Non-Executive Report of the: **Audit Committee** **08 December 2015**	TOWER HAMLETS
Report of: Zena Cooke, Corporate Director of Resources	**Classification:** Unrestricted
Treasury Management Activities Report for Quarter Ending 31 October 2015	

Originating Officer(s)	Bola Tobun, Investment & Treasury Manager
Wards affected	All wards

Summary

This report advises the Committee of the Council's borrowing and investment activities during 2015/16 to 31 October 2015. The Treasury Management Strategy Statement and the Treasury Prudential Indicators, for 2015/16 were approved by the Council on 25 February 2015 as required by the Local Government Act 2003.

The report also provides information on the economic conditions prevailing in the period ending 31 October 2015.

The Council earned an average return of 0.77% on its lending, outperforming the actual rolling average 7 day LIBID rate of 0.36%.

No long-term or short-term borrowing has been raised since the commencement of this financial year 2015/16 to reporting period.

Over the reporting period, all treasury management activities have been carried out in accordance with the approved limits and the prudential indicators set out in the Council's Treasury Management Strategy statement.

Recommendations:

Members of the Audit Committee are recommended to:

- note the contents of the treasury management activities and performance against targets for quarter ending 31 October 2015
- note the Council's outstanding investments as set out in Appendix 1. The balance outstanding as at 31 October 2015 was £422.7m which includes £48.8m, pension fund cash awaiting investment.

1. REASONS FOR THE DECISIONS

1.1 This report updates on both the borrowing and investment decisions made by the Director of Resources under delegated authority in the context of prevailing economic conditions and considers Treasury Management performance measured against the benchmark 7 day LIBID rate.

1.2 Treasury management is defined as “the management of the council’s investments and cash flows; its banking, money market and capital market transaction; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.

1.3 Legislation requires that regular reports be submitted to Council/Committee detailing the council’s treasury management activities.

1.4 The regular reporting of treasury management activities should assist in ensuring that Members are able to scrutinise officer decisions and monitor progress on implementation of investment strategy as approved by Full Council.

2. ALTERNATIVE OPTIONS

2.1 The Council is bound by legislation to have regard to the Treasury Management (TM) Code. The Code requires that the Council or a sub-committee of the Council (Audit Committee) should receive regular monitoring reports on treasury management activities.

2.2 If the Council were to deviate from those requirements, there would need to be some good reason for doing so. It is not considered that there is any such reason, having regard to the need to ensure that Members are kept informed about treasury management activities and to ensure that these activities are in line with the investment strategy approved by the Council.

2.3 Within reason, the Council can vary its treasury management strategy having regard to its own views about its appetite for risk in relation to the financial returns required.

3. DETAILS OF REPORT

3.1 The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 require local authorities to have regard to the Treasury Management Code. The Treasury Management code requires that the Council or a sub-committee of the Council (Audit Committee) should receive regular monitoring reports on treasury management activities and risks.

3.2 These reports are in addition to mid-year and annual treasury management outturn reports that should be presented to the Council midway through the financial year and at year end respectively.

3.3 TREASURY MANAGEMENT STRATEGY 2015/16

3.3.1 The Council’s Treasury Management Strategy was approved on 25 February 2015 by Full Council. The Strategy comprehensively outlines how the treasury function would operate throughout the financial year 2015/16 including the limits and criteria for selecting institutions to be used for the investment of surplus cash and the council's policy on long-term borrowing and limits on debt.

3.3.2 The Council complied with the strategy from the onset to reporting period, 31 October 2015. And all investments were made to counterparties within the Council's approved lending list.

3.3.3 The Pension Fund cash awaiting investment has been invested in accordance with Council's Treasury Management Strategy agreed by Full council on the 25 February 2015, under the delegated authority of the Corporate Director of Resources and is being managed in-line with the agreed parameters. The Pensions Committee is updated on Pension Fund investment activity on a quarterly basis.

