# AGENDA ITEM: x

## SUMMARY

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| **Report for:** | **Cabinet** |
| **Date of meeting:** | **11 December 2018** |
| **Part:** | **I** |
| If Part II, reason: | |

| | |
|---|---|
| **Title of report:** | **Treasury Management 2018/19 Mid-Year Performance Report** |
| Contact: | Cllr Graeme Elliot – Portfolio Holder for Finance & Resources<br><br>James Deane – Corporate Director (Finance & Operations)<br><br>Nigel Howcutt, Assistant Director (Finance and Resources) |
| Purpose of report: | To provide Members with mid-year information on Treasury Management performance for 2018/19. |
| Recommendations | That Cabinet considers and agrees the half-year report on targets and performance, in Sections 4-7. |
| Corporate objectives: | Dacorum Delivers – Optimising investment income for General Fund and Housing Revenue budgets whilst managing investment risk is fundamental to achieving the corporate objective of delivering an efficient and modern Council. |
| Financial Implications: | Financial<br>A summary of performance against the Council's budgeted investment income is included in Section 5 of the report.<br><br>Value for Money<br>The Council is required to invest surplus funds to ensure that it maximises the benefit of cash flows. |
| Risk Implications: | Failures in the banking sector have increased the risk of investment being lost. A prudent approach to investment is required to minimise the risk to the Council of investment losses. Currently all DBC investments are in prime UK banks or in UK Government bodies; such as the Debt Management Office (DMO) and other local authorities. |

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| Equalities Implications: | There are no Equality implications arising from this report. |
| Health And Safety Implications: | There are no Health and Safety implications arising from this report. |
| Monitoring Officer / S151 Officer Comments: | **Monitoring Officer:**<br><br>No comments to add to the report.<br><br>**S.151 Officer**<br><br>This is a Section 151 Officer Report |
| Consultees: | Link Asset Services |
| Background papers: | Treasury Management Strategy (Budget Report Appendix K) - Cabinet 13 February 2018 |
| Glossary of acronyms and any other abbreviations used in this report: | Chartered Institute of Public Finance and Accountancy (CIPFA)<br><br>Capital Financing Requirement (CFR)<br><br>Gross Domestic Product (GDP)<br><br>Monetary Policy Committee (MPC)<br><br>Treasury Management Strategy Statement (TMSS)<br><br>London Interbank Bid Rate (LIBID)<br><br>Debt Management Office (DMO)<br><br>Public Works Loan Board (PWLB)<br><br>Housing Revenue Account (HRA) |

## 1. Background

1.1 Treasury Management

Treasury management is defined as:

"The management of the local authority's borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."

1.2 The Treasury Management team manages the Council's cash-flows in order to strike the optimal balance between the following three elements:

- The liquidity requirements for the Council's day-to-day business;

- Funding the Council's capital programme;
- Investing surplus monies in line with the Treasury Management Strategy.

1.3 The purpose of this report is to update Cabinet on the economic environment in which the Treasury team is operating, highlighting some of the key challenges, and to provide details of the current investment position for 2018/19 (see Section 5).

## 2. Governance

2.1 This report has been written in accordance with the requirements of the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management (revised 2017).

2.2 The primary requirements of the Code are as follows:

- Creation and maintenance of a Treasury Management Policy Statement which sets out the policies and objectives of the Council's treasury management activities;

- Creation and maintenance of treasury management practices which set out the manner in which the Council will seek to achieve those policies and objectives;

- Receipt by the full council of an annual Treasury Management Strategy Statement - including the Annual Investment Strategy and Minimum Revenue Provision Policy - for the year ahead, a Mid-year Review Report and an Annual Report (stewardship report) covering activities during the previous year;

- Delegation by the Council of responsibilities for implementing and monitoring treasury management policies and practices and for the execution and administration of treasury management decisions;

- This organisation nominates Cabinet to be responsible for ensuring effective scrutiny of the Treasury Management Strategy, policies and monitoring before recommendation to Full Council.

**Mid-year Report**

2.3 This mid-year report has been prepared in compliance with the Code, and covers the following areas:

- An economic update for the first six months of 2018/19;
- A review of the Treasury Management Strategy Statement and Annual Investment Strategy;
- The Council's capital expenditure and prudential indicators;
- A review of the Council's investment portfolio for 2018/19;
- A review of the Council's borrowing strategy for 2018/19;
- A review of compliance with Treasury and Prudential Limits for 2018/19.

