

Governance, Risk and Best Value Committee

2.00pm, Monday 26 September 2016

Treasury Management – Annual Report 2015-16 - referral from the City of Edinburgh Council

Item number	7.10
Report number	
Wards	All

Executive summary

The City of Edinburgh Council on 25 August 2016 considered a report on Treasury Management activity in 2015/16. The report was referred to the Governance Risk and Best Value Committee for scrutiny.

Links

Coalition pledges	See attached report
Council outcomes	See attached report
Single Outcome Agreement	See attached report
Appendices	See attached report

Terms of Referral

Treasury Management – Annual Report 2015-16

Terms of referral

- 1.1 The City of Edinburgh Council on 25 August 2016 considered a report on Treasury Management activity in 2015/16.
- 1.2 The City of Edinburgh Council agreed:
 - 1) To approve the Treasury Management Annual Report 2015/16.
 - 2) To refer the report by the Acting Executive Director of Resources to the Governance, Risk and Best Value Committee for scrutiny.

For Decision/Action

- 2.1 The City of Edinburgh Council has referred the attached report to the Governance, Risk and Best Value Committee for scrutiny.

Background reading / external references

Minute of the City of Edinburgh Council 25 August 2016

Kirsty-Louise Campbell

Interim Head of Strategy and Insight

Contact: Louise Williamson, Assistant Committee Clerk

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Links

Coalition pledges	See attached report
Council outcomes	See attached report
Single Outcome Agreement	See attached report
Appendices	See attached report

The City of Edinburgh Council

10.00am, Thursday 25 August 2016

Treasury Management: Annual Report 2015/16 – referral report from the Finance and Resources Committee

Item number	8.2
Report number	
Executive/routine	
Wards	

Executive Summary

On 18 August 2016 the Finance and Resources Committee considered a report on Treasury Management Activity in 2015/16. The report has been referred to the City of Edinburgh Council for approval and its subsequent referral to the Governance, Risk and Best Value Committee for its scrutiny.

Links

[Coalition Pledges](#)
[Council Priorities](#)
[Single Outcome Agreement](#)

Terms of Referral

Treasury Management: Annual Report 2015/16

1. Terms of Referral

- 1.1 The Council had adopted the CIPFA Code of Practice on Treasury Management in the Public Sector, and under the code, the Annual Report on Treasury Management had to be submitted to the Council after the end of each financial year. A separate mid-term report would also be produced during the financial year.
- 1.2 In the Strategy set in March 2015 the Council stated that there would be no borrowing completed during the financial year and capital expenditure would be funded temporarily from investments. The only borrowing complete was £0.352 million interest free funding from Salix in relation to street lighting. The overall approach generated significant short-term savings in Loans Charges for the Council and formed part of a successful and sustainable long term borrowing strategy.
- 1.3 The Finance and Resources Committee agreed:
 - 1.3.1 To note the Annual Report on Treasury Management for 2015/16.
 - 1.3.2 To refer the report to Council for approval and its subsequent referral by Council to the Governance, Risk and Best Value Committee for their scrutiny.

2. For Decision/Action

- 2.1 The Finance and Resources Committee has referred the report to the City of Edinburgh Council on 25 August 2016 for approval and its subsequent referral by Council to the Governance, Risk and Best Value Committee for its scrutiny.

3. Background Reading/External References

Minute of the Finance and Resources Committee, 18 August 2016

Kirsty-Louise Campbell

Interim Head of Strategy and Insight

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4. Links

Coalition Pledges

Council Priorities

**Single Outcome
Agreement**

Appendices

Finance and Resources Committee

2.00pm, Thursday, 18 August 2016

Treasury Management: Annual Report 2015/16

Item number	7.11
Report number	
Executive/routine	
Wards	

Executive summary

The purpose of this report is to give an update on Treasury Management activity in 2015/16.

In the Strategy set in March 2015 the Council stated there would be no borrowing completed during the financial year and capital expenditure would be funded temporarily from investments. The only borrowing completed was £0.352m interest free funding from Salix in relation to street lighting. This overall approach generated significant short-term savings in Loans Charges for the Council and forms part of a successful and sustainable long term borrowing strategy.

The investment return for 2015/16 continued to show out-performance against the Fund's benchmark, although low in absolute terms, while maintaining the security of the investments.