3.4 ECONOMIC COMMENTARY

3.4.1 Economic forecasting remains difficult with so many external influences weighing on the UK. The Council's Treasury adviser Bank Rate forecasts, (and also MPC decisions), will be liable to further amendment depending on how economic data evolves over time. Capita Asset Services undertook its last review of interest rate forecasts on 9 November 2015 shortly after the publication of the quarterly Bank of England Inflation Report. There is much volatility in rates and bond yields as news ebbs and flows in negative or positive ways. This latest forecast includes a first increase in Bank Rate in quarter 2 of 2016.

3.4.2 The overall trend in the longer term will be for gilt yields and PWLB rates to rise when economic recovery is firmly established accompanied by rising inflation and consequent increases in Bank Rate, and the eventual unwinding of QE. Increasing investor confidence in eventual world economic recovery is also likely to compound this effect as recovery will encourage investors to switch from bonds to equities.

3.4.3 The overall balance of risks to economic recovery in the UK is currently evenly balanced. Only time will tell just how long this current period of strong economic growth will last; it also remains exposed to vulnerabilities in a number of key areas.

3.4.4 However, the overall balance of risks to their Bank Rate forecast is probably to the downside, i.e. the first increase, and subsequent increases, may be delayed further if recovery in GDP growth, and forecasts for inflation increases, are lower than currently expected. Market expectations in November, (based on short sterling), for the first Bank Rate increase are currently around mid-year 2016.

3.4.5 Downside risks to current forecasts for UK gilt yields and PWLB rates currently include:

- Geopolitical risks in Eastern Europe, the Middle East and Asia, increasing safe haven flows.
- UK economic growth turns significantly weaker than we currently anticipate.
- Weak growth or recession in the UK's main trading partners - the EU, US and China.
- A resurgence of the Eurozone sovereign debt crisis.

- Recapitalisation of European banks requiring more government financial support.
- Emerging country economies, currencies and corporates destabilised by falling commodity prices and / or the start of Fed. rate increases, causing a flight to safe havens

3.4.6 The potential for upside risks to current forecasts for UK gilt yields and PWLB rates, especially for longer term PWLB rates include: -

- Uncertainty around the risk of a UK exit from the EU.
- The commencement by the US Federal Reserve of increases in the Fed. funds rate causing a fundamental reassessment by investors of the relative risks of holding bonds as opposed to equities and leading to a major flight from bonds to equities.
- UK inflation returning to significantly higher levels than in the wider EU and US, causing an increase in the inflation premium inherent to gilt yields.

3.5 INTEREST RATE FORECAST

3.5.1 The Council's treasury advisor, Capita Asset Services, has provided the following forecast:

Capita Asset Services Interest Rate View														
	Dec-15	Mar-16	Jun-16	Sep-16	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19
Capita Asset Services View	0.50%	0.50%	0.75%	0.75%	1.00%	1.00%	1.25%	1.50%	1.50%	1.75%	1.75%	2.00%	2.00%	2.00%
5yr PWLB Rate	2.30%	2.40%	2.60%	2.70%	2.80%	2.80%	2.90%	3.00%	3.20%	3.30%	3.40%	3.50%	3.50%	3.60%
10yr PWLB View	2.90%	3.00%	3.10%	3.20%	3.30%	3.40%	3.50%	3.60%	3.70%	3.80%	3.90%	4.00%	4.10%	4.10%
25yr PWLB View	3.60%	3.70%	3.80%	3.90%	4.00%	4.10%	4.10%	4.20%	4.30%	4.30%	4.40%	4.40%	4.40%	4.50%
50yr PWLB Rate	3.50%	3.60%	3.70%	3.80%	3.90%	4.00%	4.00%	4.10%	4.20%	4.20%	4.30%	4.30%	4.30%	4.40%

3.5.2 UK GDP growth rates in 2013 of 2.2% and 2.9% in 2014 were the strongest growth rates of any G7 country; the 2014 growth rate was also the strongest UK rate since 2006 and the 2015 growth rate is likely to be a leading rate in the G7 again, probably being second to the US. However, quarter 1 of 2015 was weak at +0.4% (+2.9% y/y) though there was a rebound in quarter 2 to +0.7% (+2.4% y/y) before weakening again to +0.5% (2.3% y/y) in quarter 3. The November Bank of England Inflation Report included a forecast for growth to remain around 2.5 – 2.7% over the next three years, driven mainly by strong consumer demand as the squeeze on the disposable incomes of consumers has been reversed by a recovery in wage inflation at the same time that CPI inflation has fallen to, or near to, zero since February 2015 this year. Investment expenditure is also expected to support growth. However, since the August Inflation report was issued, worldwide economic statistics have distinctly weakened and the November Inflation Report flagged up particular concerns for the potential impact on the UK.

