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Market Roundup

I think we are all awash with commentary on the new President of the United States and the actions he has taken over the last week or so. I'm not going to comment further.

RBS has put aside some \$3.8billion to pay off fines in connection with mis-selling mortgages. This in effect means that the UK taxpayer (because the bank is publicly owned) is paying the banks fines. On a more positive note, the Governments stake in Lloyds Banking Group is now less to less than 5%, after more than £18.5bn has been returned to the exchequer since the lender's £20.3bn bailout. The taxpayer's share in the bank now stands at 4.99%. The government wants to sell its remaining shares in the bank over a year or so. The Tata Steel rescue plan seems to be coming to a conclusion - Unions are recommending an offer that, in return for agreement to close the final pension scheme, the company will invest up to £1bn. Albeit what form the investment will take, and over what period is not yet clear. BT stock fell over 20% due to accounting irregularities at its Italian subsidiary.

The markets - FTSE is down 0.89% or 64 points at 7,120. The Dow Jones index went over 20,000 – this is a record due in the main, to what the market perceived as business friendly 'Trump' actions such as commitment to oil pipelines, getting rid of the TPP initiative and other infrastructure spend. Sterling can't seem to find a sustainable level and fluctuated around the \$1.25 mark. The Supreme court ruling viz a viz article 50 (parliament now has to vote) didn't help stem volatility. The UK reported better than expected quarterly GDP results (0.6% versus 0.5%). Medium term UK interest rates are a little higher at circa 1.1%. The price of oil is still slowly increasing and now stands at just over \$55.

1st February, 2017

Ratings News

Fitch

- Ireland's long term Long-Term Foreign and Local Currency Issuer Default Ratings (IDRs) were affirmed at 'A' with a Stable Outlook

S & P

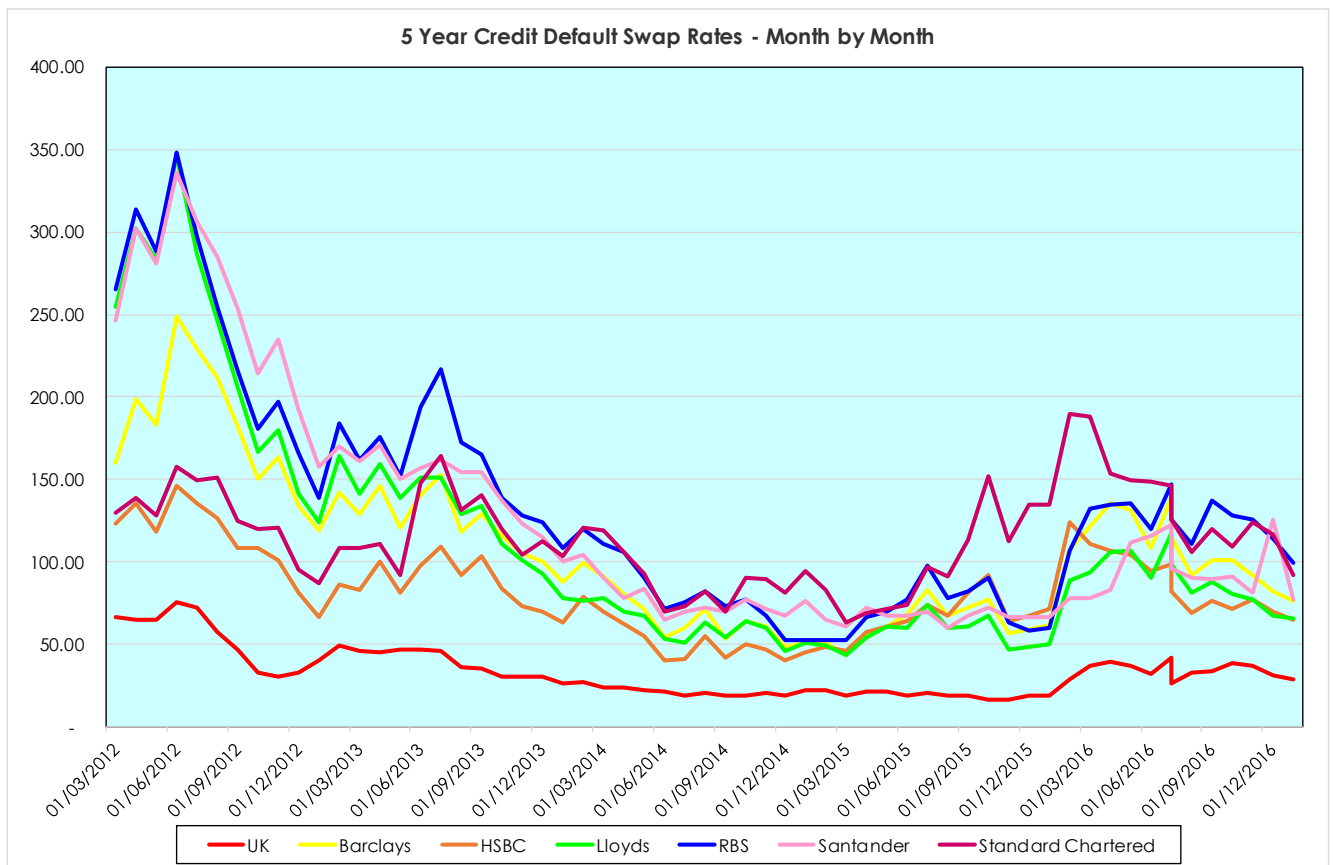
- The long- and short-term counterparty credit ratings on Bank of Ireland was raised to 'BBB/A-2' from 'BBB-/A-3'. The outlook is stable.
- The long- and short-term counterparty credit ratings on Allied Irish Banks PLC (AIB) to 'BBB-/A-3' from 'BB+/B'. The outlook is stable.

