EXPOSURE FEE ADVICE LATVIA PRIVATE SECTOR CREDITS

4

EXPOSURE FEE LEVEL

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

TRANSACTION RISK INCREMENT: See Public S

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	2	3	4	5	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,E	Ba2	Ba3	B1,B2	B3
SHORT-TERM (S&P, others)	A-1+	A-1	A-2	A-3		В		С	
SHORT-TERM (TBW)	TBW-1	TBW-2	TBW-3	TBW-4					
SHORT-TERM (Moody's)		P-1	P-2	P-3	i i				
SPREAD (bp) over T-YIELD <	40	70	140	250	2	400	600	900	1500
SPREAD (bp) over LIBOR <	10	40	90	220	3	370	570	870	1470
C2. BORROWERS/GUARANTORS with INTRA-COUN	ITRY (LOCAL CURF	RENCY) RA	TINGS:						
TRANSACTION RISK INCREMENT:	0	0	1	2	2	3	4	5	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,E	Ba2	Ba3	B1,B2	B3
SHORT-TERM (S&P, others)	A-1+	A-1	A-2	A-3	i i	В		С	
SHORT-TERM (Moody's)		P-1	P-2	P-3	i i				
FINANCIAL STRENGTH (Moody's)	A/B	В	B/C	С	C	C/D	D	D/E	E
INTRA-COUNTRY ISSUER (TBW)	IC A/B	IC B	IC B/C	IC C	IC C	C/D IC	D D	IC D/E	IC E
INDIVIDUAL (IBCA)	A/B	В	B/C	С	C	C/D	D	D/E	E
	AA+,AA,AA-	A+,A,A-	BBB+,BBB	BBB-	BB+,	BB	BB-	B+,B	B-
INDIVIDUAL (Capital Intelligence)	, u (, j, u (j, u (,							
INDIVIDUAL (Capital Intelligence) <u>D1. TRANSACTIONS OF \$10 MILLION OR LESS - FIR</u>		, ,		*	TRANSA	CTION R	SK INC	REMENT:	0
D1. TRANSACTIONS OF \$10 MILLION OR LESS - FI	NANCIAL INSTITUTI	ONS:	UTIONS:		-			REMENT: REMENT:	0 1
D1. TRANSACTIONS OF \$10 MILLION OR LESS - FIND D2. TRANSACTIONS OF \$10 MILLION OR LESS - OT	NANCIAL INSTITUTI	ONS:		*	TRANSAG	CTION RI	SK INC	REMENT:	1
D1. TRANSACTIONS OF \$10 MILLION OR LESS - FIND D2. TRANSACTIONS OF \$10 MILLION OR LESS - OT E. UNRATED LARGEST (PROFITABLE) FINANCIAL	NANCIAL INSTITUTI	<u>ons:</u> :Ial instit	Μ		TRANSAG	CTION RI	SK INC	REMENT:	
D1. TRANSACTIONS OF \$10 MILLION OR LESS - FIND D2. TRANSACTIONS OF \$10 MILLION OR LESS - OT	NANCIAL INSTITUTI	<u>ons:</u> :Ial instit	Μ	*	TRANSAG	CTION RI	SK INC	REMENT:	1
D1. TRANSACTIONS OF \$10 MILLION OR LESS - FIND D2. TRANSACTIONS OF \$10 MILLION OR LESS - OT E. UNRATED LARGEST (PROFITABLE) FINANCIAL	NANCIAL INSTITUTI	<u>ons:</u> :Ial instit	Μ	*	TRANSAG	CTION RI	SK INC	REMENT: REMENT:	1
D1. TRANSACTIONS OF \$10 MILLION OR LESS - FIN D2. TRANSACTIONS OF \$10 MILLION OR LESS - OT E. UNRATED LARGEST (PROFITABLE) FINANCIAL F1. UNRATED BORROWERS/GUARANTORS OTHER	NANCIAL INSTITUTI	<u>ons:</u> :Ial instit	Μ	* Maximum	TRANSA(TRANSA(<2X	CTION RI	SK INC SK INC	REMENT: REMENT:	1 0