3.5.3 The Inflation Report was notably subdued in respect of the forecasts for inflation; this was expected to barely get back up to the 2% target within the 2-3 year time horizon. However, once the falls in oil, gas and food prices over recent months fall out of the 12 month calculation of CPI, there will be a sharp tick up from the current zero rate to around 1 percent in the second half of 2016. The increase in the forecast for inflation at the three year horizon was the biggest in a decade and at the two year horizon was the biggest since February 2013. There is considerable uncertainty around how quickly inflation will rise in the next few years and this makes it difficult to forecast when the MPC will decide to make a start on increasing Bank Rate.

3.6 INVESTMENT STRATEGY

3.6.1 The Treasury Management Strategy Statement (TMSS) for 2014/15, which includes the Annual Investment Strategy, it outlines the Council's investment priorities as being:

- Security of capital;
- Liquidity; and
- Yield.

3.6.2 The Council aims to achieve the optimum return (yield) on investments equivalent with proper levels of security and liquidity. In the current economic climate it is considered appropriate to keep investments short term to cover cash flow needs, but also to seek out value available in periods up to 12 months with highly credit rated financial institutions.

3.6.3 The approved limits within the Annual Investment Strategy were not breached during the financial year to period ended 31st October 2015.

3.6.4 Investment returns are likely to remain relatively low during for the rest of 2015/16 and beyond.

3.6.5 Borrowing interest rates have been highly volatile during 2015 as alternating spells of good and bad news have promoted optimism, and then pessimism, in financial markets. Gilt yields have continued to remain at historically phenomenally low levels, so far this year. The policy of avoiding new borrowing by running down spare cash balances, has served well over the last few years. However, this needs to be carefully reviewed to avoid incurring higher borrowing costs in later times, when the Council will not be able to avoid new borrowing to finance new capital expenditure and/or to refinance maturing debt.

3.6.6 There will remain a cost of carry to any new borrowing which causes an increase in investments as this will incur a revenue loss between borrowing costs and investment returns.

3.6.7 As illustrated below, the Council outperformed the benchmark of 36bps by 41bps for financial year to date. The Council's budgeted investment return for 2015/16 as £2.45m at 0.70% for average cash balance of £350m**,** and performance for the year to 31 October 2015 is 0.77%. In money terms the average cash balance of over £400m earned interest of roughly £2m to date if average cash balance and investment returns is maintain at this rate, there would be an outperformance above budget of £750k at year end.

3.6.8 Investment rates available in the market have been broadly stable during the period and have continued at historically low levels as a result of the ultra-low Bank Rate and other extraordinary measures such as the Funding for Lending Scheme. The average level of funds available for investment purposes during the reporting period was £422.7m. These funds were available on a temporary basis, and the level of funds available was mainly dependent on the timing of precept payments, receipt of grants and progress on the Capital Programme.