## 3. Economic update

3.1 The commentary in this section updates Members on the key factors around the economic conditions in which the Council is currently operating. It incorporate analysis provided by the Council's treasury management advisors, Link Asset Services.

Interest Rates

3.2 The Bank of England's base rate ('Bank Rate') is the rate of interest set by the Bank of England to influence other interest rates. The Bank of England's Monetary Policy Committee (MPC) voted unanimously to to increase Bank Rate in August from 0.5% to 0.75%. This followed a period of generally positive economic statistics after the end of the quarter to 30 June. The MPC emphasised again, that future Bank Rate increases would be gradual. The view from the Council's treasury management advisors is that the MPC is likely to wait until after Brexit deadline of March 2019 before making any further increases. Their expectation is an increase in August 2019, followed by further increases of 0.25% in May 2020 and November 2020 to reach 1.5%. Their view is that even these limited increases is dependent on a reasonably orderly Brexit.

Economic Growth

3.3 Economic Growth generally refers to growth in Gross Domestic Product (GDP). GDP measures the health and size of an economy. UK economic growth performed modestly in the first half of 2018/19. This growth is expected to be around 1.5% in 2018. The Bank of England's August Quarterly Inflation Report forecast that growth will pick up to 1.8% in 2019. There are several caveats to this – mainly related to whether or not the UK achieves an orderly withdrawal from the European Union in March 2019.

Inflation

3.4 Inflation measures how much the prices of goods and services have changed over a time period. The Consumer Price Index (CPI) measure of inflation rose unexpectedly from 2.4% in June to 2.7% in August but is expected to fall back to the Government's 2% inflation target over the next two years, given a scenario of minimal increases in the Bank Rate. The MPC has indicated Bank Rate would need to be in the region of 1.5% by March 2021 for inflation to stay on track. Financial markets are currently pricing in the next increase in Bank Rate for the second half of 2019.

Unemployment

3.5 UK unemployment has continued at a 43-year low of 4%. Wage inflation picked up to 2.9%, (3- month average regular pay, excluding bonuses) and to a one month figure in July of 3.1%. In real terms, (i.e. wage rates higher than CPI inflation), earnings grew by about 0.4%. Given the UK economy is very much services sector driven, an increase in household spending power is likely to feed through into providing some support to the overall rate of economic growth in the coming months.

Overall

3.6 The overall balance of risks to economic growth in the UK is expected to be neutral. The balance of risks to increases in Bank Rate and shorter term Public Works Loan Board (a source of borrowing for local authorities) rates, are expected to be even and are broadly dependent on how strong GDP growth turns out, how slowly inflation pressures subside, and how quickly the Brexit negotiations move forward positively.

3.7 The Council's treasury manager advisor has provided the following interest rate forecast:

| Link Asset Services Interest Rate View | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Sep-18 | Dec-18 | Mar-19 | Jun-19 | Sep-19 | Dec-19 | Mar-20 | Jun-20 | Sep-20 | Dec-20 | Mar-21 |
| Bank Rate View | 0.75% | 0.75% | 0.75% | 0.75% | 1.00% | 1.00% | 1.00% | 1.25% | 1.25% | 1.50% | 1.50% |
| 3 Month LIBID | 0.75% | 0.80% | 0.80% | 0.90% | 1.10% | 1.10% | 1.20% | 1.40% | 1.50% | 1.60% | 1.60% |
| 6 Month LIBID | 0.85% | 0.90% | 0.90% | 1.00% | 1.20% | 1.20% | 1.30% | 1.50% | 1.60% | 1.70% | 1.70% |
| 12 Month LIBID | 1.00% | 1.00% | 1.00% | 1.10% | 1.30% | 1.30% | 1.40% | 1.60% | 1.70% | 1.80% | 1.80% |
| 5yr PWLB Rate | 2.00% | 2.00% | 2.10% | 2.20% | 2.20% | 2.30% | 2.30% | 2.40% | 2.50% | 2.50% | 2.60% |
| 10yr PWLB Rate | 2.40% | 2.50% | 2.50% | 2.60% | 2.70% | 2.70% | 2.80% | 2.90% | 2.90% | 3.00% | 3.10% |
| 25yr PWLB Rate | 2.80% | 2.90% | 3.00% | 3.10% | 3.10% | 3.20% | 3.30% | 3.30% | 3.40% | 3.50% | 3.50% |
| 50yr PWLB Rate | 2.60% | 2.70% | 2.80% | 2.90% | 2.90% | 3.00% | 3.10% | 3.10% | 3.20% | 3.30% | 3.30% |

## 4. Treasury Management Strategy Statement and Annual Investment Strategy update

4.1 The Treasury Management Strategy Statement (TMSS) for 2018/19 was approved by Council on 13 February 2018.

4.2 The Council's Annual Investment Strategy, which is incorporated within the TMSS, outlines the Council's investment priorities as follows:

- Security of capital;
- Liquidity;
- Return on investment.