D1. TRANSACTIONS OF \$10 MILLION OR LESS - FIN D2. TRANSACTIONS OF \$10 MILLION OR LESS - OT E. UNRATED LARGEST (PROFITABLE) FINANCIAL F1. UNRATED BORROWERS/GUARANTORS OTHER	NANCIAL INSTITUTI	<u>ons:</u> Ial Instit	Μ	* Maximum	TRANSA(TRANSA(<2X	CTION RI	SK INC SK INC <4	REMENT: REMENT: X <6X	1 0
D1. TRANSACTIONS OF \$10 MILLION OR LESS - FIN D2. TRANSACTIONS OF \$10 MILLION OR LESS - OT E. UNRATED LARGEST (PROFITABLE) FINANCIAL F1. UNRATED BORROWERS/GUARANTORS OTHER DEBT TO TANGIBLE NET WORTH OPERATING	NANCIAL INSTITUTI	<u>ons:</u> :IAL INSTIT INSTITUTIC >	NS:	* MAXIMUM <1X	TRANSAG TRANSAG <2X TRANSA	CTION RI CTION RI <3X ACTION F	SK INC SK INC <4. RISK INC	REMENT: REMENT: X <6X CREMENT:	1 0 >6X
D1. TRANSACTIONS OF \$10 MILLION OR LESS - FIN D2. TRANSACTIONS OF \$10 MILLION OR LESS - OT E. UNRATED LARGEST (PROFITABLE) FINANCIAL F1. UNRATED BORROWERS/GUARANTORS OTHER DEBT TO TANGIBLE NET WORTH OPERATING CASH FLOW	NANCIAL INSTITUTI	<u>ons:</u> :Ial instit Institutic > >	N <u>S:</u> 25%	* MAXIMUM <1X 1	TRANSAG TRANSAG <2X TRANSA 1	CTION RI CTION RI <3X ACTION F 2	SK INC SK INC <4. RISK INC	REMENT: REMENT: X <6X CREMENT: 3 4	1 0 >6X 5
D1. TRANSACTIONS OF \$10 MILLION OR LESS - FIN D2. TRANSACTIONS OF \$10 MILLION OR LESS - OT E. UNRATED LARGEST (PROFITABLE) FINANCIAL F1. UNRATED BORROWERS/GUARANTORS OTHER DEBT TO TANGIBLE NET WORTH OPERATING CASH FLOW (2-YEAR AVERAGE) TO	NANCIAL INSTITUTI	<u>ons:</u> Ial Instit Institutic > > >	9 <mark>08:</mark> 25% 20%	* MAXIMUM <1X 1 1	TRANSAG TRANSAG <2X TRANSA 1 2	CTION RI CTION RI <3X ACTION F 2 3	SK INC SK INC <4.	REMENT: REMENT: X <6X CREMENT: 3 4 4 5	1 0 >6X 5 5
D1. TRANSACTIONS OF \$10 MILLION OR LESS - FIN D2. TRANSACTIONS OF \$10 MILLION OR LESS - OT E. UNRATED LARGEST (PROFITABLE) FINANCIAL F1. UNRATED BORROWERS/GUARANTORS OTHER DEBT TO TANGIBLE NET WORTH OPERATING CASH FLOW (2-YEAR AVERAGE)	NANCIAL INSTITUTI	<u>ons:</u> IAL INSTIT INSTITUTIC > > > >	9 <mark>0NS:</mark> 25% 20% 15%	, MAXIMUM <1X 1 1 2	TRANSAG TRANSAG <2X TRANSA 1 2 3	CTION RI CTION RI <3X ACTION F 2 3 4	SK INC SK INC <4 RISK INC	REMENT: REMENT: X <6X CREMENT: 3 4 4 5 5 5	1 0 >6X 5 5 5
D1. TRANSACTIONS OF \$10 MILLION OR LESS - FIN D2. TRANSACTIONS OF \$10 MILLION OR LESS - OT E. UNRATED LARGEST (PROFITABLE) FINANCIAL F1. UNRATED BORROWERS/GUARANTORS OTHER DEBT TO TANGIBLE NET WORTH OPERATING CASH FLOW (2-YEAR AVERAGE) TO	NANCIAL INSTITUTI	<u>ONS:</u> IAL INSTIT INSTITUTIC > > >	25% 20% 15% 10%	* MAXIMUM <1X 1 1 2 3	TRANSAG TRANSAG <2X TRANSA 1 2 3 4	CTION RI CTION RI <3X ACTION F 2 3 4 5	SK INC SK INC <4. RISK INC	REMENT: REMENT: X <6X CREMENT: 3 4 4 5 5 5 5 5	1 0 >6X 5 5 5 5 5