Credit Default Swap Rates

A CDS is basically an insurance contract - the buyer makes periodic payments to the seller to effectively insure against a debt default and in return receives a payoff, if the underlying financial instrument/institution does default. CDS spreads allow investors to analyse how risky an institution's debt is perceived to be by the market, a relevant factor when considering the credit strength of a counterparty. Entities with higher CDS spreads are considered riskier by the market, as they are considered more likely to default than those with a lower CDS spread, all other things being equal.

	Market Quoted CDS Rates		5Y CDS % Change		
	1Y CDS (bps)	5Y CDS (bps)	5 Days Ago	1 Month Ago	1 Year Ago
United Kingdom of Great Britain and Northern Ireland	6.85	28.65	-2.67%	-14.38%	2.95%
HSBC Holdings PLC	20.22	64.82	-4.70%	-6.44%	-32.13%
Lloyds Banking Group PLC	31.37	65.20	-4.52%	-4.82%	0.33%
Barclays Bank PLC	33.26	76.48	-5.25%	-5.31%	1.30%
Santander UK PLC	39.76	76.86	-7.40%	-7.30%	6.01%
Standard Chartered PLC	38.98	92.16	-11.76%	-21.50%	-39.57%
Royal Bank of Scotland PLC/The	48.59	99.42	-9.33%	-13.08%	23.50%

The following graph show how CDS rate have moved over the five few years, including the levels from last Friday.



Market Interest Rates

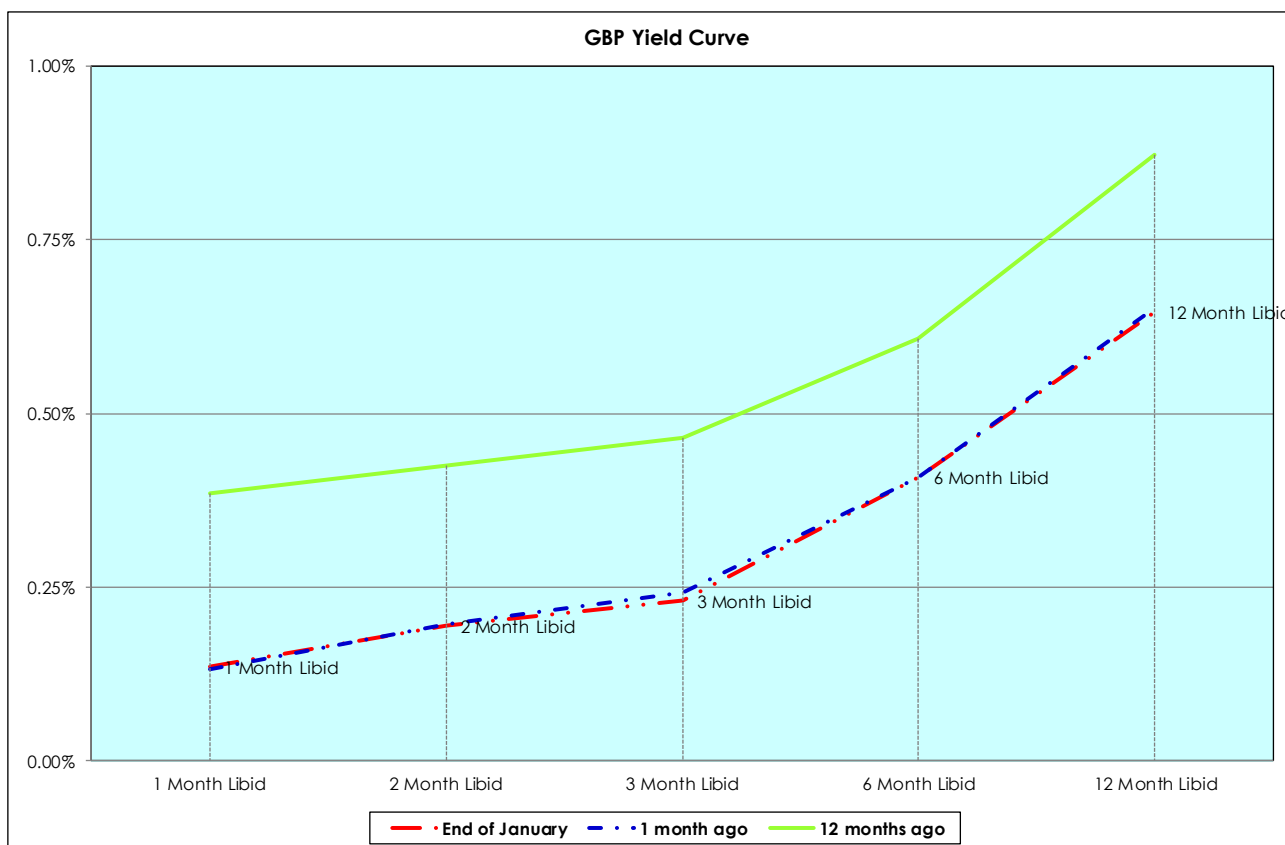
Inter-bank Rates as at 31st January, 2017

