

**AUDIT AND GOVERNANCE COMMITTEE**

**24 JULY 2020**

**TREASURY MANAGEMENT – FIRST QUARTERLY REVIEW 2020/2021**

**Report of the Executive Director of Corporate Services**

**1. Purpose of Report**

- 1.1 To report on the Treasury Management performance to date for the first quarter of 2020/2021.

**2. Description of Decision (Recommendations)**

- 2.1 The Committee is requested to:

- Note the Treasury Management performance during Quarter 1 of 2020/2021.
- Note the Lending List Criteria at Appendix B and the Approved Lending List at Appendix C.

**3. Introduction**

- 3.1 This report sets out the Treasury Management performance to date for the first quarter of the financial year 2020/2021, in accordance with the requirements of the Treasury Management Policy and Strategy agreed by Council.

**4. Treasury Management Response to Covid-19**

- 4.1 As set out in the review of performance report, the response to Covid-19 developed from mid-March. As well as the significant impact on financial markets and economic forecasting, the crisis required a pro-active approach to Treasury Management to support the Council's response to the pandemic. This has included:

- In order to support the payment of Business Rate payer grants cash balances were held at higher levels to facilitate daily grant payments so ensuring funds were released to Businesses as promptly as possible.
- Cash flow has been stringently monitored to ensure the position remains positive given the uncertainties around income collection and also the significant additional costs being incurred in response to the pandemic.
- Investments made have been short term to ensure both liquidity and also security of funds given the increased economic uncertainty.

4.2 The response, coupled with the economic circumstances will impact on the investment returns generated during the year.

## **5. Summary of Treasury Management Performance for 2020/2021 – Quarter 1**

5.1 The Council's Treasury Management function continues to look at ways to maximise financial savings and increase investment return to the revenue budget, whilst maintaining a balanced risk position. Public Works Loan Board (PWLB) rates have continued to be volatile, primarily in response to the economic impact of Covid-19 and they also reflect continued uncertainty over the outcome of Brexit negotiations. No new borrowing has been taken out to date during 2020/2021 but the position continues to be monitored closely.

5.2 No rescheduling of debt has been possible in 2020/2021 as rates have not been considered sufficiently favourable. The Council's interest rate on borrowing is very low, currently 2.90%, and, as such, the Council already benefits from this lower cost of borrowing and also from the ongoing savings from past debt rescheduling exercises. Based on advice from the Council's treasury advisor, performance continues to see the Council's rate of borrowing compare favourably to other authorities.

5.3 Treasury Management Prudential Indicators are regularly reviewed and the Council is within the limits set for all of its Treasury Management Prudential Indicators. The statutory limit under section 3 (1) of the Local Government Act 2003, which is required to be reported separately, (also known as the Authorised Borrowing Limit for External Debt) was set at £842.243m for 2020/2021. The Council's maximum external debt during the financial year to 30<sup>th</sup> June 2020 was £492.313m and is within this limit. More details of all of the Treasury Management Prudential Indicators are set out in section A2 of Appendix A for information.

5.4 The Council's investment policy is regularly monitored and reviewed to ensure it has flexibility to take full advantage of any changes in market conditions which will benefit the Council.

5.5 As at 30<sup>th</sup> June 2020, the funds managed by the Council's Treasury Management team have achieved a rate of return on its investments of 0.56% compared with the benchmark 7 Day LIBID (London Interbank Bid) rate of -0.04% (set at 0.125% less than the corresponding 7-Day LIBOR rate which due to the fall in gilts means the benchmark rate has become negative). Performance is significantly above the benchmark rate, whilst still adhering to the prudent policy agreed by the Council, in what remains a very challenging market.

5.6 More detailed Treasury Management information is included in Appendix A for Members' information.

5.7 The regular updating of the Council's authorised lending list is required to take into account financial institution mergers and changes in institutions' credit

ratings since the last report. The updated Approved Lending List is shown in Appendix C for information.

**6. Recommendation**

- 6.1 Members are requested to note the Treasury Management performance for the third quarter of 2020/2021.
- 6.2 Members are requested to note the Lending List Criteria at Appendix B and the Approved Lending List at Appendix C.



