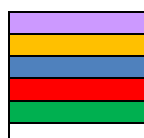


**MAIDSTONE BOROUGH COUNCIL****COUNTERPARTIES LIST 2012/13****Sector's Suggested Credit Rating Methodology**

Sector has recently implemented a new credit rating system that incorporates credit ratings from all three major rating agencies; Fitch, Moody's, and Standard & Poor's. The system uses all the available ratings and, as such, uses a four-way approach to produce a mathematically calculated, risk-weighted score that is then compared to pre-determined credit scoring bands. The system uses the Long term, Short term, Individual, and Support ratings to produce the credit score. Depending on which band the credit score falls between, determines the duration that Sector suggests lending to for that institution.

**Sector Colour Key.**

24 months duration / £8m Limit  
 12 months duration / £5m limit  
 12 months duration / £5m limit - Part Nationalised  
 6 months duration / £3m limit  
 3 month duration / £2m limit  
 Building Societies - 6 months £2m limit



As well as limits on the amount of funds that can be placed with individual counterparties, Sector would suggest imposing group limits. The group limit should be equal to the individual limit of one counterparty within the same group.

**Bank Grouping Key**

Santander Group, UK  
 Lloyds Banking Group, UK  
 Royal Bank of Scotland plc, UK

1  
 2  
 3

Institution Name	Country	Group	Deposit	Suggested Term
<b>UK INSTITUTIONS MEETING MINIMUM RATING CRITERIA</b>				
Alliance & Leicester	UK	1	£3,000,000	6Months
Cater Allen	UK	1	£3,000,000	6Months
Bank of Scotland Plc	UK	2	£5,000,000	1yr
Barclays Bank plc	UK		£3,000,000	6Months
HSBC Bank plc	UK		£5,000,000	1yr
Lloyds TSB	UK	2	£5,000,000	1yr
National Westminster Bank	UK	3	£5,000,000	1yr
Royal Bank of Scotland plc	UK	3	£5,000,000	1yr
Santander UK	UK	1	£3,000,000	6Months
Ulster Bank Ltd	UK	3	£5,000,000	1yr
<b>OVERSEAS INSTITUTIONS MEETING MINIMUM RATING CRITERIA</b>				
Svenska Handelsbanken	SWE		£5,000,000	1yr
<b>UK BUILDING SOCIETIES</b>				
	<b>RANK BY ASSET SIZE</b>	<b>RANK BY MAN EX</b>	<b>TOTAL</b>	
Coventry	3	1	4	£2,000,000 6Months
Yorkshire	2	4	6	£2,000,000 6Months
Nationwide Building Society	1	6	7	£2,000,000 6Months
Leeds	5	2	7	£2,000,000 6Months
West Bromwich	6	5	11	£2,000,000 6Months
<b>OTHER PUBLIC BODIES</b>				
UK Government			£8,000,000	2yrs
UK Local Authorities (Inc.Police & Fire Authorities)			£8,000,000	2yrs
<b>MONEY MARKET FUNDS (AAA RATED)</b>				
Goldman Sachs			£8,000,000	2yrs
Prime Rate Capital Management			£8,000,000	2yrs