Treasury Management: Annual Report 2015/16

Recommendations

- 1.1 It is recommended that the Committee:
- 1.1.1 notes the Annual Report on Treasury Management for 2015/16; and
 - 1.1.2 refers the report to Council for approval and subsequent referral by Council to the Governance Risk and Best Value Committee for their scrutiny.

Background

- 2.1 The Council has adopted the CIPFA Code of Practice on Treasury Management in the Public Sector, and under the code, an Annual Report on Treasury Management has to be submitted to the Council after the end of each financial year. A separate mid-term report will also be produced during the financial year.

Main report

3.1 Key Points

- 3.1.1 The key points in this report are that:
- the Council's capital repayments were greater than its new capital expenditure funded by borrowing, so the Council's need to borrow reduced by £82.5m during the year;
 - £40.84m of PWLB and £4m Market debt naturally matured during the year and was not replaced, reducing overall borrowing costs to the Council;
 - the Council continued its successful long-term strategy of funding capital expenditure from a reduction in temporary investments and was £54.7m under-borrowed at the year end;
 - the Council has not borrowed PWLB or market debt since December 2012; and
 - the average interest rate on the Cash Fund for the year was 0.48%, which continued to outperform the benchmark, which was 0.36% for the year.

3.2 Prudential Indicators

(a) Prudential Indicator 1 - Estimate of Capital Expenditure

This gives a breakdown of the actual capital expenditure incurred during 2015/16.

	2014/15 Actual £'000	2015/16 Original £'000	2015/16 Revised £'000	2015/16 Actual £'000
Children & Families	16,903	68,556	57,995	48,181
Corporate Governance	7,582	3,895	2,350	7,407
Economic Development	0	0	52	42
Health & Social Care	4,616	7,171	5,598	5,680
Services for Communities	85,260	79,371	73,097	77,149
SfC Asset Management Programme	18,657	22,545	13,260	14,516
Other Capital Projects	1,049	5,819	0	3,014
Trams	5,246	0	0	0
Unallocated funding	0	7,500	0	0
Fleet Replacement Programme	0	2,987	0	0
Total General Services	139,313	197,844	152,352	155,989
Housing Revenue Account	37,308	49,830	48,830	35,626
Total	176,621	247,674	201,182	191,615

Table 1 – Capital Expenditure 2015/16

The capital programme is re-phased annually once the unaudited out-turn of the previous year is known. The original estimates above reflect the budget position as at January 2015, with the revised figures representing the revised programme reported to the Finance and Resources Committee in August 2015 following the re-phasing of the programme.

Further detail on the capital expenditure is included in the Finance & Resources Committee report 'Capital Monitoring 2015/16 – Out-turn and receipts'.

The following table shows how the £191.6m of capital expenditure incurred in 2015/16 was funded

	Gen Services £'000	HRA £'000	CEC Total £'000	Police £'000	Fire £'000	Total £'000
Net Cap Adv (01/04/15)	1,120,647	368,053	1,488,700	18,262	3,192	1,510,154
Gross Cap Ex	155,989	35,626	191,615	0	0	191,615
Cap Income	170,140	18,921	189,061	0	0	189,061
Net Cap Ex	-14,151	16,705	2,554	0	0	2,554
Debt transfer	-173	173	0	0	0	0
Capital Repaid	-57,710	-27,329	-85,039	-2,111	-1,140	-88,291
Net Cap Adv (01/04/16)	1,048,613	357,602	1,406,215	16,151	2,052	1,424,417

Table 2 – Source of Funding for Capital Expenditure 2015/16

The CEC Total column shows £189.1m being funded by capital grants and capital receipts, leaving £2.6m to be funded by borrowing. However, the Council repaid principal of £85.0m for previous capital advances, giving a net reduction in the need to borrow of £82.5m. In addition, previous capital advances of £3.3m were repaid on behalf of the former Police and Fire joint boards, giving a total reduction in the need to borrow of £85.8m.

(b) Indicator 2 - Ratio of Financing Costs to Net Revenue Stream

This gives an indication of the cost of the Council's debt relative to its income.

	2014/15 Actual %	2015/16 Estimate %	2015/16 Actual %
General Services	11.63	12.56	11.51
Housing Revenue Account	33.97	39.63	37.31

Table 3 – Ratio of Financing Costs to Net Revenue Stream

The reduction in the General Services ratio is mainly due to the sale of Atria One in March 2016. The reduction in the HRA ratio is due to voluntary contributions made towards outstanding capital advances during the same period.

