



**EXPOSURE FEE ADVICE**  
**MEXICO**  
**PUBLIC SECTOR CREDITS**

EXPOSURE FEE LEVEL 2

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

TRANSACTION RISK INCREMENT: 0

**B. POLITICAL ONLY COVER:**

TRANSACTION RISK INCREMENT: See Private Sector Chart

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

TRANSACTION RISK INCREMENT:	0		0		0		1		2		3		4		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,Ba2		Ba3		B1,B2		B3	
SHORT-TERM (S&P, others)	A-1+		A-1		A-2		A-3		B				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		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:	0		0		0		1		2		3		4		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,Ba2		Ba3		B1,B2		B3	
SHORT-TERM (S&P, others)	A-1+		A-1		A-2		A-3		B				C			
SHORT-TERM (Moody's)			P-1		P-2		P-3									
FINANCIAL STRENGTH (Moody's)	A/B		B		B/C		C		C/D		D		D/E		E	
INTRA-COUNTRY ISSUER (TBW)	IC	A/E	IC	E	IC	B/C	IC	C	IC	C/I	IC	E	IC	D/E	IC	E
INDIVIDUAL (IBCA)	A/B		B		B/C		C		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: 1

**E. UNRATED LARGEST (PROFITABLE) FINANCIAL INSTITUTION:**

MAXIMUM TRANSACTION RISK INCREMENT: 1

**F1. UNRATED BORROWERS/GUARANTORS OTHER THAN FINANCIAL INSTITUTIONS**

DEBT TO TANGIBLE NET WORTH		<1X	<2X	<3X	<4X	<6X	>6X
		TRANSACTION RISK INCREMENT:					
	>25%	0	0	1	2	3	4
OPERATING CASH FLOW (2-YEAR AVERAGE) TO DEBT	>20%	0	1	2	3	4	5
	>15%	1	2	3	4	5	5
	>10%	2	3	4	5	5	5
	>5%	3	4	5	5	5	5
	>0%	4	5	5	5	5	5
	<0%	5	5	5	5	5	5

**F2. UNRATED FINANCIAL INSTITUTION BORROWERS/GUARANTORS:**

TRANSACTION RISK INCREMENT:	0		1		2		3		4		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

Effective: 09/01/2005