## Appendix A

### Detailed Treasury Management Performance – Quarter 1 2020/2021

#### 1 Borrowing Strategy and Performance – 2020/2021

- 1.1 The Borrowing Strategy for 2020/2021 was reported to Cabinet on 11<sup>th</sup> February 2020 and approved by full Council on 4<sup>th</sup> March 2020.
- 1.2 The Borrowing Strategy is based upon interest rate forecasts from a wide cross section of City institutions. The view when the Treasury Management Policy and Strategy was drafted, prior to the global Covid-19 pandemic, was that the 0.75% Bank of England (BoE) Base Rate would remain until March 2021 when it would rise by 0.25% to 1.00%, followed by a further 0.25% increase in June 2022. PWLB borrowing rates were expected to rise, albeit gently, during 2020/2021 across all periods but could be subject to exceptional levels of volatility due to continued uncertainty over the outcome of Brexit negotiations and geopolitical developments throughout the world.
- 1.3 GDP data revealed the UK economy contracted by 20.4% in April compared to the previous month as a result of the UK going into lockdown. Whilst the Government's furlough scheme had partially mitigated the financial impact of the Covid-19 pandemic on those individuals covered by the scheme, the number of people in employment still fell by 612,000 between March and May. The full impact on UK employment is unlikely to be known until after the furlough scheme ends in October.
- 1.4 The annualised Consumer Prices Index (CPI) inflation rate fell from 1.5% in March to 0.8% in April and fell further to 0.5% in May 2020, the lowest rate since June 2016 and largely attributable to the effects of the pandemic. This is well below the BoE's 2% target and is likely to fall further in the coming quarters.
- 1.5 As expected, the BoE's June Monetary Policy Committee (MPC) meeting voted to leave the Base Rate unchanged at 0.10%, a record low. The Quantitative Easing bond buying programme was expanded by a further £100bn to £745bn. MPC Members were optimistic the fall in GDP during Q2 would be less severe than anticipated but still forecast that recovery would be slow and the economy and labour market will take time to recover. The BoE indicated further support would be forthcoming as, when or if required.
- 1.6 Investment rates are likely to remain at very low levels throughout 2020/2021. With short-term investment rates forecast to be materially below long-term borrowing rates, it is likely that some investment balances will temporarily be used to fund long-term borrowing requirements. Such funding is wholly dependent upon market conditions and will be reassessed if the appropriate conditions arise.
- 1.7 Link Asset Services, the Authority's treasury advisors, have reviewed their interest rate forecasts in light of continued volatility in the financial markets caused by the Covid-19 pandemic. They do not anticipate any change in the current BoE Base Rate of 0.10% within their forecast timeframe up to March 2023. These forecasts, and MPC decisions, will be liable to further amendment as updated economic data becomes available and emerging developments in the financial markets.

1.8 The following table shows the average PWLB rates for Quarter 1.

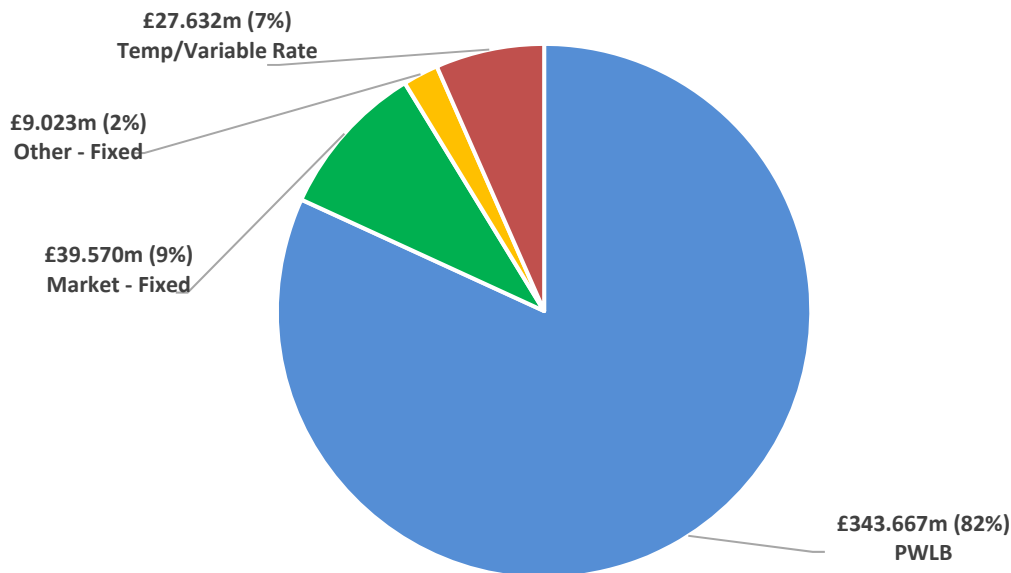
<b>2020/2021</b>	<b>Qtr 1* (Apr - June) %</b>
7 days' notice	-0.04
1 year	1.84*
5 years	1.85*
10 years	2.07*
25 years	2.50*
50 years	2.26*