(c) Indicator 3 - Capital Financing Requirement (CFR)

This shows the Council underlying need to borrow / take on other forms of Capital funding.

	2014/15 Actual £'000	2015/16 Estimate £'000	2015/16 Actual £'000
General Services (including finance leases)	1,357,972	1,326,294	1,275,213
Housing Revenue Account	368,053	390,495	357,602
Total	1,726,025	1,716,789	1,632,815

Table 4 – Capital Financing Requirement

The reduction in the General Services out-turn is in part due to the capital receipt in relation to the sale of Atria One which was planned in the overall long-term strategy but not budgeted for in 2015/16 given uncertainty as to when the receipt would be realised. The reduction in the HRA CFR is due to a combination of slippage and a voluntary repayment of capital advances. Future measures regarding slippage in the HRA programme are included in the Capital Monitoring 2015/16 – Outturn and Receipts report.

In preparing Tables 4 and 5, all finance lease liabilities have been included for both current and prior year figures as required by the new Borrowing Regulations in Scotland, rather than other long term liabilities as defined by CIPFA's Prudential Code.

	2014/15 Actual £'000	2015/16 Actual £'000
General Services Capital Advances	1,120,647	1,048,613
HRA Capital Advances	368,053	357,602
Total CEC Borrowing CFR	1,488,700	1,406,215
Other Finance Lease Liabilities	237,325	226,600
Total CEC Debt CFR	1,726,025	1,632,815

Table 5 – Split of Capital Financing Requirement

3.2.1 The Council operated within both the Authorised Limit and the Operational Boundary at all times during the year and there were no breaches of the Council's Treasury Management Policy.

3.3 Borrowing Overview

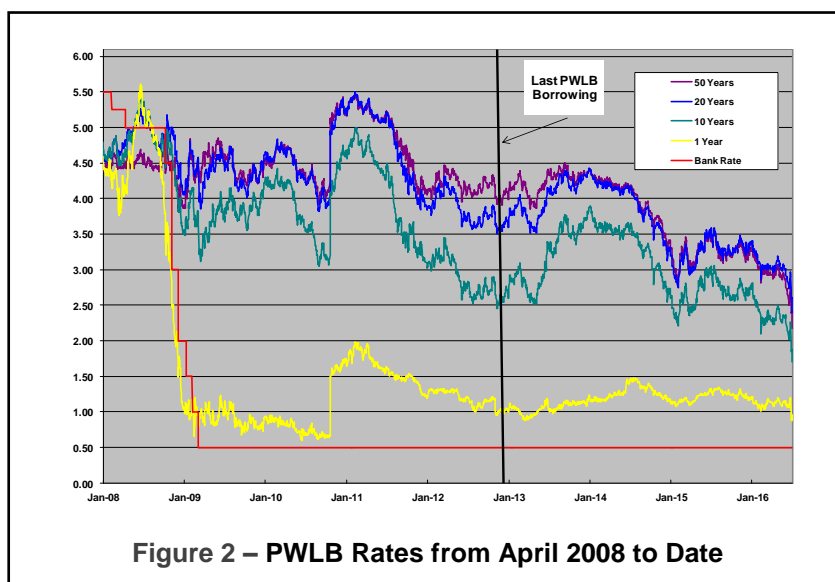
3.3.1 From their lows at the start of April 2015, sovereign bond yields rallied strongly for most of Quarter 2 as expectations of global growth increased. Thereafter, yields fell back to finish the financial back where they started, and during Q2 2016 have fallen further following the result of the UK referendum. Figure 1 below shows the yield on the 10 year German Bund.



Figure 1 - German 10 Year Bund Yield (2011 to date)

3.3.2 Although the UK economy continued to outperform Eurozone countries, the economy slowed slightly in 2015, with GDP falling to 2.3% from 3.0% the year before. Inflation (CPI) continued to hover around 0% turning negative in April, September and October, mainly due to the continued fall in the oil price and relatively weak wage growth. There were further concerns over the growth with the Chinese economy slowing.