D1. TRANSACTIONS OF \$10 MILLION OR LESS - FIN D2. TRANSACTIONS OF \$10 MILLION OR LESS - OT E. UNRATED LARGEST (PROFITABLE) FINANCIAL F1. UNRATED BORROWERS/GUARANTORS OTHER DEBT TO TANGIBLE NET WORTH OPERATING CASH FLOW (2-YEAR AVERAGE) TO	NANCIAL INSTITUTI	<u>ons:</u> Ial instit Institutic > > >	25% 20% 15% 10% >5%	* MAXIMUM <1X 1 1 2 3 4	TRANSAG TRANSAG <2X TRANSA 1 2 3 4 5	CTION RI CTION RI <3X ACTION F 2 3 4 5 5	SK INC SK INC <4.	REMENT: REMENT: X <6X CREMENT: 3 4 4 5 5 5 5 5 5 5 5 5	1 0 >6X 5 5 5 5 5 5
D1. TRANSACTIONS OF \$10 MILLION OR LESS - FIN D2. TRANSACTIONS OF \$10 MILLION OR LESS - OT E. UNRATED LARGEST (PROFITABLE) FINANCIAL F1. UNRATED BORROWERS/GUARANTORS OTHER DEBT TO TANGIBLE NET WORTH OPERATING CASH FLOW (2-YEAR AVERAGE) TO	NANCIAL INSTITUTI	<u>ons:</u> Ial instit Institutic > > >	25% 20% 15% 10% >5% >0%	* MAXIMUM <1X 1 1 2 3 4 5	TRANSAG TRANSAG <2X TRANSA 1 2 3 4 5 5	CTION RI CTION RI <3X ACTION F 2 3 4 5 5 5	SK INC SK INC <4.	REMENT: REMENT: X <6X CREMENT: 3 4 4 5 5 5 5 5 5 5 5 5 5 5	1 0 >6X 5 5 5 5 5 5 5
D1. TRANSACTIONS OF \$10 MILLION OR LESS - FIN D2. TRANSACTIONS OF \$10 MILLION OR LESS - OT E. UNRATED LARGEST (PROFITABLE) FINANCIAL F1. UNRATED BORROWERS/GUARANTORS OTHER DEBT TO TANGIBLE NET WORTH OPERATING CASH FLOW (2-YEAR AVERAGE) TO DEBT	NANCIAL INSTITUTI	<u>ons:</u> Ial instit Institutic > > >	25% 20% 15% 10% >5% >0%	* MAXIMUM <1X 1 1 2 3 4 5	TRANSAG TRANSAG <2X TRANSA 1 2 3 4 5 5	CTION RI CTION RI <3X ACTION F 2 3 4 5 5 5	SK INC SK INC <4	REMENT: REMENT: X <6X CREMENT: 3 4 4 5 5 5 5 5 5 5 5 5 5 5	1 0 >6X 5 5 5 5 5 5 5
D1. TRANSACTIONS OF \$10 MILLION OR LESS - FIN D2. TRANSACTIONS OF \$10 MILLION OR LESS - OT E. UNRATED LARGEST (PROFITABLE) FINANCIAL F1. UNRATED BORROWERS/GUARANTORS OTHER DEBT TO TANGIBLE NET WORTH OPERATING CASH FLOW (2-YEAR AVERAGE) TO DEBT F2. UNRATED FINANCIAL INSTITUTION BORROWER	NANCIAL INSTITUTI	<u>ons:</u> Ial instit Institutic > > >	25% 20% 15% 10% >5% >0%	* MAXIMUM <1X 1 1 2 3 4 5 5	TRANSAG TRANSAG 22X TRANSA 1 2 3 4 5 5 5 2	CTION RI CTION RI <3X ACTION F 2 3 4 5 5 5 5	SK INC SK INC <4	REMENT: REMENT: X <6X CREMENT: 3 4 4 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5	1 0 >6X 5 5 5 5 5 5 5 5
D1. TRANSACTIONS OF \$10 MILLION OR LESS - FIN D2. TRANSACTIONS OF \$10 MILLION OR LESS - OT E. UNRATED LARGEST (PROFITABLE) FINANCIAL 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:	NANCIAL INSTITUTI	<u>ons:</u> Ial instit Institutic > > >	25% 20% 15% 10% >5% >0%	, MAXIMUM <1X 1 1 2 3 4 5 5 1	TRANSAG TRANSAG 22X TRANSA 1 2 3 4 5 5 5	CTION RI CTION RI <3X ACTION F 2 3 4 5 5 5 5 5 3	SK INC SK INC <4. RISK INC	REMENT: REMENT: X <6X CREMENT: 3 4 4 5 5 5 5 5 5 5 5 5 4 $\frac{5}{5}$ 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5	1 0 >6X 5 5 5 5 5 5 5 5 5 5