4.3 The Council aims to achieve the optimum return on investments within the context of the first two priorities. A breakdown of the Council's investment portfolio, as at 30 September 2018, is shown in Appendix 1 of this report. Link Asset Services' full counterparty credit list as at September 2018, which identifies those organisations with which the Council is able to place funds, is shown in Appendix 2.

4.4 All the Councils Investments during the first six months of the year have been placed in accordance with the approved strategy.

## 5. Investment Portfolio 2018/19

5.1 The current investment market is challenging in terms of earning the level of return commonly seen in previous decades. Rates are very low and in line with the current 0.75% Bank Rate.

5.2 The continuing potential for a re-emergence of a Eurozone sovereign debt crisis, and its impact on banks, prompts a low risk and short- term strategy. Given this risk environment and the fact that increases in Bank Rate are likely to be gradual and unlikely to return to the levels seen in previous decades, investment returns are likely to remain low.

5.3 The Council held £100.33m of investments as at 30 September 2018 (£92.75m at 31 March 2018). The average investment return for the first six months of the year was 0.61%.

5.4 The Council's investment return for Q1 and Q2 2018/19 displays a £58k favourable variance against half- yearly budgeted figure of £274k. This reflects:

- The recent Bank Rate increase
- higher than expected balances available for investment

The forecast position for the full year has risen slightly due the forecast slippage of the Council's capital expenditure programme and the higher rate of interest expected on investments placed during the second half of the year.

## 6. Borrowing

6.1 The Council's Capital Financing Requirement (CFR) is the Council's underlying need to borrow for capital purpose. The CFR is currently forecast to be £362.2m as at 31/03/19. This includes the borrowing from the Public Works Loan Board (PWLB) following the introduction of HRA Self Financing, and borrowing taken up for General Fund capital expenditure requirements.

6.2 As a Local Authority, the Council is able to borrow funds from PWLB, which operates within the DMO, an Executive Agency of HM Treasury.

6.3 The PWLB charges interest rates, which are linked to government gilts and are lower than what the Council would be able to achieve by raising funds through the capital markets.

Debt rescheduling

6.4 Debt rescheduling opportunities have been very limited in the current economic climate given the consequent structure of interest rates, and following the increase in the margin added to gilt yields which has impacted PWLB new borrowing rates since October 2010. No debt rescheduling has therefore been undertaken to date in the current financial year.

## 7. The Council's Capital Expenditure (Prudential Indicators)

7.1 Prudential indicators are set each year as part of the Council's Treasury Management Strategy. They set the annual limits on borrowing, and provide a basis for assessing the affordability of financing costs, external debt and capital expenditure.

7.2 This part of the report is structured to update:

- The Council's capital expenditure plans;
- How these plans are being financed;
- The impact of the changes in the capital expenditure plans on the prudential indicators, and the underlying need to borrow; and
- Compliance with the limits in place for borrowing activity.

7.3 Prudential Indicators for Capital Expenditure:

The table below shows the revised estimates for capital expenditure with the changes since the capital programme was agreed at the Budget in February 2018, and the expected financing arrangements of this capital expenditure.

| **Capital Expenditure by Service** | **2018/19 Original Budget £M** | **Current Budget £M** | **2018/19 Revised Forecast £M** |
|---|---|---|---|
| General Fund | 21.719 | 18.92 | 18.83 |
| HRA | 36.483 | 35.249 | 35.249 |
| **Total** | **58.202** | **54.169** | **54.079** |
| Financed by: | | | |
| Capital grants & S106 | 2.648 | | 2.648 |
| Capital receipts & reserves | 40.046 | | 32.164 |
| Revenue | 9.14 | | 9.301 |
| Borrowing | 6.368 | | 9.966 |
| **Total financing** | **58.202** | | **54.079** |
| **Borrowing need** | **-** | | **-** |

7.4 The table below shows the CFR and the expected debt position over the period; termed the 'Operational Boundary'. The changes to the forecast CFR are due to revision of the Capital Programme, and incorporation of the actual outturn position from 2017/18.

