		LINCOLNSHIRE COUNTY COUNCIL LENDING	OF TEMPC	DRARY SUR	PLUSES		Annex G	
					#			сн івс
			Lending	Maturity	Watch/			dit Ratir
ountry			Limit	Limit	Outlook		Long	Sov
	1	Other Local Authorities	£m 30 each	24 Months	Adjusted		Term	
		other Local Authonnies	30 each	24 Months				
	2	Debt Management Account Deposit Facility	50	6 Month				
	3	<u>UK Banks :</u>						i.
		# HSBC Group	30	365 Day				
UK		HSBC Bank Plc (RFB) HSBC 31 Day Notice Account	30 30	365 Day 365 Day	365 Day	NO	AA-	AA-
		HSBC Evergreen Notice Account	30	365 Day				
UK		# RBS Group - Part Nationalised National Westminster BankPlc (RFB)	50 50	365 Day 365 Day	365 Day	SB	A+	AA-
UK		Royal Bank of Scotland Plc (RFB)	50	365 Day	365 Day	SB	A+	AA-
UK		# LloydsHBOS Group Lloyds TSB Bank Plc (RFB)	25 25	365 Day 6 Months	6 Months	SB	A+	AA-
		Bank of Scotland PLC (RFB)	25	6 Months	6 Months	SB	A+	AA-
UK UK		Barclays Bank PLC (NRFB) Close Brothers Ltd	25 25	6 Months 6 Months	6 Months 6 Months	SB SB	A+ A-	AA- AA-
UK		Nationwide Building Society	25	6 Months	6 Months	SB	À	AA-
UK		Santander Uk PLC	25	6 Months	6 Months	SB	A +	AA-
UK		Standard Chartered Bank	25	6 Months	6 Months	NO	A+	AA-
						-		
AU 0	4	Other Banks	20	265 Dec	265 Dev	00		
AUS AUS		Australia & New Zealand Banking Group Commonwealth Bank of Australia	30 30	365 Day 365 Day	365 Day 365 Day	SB SB	A+ A+	AAA AAA
AUS		National Australia Bank	30	365 Day	365 Day	SB	A+	AAA
AUS		Macquarie Bank Ltd.	25	6 Months	6 Months	SB	A.	AAA
AUS		Westpac Banking Corporation	30	365 Day	365 Day	SB	A+	AA/
		# BNP Paribas Group	30	365 Day				
BEL FRA		BNP Paribas Fortis BNP Paribas	25 30	6 Months 365 Day	6 Months 365 Day	NO SB	A+ A+	AA- AA
FNA		DNF Failbas	30	305 Day	SUS Day	36		<u></u>
CAN		Bank of Montreal	30	365 Day	365 Day	NO	AA-	AA+
CAN		Bank of Nova Scotia	30	365 Day	365 Day	NO	<u> </u>	AA+
CAN CAN		Canadian Imperial Bank Commerce National Bank of Canada	30 25	365 Day 6 Months	365 Day 6 Months	SB SB	AA- A+	AA+ AA+
CAN		Royal Bank of Canada	30	365 Day	365 Day	SB	ĂĂ.	AA+
CAN		Toronto Dominion Bank	30	365 Day	365 Day	SB	AA-	AA+
DEN		Danske A/S	25	6 Months	6 Months	SB	A	ААА
DEN		Daliske A/S	25	0 Months	o montris	36		
FRA		Credit Industriel et Commercial	30	365 Day	365 Day	SB	A+	AA
FRA		Societe Generale	25	6 Months	6 Months	SB	A-	AA
FIN		Nordea Bank Abp	30	365 Day	365 Day	SB	AA-	AA+
FIN		OP Corporate Bank	30	365 Day	365 Day	SB	AA-	AA+
GER		DZ Bank AG	30	365 Day	365 Day	SB	AA-	AAA
GER		Landesbank Hessen-Thueringen Girozentrale (Heleba)	25	6 Months	6 Months	SB	A+	AAA
		De als Ne de dea de Correctoratora	20			00		
NETH NETH		Bank Nederlande Gemeenten Cooperative Centrale Raiffeisen Boerenleenbank BA	30 30	24 Months 365 Day	24 Months 365 Day	SB SB	AAA : A+	ААА ААА
		(Rabobank)		000 2 4		02		
NETH		ING Bank NV	30	365 Day	365 Day	SB	AA-	AAA
SING		DBS Bank Ltd	30	365 Day	365 Dav	SB	AA-	AAA
SING		Oversea Chinese Banking Corporation Ltd	30	365 Day	365 Day	SB	AA-	AAA
SING		United Overseas Bank	30	365 Day	365 Day	SB	AA-	AAA
WITZ		UBS AG	30	365 Day	365 Day	SB	AA-	AAA
SWITZ		Credit Suisse AG	25	6 Months	6 Months	NO	A	
SVA/F		Skandinoviska Enskilda Bashar AD	20	265 Dev	265 D	00		
SWE SWE		Skandinaviska Enskilda Banken AB Swedbank AB	30 30	365 Day 365 Day	365 Day 365 Day	SB PO	АА- А+	ада Ада
_								
0.4/5		# Svenska Group	30	365 Day	265 D	00		
SWE UK		Svenska Handelsbanken AB Handelsbanken Plc	30 30	365 Day 365 Day	365 Day 365 Day	SB SB	AA AA	AAA AA-
		Svenska Handelsbanken - 35 Day Notice Account	30	365 Day	365 Day			
		Svenska Handelsbanken- 10 Day Notice Account Svenska Handelsbanken- Call Account	30 30	365 Day 365 Day	365 Day 365 Day			
				JUS Day	555 Day			
USA		Bank of New York Mellon	30	24 Months	24 Months		AA	AAA
USA USA		Bank of America NA JP Morgan Chase Bank NA	30 30	365 Day 365 Day	365 Day 365 Day	SB SB	AA AA	ААА ААА
				JUC Day	JUJ Day	00		, mar
	5	AAA Money Market Funds						
		# MMF Group HSBC Global Liquidity Fund	200 30	24 Months			AAA	
		Morgan Stanley Sterling Liquidity Fund	30	24 Months 24 Months			AAA	
		Deutsche Managed Sterling Fund	30	24 Months			AAA	
		Insight GBP Liquidity Fund Aberdeen Standard Liquidity Fund	30 30	24 Months			AAA AAA	
	# C	Soup Limit of applies where indicated.	50	24 Months	-	-	x74747	
	**	A maximum of 20% of total funds to be held in the	Building	Society Sect	or.		_	
	**	No more than 20% of total funds to be held in any	one instit	ution or grou	up,excludin	g Govt/M	IMFs.	
		Any adverse press comments concerning borrowe be referred to M Grady / S Maycock / K Tonge / N			should			