	<i>Libor</i>	<i>Libid</i>
1 Month	0.2609%	0.1359%
2 Month	0.3196%	0.1946%
3 Month	0.3559%	0.2309%
6 Month	0.5336%	0.4086%
12 Month	0.7704%	0.6454%

Historical interest rates (libid)

<i>Date</i>	<i>31-01-17</i>	<i>30-12-16</i>	<i>31-10-16</i>	<i>29-07-16</i>	<i>29-01-16</i>
Base Rate	0.2500%	0.2500%	0.5000%	0.5000%	0.5000%
1 Month Libid	0.1359%	0.1308%	0.1400%	0.3051%	0.3844%
2 Month Libid	0.1946%	0.1969%	0.2079%	0.3356%	0.4244%
3 Month Libid	0.2309%	0.2416%	0.2788%	0.3689%	0.4644%
6 Month Libid	0.4086%	0.4080%	0.4413%	0.4556%	0.6081%
12 Month Libid	0.6454%	0.6515%	0.6890%	0.6762%	0.8721%

In the following graph, we show the month end Libid rates and also 1 month & 12 months ago.



Money Market Deposit Rates

The following banks are most active and regularly publish money market term deposit rates. These are the latest rates as at 31st January 2017.

	Minimum Balance	1 mos	2 mos	3 mos	4 mos	5 mos	6 mos	9 mos	12 mos
CAF Fixed Term Deposit (1)	£10k	-	-	-	-	-	-	-	0.50%
Close Brothers	£50k	-	-	-	-	-	-	-	0.90%
Clydesdale Bank (2)	£25k	-	-	0.10%	-	-	0.30%	-	0.50%
Santander Time Deposit	£250k	0.15%	0.25%	0.30%	-	-	0.70%	-	0.85%

(1) Maximum balance £5m

(2) Also trading as Yorkshire Bank (available to maturing customers only)

The above rates are fixed daily. In the current market conditions, perceived creditworthiness and the individual banks' requirement for funds have resulted in larger variances between banks in their medium-term rates. Accordingly, it is best to seek at least two competitive quotes when looking to place funds for more than say two weeks. The investor should also satisfy themselves as to the credit standing of the banking organisation.

Enhanced Deposit and Promotional Rates

Lloyds Bank

High Interest Deposits

Amounts	3 mos	4 mos	5 mos	6 mos	9 mos	1 yr
Up to £5m	0.50%	-	-	0.60%	-	0.90%

- minimum investment £50k

- Above £5m rates on application

- Available until either (i) 2nd February 2017, or (ii) the deposit is fully subscribed

Odd Dates

Term	Set Maturity Date	Rate
Fixed Maturity 1	1st June 2017	0.55%
Fixed Maturity 2	4th December 2017	0.75%

- Available until (i) 2nd February 2017 or

(ii) the deposit is fully subscribed

Barclays Bank, HSBC and Nationwide offer bespoke Deposit Rates on request.

Deposit and Investment Accounts Returns

Bank investment accounts have increased in popularity over the last few years. Initially, investments were typically made because one's own clearing bank paid poor rates on their deposit accounts. The current shape of the Sterling yield curve and the reluctance of banks to lend to each other have resulted in some using the high yielding investment account as a valuable tool to raise money. The following tables split to reflect Instant Access and Notice Accounts, gives some examples of investment accounts rates.

Instant Access Accounts

Bank	Notice Period	Base Linked	Rate Reset	Tiered	Top Tier	Top Tier v Base	Second Tier	2nd Tier v Base
CAF Gold Account (1)	Instant	Yes	Base +/-	n/a	n/a	-20bps	-	-
Clydesdale Bank - Charity Instant Access A/c (2)	Instant	Yes	Base +/-	Yes	+£1m	flat	+£500k	-5bps
Nationwide Business Instant Saver A/c (3)	Instant	Yes	Base +/-	n/a	n/a	+15bps	-	-

(1) Maximum balance £1m

(2) Maximum balance £5m

(3) Eligibility: 1. less than 250 employees and 2. less than £45m in either turnover of assets.
Rates quoted apply to annual interest, 5bp lower for monthly interest.