3.3.3 Figure 2 shows PWLB borrowing rates since 2008.



3.3.4 This shows the rise in rates in Quarter 2 2015, followed by a reversal over the remainder of the financial year. It also shows that borrowing rates are substantially lower than they have been, set against drop in interest rates for borrowing last year, particularly for the longer maturities

3.3.5 The strategy for 2015/16 approved in March 2015 was to continue to fund capital expenditure in the short term by reducing the level of temporary investments. Although a significant number of authorities took PWLB Borrowing in advance of the referendum, the Council maintained its strategy of funding any requirement from investments. However, as detailed in Table 2, the total underlying need to borrow actually fell by £85.8m during the year. Table 6 below summarises the outstanding debt portfolio during the year.

Type of Loan	Balance	Borrowing	Borrowing	Balance
	01.04.2015	Raised	Repaid	31.03.2016
	£m	£m	£m	£m
PWLB - fixed	1,113.687	0.000	-40.841	1,072.846
PWLB - variable	0.000	0.000	0.000	0.000
Salix Finance Ltd	1.956	0.352	-0.170	2.138
Market	280.900	0.000	-4.000	276.900
Temp	16.455	4.596	-3.191	17.86
	<u>1,412.998</u>	<u>4.948</u>	<u>-48.202</u>	<u>1,369.744</u>
Capital Advances	<u>1,510.154</u>			<u>1,424.418</u>
Under-borrowed	<u>97.156</u>		Under-borrowed	<u>54.674</u>

Table 6 – Outstanding Debt Portfolio 2015/16

- 3.3.6 £40.84m of PWLB and £4m of Market debt naturally matured during the year, and this was not replaced. The only external borrowing undertaken during the year was £352k in interest free loans from Salix in relation to street lighting replacement projects. The Council’s borrowing therefore fell by £43.2m over the year.
- 3.3.7 The net capital advances fell by £85.8m, including a £49.8m repayment for the outstanding capital advances for Atria One. The Council’s under-borrowed position therefore reduced from £97m to £55m. Figure 3 below shows how much the Council has been over or under borrowed at financial year end since 2006/07.

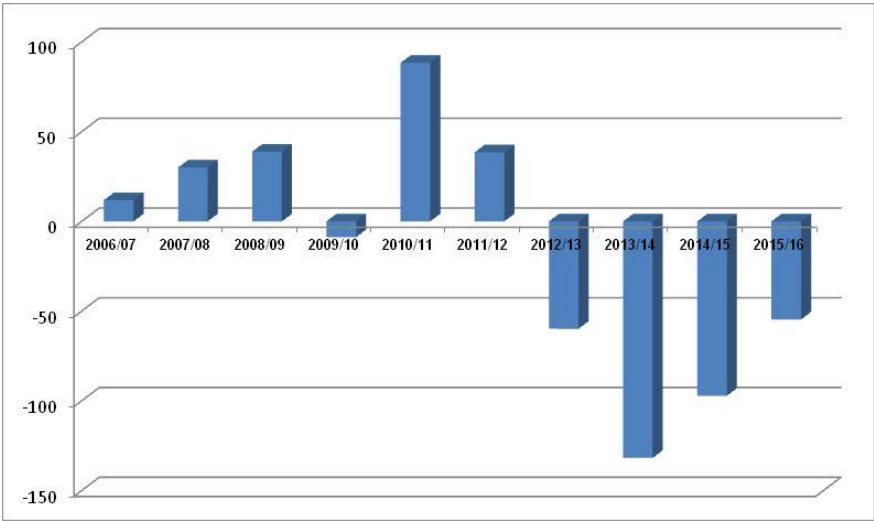


Figure 3 - Over / Under Borrowed position at year end

- 3.3.8 In the last two years repayment of previous capital advances was greater than new capital advances, giving a significant reduction in the Council’s underborrowed position, despite £72m of PWLB and market debt maturing during the period and not being replaced. Figure 4 below shows the Council’s total borrowing and cost of the borrowing.