D1. TRANSACTIONS OF \$10 MILLION OR LESS - FIN D2. TRANSACTIONS OF \$10 MILLION OR LESS - OT E. UNRATED LARGEST (PROFITABLE) FINANCIAL 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	NANCIAL INSTITUTI	<u>ons:</u> Ial instit Institutic > > >	25% 20% 15% 10% >5% >0%	* MAXIMUM <1X 1 1 2 3 4 5 5 5 1 2 8%	TRANSAG TRANSAG 22X TRANSA 1 2 3 4 5 5 5 5 2 2 >7%	CTION RI CTION RI <3X ACTION F 2 3 4 5 5 5 5 5 3 2 3 3 26%	SK INC SK INC <4. RISK INC >5%	REMENT: REMENT: X $< 6X$ CREMENT: 3 4 4 5 5 5 5 5 5 5 5 5 5 5 4 $\frac{5}{6}$ 4 $\frac{5}{-34\%}$ 6 $>0.5\%$	1 0 >6X 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5
D1. TRANSACTIONS OF \$10 MILLION OR LESS - FIN D2. TRANSACTIONS OF \$10 MILLION OR LESS - OT E. UNRATED LARGEST (PROFITABLE) FINANCIAL F1. UNRATED BORROWERS/GUARANTORS OTHER DEBT TO TANGIBLE NET WORTH OPERATING CASH FLOW (2-YEAR AVERAGE) TO DEBT F2. UNRATED FINANCIAL INSTITUTION BORROWEI TRANSACTION RISK INCREMENT: SHAREHOLDER'S EQUITY TO ASSETS NET INCOME TO ASSETS (2-YEAR AVERAGE)	NANCIAL INSTITUTI	<u>ons:</u> Ial instit Institutic > > >	25% 20% 15% 10% >5% >0%	AAXIMUM <1X 1 1 1 2 3 4 5 5 1 1 >8% >2.5%	TRANSAG TRANSAG 22X TRANSA 1 2 3 4 5 5 5 5 2 2 >7% >2.0%	CTION RI CTION RI <3X ACTION F 2 3 4 5 5 5 5 5 5 5 5 5 5 5 5 5	SK INC SK INC <4 RISK INC >5% >1.0%	REMENT: REMENT: X $< 6X$ CREMENT: 3 4 4 5 5 5 5 5 5 5 5 5 5 5 5 5 5	1 0 >6X 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5
D1. TRANSACTIONS OF \$10 MILLION OR LESS - FIN D2. TRANSACTIONS OF \$10 MILLION OR LESS - OT E. UNRATED LARGEST (PROFITABLE) FINANCIAL F1. UNRATED BORROWERS/GUARANTORS OTHER DEBT TO TANGIBLE NET WORTH OPERATING CASH FLOW (2-YEAR AVERAGE) TO DEBT F2. UNRATED FINANCIAL INSTITUTION BORROWEI TRANSACTION RISK INCREMENT: SHAREHOLDER'S EQUITY TO ASSETS NET INCOME TO ASSETS (2-YEAR AVERAGE) BORROWED FUNDS TO NET LOANS	NANCIAL INSTITUTI	<u>ons:</u> Ial instit Institutic > > >	25% 20% 15% 10% >5% >0%	* MAXIMUM <1X 1 1 2 3 4 5 5 5 1 1 >8% >2.5% <40%	TRANSAG TRANSAG 22X TRANSA 1 2 3 4 5 5 5 5 2 2 >7% >2.0% <60%	CTION RI CTION RI CTION RI 2 3 4 5 5 5 5 5 5 5 5 5 5 5 5 5	SK INC SK INC <4. RISK INC >59 >1.09 <1009	REMENT: REMENT: X <6X CREMENT: 3 4 4 5 5 5 5 5 5 5 5 5 5 5 4 5 5 5 5	1 0 >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 RISK INCREMENT HAS BEEN PRE-APPROVED

