Sevenoaks District Council

Investment Criteria for the financial year 2010-11

1) Investment Instruments

Specified Investments	Minimum 'High' Credit Criteria	Maximum maturity period
Debt Management agency Deposit Facility	-	6 months
Term deposits – other LA's	-	1 year
Term deposits - banks	Long-Term AA- or better	1 year
Term deposits – building societies	Long-Term AA- or better	1 year

Specified Investments	Minimum Credit Criteria	Maximum Maturity Period										
The following categories of investment may have variable interest rates and/o variable maturity dates.												
Certificates of deposit issued by banks and building societies covered by UK Government guarantee	Banks: Long-term AA- or better Building Societies: Long-term AA- or better	1 year										
Certificates of deposit issued by banks and building societies NOT covered by UK Government guarantee	_	1 year										
UK Government gilts	Long-term AAA	1 year										
Bonds issued by multilateral	Long-term AAA	1 year										

development banks		
Bonds issued by a financial institution which is guaranteed by the UK Government	Long-term AAA	1 year
Sovereign bond issues (i.e. other than UK Government	Long-term AAA	1 year
Treasury bills	-	3 months
Money Market Funds	Long-term AAA	1 year

Non-Specified Investments	Minimum Credit Criteria	Max % of total investments	Max. Maturity period
Term deposits – other LA's (with maturities in excess of 1 year)	-	75	5 years
Term deposits – Banks (with maturities in excess of 1 year)	Long-term AA- or better	75	5 years
Term deposits – building societies (with maturities in excess of 1 year)	Long-term AA- or better	75	5 years
Fixed term deposits with variable rate and variable maturities: Structured deposits	Long-term AA- or better	25	5 years
Certificates of deposits issued by banks and building societies	Banks: Long-term AA- or better Building Societies: Long-term AA- or better	25	5 years
UK Government Gilts	Long-term	25	5 years

	AAA		
Bonds issued by multilateral development banks	Long-term AAA	25	5 years
Bonds issued by a financial institution which is guaranteed by the UK Government	•	25	5 years
Sovereign bond issues (i.e. other than the UK Govt)	AAA	25	5 years
Corporate Bonds: the use of these investments would constitute capital expenditure	•	25	5 years

A maximum of 75% will be held in aggregate in non-specified investments.

2) Institution & group limits

- a) Maximum of £3m with any single counterparty and an overall £4m with any counterparties within a group of institutions.
- b) Maximum of 15% of the total fund to be lent to any single counterparty or counterparties within a group of institutions.

3) Country limits

- a) Lending is restricted to counterparties based within either the UK or EU.
- b) Total investments in any one foreign country is limited to 15% of the total fund.

4) Durational limits

Maximum duration for any investment is one year.

5) Sector recommended lending list

The current lending list is constructed around the matrix provided by Sector Treasury Services Limited and appears on the following pages. This is a snapshot at 2nd July 2010 and can change on a daily basis. In practice, many of the institutions are excluded by the limits prescribed in paragraphs 2 to 4 above.

SEVENOAKS DISTRICT COUNCIL LENDING LIST AS AT 02/07/2010

	Institution Name	Group	Country	Sovereign	L/Term	S/Term	Individ ual	Supp ort	Duration	CDS Status	Adj Duration	Limit (£m)	Group Limit (£m)
	BANKS												
- !!	Abbey National Treasury Services plc	Santander	GBR	AAA	AA-	F1+				No data		3	4
- !!	Australia & New Zealand Banking Group		AUS	AA+	AA-	F1+	В	1		In Range		3	
!!	Banco Bilbao Vizcaya Argentaria (BBVA)		ESP	AA+	AA-	F1+	A/B	1	n/c	Out of Range	n/c	3	
!!	Banco Popular Espanol		ESP	AA+	AA-	F1+	В	2	n/c	Out of Range	n/c	3	
- !!	Banco Santander	Santander	ESP	AA+	AA	F1+	A/B	1		Monitoring		3	4
-11	Banco Santander Totta SA	Santander	PRT	AA-	AA	F1+	В	1	n/c	No data	n/c	3	4
	Bank Nederlandse Gemeenten		NLD	AAA	AAA	F1+	Α	1		No data		3	
	Bank of Montreal		CAN	AAA	AA-	F1+	В	1		No data		3	
	Bank of New York Mellon		USA	AAA	AA-	F1+	A/B	1		No data		3	
	Bank of Nova Scotia		CAN	AAA	AA-	F1+	В	1		No data		3	
- 11	Bank of Scotland plc	Lloyds	GBR	AAA	AA-	F1+	С	1		N/A		3	4
- 11	Barclays Bank plc		GBR	AAA	AA-	F1+	В	1		In Range		3	
-11	BNP Paribas		FRA	AAA	AA	F1+	В	1		In Range		3	
!!	Caixa Geral de Depositos		PRT	AA-	A+	F1	B/C	1	n/c	Out of Range	n/c	3	
-11	CALYON Corporate and Investment Bank		FRA	AAA	AA-	F1+	С	1		Monitoring		3	
-11	Canadian Imperial Bank of Commerce		CAN	AAA	AA-	F1+	В	1		No data		3	
	Cater Allen Ltd	Santander	GBR	AAA						No data		3	4
-11	Clydesdale Bank	NAB	GBR	AAA	AA-	F1+	С	1		No data		3	4
-11	Commonwealth Bank of Australia		AUS	AA+	AA	F1+	A/B	1		In Range		3	
!!	Confederacion Espanola de Cajas de Ahorros		ESP	AA+	AA-	F1+	B/C	2	n/c	No data	n/c	3	
!!	Cooperatieve Centrale Raiffeisen- Boerenleenbank BA		NLD	AAA	AA+	F1+	А	1		In Range		3	
	Credit Industriel et Commercial (CIC Group)		FRA	AAA	AA-	F1+	B/C	1		No data		3	
- 11	Credit Suisse		CHE	AAA	AA-	F1+	B/C	1		In Range		3	