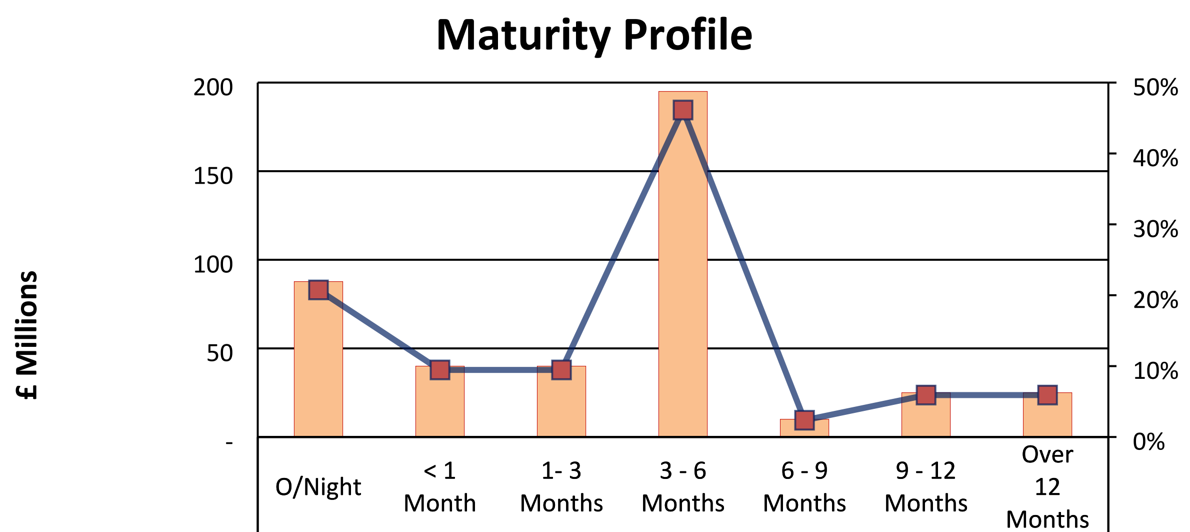
Investment performance for financial year to 31st October 2015

Benchmark	Benchmark Return	LBTH Performance	Over/(Under) Performance
Full Year 2014/2015	0.35%	0.73%	0.38%
Quarter 1 (Apr-Jun)	0.36%	0.76%	0.40%
Quarter 2 (Jul-Sep)	0.36%	0.78%	0.42%
Oct 2015	0.36%	0.78%	0.42%
Year (15/16) to Date	0.36%	0.77%	0.41%

3.7 Investments Outstanding & Maturity Structure

3.7.1 Chart below illustrates the maturity structure of deposits as at 31 October 2015; we have £87.7m as overnight deposits, and this is basically all Money Market Funds.