Effective: 02/06/2009

EXPOSURE FEE ADVICE

LATVIA

PUBLIC SECTOR CREDITS

EXPOSURE FEE LEVEL

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

TRANSACTION RISK INCREMENT:

4

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B. POLITICAL ONLY COVER:		т	RANSACTIO	ON RISK I	NCREME	NT: Se	e Private	Sector Ch	art
C1. BORROWERS/GUARANTORS with RATED/TRADE TRANSACTION RISK INCREMENT:	D CROSS BORDE	E R (HARD (0	CURRENCY)		2	3	4	5	5
	AA+,AA,AA-	A+,A,A-	BBB+.BBB	BBB		-,BB -	BB-	 	B-
LONG-TERM (S&P, others) LONG-TERM (Moody's)	AA+,AA,AA- Aa1,Aa2	A+,A,A- A1,A2,A3	Baa1,Baa2	Baa		Ba2	Ba3	в+,в B1,B2	В- В3
SHORT-TERM (Moody's)	A-1+	A1,A2,A3	Баат,Баа2 А-2	A-3		B	Bas	в1,82 С	5
SHORT-TERM (TBW)	TBW-1	TBW-2	TBW-3	TBW-		D		Ũ	
SHORT-TERM (Moody's)	10111	P-1	P-2	P-3					
SPREAD (bp) over T-YIELD <	40	70	140	25		400	600	900	1500
SPREAD (bp) over LIBOR <	10	40	90	220		370	570	870	1470
C2. BORROWERS/GUARANTORS with INTRA-COUNTI	RY (LOCAL CURR		TINGS:						
TRANSACTION RISK INCREMENT:	0	0	1	:	2	3	4	5	5
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	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	3				
FINANCIAL STRENGTH (Moody's)	A/B	В	B/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	В	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 - FINA	NCIAL INSTITUTI	ONS:			*TRANSA	CTION R	ISK INCRE	EMENT:	0
D2. TRANSACTIONS OF \$10 MILLION OR LESS - OTHI	ER THAN FINANC	IAL INSTIT	UTIONS:		*TRANSA	CTION R	ISK INCRE	EMENT:	1
E. UNRATED LARGEST (PROFITABLE) FINANCIAL IN	ISTITUTION:		Ν	AXIMUM	TRANSA	CTION RI	SK INCRE	MENT:	1
F1. UNRATED BORROWERS/GUARANTORS OTHER T	HAN FINANCIAL	INSTITUTIC	DNS:						
DEBT TO TANGIBLE NET WORTH				<1X	<2X	<3X	<4X	<6X	>6X
					TRANS	ACTION F	RISK INCR	EMENT:	
		>	25%	1	1	2	3	4	5
OPERATING		>	20%	1	2	3	4	5	5
CASH FLOW (2-YEAR AVERAGE)		>	15%	2	3	4	5	5	5
ТО		>	10%	3	4	5	5	5	5
DEBT			>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 BORROWERS	GUARANTORS:								
TRANSACTION RISK INCREMENT:				1	2	3	4	5	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: 02/06/2009