

APPENDIX I: INSTITUTIONS MEETING HIGH CREDIT RATINGS CRITERIA

- 1.1 Detailed below is the list of the banks and building societies that both Councils can lend to (based on information on credit risk and credit ratings available in November 2021). This will be continuously monitored as the position changes throughout the year as credit ratings are reviewed and additional market information is evaluated.
- 1.2 This is based on UK Banks and Building Societies A-, Money Market Funds, Foreign Banks AA-. Foreign banks must be in a country with a sovereign rating of AAA.

Counterparty	Long term rating - Fitch	Duration
UK BANKS		
Bank of Scotland PLC	A+	100 days
Barclays Bank PLC	A+	100 days
Barclays Bank UK PLC	A+	100 days
Handelsbanken PLC	AA	100 days
HSBC Bank PLC	AA-	100 days
HSBC UK Bank PLC	AA-	100 days
Lloyds Bank PLC	A+	100 days
National Westminster Bank	A+	100 days
Natwest Markets PLC	A+	100 days
Royal Bank of Scotland PLC	A+	100 days
Santander UK PLC	A+	100 days
Standard Chartered Bank	A+	100 days
UK BUILDING SOCIETIES		
Nationwide Building Society	A+	100 days
FOREIGN BANKS		
Australia		
Australia and NZ Banking Group	A+	100 days
Commonwealth Bank of Australia	A+	100 days
National Australia Bank	A+	100 days
Westpac Banking Group	A+	100 days
Canada		
Bank of Montreal	AA	100 days
Bank of Nova Scotia	AA	100 days
Canadian Imperial Bank of Commerce	AA	100 days
National Bank of Canada	AA-	100 days
Royal Bank of Canada	AA	100 days
Toronto-Dominion Bank	AA	100 days
Finland		
Nordea Bank ABP	AA	100 days
Netherlands		
Cooperative Rabobank	AA-	100 days

Appendix I – Institutions Meeting High Credit Rating Criteria

Counterparty	Long term rating - Fitch	Duration
MONEY MARKET FUNDS (MMF)		
Aberdeen Standard Sterling Liquidity Fund	AAAmmf	Overnight
Goldman Sterling Liquid Reserves Fund	AAAmmf	Overnight
Insight Sterling Liquidity Fund	AAAmmf	Overnight
Federated Investors (UK) Sterling Liquidity Fund	AAAmmf	Overnight
Invesco AIM STUC Sterling Liquidity Portfolio	AAAmmf	Overnight
Blackrock Institutional Sterling Liquidity Fund	AAAmmf	Overnight

- 1.3 MMFs – Federated is domiciled in the UK for tax and administration purposes, Standard Life, Goldman Sachs, BlackRock, Invesco and Insight are domiciled in Ireland for tax and administration purposes.

Long Term Investments Grades - Fitch

Agency - Fitch	
Rating	Definition
AAA	Highest credit quality – ‘AAA’ ratings denote the lowest expectation of credit risk. They are assigned only in case of exceptionally strong capacity for payment of financial commitments. This capacity is highly unlikely to be adversely affected by foreseeable events.
AA	Very high credit quality ‘AA’ ratings denote expectations of very low credit risk. They indicate very strong capacity for payment of financial commitments. This capacity is not significantly vulnerable to foreseeable events.
A	High credit quality – ‘A’ ratings denote expectations of low credit risk. The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to changes in circumstances or in economic conditions than is the case for higher ratings.

Long Term Investments Grades – Moody’s

Agency - Moody’s	
Rating	Definition
Aaa	Obligations rated Aaa are judged to be of the highest quality, with minimal credit risk.
Aa1	Obligations rated Aa are judged to be of high quality and are subject to very low credit risk.
Aa2	
Aa3	
A1	Obligations rated A are considered upper-medium grade and are subject to low credit risk.
A2	
A3	

Long Term Investments Grades – Standard & Poor’s

Agency - Standard & Poor’s	
Rating	Definition
AAA	An obligator rated ‘AAA’ has extremely strong capacity to meet its financial commitments. ‘AAA’ is the highest issuer credit rating assigned by Standard & Poor’s.
AA	An obligator rated ‘AA’ has very strong capacity to meet its financial commitments. It differs from the highest rated obligators only to a small degree.
A	An obligator rated ‘A’ has strong capacity to meet its financial commitments but is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligators in higher rated categories.