Annex 3

Extract from Sector's weekly credit list 6 January 2012

The shedule shows UK banks and building societies which attain a minimum 3 month duration using Sector's creditworthiness methodology. Institutions which don't meet this criteria are not shown.

Counterparty	Credit Ratings										Suggested Duration Based on Ratings	Suggested Duration (Watch / Outlook Adjusted)	Subjective Overlay						Suggested Duration (CDS Adjusted with manual override)
	Fitch					Moody's			S&P				CDS Data						
	Long Term	Short Term	Individual	Viability	Support	Long Term	Short Term	FSR	Long Term	Short Term			06/01/12	Week % Change	1 Month % Change	3 Month % Change	6 Month % Change	CDS Status	
UK	**AAA**										Y - 5 yrs	Y - 5 yrs							Y - 5 yrs
Non-nationalised Banks																			
Bank of New York Mellion (Internat'l) Ltd	AA-	F1+			1						O - 12 mths	O - 12 mths							G - 3 mths
Barclays Bank plc	A	F1	B	a	1	Aa3	P1	C	A+	A1	R - 6 mths	R - 6 mths	214.5	9.30%	15.60%	-6.40%	56.80%	In Range	G - 3 mths
Cater Allen											R - 6 mths	R - 6 mths							G - 3 mths
Credit Suisse International	A	F1			1	Aa1	P1		A+	A1	O - 12 mths	O - 12 mths							G - 3 mths
DB UK Bank Limited						A2	P1	C+			G - 3 mths	G - 3 mths							G - 3 mths
HFC Bank Ltd	AA-	F1+			1	A3	P1				O - 12 mths	O - 12 mths							G - 3 mths
HSBC Bank Plc	AA	F1+	B	aa-	1	Aa2	P1	C+	AA-	A1+	O - 12 mths	O - 12 mths	173.6	20.60%	32.90%	5.60%	120.20%	In Range	G - 3 mths
MBNA Europe Bank	A	F1			1						R - 6 mths	R - 6 mths							G - 3 mths
Santander UK Plc	A+	F1	B	a+	1	A1	P1	C-	AA-	A1+	R - 6 mths	R - 6 mths	336.7	4.10%	9.00%	33.50%	101.30%	Monitoring	G - 3 mths
Standard Chartered Bank	AA-	F1+	B	aa-	1	A1	P1	B-	AA-	A1+	O - 12 mths	O - 12 mths							G - 3 mths
Sumitomo Mitsui Banking Corp'n Europe Ltd	A	F1	C		1	Aa3	P1	C	A+	A1	G - 3 mths	G - 3 mths							G - 3 mths
UBS Ltd	A	F1			1	Aa3	P1		A	A1	O - 12 mths	R - 6 mths							G - 3 mths
Nationalised and semi-nationalised Banks																			
Lloyds Banking Group	A	F1	C	bbb	1	A2			A-	A2									
Bank of Scotland Plc	A	F1			1	A1	P1	D+	A	A1	B - 12 mths	B - 12 mths							B - 12 mths
Lloyds TSB Bank Plc	A	F1	C	bbb	1	A1	P1	C-	A	A1	B - 12 mths	B - 12 mths	352.9	3.30%	24.10%	2.30%	61.40%		B - 12 mths
Royal Bank of Scotland Group Plc	A	F1	C	bbb	1	A3	P2		A-	A2									
National Westminster Bank Plc	A	F1			1	A2	P1	C-	A	A1	B - 12 mths	B - 12 mths							B - 12 mths
The Royal Bank of Scotland Plc	A	F1	C	bbb	1	A2	P1	C-	A	A1	B - 12 mths	B - 12 mths	358.1	4.20%	11.80%	-2.40%	58.70%		B - 12 mths
Ulster Bank Ltd	A-	F1	E	ccc	1	Baa1	P2	D-	BBB+	A2	B - 12 mths	B - 12 mths							B - 12 mths
Building Societies																			
Nationwide BS	A+	F1	B	a+	1	A2	P1	C	A+	A1	R - 6 mths	R - 6 mths	204.3	3.20%	2.80%	-4.10%	36.50%	In Range	G - 3 mths

Fitch rating scale high level descriptions

Long-term
- AAA **highest** credit quality
- AA **very high** credit quality (+ or - denotes relative status)
- A **high** credit quality (+ or - denotes relative status)
- BBB **good** credit quality (+ or - denotes relative status)

Short-term
- F1 **highest** short-term credit quality (+ denotes exceptionally strong)
- F2 **good** short-term credit quality

Individual
- A a **very strong** bank
- B a **strong** bank
- C an **adequate** bank
- D a bank that has **weakneses**

Viability
- aaa **highest** fundamental credit quality
- aa **very high** fundamental credit quality (+ or - denotes relative status)
- a **high** fundamental credit quality (+ or - denotes relative status)
- bbb **good** fundamental credit quality (+ or - denotes relative status)
- bb **speculative** fundamental credit quality (+ or - denotes relative status)

Support
- 1 **extremely high** probability of external support … support provider is very highly rated in own right
- 2 **high** probability of external support … support provider highly rated in own right
- 3 **moderate** probability of support because of uncertainties about the ability or propensity of the support provider

Note: Individual ratings are being phased out and replaced by viability ratings.