\*rates take account of the 0.2% discount to PWLB rates available to eligible authorities (including the Council) that came into effect on 1<sup>st</sup> November 2012.

- 1.9 High levels of volatility in the financial markets have continued into 2020/2021. Uncertainty around the scale and speed of recovery from the impact of Covid-19 on world economies, the outcome of Brexit negotiations and growing tensions between China and the USA have led to gilt yields decreasing as investors moved from riskier assets such as shares and into bonds.
- 1.10 Link Asset Services predict a gradual rise in PWLB rates reaching 2.00%, 2.20%, 2.60% and 2.40% for 5, 10, 25 and 50-year durations respectively by 31<sup>st</sup> March 2021 with further increases of 0.10% by March 2023. With so many external influences weighing on the UK economic, interest rate forecasting remains difficult. From time to time, gilt yields, and consequently PWLB rates, can be subject to exceptional levels of volatility which could occur at any time during the forecast period. In addition, PWLB rates are subject to ad hoc decisions by the UK Government to change the margin over gilt yields charged in PWLB rates. Such changes could be up or down and it is not clear that if gilt yields were to rise back up again by over 1% within the next year or so, whether the Government would remove the extra 1% margin implemented in October 2019.
- 1.11 The strategy for 2020/2021 is to adopt a pragmatic and flexible approach in identifying the low points in the interest rate cycle at which to borrow, and to respond to any changing circumstances to seek to secure benefit for the Council. A benchmark financing rate of 4.25% for long-term borrowing was set for 2020/2021 in light of the views prevalent at the time the Treasury Management policy was set in March 2020.
- 1.12 Due to high levels of volatility in the financial markets, with borrowing rates forecast to remain low over the short-term, no new borrowing has been undertaken in the current financial year to 30<sup>th</sup> June 2020. The Treasury Management team continues to closely monitor PWLB rates to assess the value of possible further new borrowing in line with future capital programme requirements.
- 1.13 The Council's treasury portfolio position at 30<sup>th</sup> June 2020 is set out below:

**Borrowing Summary at: 30 June 2020**

	<u>Principal</u>	<u>Interest</u>	<u>Ave rate</u>
<b>Fixed</b>			<b>%</b>
PWLB	343,666,667	10,222,738	2.97
Market - Fixed	39,570,383	1,743,146	4.41
Other - Fixed	9,023,436	1,227	0.01
	<u>392,260,486</u>	<u>11,967,110</u>	<u>3.05</u>
<b>Variable</b>			
Temporary/Other - Variable	27,632,355	198,058	0.72
	<u>27,632,355</u>	<u>198,058</u>	<u>0.72</u>
<b>TOTAL:</b>	<b>419,892,841</b>	<b>12,165,168</b>	<b>2.90</b>



**2 Prudential Indicators – 2020/2021**

- 2.1 All external borrowing and investments undertaken in 2020/2021 have been subject to the monitoring requirements of the Prudential Code. Under the Code, Authorities must set borrowing limits (Authorised Borrowing Limit for External Debt and Operational Boundary for External Debt) and must also report on the Council's performance for all of the other Treasury Management Prudential Indicators.
- 2.2 The statutory limit under section 3(1) of the Local Government Act 2003 (which is also known as the Authorised Borrowing Limit for External Debt) was set by the Council for 2020/2021 as follows:

	<b>£m</b>
Borrowing	767.185
Other Long-Term Liabilities	<u>75.058</u>
<b>Total</b>	<b><u>842.243</u></b>

The Operational Boundary for External Debt was set as shown below: -

	<b>£m</b>
Borrowing	742.185
Other Long-Term Liabilities	<u>75.058</u>
<b>Total</b>	<b><u>817.243</u></b>

The Council's maximum external debt in respect of 2020/2021 (to 30<sup>th</sup> June 2020) was £492.313m and is within the limits set by both these key indicators.

