

**EXPOSURE FEE ADVICE
WESTERN SAMOA
PRIVATE SECTOR CREDITS**

EXPOSURE FEE LEVEL 4

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 | 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 | 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: | 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 | 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: 1

D2. TRANSACTIONS OF \$10 MILLION OR LESS - OTHER THAN FINANCIAL INSTITUTIONS:

*TRANSACTION RISK INCREMENT: 2

E. UNRATED LARGEST (PROFITABLE) FINANCIAL INSTITUTION:

MAXIMUM TRANSACTION RISK INCREMENT: 1

F1. UNRATED BORROWERS/GUARANTORS OTHER THAN FINANCIAL INSTITUTION

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

Effective: 10/01/1998

**EXPOSURE FEE ADVICE
WESTERN SAMOA
PUBLIC SECTOR CREDITS**

EXPOSURE FEE LEVEL 4

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 | 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 | 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 | 1 | 2 | 3 |
| 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: 1

E. UNRATED LARGEST (PROFITABLE) FINANCIAL INSTITUTION:

MAXIMUM TRANSACTION RISK INCREMENT: 1

F1. UNRATED BORROWERS/GUARANTORS OTHER THAN FINANCIAL INSTITUTION

S:

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

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Effective: 10/01/1998