| | **2018/19 Original Estimate £M** | **2018/19 Revised Forecast £M** |
|---|---|---|
| **Prudential Indicator – Capital Financing Requirement** | | |
| CFR – General Fund | 18.281 | 18.09 |
| CFR – HRA | 344.104 | 344.104 |
| Total CFR | 362.385 | 362.196 |
| **Net movement in CFR** | **3.936** | **6.814** |
| **Prudential Indicator – External Debt / the Operational Boundary** | | |
| Borrowing | 362.383 | 362.383 |
| Other long term liabilities | 0.188 | 0.188 |
| **Total debt 31 March** | **362.571** | **362.571** |

7.5 Prudential Indicator for Borrowing Activity:

The key control over treasury activity is a prudential indicator to ensure that, over the medium term, net borrowing (borrowings less investments) will only be for a capital purpose. Gross external borrowing should not, except in the short term, exceed the total of CFR in the preceding year plus the estimates of any additional CFR for 2018/19 and the next two financial years.

7.6 The table forecasts that the Council's gross borrowing is forecast to slightly exceed its CFR. This is expected to be the case in the short term only.

| | **2018/19 Original Estimate £M** | **2018/19 Revised Estimate £M** |
|---|---|---|
| Gross borrowing | 362.383 | 362.383 |
| Plus other long term liabilities | 0.188 | 0.188 |
| Less investments | (69.515) | (78.449) |
| Net borrowing | 293.056 | 289.954 |
| CFR (year-end position) | 362.385 | 362.196 |

7.7 A further prudential indicator controls the overall level of borrowing. This is the Authorised Limit which represents the limit beyond which borrowing is prohibited, and needs to be set and revised by full Council. It reflects the level of external debt which, while not desired, could be afforded in the short term, but is not sustainable in the longer term.

| Authorised limit for external debt | 2018/19 Original Indicator | Current Position | 2018/19 Revised Indicator |
|---|---|---|---|
| Borrowing | 378.000 | 378.000 | 378.000 |
| Other long term liabilities* | 1.00 | 1.00 | 1.000 |
| Total | 379.000 | 379.000 | 379.000 |

## 8. Other

Money Market Fund Regulatory Change

8.1 The Money Market Fund sector is now in the last stages of introducing new regulations in preparation for the European Money Market Fund Reform, expected to be finalised in early 2019.

8.2 The new regulations will see existing non-government Constant Net Asset Value (CNAV) funds convert to Low Volatility Net Asset Value (LVNAV) pricing. Government-type funds will remain as "CNAV" funds under the new regulations.

8.3 LVNAV MMFs are a new type of Money Market Fund. They are seen as the successor to existing CNAV funds, they are permitted to maintain a constant dealing Net Asset Value (NAV) provided that certain criteria are met, including that the market NAV of the Fund does not deviate from the dealing NAV by more than 20 basis points (bps). This is a more stringent approach than seen previously.

8.4 The European Money Market Fund Reform will see the Council's existing Money Market Funds convert from non-government CNAV (Constant Net Asset Value) to LVNAV (Low Volatility Net Asset Value). This change is not expected to impact on the existing treasury management strategy.

UK banks – ring fencing

8.5 The largest UK banks, (those with more than £25bn of retail / Small and Medium-sized Enterprise (SME) deposits), are required, by UK law, to separate core retail banking services from their investment and international banking activities by 1st January 2019. This is known as "ring-fencing". Whilst smaller banks with less than £25bn in deposits are exempt, they can choose to opt up. Several banks are very close to the threshold already and so may come into scope in the future regardless.

8.6 Ring-fencing is a regulatory initiative created in response to the global financial crisis. It mandates the separation of retail and SME deposits from investment banking, in order to improve the resilience and resolvability of banks by changing their structure. In general, simpler, activities offered from within a ring-fenced bank, (RFB), will be focused on lower risk, day-to-day core transactions, whilst more complex and "riskier" activities are required to be housed in a separate entity, a non-ring-fenced bank, (NRFB). This is intended to ensure that an entity's core activities are not adversely affected by the acts or omissions of other members of its group.

8.7 While the structure of the banks included within this process may have changed, the fundamentals of credit assessment have not. The Council will continue to assess the new-formed entities in the same way that it does others and those with sufficiently high ratings (and any other metrics considered) will be considered for investment purposes.