Notice / Fixed Accounts

Bank	Notice Period	Base Linked	Rate Reset	Tiered	Top Tier / min.	Top Tier v Base	Second Tier	2nd Tier v Base
Clydesdale Bank - 15 Day A/c	15-Day	Yes	Base +/-	Yes	+£1m	-10bps	+£100k	-15bps
CAF Platinum Account (4)	30-Day	Yes	Base +/-	n/a	+£20k	-10bps	-	-
Clydesdale Bank - 30 Day A/c	30-Day	Yes	Base +/-	Yes	+£1m	+10bps	+£100k	-5bps
Santander UK 31 Day Corporate Notice account	31-Day	Yes	Base +/-	n/a	n/a	+5ps	-	-
Lloyds Bank 32 Day Notice A/c (5)	32-Day	Yes	Base +/-	n/a	<£5m	+20ps	-	-
CAF 60 Day Account (6)	60-Day	Yes	Base +/-	n/a	+£1k	+55bps	-	-
Co-operative Bank Fixed Rate Deposit Account	3 month	Yes	Base +/-	Yes	+£10k	+9bps	-	-
CAF 90 Day Notice Account (7)	90-Day	Yes	Base +/-	Yes	+£10k	-15bps	-	-
Clydesdale Bank - 95 Day A/c	95-Day	Yes	Base +/-	Yes	+£1m	+25bps	+£100k	+15bps
Nationwide Business 95 Day Notice A/c (8)	95-Day	Yes	Base +/-	n/a	n/a	+30bps	-	-
Santander UK 95 Day Corporate Notice account	95-Day	Yes	Base +/-	n/a	n/a	+25bps	-	-
Close Brothers - 6 Month Bus. Notice A/c Issue 5 (9)	6 month	Yes	Base +/-	Yes	+£50k	+85bps	-	-
Co-operative Bank Fixed Rate Deposit Account	6 month	Yes	Base +/-	Yes	+£10k	+25bps	-	-
Nationwide Business 6 Month Fixed A/c (8)	6 month	Yes	Base +/-	n/a	n/a	+30ps	-	-
Santander UK 180 Day Corporate Notice account	180 -Day	Yes	Base +/-	n/a	n/a	+45bps	-	-
Close Brothers - 12 Month Bus. Notice A/c Issue 4 (9)	12 month	Yes	Base +/-	Yes	+£50k	+135bps	-	-
Co-operative Bank Fixed Rate Deposit Account	12 month	Yes	Base +/-	Yes	+£10k	+37bps	-	-
Nationwide Business 1 Year Fixed A/c (8)	12 month	Yes	Base +/-	n/a	n/a	+40bps	-	-
Santander UK 365 Day Corporate Notice account	365 -Day	Yes	Base +/-	n/a	n/a	+60bps	-	-

(4) New Deposits are no longer accepted; existing balances will continue to earn the above (variable) rate - up to £1m

(5) Base Rate once notice is given

(6) Balance between £1,000 to £2,000,000 - Provided by Shawbrook Bank

(7) Maximum balance £5m - Provided by Scottish Widows Bank

(8) Eligibility: 1. less than 250 employees and 2. less than £45m in either turnover of assets.
Rates quoted apply to annual interest, 5bp lower for monthly interest.

(9) The rate can change; however, at least 2 months written notice given of any reduction in rate.
Appropriate term deposit rate applied when Notice received - No early access without Notice

Certificates of Deposit (CDs)

A negotiable form of fixed deposit; both are ranked pari-passu with exactly the same risk profile. The benefit of using CDs is the ability to sell before maturity; either to manage counterparty exposure, implement an interest rate view or purely to realise the cash in advance of maturity. The following are provided by King & Shaxson, a specialist investment firm founded in 1866. For further info and contact details, please see below.

Issuer	1 m	2 m	3 m	4 m	5 m	6 m	9 m	1 yr	2 yr	Note
Building Societies										
COVENTRY	0.23	0.25	0.29	0.31	0.35	0.38	0.45	0.53		
LEEDS			0.32	0.34	0.38	0.43	0.55	0.65		
NATIONWIDE				0.29	0.36	0.42	0.50	0.61		1m+
NOTTINGHAM	0.20	0.27	0.34	0.42	0.47	0.53	0.65	0.77		
PRINCIPALITY	0.24	0.26	0.32	0.37	0.42	0.50	0.62	0.76		
SKIPTON	0.15	0.17	0.20	0.27	0.35	0.51	0.60	0.75	1.00	1m+
Banks										
CLYDESDALE	0.10	0.20	0.29	0.34	0.38	0.42	0.54	0.64		
STAN CHART					0.41	0.46				25m+

Additionally, CD's are available from some non-Rated Building Societies

UK Treasury Bills (Tbills)

Issued by the UK government for one, three and six month periods. King & Shaxson are a Primary Participant in the weekly Treasury Bill tender; supplying guidance on where it will clear and direct, primary market access. Tbills can also be bought and sold in the secondary market. Below shows today's tender results:

Period	Dates		Amount Applied for (M)	Amount Allotted (M)	Lowest Accepted Yield	Average Yield	Highest Accepted Yield	Allotted at Highest Acc. yield
	Settlement	Maturity						
1M	30-01-17	27-02-17	£1,354.20	£500	0.050%	0.151%	0.189%	53.60%
3M	30-01-17	02-05-17	£3,980.65	£1,500	0.140%	0.164%	0.180%	5.31%
6M	30-01-17	31-07-17	£4,665.20	£2,000	0.145%	0.179%	0.198%	55.84%

King & Shaxson facilitate dealing in the following negotiable instruments as well as deposits, listed below:

- Certificates of Deposit
- Treasury Bills
- UK Gilts (Conventional & Index Linked)
- Fixed Bonds (Corporate, Financial, Supranational)
- Floating Rate Notes
- Covered Bonds (Fixed and Floating)
- Government Agency Issues
- Fixed Deposit
- Commercial Paper
- Repo (Sale and Repurchase Agreement)

For further information please contact:

Robert den Hollander 0207 929 8524	 1866-2016 Celebrating 150 years	Alan Simkins 0207 929 8527
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AA Qualifying Money Market Funds

These are pooled investments which are generally of very good credit quality and provide a diversified risk over a broad range of counterparties. Minimum cash investments do vary as do interest returns. They are liquid in nature and Colleges are known to use them as part of an overall treasury policy to optimise shorter term returns. They are:

- AAA rated.
- Funds are pooled into one investment "pot".
- Underlying good quality assets - but can be mixed (minimum short term rating: A1/P1/F1).
- Provide good liquidity.

