	; (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 - FINA	NCIAL INSTITUTION	ONS:		:	*TRANSA	CTION RI	SK INCRE	MENT:	1	
D2. TRANSACTIONS OF \$10 MILLION OR LESS - OTH	ER THAN FINANC	IAL INSTITU	JTIONS:	:	*TRANSA	CTION RI	SK INCRE	MENT:	2	
E. UNRATED LARGEST (PROFITABLE) FINANCIAL IN	ISTITUTION:			MAXIMUM	TRANSA	CTION RI	SK INCRE	MENT:	1	
F1. UNRATED BORROWERS/GUARANTORS OTHER T		NSTITUTIO	NS:							
DEBT TO TANGIBLE NET WORTH			<u></u>	<1X	<2X	<3X	<4X	<6X	>6X	
DEDITION/MOBEL NET WORTH				17		-	ISK INCR		2011	
		_	25%	1	110/1110/	1	1	1	2	
OPERATING			20%	1	1	1	1	2	2	
CASH FLOW			20 <i>%</i> 15%	1	1	1	2	3	3	
(2-YEAR AVERAGE) TO			10%	1	1	2	3	3	3	
DEBT			>5%	1	2	3	3	3	3	
			>0%	2	3	3	3	3	3	
			<0%	3	3	3	3	3	3	
F2. UNRATED FINANCIAL INSTITUTION BORROWERS	/GUARANTORS:									
TRANSACTION RISK INCREMENT:				1	1	1	1	2	3	
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	EMENT HAS BEEN	I PRE-APPF	ROVED				Effec	tive: 01	/02/2009	

EXPOSURE FEE ADVICE MARSHALL ISLANDS

PUBLIC SECTOR CREDITS

EXPOSURE FEE LEVEL 4

A. SOVEREIGN (e.g., Finance Ministry Guarantee):		T	RANSACTIO	ON RISK I	NCREME	NT: C)		
B. POLITICAL ONLY COVER:	TRANSACTION R			ON RISK I	NCREME	NT: Se	See Private Sector Chart		
C1. BORROWERS/GUARANTORS with RATED/TRADED	CROSS BORDE	R (HARD C	URRENCY)	DEBTS:					
TRANSACTION RISK INCREMENT:	0	0	0		0	0	1	2	3
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			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	TINGS:						
TRANSACTION RISK INCREMENT:	0	0	0		0	0	1	2	3
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			Ba3	B1,B2	В3
SHORT-TERM (S&P, others)	A-1+	A-1	A-2	A-:	,	В	240	C	20
SHORT-TERM (Moody's)		P-1	P-2	P-		_		-	
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		C IC	C/D IC	D IC		IC E
INDIVIDUAL (IBCA)	A/B	В	B/C	(5	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			ITIONS:		*TRANSA	CTION RI	SK INCRE	MENT.	1
		AL IIIO							
E. UNRATED LARGEST (PROFITABLE) FINANCIAL INSTITUTION: MAXIMUM TRANSACTION RISK INCREMENT:							VIENT:	1	
F1. UNRATED BORROWERS/GUARANTORS OTHER TH	<u>IAN FINANCIAL I</u>	NSTITUTIO	NS:						
DEBT TO TANGIBLE NET WORTH				<1X	<2X	<3X	<4X	<6X	>6X
					TRANS	ACTION F	RISK INCR		
		>	25%	0	0	0	0	1	2
OPERATING CASH FLOW		>	20%	0	0	0	1	2	3
CASH FLOW (2-YEAR AVERAGE)		>	15%	0	0	1	2	3	3
TO DEBT		>	10%	0	1	2	3	3	3
DEBT			>5%	1	2	3	3	3	3
			>0%	2	3	3	3	3	3
			<0%	3	3	3	3	3	3
F2. UNRATED FINANCIAL INSTITUTION BORROWERS/	GUARANTORS:								
TRANSACTION RISK INCREMENT:				0	0	0	1	2	3
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 RATII	NG HAS BEEN PF	RE-APPROV	/ED				Effective	: 01/	02/2009