Maturity of Investment Portfolio as at 31 October 2015

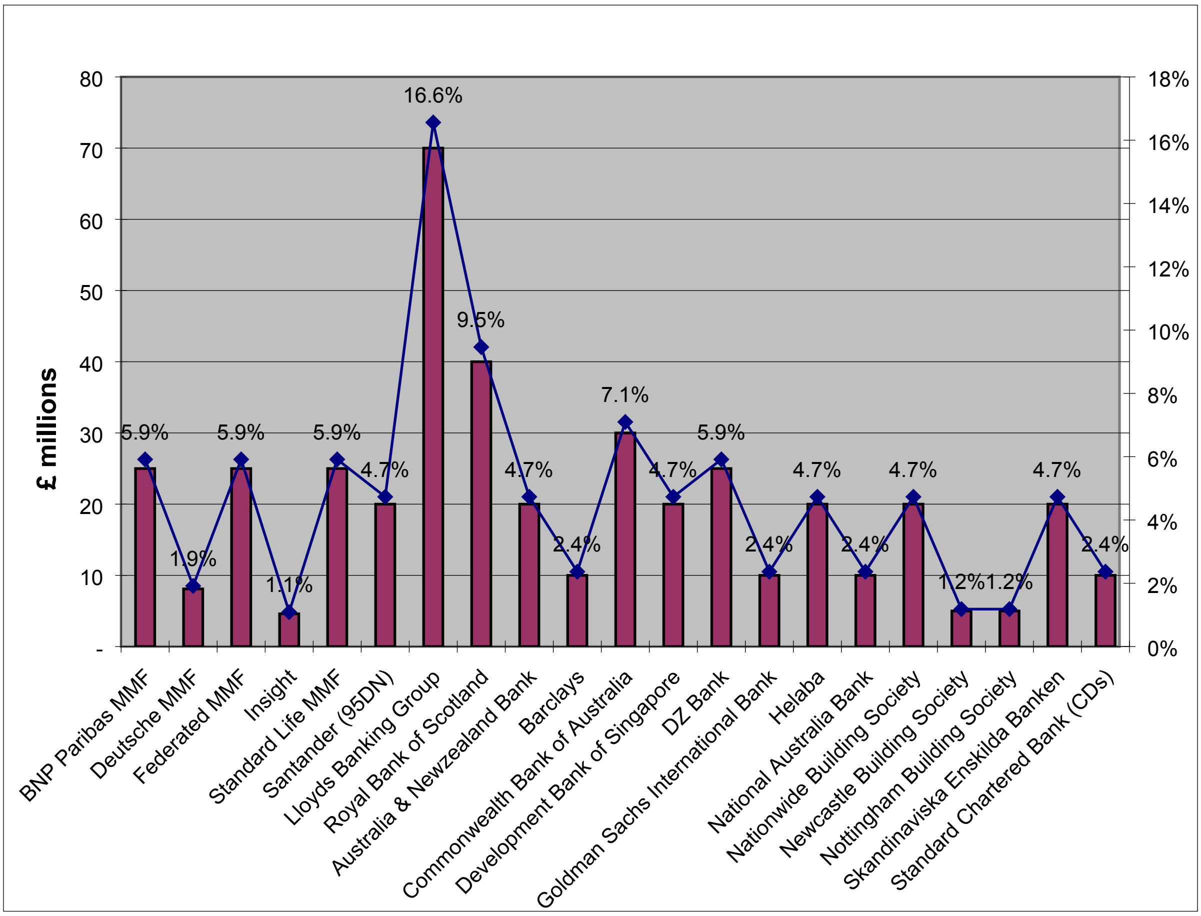


	O/Night	< 1 Month	1- 3 Months	3 - 6 Months	6 - 9 Months	9 - 12 Months	Over 12 Months
£ millions	87.70	40.00	40.00	195.00	10.00	25.00	25.00
% of Portfolio	20.75%	9.46%	9.46%	46.13%	2.37%	5.91%	5.91%

3.7.2 The Weighted Average Maturity (WAM) for outstanding investment (excluding MMF) is 166 days (176 days for the month of September). This is the average number of outstanding days to maturity of each deal from 31 October 2015.

3.7.3 The outstanding investments of £422.7m include Pension Fund surplus cash of some £48.8m which is being invested and will continue to be invested in accordance with the Council's Treasury Management Strategy agreed by Full Council, under the delegated authority of the Corporate Director of Resources to manage within agreed parameters. £45m of this surplus cash will transfer to a fund manager by December 2015.

Counterparty Exposure as at 31 October 2015



3.7.4 Chart above shows the deposits outstanding with authorised counterparties as at 31st October 2015, of which 9.5% were with part-nationalised banks (RBS Groups).

3.8 DEBT PORTFOLIO

3.8.1 The Council's Treasury Management Strategy Report approved in February 2015 outlined the Council's long term borrowing strategy for the year.

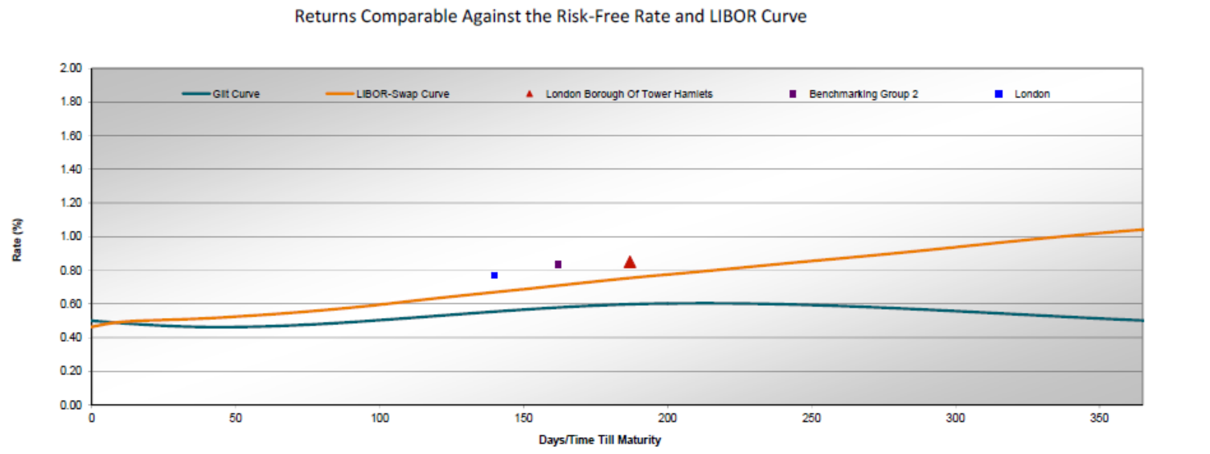
3.8.2 The table below sets out the Council's debt as at the beginning of the financial year and as at 31 October 2015. The overall debt fell by £0.257m from £88.893m at the start of the year. Total debt outstanding, stands at £88.636m, against estimated CFR of £228.877m for 2015/16, resulting in an under-borrowing of £140.241m