IFRS9 accounting standard

8.8 This accounting standard came into effect from 1st April 2018. It means that the category of investments valued under the available for sale category will be removed and any potential fluctuations in market valuations may impact on the Surplus or Deficit on the Provision of Services, rather than being held on the balance sheet. This change is unlikely to materially affect the commonly used types of treasury management investments but more specialist types of investments, (e.g. pooled funds, third party loans, commercial investments), are likely to be impacted. The impact on this authority is low due to the nature of our investments.

8.9 The Ministry of Housing, Communities and Local Government (MHCLG), are currently conducting a consultation for a temporary override to allow English local authorities time to adjust their portfolio of investments. Members will be updated when the result of this consultation is known.

Changes in risk appetite

8.10 The 2018 CIPFA Codes and guidance notes have placed enhanced importance on risk management. Where an authority changes its risk appetite e.g. for moving surplus cash into or out of certain types of investment funds or other types of investment instruments, this change in risk appetite and policy should be brought to members' attention in treasury management update reports.

Capital Strategy 2019/20

8.11 In December 2017, the Chartered Institute of Public Finance and Accountancy, (CIPFA), issued revised Prudential and Treasury Management Codes. As from 2019/20, all local authorities will be required to prepare a Capital Strategy which is intended to provide the following: -

- a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services
- an overview of how the associated risk is managed
- the implications for future financial sustainability

8.12 A report setting out our Capital Strategy will be taken before Members before 31st March 2019.

# Appendix 1 - Investment Portfolio as at 30 September 2018

| Borrower | Deposit Type | Principal | Date Lent | Date Repayable | Interest Rate | Duration (Days) | Approved Duration | DBC Limit(M) |
|---|---|---|---|---|---|---|---|---|
| National Westminster Bank PLC (RFB) | Call Account | 78,524 | 30/09/2018 | 01/10/2018 | 0.01% | 1 | 12 months | 12.5 |
| Goldman Sachs | MMF | 1,250,000 | 30/09/2018 | 01/10/2018 | 0.64% | 1 | 100 days | 7 |
| Insight | MMF | 7,000,000 | 30/09/2018 | 01/10/2018 | 0.67% | 1 | 100 days | 7 |
| Lloyds Bank Plc (RFB) | Investment | 1,000,000 | 29/11/2017 | 29/11/2018 | 0.90% | 365 | 12 months | 10 |
| Lloyds Bank Plc (RFB) | Investment | 4,000,000 | 26/01/2018 | 25/01/2019 | 0.85% | 364 | 12 months | 10 |
| Coventry Building Society | Investment | 1,500,000 | 23/04/2018 | 22/10/2018 | 0.71% | 182 | 6 months | 9 |
| Barclays Bank Plc (NRFB) | Investment | 1,000,000 | 01/05/2018 | 22/10/2018 | 0.68% | 174 | 6 months | 9 |
| Coventry Building Society | Investment | 1,500,000 | 01/05/2018 | 26/10/2018 | 0.70% | 178 | 6 months | 9 |
| Barclays Bank Plc (NRFB) | Investment | 3,500,000 | 08/05/2018 | 17/10/2018 | 0.67% | 162 | 6 months | 9 |
| National Westminster Bank PLC (RFB) | Investment | 5,000,000 | 15/05/2018 | 15/05/2019 | 0.74% | 365 | 12 months | 12.5 |
| Coventry Building Society | Investment | 2,000,000 | 21/05/2018 | 19/11/2018 | 0.67% | 182 | 6 months | 9 |
| Coventry Building Society | Investment | 1,500,000 | 19/06/2018 | 14/12/2018 | 0.67% | 178 | 6 months | 9 |
| Nationwide Building Society | Investment | 1,000,000 | 21/06/2018 | 19/12/2018 | 0.60% | 181 | 6 months | 9 |
| Nationwide Building Society | Investment | 2,000,000 | 25/06/2018 | 19/12/2018 | 0.64% | 177 | 6 months | 9 |
| Lancashire County Council | Investment | 7,000,000 | 02/07/2018 | 02/10/2018 | 0.40% | 92 | 60 months | NA |
| Coventry Building Society | Investment | 1,000,000 | 04/07/2018 | 21/12/2018 | 0.66% | 170 | 6 months | 9 |
| London Borough of Barking & Dagenham | Investment | 4,500,000 | 05/07/2018 | 05/10/2018 | 0.45% | 92 | 60 months | NA |
| Santander UK Plc | Investment | 2,000,000 | 06/07/2018 | 28/12/2018 | 0.75% | 175 | 6 months | 9 |
| Barclays Bank Plc (NRFB) | Investment | 4,500,000 | 19/07/2018 | 17/01/2019 | 0.77% | 182 | 6 months | 9 |
| Santander UK Plc | Investment | 2,000,000 | 20/07/2018 | 16/01/2019 | 0.78% | 180 | 6 months | 9 |
| National Westminster Bank PLC (RFB) | Investment | 2,500,000 | 31/07/2018 | 31/07/2019 | 0.84% | 365 | 12 months | 12.5 |
| Lloyds Bank Plc (RFB) | Investment | 2,000,000 | 09/08/2018 | 09/08/2019 | 1.05% | 365 | 12 months | 10 |
| Yorkshire Building Society | Investment | 3,000,000 | 09/08/2018 | 15/11/2018 | 0.72% | 98 | 100 days | 7 |
| National Westminster Bank PLC (RFB) | Investment | 2,000,000 | 14/08/2018 | 14/08/2019 | 0.86% | 365 | 12 months | 12.5 |
| Santander UK Plc | Investment | 5,000,000 | 17/08/2018 | 15/02/2019 | 0.86% | 182 | 6 months | 9 |
| Yorkshire Building Society | Investment | 3,000,000 | 20/08/2018 | 19/11/2018 | 0.71% | 91 | 100 days | 7 |
| Nationwide Building Society | Investment | 1,000,000 | 23/08/2018 | 21/01/2019 | 0.72% | 151 | 6 months | 9 |
| Coventry Building Society | Investment | 1,500,000 | 24/08/2018 | 22/02/2019 | 0.79% | 182 | 6 months | 9 |
| Close Brothers Ltd | Investment | 9,000,000 | 06/09/2018 | 05/03/2019 | 0.85% | 180 | 6 months | 9 |
| Yorkshire Building Society | Investment | 1,000,000 | 07/09/2018 | 07/12/2018 | 0.71% | 91 | 100 days | 7 |
| Dumfries & Galloway Council | Investment | 4,000,000 | 07/09/2018 | 07/12/2018 | 0.67% | 91 | 60 months | NA |
| Lloyds Bank Plc (RFB) | Investment | 2,000,000 | 18/09/2018 | 18/09/2019 | 1.05% | 365 | 12 months | 10 |
| Dumfries & Galloway Council | Investment | 3,000,000 | 19/09/2018 | 19/12/2018 | 0.67% | 91 | 60 months | NA |
| Nationwide Building Society | Investment | 5,000,000 | 28/09/2018 | 29/03/2019 | 0.72% | 182 | 6 months | 9 |
| London Borough of Barking & Dagenham | Investment | 2,000,000 | 28/09/2018 | 04/01/2019 | 0.70% | 98 | 60 months | NA |
| Lloyds Bank Plc (RFB) | Investment | 1,000,000 | 28/09/2018 | 30/09/2019 | 1.05% | 367 | 12 months | 10 |