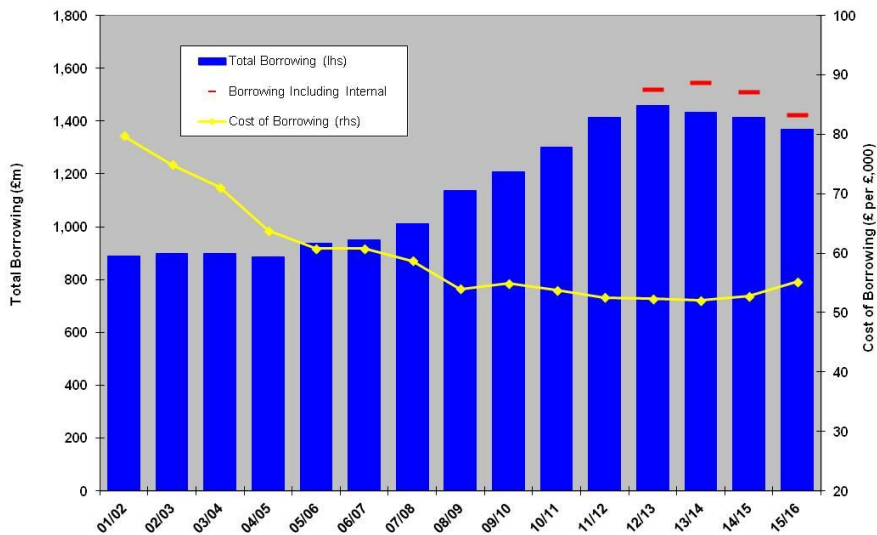


Figure 4 - Value and Unit Cost of the Council's Borrowing

3.3.9 Although the total interest cost in servicing the Council's debt fell by £1m from £79.6m to £78.6m, the unit cost of the debt increased slightly due to the proportionately greater fall in the underlying need to borrow shown in Table 2.

3.4 Investment Out-turn 2015/16

3.4.1 The Council's money is invested via the Treasury Cash Fund. The Cash Fund encompasses a number of organisations, including Lothian Pension Fund. Interest is accrued on a monthly basis and performance is evaluated against a benchmark, which is 7-day LIBID.

3.4.2 Figure 5 below shows the investment performance during the financial year.

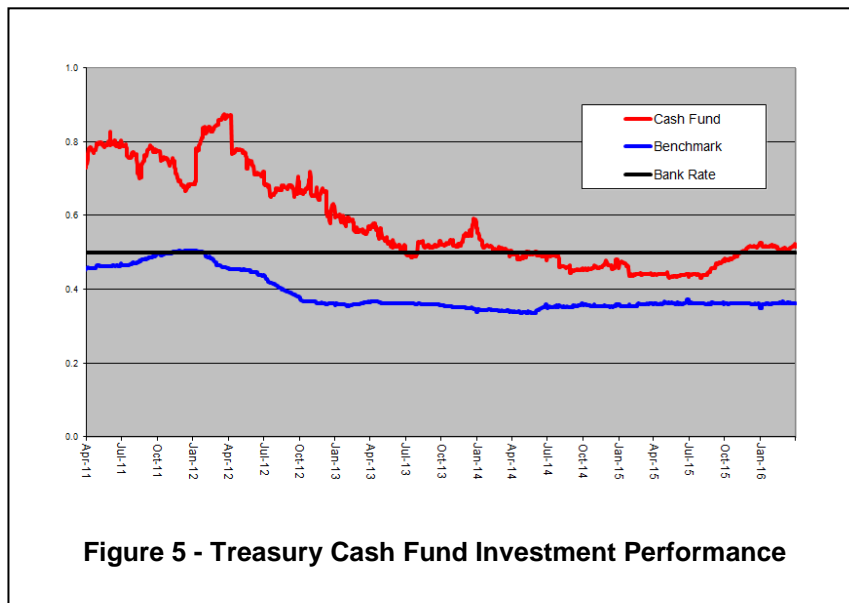
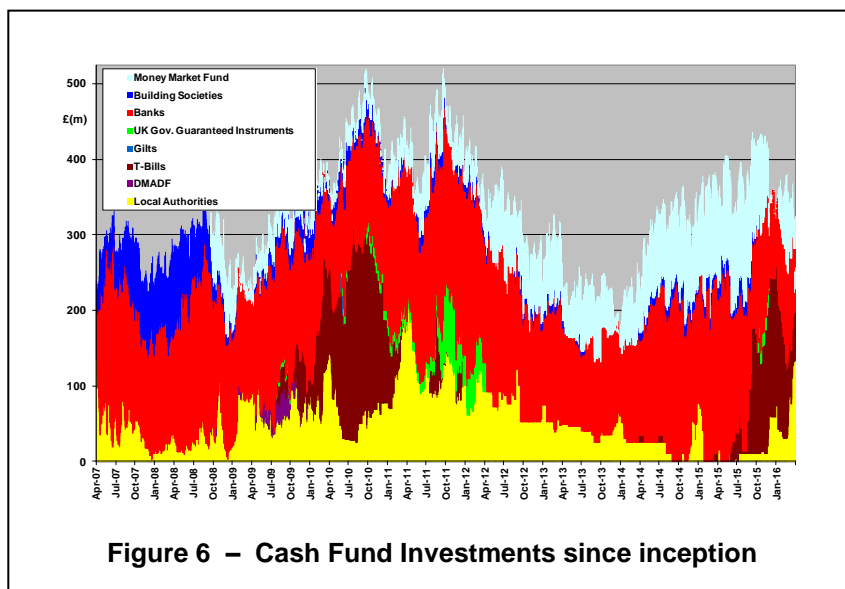