The manager takes a management fee (deducted daily at source) so final published rates are net of fees; the advantage is no VAT.

The AAA Qualifying Money Market Funds section includes two tables, "Monthly Return" and 'Last 12 Months Return'. Note that it takes a week or more for this information to be available; hence these tables are a month behind others in the review.

Monthly Return (Net of Fees) - December 2016		Last 12 Months Return (Net of Fees)	
BlackRock		BlackRock	
Institutional Cash Series (Core Share Class)	0.21%	Institutional Cash Series (Core Share Class)	0.34%
BNY Mellon		BNY Mellon	
Liquidity Fund (Institutional Share Class)	0.15%	Liquidity Fund (Institutional Share Class)	0.30%
CCLA		CCLA	
Public Sector Deposit Fund (Share Class 4)	0.27%	Public Sector Deposit Fund (Share Class 4)	0.40%
Deutsche Global Liquidity Series		Deutsche Global Liquidity Series	
Managed Sterling Fund (Platinum Share Class)	0.31%	Managed Sterling Fund (Platinum Share Class)	0.44%
Federated Short-Term Sterling		Federated Short-Term Sterling	
Prime Fund (Share Class 3)	0.31%	Prime Fund (Share Class 3)	0.45%
Fidelity Institutional Liquidity Fund		Fidelity Institutional Liquidity Fund	
Institutional Liquidity Fund (A Share Class)	0.24%	Institutional Liquidity Fund (A Share Class)	0.36%
Goldman Sachs		Goldman Sachs	
Liquidity Reserves Fund (Institutional Class)	0.23%	Liquidity Reserves Fund (Institutional Class)	0.38%
HSBC Global Liquidity Fund PLC		HSBC Global Liquidity Fund PLC	
Liquidity Fund (Share Class A)	0.19%	Liquidity Fund (Share Class A)	0.33%
Legal & General Investment Management		Legal & General Investment Management	
Liquidity Fund (Share Class 2)	0.22%	Liquidity Fund (Share Class 2)	0.34%
Morgan Stanley Funds plc		Morgan Stanley Funds plc	
Sterling Liquidity (Institutional Share)	0.25%	Sterling Liquidity (Institutional Share)	0.40%
Aberdeen Asset Management		Aberdeen Asset Management	
Global Liquidity Fund (Institutional Share)	0.22%	Global Liquidity Fund (Institutional Share)	0.36%

Summary by Bank (Alphabetically)

CHARITIES AID FOUNDATION						
Ratings						
Ratings	Fitch	Moody's	S & P			
Short Term	N.R.	N.R.	N.R.			
Long Term	N.R.	N.R.	N.R.			
Treasury Deposits						
	1 month	2 month	3 month	6 month	9 month	12 month
1 Year Fixed Term Deposit	-	-	-	-	-	0.50%
12 Month Bond	-	-	-	-	-	-
Investment Accounts						
	Notice Period	Rate Reset	Top Tier	Top Tier v Base	Second Tier	2nd Tier v Base
CAF Gold Account from	Instant	Base +/-	+£1k	-20bps	-	-
CAF Platinum Account from	30 Days	Base +/-	+£20k	-10bps	-	-
CAF 60 Day Notice Account	60 Days	Base +/-	+£10k	+55ps	-	-
CAF 90 Day Notice Account	90 Days	Base +/-	+£10k	-15bps	-	-

Note: The Charities Aid Foundation acts as an agent for, Shawbrook Bank and Scottish Widows Bank

CLOSE BROTHERS						
Ratings						
Ratings	Fitch	Moody's	S & P			
Short Term	F1	P-1	N.R.			
Long Term	A	Aa3	N.R.			
Treasury Deposits						
	1 month	2 month	3 month	6 month	9 month	12 month
Interest Rate	-	-	-	-	-	0.90%
Enhanced Rates	-	-	-	-	-	-
Investment Accounts						
	Notice Period	Rate Reset	Top Tier	Top Tier v Base	Second Tier	2nd Tier v Base
6 Month Business Notice - Issue 5 (1)	6 Month	Base +/-	+£50k	+85bps	-	-
12 Month Business Notice - Issue 5 (1)	12 Month	Base +/-	+£50k	+135bps	-	-

(1) The rate can change; however, at least 2 months written notice given of any reduction in rate.

CLYDESDALE BANK (*)						
Ratings						
Ratings	Fitch	Moody's	S & P			
Short Term	F2	P-2	A-2			
Long Term	BBB+	Baa2	BBB+			
Treasury Deposits						
	1 month	2 month	3 month	6 month	9 month	12 month
Interest Rate (1)	-	-	0.10%	0.30%	-	0.50%
Enhanced Rates	-	-	-	-	-	-
Investment Accounts						
	Notice Period	Rate Reset	Top Tier	Top Tier v Base	Second Tier	2nd Tier v Base
Clydesdale Bank - Charity Inst Acc A/c (1)	Instant	Base +/-	+£1m	flat	+£500k	+5bps
Clydesdale Bank - 15 day Notice A/c	15 Days	Base +/-	+£1m	-10bps	+£100k	-15bps
Clydesdale Bank - 30 day Notice A/c	30 Days	Base +/-	+£1m	+10bps	+£100k	-5bps
Clydesdale Bank - 95 day Notice A/c	95 Days	Base +/-	+£1m	+25bps	+£100k	+15bps