- 2.3 The table below shows that all other Treasury Management Prudential Indicators have been complied with:

Prudential Indicators		2020/2021 (to 30/06/20)	
		Limit £'000	Actual £'000
<b>P9</b>	<b>Maturity Pattern</b>	Upper Limit	
	Under 12 months	50%	7.94%
	12 months and within 24 months	60%	1.79%
	24 months and within 5 years	80%	2.38%
	5 years plus	100%	87.97%
A lower limit of 0% for all periods			
<b>P10</b>	<b>Upper limit for total principal sums invested for over 365 days</b>	75,000	0

### 3 Investment Strategy – 2020/2021

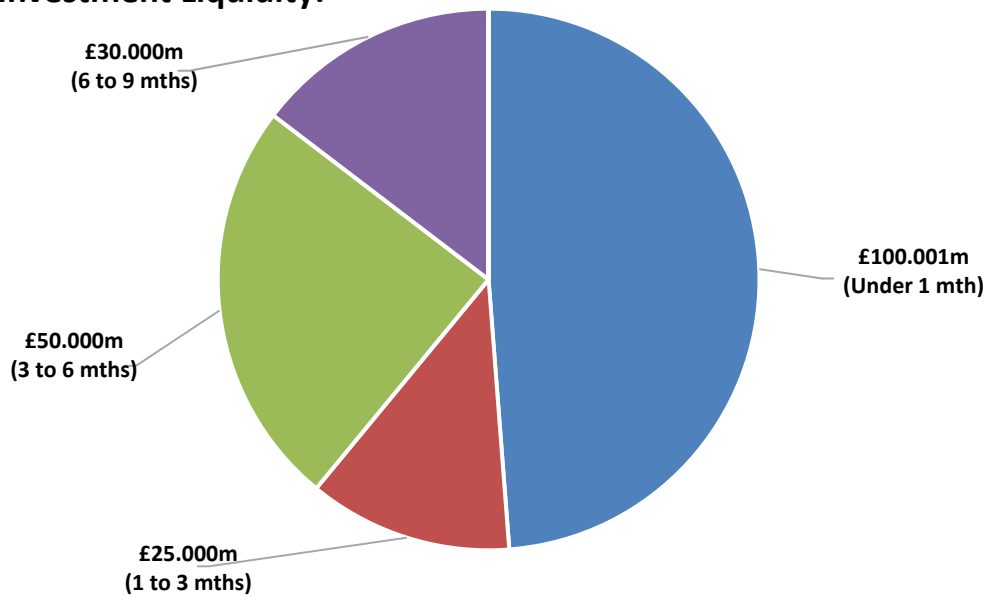
- 3.1 The Investment Strategy for 2020/2021 was approved by Council on 4<sup>th</sup> March 2020. The general policy objective for the Council is the prudent investment of its treasury balances. The Council's investment priorities in order of importance are:
- (A) The **security** of capital;
  - (B) The **liquidity** of its investments and then;
  - (C) The Council aims to achieve the **optimum yield** on its investments, but this is commensurate with the proper levels of security and liquidity.
- 3.2 As at 30<sup>th</sup> June 2020, the funds managed by the Council's in-house team amounted to £205.001 million and all investments complied with the Annual Investment Strategy.



## Investment Summary at 30 June 2020

Borrower	Duration	Amount of Loan	Rate (%)	Start Date	Maturity Date
<b>Call Accounts:</b>					
Natwest SIBA	Overnight	5,300,000	0.01		Call
Prime MMF	Overnight	46,186,000	0.24		
Aberdeen Liquidity Fund	Overnight	48,515,000	0.25		
<b>Sub-total:</b>		<b>100,001,000</b>			
<b>Fixed Term Deposits:</b>					
Santander UK Plc	365 days	25,000,000	1.25	29-Aug-19	27-Aug-20
Santander UK Plc	365 days	25,000,000	1.10	08-Nov-19	06-Nov-20
Santander UK Plc	365 days	15,000,000	1.11	29-Jan-20	29-Jan-21
Lloyds Banking Group Ltd	365 days	15,000,000	1.11	29-Jan-20	29-Jan-21
Barclays Bank Plc	185 days	25,000,000	0.67	22-May-20	23-Nov-20
<b>Sub-total:</b>		<b>105,000,000</b>			
<b>TOTAL:</b>		<b>205,001,000</b>			

### Investment Liquidity:



3.3 The table below shows the return received on these investments compared with the benchmark 7-Day LIBID (London Interbank Bid) rate, which the Council uses to assess its performance.