Appendix 2 – Link Asset Services' Approved Lending List – UK Banks and Financial Institutions

| **Country** | **Counterparty** | **Approved Duration** | **DBC Limit (M)** |
|---|---|---|---|
| U.K | Abbey National Treasury Services plc | 6 months | 9 |
| U.K | Bank of Scotland PLC (RFB) | 6 months | 9 |
| U.K | Barclays Bank PLC (NRFB) | 6 months | 9 |
| U.K | Barclays Bank UK PLC (RFB) | 6 months | 9 |
| U.K | Close Brothers Ltd | 6 months | 9 |
| U.K | Goldman Sachs International Bank | 6 months | 9 |
| U.K | HSBC Bank PLC (NRFB) | 12 months | 10 |
| U.K | HSBC UK Bank Plc (RFB) | 12 months | 10 |
| U.K | Lloyds Bank Corporate Markets Plc (NRFB) | 6 months | 9 |
| U.K | Lloyds Bank Plc (RFB) | 12 months | 10 |
| U.K | Santander UK plc | 6 months | 9 |
| U.K | Standard Chartered Bank | 6 months | 9 |
| U.K | Sumitomo Mitsui Banking Corporation Europe Ltd | 6 months | 9 |
| U.K | UBS Ltd | 12 months | 10 |
| U.K | Coventry BS | 6 months | 9 |
| U.K | Leeds BS | 100 days | 7 |
| U.K | Nationwide BS | 6 months | 9 |
| U.K | Yorkshire BS | 100 days | 7 |
| U.K | National Westminster Bank PLC (RFB) | 12 months | 12.5 |
| U.K | The Royal Bank of Scotland Plc (RFB) | 12 months | 12.5 |