	31 March 2015 Principal	Loans raised	Loans repaid	31 October 2015 Principal
	£'000	£'000	£'000	£'000
Fixed Rate Funding:				
-PWLB	11,393	-	0.257	11,136
-Market	13,000	-	-	13,000
Total Fixed Rate Funding	24,393		0.257	24,136
Variable Rate Funding:				
-PWLB	-	-		-
-Market	64,500	-	-	64,500
Total Variable Rate Funding	64,500	-	-	64,500
Total Debt	***88,893***	**-**	***0.257***	***88,636***
CFR	***227,517***	**-**	**-**	***228,877***
Over/ (under) borrowing	***(138,624)***	**-**	**-**	***(140,241)***

3.8.3 No borrowing has been undertaken in this financial year to date. Also no debt rescheduling opportunities have arisen during this financial year to reporting period as the cost of premiums outweighs savings that could be made from the lower PWLB borrowing rates.

3.9 INVESTMENT BENCHMARKING CLUB

3.9.1 LBTH participates in a benchmarking club to enable officers to compare the Council's treasury management /investment returns against those of similar authorities. The model below shows the performance of benchmark club members given the various levels of risks taken as at 30 September 2015. The model takes into account a combination of credit, duration and returns achieved over the duration, and it includes data from 20 local authorities. Tower Hamlets lies close to the expected return given the council's portfolio risk profile, which is placing deposits with institutions with the sovereign rate of AAA.



							Difference		Model	
	WARoR	WAM	WATT	WARisk	Gilt	LIBOR-Swap	Gilt	LIBOR-Swap	Bands	Performance
London Borough Of Tower Hamlets	0.85%	187	348	4.4	0.60%	0.75%	0.25%	0.10%	0.78% - 0.89%	Inline
Benchmarking Group 2	0.83%	162	319	3.7	0.58%	0.71%	0.26%	0.12%	0.74% - 0.84%	Inline
London	0.77%	140	278	3.5	0.55%	0.67%	0.22%	0.10%	0.70% - 0.80%	Inline

3.9.2 The weighted average rate of return (WARoR) for Tower Hamlets is 0.85% compared to 0.83% for the group. The return on LBTH investment is commensurate with the Council's risk appetite as set out in the Investment Strategy.

3.10 INVESTMENT STRATEGY UPDATE

3.10.1 Full Council approved the Investment Strategy on 25 February 2015. Officers continue to look for ways to maximise returns on cash balances within the constraints of the Investment Strategy. The Investment Strategy was developed based on prevailing economic and market outlooks.

3.10.2 Wholly or partly owned government banks offer significantly higher rates than the DMO, but have similar levels of security based on government guarantee of their credit quality. The Council already relies on this guarantee and invests with these banks, and the strategy is to have £70m money limit for each group with an aggregate of 40% of the overall investment portfolio. This should ensure that the Council continues to receive good returns on its cash balances and that the investment strategy is optimised to support the Council's efficiency programme.

3.10.3 The Council's treasury adviser - Capita has removed Lloyds group from part nationalised classification as the Government stakes have been reduced to less than 15%. However based on Lloyds banking group current credit ratings the monetary and time limits that applied to this establishment based on the Council credit worthiness policy are a monetary limit of £20m and a maximum time limit of 6 months.

3.10.4 The Council currently has £70m of investment outstanding with the group, as listed below:

Amount	Maturity	Amount	Maturity
£5m	Nov-15	£15m	Mar-16
£5m	Dec-15	£35m	Apr-16
£5m	Feb-15	£5m	Aug-16

3.10.5 The above investments were undertaken prior to this change, that is, they were transacted when the bank met the Council's treasury adviser criteria for classifying the bank as a part nationalised bank.