	<b>2020/2021 Actual to 30/06/20 %</b>	<b>2020/2021 Benchmark to 30/06/20 %</b>
Return on investments	0.56	-0.04*

\*the 7-Day LIBID rate is set at 0.125% less than the corresponding 7-Day LIBOR rate, which due to the fall in gilts means the benchmark rate has become negative.

- 3.4 Investments placed in 2020/2021 have been made in accordance with the approved investment strategy and comply with the Counterparty Criteria in place, shown in Appendix B, which is used to identify organisations on the Approved Lending List.
- 3.5 Investment rates available in the market remain lower than those achieved in previous years and reflect the fall in the BoE Base Rate from 0.75% to 0.25% on 11<sup>th</sup> March 2020 and then to a historic low of 0.10% on 19<sup>th</sup> March 2020.
- 3.6 Due to the volatility in the financial markets resulting from Covid-19 the Council has followed advice from our Treasury Management advisers and has operated a more risk adverse strategy by placing funds in shorter dated liquid investments than previously.
- 3.7 Advice also continues that the above guidance is not applicable to institutions considered to be very low risk, mainly where the government holds shares in these organisations (i.e. RBS) and therefore have the UK Government rating applied to them, or separately in respect of Money Market Funds which are AAA rated.
- 3.8 The regular updating of the Council's authorised Lending List is required to take into account financial institution mergers and changes in institutions' credit ratings. Any changes are reflected on the Approved Lending List shown in Appendix C.

**Counterparty Criteria**

The Council takes into account not only the individual institution's credit ratings issued by all three credit rating agencies (Fitch, Moody's and Standard & Poor's), but also all available market data and intelligence, the level of government support and advice from its Treasury Management advisers.

Set out below are the criteria to be used in determining the level of funds that can be invested with each institution. Where an institution is rated differently by the rating agencies, the lowest rating will determine the level of investment.

<b>Fitch / S&amp;P's Long Term Rating</b>	<b>Fitch Short Term Rating</b>	<b>S&amp;P's Short Term Rating</b>	<b>Moody's Long Term Rating</b>	<b>Moody's Short Term Rating</b>	<b>Maximum Deposit £m</b>	<b>Maximum Duration</b>
AAA	F1+	A1+	Aaa	P-1	120	2 Years
AA+	F1+	A1+	Aa1	P-1	100	2 Years
AA	F1+	A1+	Aa2	P-1	80	2 Years
AA-	F1+ / F1	A1+ / A-1	Aa3	P-1	75	2 Years
A+	F1	A-1	A1	P-1	70	365 days
A	F1 / F2	A-1 / A-2	A2	P-1 / P-2	65	365 days
A-	F1 / F2	A-2	A3	P-1 / P-2	50	365 days
<b>Local Authorities</b> (limit for each local authority)					30	2 years
<b>UK Government</b> (including debt management office, gilts and treasury bills)					300	2 years
<b>Money Market Funds (CNAV, LVNAV and VNAV)</b> Maximum amount to be invested in Money Market Funds is £120m with a maximum of £50m in any one fund.					120	Liquid Deposits
<b>Local Authority controlled companies</b>					40	20 years

Where the UK Government holds a shareholding in an institution the UK Government's credit rating of AA- will be applied to that institution to determine the amount the Council can place with that institution for a maximum period of 2 years.

The Code of Practice for Treasury Management in the Public Services recommends that consideration should also be given to country, sector, and group limits in addition to the individual limits set out above. These new limits are as follows:

**Country Limit**

It is proposed that only non-UK countries with a minimum sovereign credit rating of AA+ by all three rating agencies will be considered for inclusion on the Approved Lending List.

It is also proposed to set a total limit of £50m which can be invested in other countries provided they meet the above criteria. A separate limit of £300m will be applied to the United Kingdom and is based on the fact that the government has done and is willing to take action to protect the UK banking system.

