

**EXPOSURE FEE ADVICE
ST. KITTS & NEVIS
PRIVATE SECTOR CREDITS**

EXPOSURE FEE LEVEL 5

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	0	0	0	0	1	2
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	0	0	0	1	2
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/B	IC B	IC B/C	IC C	IC C/D	IC D	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: 0

E. UNRATED LARGEST (PROFITABLE) FINANCIAL INSTITUTION: MAXIMUM TRANSACTION RISK INCREMENT: 0

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	0	0	0	1
OPERATING CASH FLOW (2-YEAR AVERAGE) TO DEBT >20%	0	0	0	0	1	2
>15%	0	0	0	1	2	2
>10%	0	0	1	2	2	2
>5%	0	1	2	2	2	2
>0%	1	2	2	2	2	2
<0%	2	2	2	2	2	2

F2. UNRATED FINANCIAL INSTITUTION BORROWERS/GUARANTORS:

TRANSACTION RISK INCREMENT:	0	0	0	0	1	2
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 INCREMENT HAS BEEN PRE-APPROVED

Effective: 07/06/2007

**EXPOSURE FEE ADVICE
ST. KITTS & NEVIS
PUBLIC SECTOR CREDITS**

EXPOSURE FEE LEVEL 5

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	0	0	0	1	2
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				
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C2. BORROWERS/GUARANTORS with INTRA-COUNTRY (LOCAL CURRENCY) RATINGS:

TRANSACTION RISK INCREMENT:	0	0	0	0	0	0	1	2
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	
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FINANCIAL STRENGTH (Moody's)	A/B	B	B/C	C	C/D	D	D/E	E
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	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

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		TRANSACTION RISK INCREMENT:					
	>25%	0	0	0	0	0	1
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	>15%	0	0	0	1	2	2
	>10%	0	0	1	2	2	2
	>5%	0	1	2	2	2	2
	>0%	1	2	2	2	2	2
	<0%	2	2	2	2	2	2

F2. UNRATED FINANCIAL INSTITUTION BORROWERS/GUARANTORS:

TRANSACTION RISK INCREMENT:	0	0	0	0	1	2
SHAREHOLDER'S EQUITY TO ASSETS	>8%	>7%	>6%	>5%	>4%	<4%
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* MAY NOT APPLY IF A TRANSACTION ICRAS RATING HAS BEEN PRE-APPROVED

Effective: 07/06/2007