Figure 5 - Treasury Cash Fund Investment Performance

- 3.4.3 The average interest rate on the Fund for the year was 0.478%, which continued to outperform the benchmark which was 0.363% for the year. The Fund generated income of just over £482k for the financial year to CEC.
- 3.4.4 The emphasis remained on security during the financial year with the return of the principal sum being the main concern. With the Strategy being around the security of the investments, Cash Fund money invested with banking institutions was held mostly on call or on short term fixed deposit. Figure 6 below shows the distribution of the Cash Fund investments since April 2007
- 3.4.5 The rates on offer on Treasury Bills increased during the year and the opportunity to get a slightly higher yield while maintaining sovereign counterparty was taken, with over £200m invested in them during the year. Rates being achieved with Local Authority deposits have remained low during the year. However there were seasonal opportunities in December and at the end of the financial year which the Council was able to take advantage of, albeit the investments were only relatively short duration.



- 3.4.6 The Cash Fund's Investment Strategy continued to be based around the security of the investments. Figure 7 below shows the weighted average life (WAL) of the Cash Fund since inception.

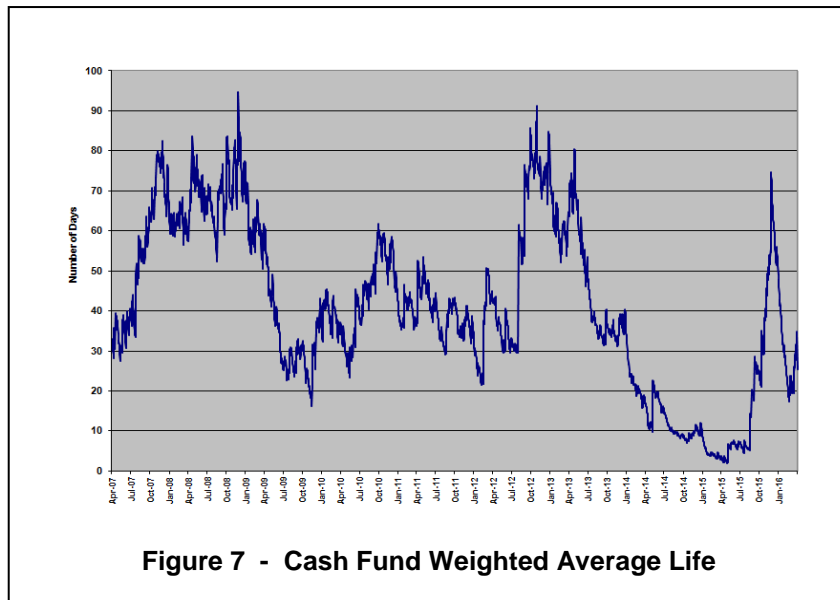


Figure 7 - Cash Fund Weighted Average Life

3.4.7 The Fund’s weighted average life – i.e. the average time to maturity of the Cash Fund investments – was 25 days at the end of the financial year. The reduction from 70 days in November, its peak in the financial year, was due to maturing Treasury Bills being mostly reinvested in Bank call accounts or into short term Local Authority deposits. During March the Council obtained some 6 month Local Authority fixed deposits at an attractive rate and a large reduction in cash held on call increased the weighted average life to 31 days, although it dropped back to 25 days with significant monies returned near year end.

3.5 Conclusions

3.5.1 As part of the Strategy set in March 2015, the Council stated there would be no borrowing completed during the financial year and capital expenditure would be funded temporarily from investments rather than borrowing. The only borrowing completed was £352k in interest free funding and this approach continues to generate significant short term savings for the Council.