Note : (*) Also trading as Yorkshire Bank (available to maturing customers only)

Summary by Bank (continued)

CO-OPERATIVE BANK PLC						
Ratings						
Ratings	Fitch	Moodys	S & P			
Short Term	B	NP	NR			
Long Term	B	Caa2	NR			
Treasury Deposits						
	1 month	2 month	3 month	6 month	9 month	12 month
Interest Rate	0.00%	0.00%	0.00%	-	-	-
Enhanced Rates	-	-	-	-	-	-
Investment Accounts						
	Notice Period	Rate Reset	Top Tier	Top Tier v Base	Second Tier	2nd Tier v Base
Fixed Rate Deposit 3 month Account	fixed	Base +/-	+£10k	+9bps	-	-
Fixed Rate Deposit 6 month Account	fixed	Base +/-	+£10k	+25bps	-	-
Fixed Rate Deposit 12 month Account	fixed	Base +/-	+£10k	+37bps	-	-
<i>Note: (1) minimum balance £100k</i>						

LLOYDS BANK						
Ratings						
Ratings	Fitch	Moodys	S & P			
Short Term	F1	P-1	A-1			
Long Term	A+	A1	A			
Treasury Deposits						
	1 month	2 month	3 month	6 month	9 month	12 month
Interest Rate	-	-	-	-	-	-
Enhanced Rates	-	-	0.50%	0.60%	-	0.90%
Investment Accounts						
	Notice Period	Rate Reset	Top Tier	Top Tier v Base	Second Tier	2nd Tier v Base
Lloyds Bank 32 Day Notice A/c	32-Day	Base +/-	<£5m	+20bps	n/a	n/a
<i>Please also note 'Fixed date Deposits on page 3</i>						

NATIONWIDE						
Ratings						
Ratings	Fitch	Moodys	S & P			
Short Term	F1	P-1	A-1			
Long Term	A	Aa3	A			
Treasury Deposits						
	1 month	2 month	3 month	6 month	9 month	12 month
Interest Rate	-	-	-	-	-	-
Enhanced Rates	-	-	-	-	-	-
Investment Accounts						
	Notice Period	Rate Reset	Top Tier	Top Tier v Base	Second Tier	2nd Tier v Base
Nationwide Business Instant Saver A/c (*)	Instant	Base +/-	n/a	+15bps	n/a	n/a
Nationwide Business 95 Day Notice A/c (*)	95 Days	Base +/-	n/a	+30bps	n/a	n/a
Nationwide Business 6 Month Fixed A/c (*)	fixed	Base +/-	n/a	+30ps	n/a	n/a
Nationwide Business 12 Moth Fixed A/c (*)	fixed	Base +/-	n/a	+40ps	n/a	n/a
(*) Eligibility: 1. less than 250 employees and 2. less than £45m in either turnover or assets.						

Summary by Bank (continued)

SANTANDER UK						
Ratings						
Ratings	Fitch	Moodys	S & P			
Short Term	F1	P-1	A-1			
Long Term	A	Aa3	A			
Treasury Deposits						
	1 month	2 month	3 month	6 month	9 month	12 month
Interest Rate	0.15%	0.25%	0.30%	0.70%	-	0.85%
Enhanced Rates	-	-	-	-	-	-
Investment Accounts						
	Notice Period	Rate Reset	Top Tier	Top Tier v Base	Second Tier	2nd Tier v Base
Santander UK 31 Day Corporate Notice A/c	31-Day	Base +/-	n/a	+5ps	n/a	n/a
Santander UK 95 Day Corporate Notice A/c	95-Day	Base +/-	n/a	+25bps	n/a	n/a
Santander UK 180 Day Corporate Notice A/c	180-Day	Base +/-	n/a	+45bps	n/a	n/a
Santander UK 365 Day Corporate Notice A/c	365-Day	Base +/-	n/a	+60bps	n/a	n/a

Special conditions may apply to all bank deposit offers and especially to enhanced or promotional rates. Any potential depositor should contact the bank directly to satisfy themselves on the suitability of any product on offer and/or take independent financial advice. Finalysis UK Limited, in providing this information, is giving no advice nor making any recommendation as to the suitability of any of the banking products on offer or making any representation or warranty as to the financial standing of any organisation mentioned.

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Top UK Building Societies

The Building Society Association reports the largest UK Building societies by latest annual report:

Rank by Group Assets	Name of Society	Financial Year Ended	Society Assets £m	Group Assets £m
1	Nationwide	04-Apr-16	207,622	208,939
2	Yorkshire	31-Dec-15	43,231	38,219
3	Coventry	31-Dec-15	33,672	34,114
4	Skipton	31-Dec-15	16,612	17,511
5	Leeds	31-Dec-15	14,329	13,507
6	Principality	31-Dec-15	7,409	7,584
7	West Bromwich	31-Mar-16	5,725	5,767
8	Newcastle	31-Dec-15	3,462	3,446
9	Nottingham	31-Dec-15	3,319	3,318
10	Cumberland	31-Mar-16	2,129	2,130

Whilst 'total assets' is not a measure of credit strength per se, it is indicative of the value of the organisation to the UK banking industry. Previously when a building society has had difficulties, an "industry solution" has been found which has normally resulted in a consolidation or merger. There are currently 44 building Societies in the UK, down from over 100 as little as 20 years ago.