Definition of Credit Ratings and Credit Default Swap Spreads

Credit Ratings:

Long Term Rating (Fitch)

The Long Term rating assesses the borrowing characteristics of banks and the capacity for the timely repayment of debt obligations which apply to instruments of up to 5 years duration.

Long Term Ratings range from AAA, AA, A to DDD, DD, D. <u>Only Institutions with Ratings of A+ and above are acceptable on the Council's Lending List as follows:</u>

AAA - Highest Credit Quality - lowest expectation of credit risk. Exceptionally strong capacity for timely payment of financial commitments. Highly unlikely to be adversely affected by foreseeable events.

AA - **Very High Credit Quality** - Very low expectation of credit risk. Very strong capacity for timely payment of financial commitments. Not significantly vulnerable to foreseeable events.

A - **High Credit Quality** - Low expectation of credit risk. Strong capacity for timely payment of financial commitments. More vulnerable to adverse foreseeable events than the case for higher ratings.

"+" Or "-" may be appended to a rating to denote relative status within major rating categories.

Sovereign Ratings (Fitch)

The Sovereign (Governments of Countries) Rating measures a sovereign's capacity and willingness to honour its existing and future obligations in full or on time. It looks at factors such as:

- Macroeconomic performance and prospects;
- Structural features of the economy that render it more or less vulnerable to shocks as well as political risk and governance factors;
- Public finances, including the structure and sustainability of public debt as well as fiscal financing;
- The soundness of the financial sector and banking system, in particular with respect to macroeconomic stability and contingent liability for the sovereign; and
- External finances, with a particular focus on the sustainability of international trade balances, current account funding and capital flows, as well as the level and structure of external debt (public and private).

Sovereign Ratings range from AAA, AA, A to DDD, DD, D. <u>Only countries with a Sovereign Rating</u> <u>AA- are acceptable on the Council's Lending List.</u>

Credit Rating Watches and Outlooks issued by Credit Rating Agencies

Rating Watches -indicate that there is a heightened probability of a rating change in the short term either in a positive or negative direction. A Rating Watch is typically event-driven and, as such, it is generally resolved over a relatively short period.

Rating Outlooks -indicate the direction a rating is likely to move over a one- to two-year period reflecting a position not yet reached but if trends continue will do so hence triggering a rating move.

Money Market Fund Rating (Moodys)

Aaa/MR1+ - this rating denotes the lowest expectation of default risk. It is assigned only in cases of exceptionally strong capacity for payment of financial commitments. This capacity is highly unlikely to be adversely affected by foreseeable events. Funds rated MR1+ are considered to have the lowest market risk.

Credit Default Swap (CDS) Spreads

A CDS is effectively a contract between two counterparties to 'insure' against default. The higher the CDS price of a counterparty, the higher the supposed risk of default. The CDS level therefore provides a perceived current market sentiment regarding the credit quality of a counterparty and generally the movement in the CDS market gives an early warning of the likely changes in credit ratings of a counterparty.

Link has employed a benchmark system which compares the CDS spread of a counterparty against a pre-determined benchmark rate (iTraxx Senior Financial Index) to produce a CDS status overlay of 'In Range', 'Monitoring' or 'Out of Range' and this status is used to further determine the creditworthiness of the counterparty.