3.5.2 The investment return for 2015/16 continued to show out-performance against the Fund’s benchmark, although low in absolute terms, while maintaining the security of the investments.

Measures of success

4.1 The success of the Treasury Section can be measured by the out-performance of the Treasury Cash Fund against its benchmark and managing the Council’s debt portfolio to minimise the cost to the Council while mitigating risk.

Financial impact

- 5.1 The Council continues to manage its debt portfolio so as to minimise the medium term cost of funding its capital projects.
- 5.2 The Treasury Cash Fund has generated significant additional income for the Council.

Risk, policy, compliance and governance impact

- 6.1 The Council complies with the relevant CIPFA code of practice whilst undertaking Treasury Management activities. The significant financial risks associated with Treasury Management activities have been successfully managed during 2015/16.

Equalities impact

- 7.1 There are no adverse equality impacts arising from this report.

Sustainability impact

- 8.1 There are no adverse sustainability impacts arising from this report.

Consultation and engagement

- 9.1 None.

Background reading / external references

None.

Hugh Dunn

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Links

Coalition pledges	P30 - Continue to Maintain a sound financial position including long-term financial planning
Council outcomes	C025 - The Council has efficient and effective services that deliver on objectives
Single Outcome Agreement	SO1 - Edinburgh's Economy Delivers increased investment, jobs and opportunities for all
Appendices	Appendix 1 - Debt Portfolio

Appendix 1 – PWLB, MARKET, SALIX DEBT PORTFOLIO

PWLB

Loan Reference	Loan Type	Fixed / Variable	Start Date	Loan Term	Maturity Date	Principal Outstanding	Interest Rate
496093	M	F	13/10/2009	6.5	13/04/2016	5,000,000	2.95
495471	M	F	23/04/2009	7	23/04/2016	5,000,000	2.96
469013	M	F	17/01/1991	25.5	15/05/2016	15,000,000	11.25
495565	M	F	09/06/2009	7	09/06/2016	5,000,000	3.37
470061	M	F	27/09/1991	25	25/09/2016	2,736,307	10.5
469898	M	F	15/08/1991	25.5	15/11/2016	10,000,000	10.875
495143	M	F	10/12/2008	8	10/12/2016	5,000,000	3.61
499194	M	F	02/12/2011	5.5	02/06/2017	5,000,000	2.28
471030	M	F	27/03/1992	25.5	25/09/2017	10,000,000	10.625
494911	M	F	09/10/2008	9	09/10/2017	5,000,000	4.39
471179	M	F	03/04/1992	26	25/03/2018	30,000,000	10.875
495472	M	F	23/04/2009	9	23/04/2018	15,000,000	3.24
471710	M	F	17/09/1992	26	15/05/2018	8,496,500	9.75
495566	M	F	09/06/2009	9	09/06/2018	5,000,000	3.75
473528	M	F	17/09/1993	25.5	15/11/2018	5,000,000	7.875
474273	M	F	23/03/1994	25	15/11/2018	5,000,000	8
474226	M	F	14/03/1994	25	11/03/2019	2,997,451	7.625
473697	M	F	18/10/1993	25.5	25/03/2019	5,000,000	7.875
495414	M	F	30/03/2009	10	30/03/2019	5,000,000	3.46
495457	M	F	21/04/2009	10	21/04/2019	10,000,000	3.4
495473	M	F	23/04/2009	10	23/04/2019	5,000,000	3.38
495030	A	F	12/11/2008	11	12/11/2019	2,071,695	3.96
474274	M	F	23/03/1994	26	15/11/2019	5,000,000	8
474935	M	F	07/12/1994	25	15/11/2019	10,000,000	8.625
495086	A	F	01/12/2008	11	01/12/2019	2,051,805	3.65
496260	M	F	01/12/2009	10	01/12/2019	5,000,000	3.77
496354	M	F	14/12/2009	10	14/12/2019	10,000,000	3.91
475161	M	F	15/02/1995	25.5	25/03/2020	5,000,000	8.625
495458	M	F	21/04/2009	11	21/04/2020	10,000,000	3.54
495501	M	F	12/05/2009	11	12/05/2020	10,000,000	3.96
474801	M	F	21/10/1994	26	15/05/2020	5,000,000	8.625
474936	M	F	07/12/1994	25.5	15/05/2020	5,000,000	8.625
499159	M	F	21/11/2011	8.5	21/05/2020	15,000,000	2.94
476237	M	F	16/08/1995	25	03/08/2020	2,997,451	8.375
474958	M	F	09/12/1994	26	15/11/2020	5,000,000	8.625
497203	A	F	10/05/2010	11	10/05/2021	2,710,315	3.09
474802	M	F	21/10/1994	27	15/05/2021	10,000,000	8.625
475259	M	F	10/03/1995	26.5	15/05/2021	11,900,000	8.75
476031	M	F	12/06/1995	26	15/05/2021	10,000,000	8
497378	M	F	02/06/2010	11	02/06/2021	5,000,000	3.89
474661	M	F	16/08/1994	27	03/08/2021	2,997,451	8.5