UK and Irish Bank and Building Society Ratings

UK Banks 31st January 2017	S&P			Moody's			Fitch		
	Long-Term Rating	CW/Outlook	Short term rating	Long-Term Rating	CW/Outlook	Short term rating	Long-Term Rating	CW/Outlook	Short term rating
Allied Irish banks Plc	BBB-	Stable	A-3	Baa2	Positive	P-2	BB+	Positive	B
Bank of Ireland	BBB	Stable	A-2	Baa1	Positive	P-2	BBB-	Positive	F3
Bank of Scotland Plc	A	Negative	A-1	A1	Stable	P-1	A+	Stable	F1
Barclays Bank Plc	A-	Negative	A-2	A1	Negative	P-1	A	Stable	F1
Clydesdale Bank Plc	BBB+	Negative	A-2	Baa2	Stable	P-2	BBB+	Stable	F2
Close Brothers Limited	NR	NR	NR	Aa3	Stable	P-1	A	Stable	F1
Co-op Bank	NR	NR	NR	Caa2	Positive	NP	B	Stable	B
HBOS Plc	BBB+	Negative	A-2	A1	Stable	P-1	A+	Stable	F1
HSBC Bank Plc	AA-	Negative	A-1+	Aa2	Negative	P-1	AA-	Stable	F1+
Lloyds Bank Plc	A	Negative	A-1	A1	Stable	P-1	A+	Stable	F1
Nat West Bank Plc	BBB+	Stable	A-2	A3	Positive	P-2	BBB+	Stable	F2
RBS Plc	BBB+	Stable	A-2	A3	Positive	P-2	BBB+	Stable	F2
Santander UK Plc	A	Negative	A-1	Aa3	Negative	P-1	A	Positive	F1
Standard Chartered Bank Plc	A	Stable	A-1	Aa3	Negative	P-1	A+	Stable	F1
Nationwide Building Society	A	Negative	A-1	Aa3	Negative	P-1	A	Positive	F1
Yorkshire Building Society	NR	NR	NR	A3	Stable	P-2	A-	Stable	F1
Coventry Building Society	NR	NR	NR	A2	Negative	P-1	A	Stable	F1
Skipton Building Society	NR	NR	NR	Baa2	Positive	P-2	A-	Stable	F1
Leeds Building Society	NR	NR	NR	A2	Negative	P-1	A-	Stable	F1
Principality Building Society	NR	NR	NR	Baa3	Stable	P-3	BBB+	Stable	F2
Nottingham Building Society	NR	NR	NR	Baa1	Negative	P-2	NR	NR	NR

Note – Ratings can change quickly and should be checked at the time of making the deposit

Key

NR= not rated / NP= not prime / CWN= Creditwatch Negative / RWN= Rating Watch Negative / RuR down = Rating under Review downwards

Investment Grade Foreign Currency Credit Rating Scales

Standard & Poor's		Moody's		Fitch	
<u>Long Term</u>	<u>Short Term</u>	<u>Long Term</u>	<u>Short Term</u>	<u>Long Term</u>	<u>Short Term</u>
AAA	A1+	Aaa	P-1	AAA	F1+
AA+	A1+	Aa1	P-1	AA+	F1+
AA	A1+	Aa2	P-1	AA	F1+
AA-	A1+	Aa3	P-1	AA-	F1+
A+	A1	A1	P-1	A+	F1 or F1+
A	A1	A2	P-1 or P-2	A	F1
A-	A-2/A-1	A3	P-1 or P-2	A-	F2 of F1
BBB+	A-2/A-1	Baa1	P-2	BBB+	F2 of F1
BBB+	A-2/A-3	Baa2	P-2 or P-3	BBB+	F3 or F2
BBB-	A-3	Baa3	P-3	BBB-	F3 or F2

Footnote: Where two short term ratings are shown as being equivalent to a long term rating, the specific entity's access to short term liquidity/cash will be a determining short term rating factor.

Following are links to the rating definitions:

- http://www.fitchratings.com/creditdesk/public/ratings_definitions/index.cfm?rd_file=ltr
- <http://www.moody's.com/Pages/amr002002.aspx>
- https://www.standardandpoors.com/en_US/web/guest/article/-/view/sourceId/504352