<b>Country</b>	<b>Limit £m</b>
UK	300
Non-UK	50

**Sector Limit**

The Code recommends a limit be set for each sector in which the Council can place investments. These limits are set out below:

<b>Sector</b>	<b>Limit £m</b>
Central Government	300
Local Government	300
UK Banks	300
Money Market Funds	120
UK Building Societies	100
Foreign Banks	50

**Group Limit**

Where institutions are part of a group of companies e.g. Lloyds Banking Group, Santander and RBS, then total limit of investments that can be placed with that group of companies will be determined by the highest credit rating of a counterparty within that group, unless the government rating has been applied. This will apply provided that:

- the UK continues to have a sovereign credit rating of AA-; and
- that market intelligence and professional advice is taken into account.

Proposed group limits are set out in Appendix C.

## Approved Lending List

## Appendix C

	Fitch		Moody's		Standard & Poor's		Limit £m	Max Deposit Period
	L Term	S Term	L Term	S Term	L Term	S Term		
<b>UK</b>	<b>AA-</b>	-	Aa2	-	AA	-	350	
<b>Lloyds Banking Group</b>							Group Limit 70	
Lloyds Bank Plc (RFB)	A+	F1	Aa3	P-1	A+	A-1	70	2 years
Lloyds Bank Corporate Markets plc (NRFB)	<b>A+</b>	F1	A1	P-1	A	A-1	65	2 years
Bank of Scotland Plc (RFB)	A+	F1	Aa3	P-1	A+	A-1	70	2 years
<b>Royal Bank of Scotland Group</b> (See Note 1)							Group Limit 75	
The Royal Bank of Scotland Plc (RFB)	A+	F1	A1	P-1	A	A-1	75	2 years
National Westminster Bank Plc (RFB)	A+	F1	A1	P-1	A	A-1	75	2 years
NatWest Markets plc (NRFB)	<b>A+</b>	F1	Baa2	P-2	A-	A-2	75	2 years
Santander UK plc	A+	F1	Aa3	P-1	A	A-1	65	365 days
Barclays Bank plc (NRFB)	A+	F1	<b>A1</b>	P-1	A	A-1	65	365 days
Barclays Bank plc (RFB)	A+	F1	A1	P-1	A	A-1	65	365 days
Clydesdale Bank *	A-	F2	Baa1	P-2	BBB+	A-2	0	
Co-Operative Bank Plc	<b>B-</b>	B	B3	NP	-	-	0	
Goldman Sachs International Bank	A	F1	A1	P-1	A+	A-1	<b>65</b>	365 days
HSBC Bank plc (NRFB)	<b>AA-</b>	F1+	Aa3	P-1	<b>A+</b>	<b>A-1</b>	70	365 days
HSBC UK Bank plc (RFB)	<b>AA-</b>	F1+	<b>Aa3</b>	<b>P-1</b>	<b>A+</b>	<b>A-1</b>	70	365 days
Nationwide BS	A	F1	<b>A1</b>	P-1	A	A-1	65	365 days
Standard Chartered Bank	A+	F1	A1	P-1	A	A-1	65	365 days
Top Building Societies (by asset value)								
Nationwide BS (see above)								
Coventry BS	A-	F1	A2	P-1	-	-	50	365 days
Leeds BS	A-	F1	A3	P-2	-	-	50	365 days
Nottingham BS **	-	-	<b>Baa2</b>	P-2	-	-	0	
Principality BS **	BBB+	F2	Baa2	P-2	-	-	0	