!!	DBS Bank Limited		SGP	AAA	AA-	F1+	В	1		In Range		3	
!!	Deutsche Bank AG		DEU	AAA	AA-	F1+ F1+	B/C	1		In Range In Range		3	
	Fortis Bank						D B/C	1				3	
!!	Hongkong and Shanghai Banking		BEL	AA+	A+	F1+	D	1		In Range		3	
-11	Corporation		HKG	AA	AA	F1+	A/B	1		No data		3	
- 11	HSBC Bank plc		GBR	AAA	AA	F1+	В	1		In Range		3	
11	HSBC Bank USA National Association		USA	AAA	AA	F1+	B/C	1		No data		3	
- 11	Intesa Sanpaolo Spa		ITA	AA-	AA-	F1+	В	1		In Range		3	
- !!	JPMorgan Chase Bank		USA	AAA	AA-	F1+	В	1		In Range		3	
	Landesbank Berlin AG		DEU	AAA	AA-	F1+	C/D	1		No data		3	
- !!	Lloyds TSB Bank plc	Lloyds	GBR	AAA	AA-	F1+	С	1		N/A		3	4
- !!	National Australia Bank	NAB	AUS	AA+	AA	F1+	В	1		In Range		3	4
- !!	National Bank of Kuwait		KUW	AA	AA-	F1+	В	1		No data		3	
- !!	National Westminster Bank plc	RBS	GBR	AAA	AA-	F1+		1		N/A		3	4
- !!	Nordea Bank AB		SWE	AAA	AA-	F1+	В	1		No data		3	
	Nordea Bank Finland plc		FIN	AAA	AA-	F1+	В	1		No data		3	
	Northern Rock plc		GBR	AAA	BBB+	F2	С	2	n/c	N/A	n/c	3	
	Oversea-Chinese Banking Corp		SGP	AAA	AA-	F1+	В	1		In Range		3	
- !!	Royal Bank of Canada		CAN	AAA	AA	F1+	A/B	1		No data		3	
- !!	Royal Bank of Scotland plc	RBS	GBR	AAA	AA-	F1+	D/E	1		N/A		3	4
- !!	Santander UK plc	Santander	GBR	AAA	AA-	F1+	В	1		In Range		3	4
- !!	Svenska Handelsbanken AB		SWE	AAA	AA-	F1+	В	1		In Range		3	
- !!	Toronto-Dominion Bank		CAN	AAA	AA-	F1+	В	1		No data		3	
11	Ulster Bank Ltd	RBS	GBR	AAA	A+	F1+	Е	1		N/A		3	4
	United Overseas Bank		SGP	AAA	AA-	F1+	В	1		In Range		3	
11	Wells Fargo Bank NA		USA	AAA	AA-	F1+	В	1		In Range		3	
11	Westpac Banking Corporation		AUS	AA+	AA	F1+	A/B	1		In Range		3	
	UK BUILDING SOCIETIES												
!!	Nationwide Building Society		GBR		AA-	F1+	В	1		Monitoring		3	

ALL UK LOCAL AUTHORITIES						4	
UK DEBT MANAGEMENT OFFICE ACCOUNT						4	
DEPOSIT FACILITY							
MONEY MARKET FUNDS						4	

Key:

Recommended for short-term lending

up to 3 months

Recommended for short-term lending

up to 6 months

Recommended for short-term lending

up to 1 year

Recommended for short-term lending up to 1 year (Nationalised & part-

nationalised banks)

Recommended for short-term lending up to 2

years

!! Ratings on Rating Watch / Rating Alert / Rating Outlook