Glossary

Accrued interest	Any interest that accrues since the initial purchase, or since the last coupon payment date. In transferable securities, if the bond is sold in between coupon dates, only the holder of the bond will receive the coupon interest on the next coupon payment date.
Basis Point	A Basis point (bps) is equal to 1/100th of one percent. For example, 12.5 bps = 1/8th or 0.125%
Benchmark	A benchmark is used to measure a security's value. For example, UK gilts can be used as a "benchmark" security for other fixed bonds. Fixed bonds trade at a yield spread over the equivalent benchmark, whether issued by financial, corporate or supranational institution, or as a covered bond. If the spread is high, the higher yield, implies more risk and the opposite is true for a yield spread that is tighter.
Bid	Bid is the rate at which a bank, building society etc. is willing to take a deposit.
British Bankers Association	The BBA is the leading association for the UK banking and financial services sector, speaking for 223 banking members from 60 countries on the full range of UK or international banking issues and engaging with 37 associated professional firms.
Call or Notice Account	A Call or Notice Account requires notice before funds can be accessed without penalty. The period required can range from 2 days up to 90 days.
Certificate of deposit (CD)	A tradable form of fixed deposit. They can be sold before maturity, via the secondary market at a rate that is negotiable. Often issued by Banks and Building Societies in any period from 1 month to 5 years. CDs also provide a conduit to the wholesale money market, an opportunity to place funds with counterparties that might not ordinarily take deposits in the cash market.
Consideration	Total amount payable at time of purchase including accrued interest on a negotiable instrument, such as a CD or Gilt.
Contract note / confirmation	A legal document issued at the time of dealing which outlines all the details of the trade, including settlement consideration/proceeds and bank details.
Counterparty Risk	Counterparty Risk is the risk that a counterparty may fail, resulting in financial loss to the transacting party.
Coupon	The total amount of interest a security will pay. The coupon period depends on the security. A CD will often pay interest at maturity, while a bond may pay semi annually or annually and an FRN will most likely pay every 3 months.
Credit Rating	A Credit Rating is an evaluation made by a credit rating agency of a borrower's ability to meet its financial obligations.
Crest	A UK domestic settlement system which is where CD's, Tbill's and Gilts are settled. Crest is a settlement depository, for which access is essential if you wish to deal in negotiable securities. (Crest is owned by Euroclear).
Custodian (Custody)	A custodian is responsible for the safe holding of client stock in electronic form, for those that do not have the appropriate account in place.
Day count convention	The Day Count takes into consideration the exact number of days in a specific coupon period, depending on the type of fixed income security.
Debt Management Office/ DMO	Debt Management Office, an executive agency of HM Treasury. They are responsible for debt management in the UK, in the form of issuing Treasury Bills and Gilts. DMO's weekly Treasury Bill tender which occurs every Friday morning.
Deposit Limit	A Deposit Limit is the maximum amount and the maximum term of all deposits that can be outstanding with a given counterparty.
EuroClear	In a similar way that Crest is a recognised clearing facility for UK securities, Euroclear is a globally recognised settlement and clearing system for negotiable instruments. Most Eurobonds, Supranational bonds and Floating Rate Notes are all settled via the Euroclear system.
Flight to quality	A sudden increase in demand for safe haven assets (Treasury Bills, Gilts and other AAA securities) as a result of negative economic news or geo-political concerns.
Floating rate note (FRN)	Issued by Banks, Building Societies and Supranational organisations. The coupon often re-sets every 3 months at a set premium to 3 month Libor, which in a rate rising environment can help mitigate interest rate risk.

Glossary (cont.)

Gilt	A UK Government bond, sterling denominated, issued by HM Treasury. The term gilt (or gilt- edged) is a reference to the primary characteristic of gilts as an investment - their security. Rated in line with UK government.
Gross price	The price at which the instrument trades in the market.
Instant Access Account	The investor can take withdraw money at any time without penalty.
LIBID	The London Interbank Bid Rate is the rate that a bank is willing to pay to acquire funds in the international interbank market. The rate charged by one bank to another for a deposit.
LIBOR	The London Interbank Offered Rate is the most widely used benchmark or reference rate for short-term interest rates worldwide. The rate charged by one bank to another for lending money for a set period.
Liquidity	The ability or ease of being able to buy or sell a security, at competitive prices. The more liquid an asset, the easier that it can be bought or sold.
Market Value	The value of an asset if it were bought/sold in the market at its current price.
Money Market	In finance, the Money Market is the global financial market for short-term borrowing and lending. It provides short-term liquidity funding for the global financial system.
Net price	The price quoted to a client for the sale or purchase of a negotiable instrument, inclusive of dealing cost.
Nominal	The nominal value of a transferable security is the amount of the security the owner holds (e.g. £1,000,000). This remains fixed. The variable factor is the market value.
Offer	Offer is the rate at which a bank, building society etc. is willing to lend.
PAR	PAR is where the current or market value is equal to the nominal or face value of a security or investment.
Principal	The total amount being borrowed or lent. A principal amount when referring to a transferable security is
Proceeds / Settlement	Settlement proceeds are the total amount you receive upon sale/disposal of a negotiable instrument, including principal and accrued interest.
Repo	Sale and repurchase agreement. An agreement between two counterparties where stock moves one way as collateral against a cash loan moving the other way. The lender of cash receives stock as collateral against their deposit, while the borrower of cash lends the stock. Please see Bilateral and Tri-party for definitions.
Repo rate	The interest rate at which the collateral giver has to pay to the cash lender.
Settlement date	The date that funds are due to be sent via CHAPS payment upon settlement of any negotiable instrument that is dealt. These can range from dealing and settlement on the same day to 3 days forward, or longer if required and agreed by all parties involved.
Spread	Spread is the difference between the bid and ask prices of an instrument. It is the difference between what buyers are willing to pay and what sellers are asking for in terms of price.
Tender	The process by which the DMO invites bids on their short term debt instruments. They issue Treasury bills via a weekly tender, usually for 1, 3 and 6 month periods. The Next weeks' allocation is announced immediately after the current week's tender.
Term Deposit	Money invested for a fixed term at a fixed rate of interest which applies for the duration of the deposit. Term Deposits are sometimes also known as time deposits.
Treasury bill	T-bill, a short dated instrument issued by HM Treasury. Zero coupon, extremely safe, liquid and secure. UK government rated.
Yield Curve	Yield Curve is the relationship between interest rate yields and maturity lengths. The yield curve normally has a positive slope (i.e., upwards) because yields on long-term interest rate usually exceed short-term yields.