3.10.6 No more transactions are being carried out with the group. All deposits are less than one year to maturity; these investments would now be managed down to the Council's monetary and time limits for the institution, which is currently £20m for 6 months. Therefore the strategy is let all outstanding investments with this group run to maturity with no renewals of deals.

4. <u>COMMENTS OF THE CHIEF FINANCE OFFICER</u>

4.1 The comments of the Corporate Director Resources are incorporated in the report.

5. LEGAL COMMENTS

5.1 Treasury management activities cover the management of the Council's investments and cash flows, its banking, money market and capital market transactions, the effective control of risks associated with those activities and the pursuit of optimum performance consistent with those risks. The Local Government Act 2003 provides a framework for the capital finance of local authorities. It provides a power to borrow and imposes a duty on local authorities to determine an affordable borrowing limit. It provides a power to invest. Fundamental to the operation of the scheme is an understanding that authorities will have regard to proper accounting practices recommended by the Chartered Institute of Public Finance and Accountancy (CIPFA) in carrying out capital finance functions.

5.2 The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 require the Council to have regard to the CIPFA publication "Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes" ("the Treasury Management Code") in carrying out capital finance functions under the Local Government Act 2003. If after having regard to the Treasury Management Code the Council wished not to follow it, there would need to be some good reason for such deviation.

5.3 The Treasury Management Code requires as a minimum that there be a practice of regular reporting on treasury management activities and risks to the responsible committee and that these should be scrutinised by that committee. Under the Council's Constitution, the audit committee has the functions of monitoring the Council's risk management arrangements and making arrangements for the proper administration of the Council's affairs.

6. ONE TOWER HAMLETS CONSIDERATIONS

6.1 Interest on the Council's cash flow has historically contributed significantly towards the budget.

7. BEST VALUE (BV) IMPLICATIONS

7.1 Assessment of value for money is achieved through:

- Monitoring against benchmarks
- Operating within budget

7.2 For example, investment returns exceeded the LIBID benchmark up to October 2015 and the treasury function operated within budget year to reporting period.

8. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

- There are no Sustainable Actions for A Greener Environment implications.

9. RISK MANAGEMENT IMPLICATIONS

9.1 Any form of investment inevitably involves a degree of risk. To minimise risk the investment strategy has restricted exposure of council cash balances to

UK backed banks or institutions with the highest short term rating or strong long term rating.

10. CRIME AND DISORDER REDUCTION IMPLICATIONS

- There are no crime and disorder reduction implications arising from this report.

Linked Reports, Appendices and Background Documents

Linked Report

- NONE

Appendices

- Appendix 1 - Investments Outstanding as at 31st October 15.

Local Government Act, 1972 Section 100D (As amended)
List of "Background Papers" used in the preparation of this report
List any background documents not already in the public domain including officer contact information.

- Capita Asset Services:
  - Benchmarking Report September 2015

Officer contact details for documents:

- Bola Tobun Ext. 4733
- Mulberry Place, 3rd Floor.

