


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.

£8m Limit
£5m limit
£8m limit - Part Nationalised
£3m limit
£2m limit
Lower Rated Building Societies - £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.

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

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