	Fitch		Moody's		Standard & Poor's		Limit £m	Max Deposit Period
	L Term	S Term	L Term	S Term	L Term	S Term		
Skipton BS **	A-	F1	Baa1	P-2	-	-	0	
West Bromwich BS **	-	-	Ba3	NP	-	-	0	
Yorkshire BS **	A-	F1	A3	P-2	-	-	50	365 days
<b>Money Market Funds</b>							120	Liquid
Prime Rate Stirling Liquidity	AAA				AAA		50	Liquid
Insight Liquidity Fund	AAA		-		AAA		50	Liquid
Aberdeen Liquidity Fund (Lux)	AAA		AAA		AAA		50	Liquid
Deutsche Managed Sterling Fund	AAA		Aaa		AAA		50	Liquid
Foreign Banks have a combined total limit of £50m								
<b>Australia</b>	AAA		Aaa		AAA		50	
Australia and New Zealand Banking Group Ltd	<b>A+</b>	<b>F1</b>	Aa3	P-1	AA-	A-1+	50	365 days
Commonwealth Bank of Australia	<b>A+</b>	<b>F1</b>	Aa3	P-1	AA-	A-1+	50	365 days
National Australia Bank	<b>A+</b>	<b>F1</b>	Aa3	P-1	AA-	A-1+	50	365 days
Westpac Banking Corporation	<b>A+</b>	<b>F1</b>	Aa3	P-1	AA-	A-1+	50	365 days
<b>Canada</b>	<b>AA+</b>		Aaa		AAA		50	
Bank of Nova Scotia	AA-	F1+	Aa2	P-1	A+	A-1	50	365 days
Royal Bank of Canada	AA	F1+	Aa2	P-1	AA-	A-1+	50	2 years
Toronto Dominion Bank	AA-	F1+	Aa1	P-1	AA-	A-1+	50	2 years
<b>Denmark</b>	AAA		Aaa		AAA		50	
Danske A/S	A	F1	A2	P-1	A	A-1	50	365 days
<b>Finland</b>	AA+		Aa1		AA+		50	
OP Corporate Bank plc	WD	WD	Aa3	P-1	AA-	A-1+	50	2 years
<b>Germany</b>	AAA		Aaa		AAA		50	
DZ Bank AG (Deutsche Zentral-Genossenschaftsbank)	AA-	F1+	Aa1	P-1	AA-	A-1+	50	2 years
Landwirtschaftliche Rentenbank	AAA	F1+	Aaa	P-1	AAA	A-1+	50	2 years
NRW Bank	AAA	F1+	Aa1	P-1	AA	A-1+	50	2 years
<b>Netherlands</b>	AAA		Aaa		AAA		50	
Bank Nederlandse Gemeenten	AAA	F1+	Aaa	P-1	AAA	A-1+	50	2 years
Cooperatieve Centrale Raiffeisen	AA-	F1+	Aa3	P-1	A+	A-1	50	365 days

	Fitch		Moody's		Standard & Poor's		Limit £m	Max Deposit Period
	L Term	S Term	L Term	S Term	L Term	S Term		
Boerenleenbank BA (Rabobank Nederland)								
Nederlandse Waterschapsbank N.V	-	-	Aaa	P-1	AAA	A-1+	50	2 years
<b>Singapore</b>	AAA		Aaa		AAA		50	
DBS Bank Ltd	AA-	F1+	Aa1	P-1	AA-	A-1+	50	2 years
Oversea Chinese Banking Corporation Ltd	AA-	F1+	Aa1	P-1	AA-	A-1+	50	2 years
United Overseas Bank Ltd	AA-	F1+	Aa1	P-1	AA-	A-1+	50	2 years
<b>Sweden</b>	AAA		Aaa		AAA		50	
Svenska Handelsbanken AB	AA	F1+	Aa2	P-1	AA-	A-1+	50	2 years
<b>Switzerland</b>	AAA		Aaa		AAA		50	
Credit Suisse AG	A	F1	A1	P-1	A+	A-1	50	365 days
UBS AG	AA-	F1+	Aa2	P-1	A+	A-1	50	365 days
<b>USA</b>	AAA		Aaa		AA+		50	
Bank of New York Mellon	AA	F1+	Aa1	P-1	AA-	A-1+	50	2 years
JP Morgan Chase Bank NA	AA	F1+	Aa1	P-1	A+	A-1	50	365 days
Wells Fargo Bank NA	AA-	F1+	Aa1	P-1	A+	A-1	50	365 days

## Notes

### Note 1 **Nationalised / Part Nationalised**

The counterparties in this section will have the UK Government's AA- rating applied to them thus giving them a credit limit of £75m.

\* The Clydesdale Bank (under the UK section) is owned by National Australia Bank

\*\* These will be revisited and used only if they meet the minimum criteria (ratings of A- and above)

Any bank which is incorporated in the United Kingdom and controlled by the Prudential Regulation Authority (PRA) is classed as a UK bank for the purposes of the Approved Lending List.