Appendix 1
<u>Investments Outstanding as at 31 October 2015</u>

Time to Maturity	Counterparty	From	Maturity	Amount £m	Rate
Overnight	BNP Paribas MMF		**MMF**	25.00	
	Deutsche MMF		**MMF**	8.10	
	Federated MMF		**MMF**	25.00	
	Insight		**MMF**	4.60	
	Standard Life MMF		**MMF**	25.00	
	SUB TOTAL			**87.70**	
< 1 Month	Helaba	12/05/2015	12/11/2015	5.00	0.74%
	Australia & New Zealand Bank	12/08/2015	12/11/2015	10.00	0.54%
	Lloyds Banking Group	13/11/2014	13/11/2015	5.00	1.00%
	DZ Bank	26/08/2015	26/11/2015	5.00	0.55%
	DZ Bank	28/05/2015	30/11/2015	5.00	0.64%
	DZ Bank	29/05/2015	30/11/2015	5.00	0.64%
	DZ Bank	01/06/2015	01/12/2015	5.00	0.64%
1 - 3 Months	Commonwealth Bank of Australia	03/09/2015	03/12/2015	5.00	0.53%
	Skandinaviska Enskilda Banken	03/06/2015	03/12/2015	10.00	0.61%
	Lloyds Banking Group	04/12/2014	04/12/2015	5.00	1.00%
	Australia & New Zealand Bank	12/08/2015	14/12/2015	10.00	0.55%
	Skandinaviska Enskilda Banken	03/07/2015	03/01/2016	5.00	0.64%
	Development Bank of Singapore	07/07/2015	07/01/2016	5.00	0.62%
3 - 6 Months	Santander (95DN)		Call - 95N	20.00	1.10%
	Commonwealth Bank of Australia	03/09/2015	03/02/2016	5.00	0.58%
	Lloyds Banking Group	04/02/2015	04/02/2016	5.00	1.00%
	Development Bank of Singapore	10/08/2015	10/02/2016	10.00	0.61%
	National Australia Bank	16/02/2015	16/02/2016	10.00	0.61% *
	Development Bank of Singapore	17/08/2015	17/02/2016	5.00	0.61%
	Royal Bank of Scotland	27/02/2013	26/02/2016	10.00	1.15%
	Helaba	26/05/2015	26/02/2016	5.00	0.86%
	Commonwealth Bank of Australia	03/09/2015	03/03/2016	5.00	0.62%
	DZ Bank	26/08/2015	26/02/2015	5.00	0.66%
	Lloyds Banking Group	04/03/2015	04/03/2016	5.00	1.00%
	Lloyds Banking Group	05/03/2015	07/03/2016	10.00	1.00%
	Commonwealth Bank of Australia	14/09/2015	14/03/2016	10.00	0.64%
	Royal Bank of Scotland	20/03/2014	20/03/2016	5.00	1.25%
	Standard Chartered Bank (CDs)	01/04/2015	30/03/2016	10.00	0.86%
	Lloyds Banking Group	07/04/2015	07/04/2016	5.00	1.00%
	Lloyds Banking Group	10/04/2015	08/04/2016	5.00	1.00%
	Lloyds Banking Group	13/04/2015	12/04/2016	5.00	1.00%
	Nationwide Building Society	13/04/2015	12/04/2016	10.00	0.90%
	Lloyds Banking Group	15/04/2015	14/04/2016	5.00	1.00%
	Nationwide Building Society	16/04/2015	15/04/2016	5.00	0.90%
	Barclays	16/04/2015	15/04/2016	10.00	0.92%
	Lloyds Banking Group	17/04/2015	15/04/2016	10.00	1.00%
	Nationwide Building Society	24/04/2015	22/04/2016	5.00	0.90%
	Nottingham Building Society	29/04/2015	28/04/2016	5.00	1.00%
	Newcastle Building Society	29/04/2015	28/04/2016	5.00	1.10%
	Lloyds Banking Group	29/04/2015	29/04/2016	5.00	1.00%
6 - 9 Months	Helaba	01/05/2015	03/05/2016	10.00	0.94%
9 - 12 Months	Commonwealth Bank of Australia	05/08/2015	05/08/2016	5.00	0.84%
	Lloyds Banking Group	13/08/2015	12/08/2016	5.00	1.00%

Time to Maturity	Counterparty	From	Maturity	Amount £m	Rate
	Skandinaviska Enskilda Banken	05/10/2015	05/10/2016	5.00	0.92%
	Goldman Sachs International Bank	23/10/2015	24/10/2016	10.00	1.00%
> 12 Months	Royal Bank of Scotland	10/01/2014	09/01/2017	5.00	1.74% *
	Royal Bank of Scotland	05/05/2015	05/05/2017	5.00	1.420% **
	Royal Bank of Scotland	08/05/2015	08/05/2017	5.00	1.420% **
	Royal Bank of Scotland	30/01/2015	30/01/2018	5.00	1.20% *
	Royal Bank of Scotland	30/04/2015	30/04/2018	5.00	0.90% *
	SUB TOTAL			**335.00**	
	TOTAL			**422.70**	

* This is a structured deal, the terms of which could change during its tenor.

** This is certificate of Deposits