474418	M	F	28/04/1994	27.5	25/09/2021	5,000,000	8.125
495474	M	F	23/04/2009	13	23/04/2022	5,000,000	3.76
476030	M	F	12/06/1995	27	15/05/2022	10,200,000	8
497425	M	F	14/06/2010	12	14/06/2022	10,000,000	3.95
475781	M	F	31/03/1995	27.5	25/09/2022	6,206,000	8.625
475176	M	F	16/02/1995	28	03/02/2023	2,997,451	8.625
475822	M	F	24/04/1995	28	25/03/2023	10,000,000	8.5
476731	M	F	05/12/1995	27.5	15/05/2023	5,200,000	8
473573	M	F	20/09/1993	30	14/09/2023	2,997,451	7.875
473574	M	F	20/09/1993	30	14/09/2023	584,503	7.875
477656	M	F	08/05/1996	27.5	25/09/2023	10,000,000	8.375
496094	M	F	13/10/2009	14	13/10/2023	5,000,000	3.87
476732	M	F	05/12/1995	28	15/11/2023	10,000,000	8
497197	M	F	10/05/2010	14	10/05/2024	10,000,000	4.32
476350	M	F	28/09/1995	29	28/09/2024	2,895,506	8.25
501250	M	F	14/05/2012	12.5	14/11/2024	10,000,000	3.36
496355	A	F	14/12/2009	15	14/12/2024	6,637,269	3.66
1478311	M	F	17/10/1996	28.5	25/03/2025	10,000,000	7.875
497199	M	F	10/05/2010	15	10/05/2025	5,000,000	4.37
501723	M	F	16/11/2012	12.5	16/05/2025	20,000,000	2.88
1478760	M	F	13/02/1997	28.5	18/05/2025	10,000,000	7.375
1478830	M	F	20/02/1997	29	15/11/2025	20,000,000	7.375
496261	A	F	01/12/2009	16	01/12/2025	10,358,828	3.64
476771	M	F	21/12/1995	30	21/12/2025	2,397,961	7.875
1479368	M	F	21/05/1997	29	15/05/2026	10,000,000	7.125
1479530	M	F	28/05/1997	29	15/05/2026	10,000,000	7.25
479851	M	F	29/08/1997	29.5	15/11/2026	5,000,000	7
1479594	M	F	24/06/1997	29.5	15/11/2026	5,328,077	7.125
1479783	M	F	07/08/1997	29.5	15/11/2026	15,000,000	6.875
1480039	M	F	13/10/1997	29.5	25/03/2027	10,000,000	6.375
1480175	M	F	22/10/1997	29.5	25/03/2027	5,000,000	6.5
1480241	M	F	13/11/1997	29.5	15/05/2027	3,649,966	6.5
1480257	M	F	17/11/1997	29.5	15/05/2027	5,000,000	6.5
501797	M	F	13/12/2012	14.5	13/06/2027	20,000,000	3.18
1480580	M	F	12/03/1998	30	15/11/2027	8,677,693	5.875
497854	M	F	06/09/2010	18	06/09/2028	10,000,000	3.85
498768	M	F	14/07/2011	18	14/07/2029	10,000,000	4.9
368245	E	F	14/07/1950	80	03/03/2030	3,539	3
498769	M	F	14/07/2011	19	14/07/2030	10,000,000	4.93
80101	E	F	15/06/1951	80	15/05/2031	3,633	3
497855	M	F	06/09/2010	21	06/09/2031	20,000,000	3.95
499252	M	F	15/12/2011	20.5	15/06/2032	10,000,000	3.98
498994	M	F	15/09/2011	25	15/09/2036	10,000,000	4.47
499019	M	F	22/09/2011	25	22/09/2036	10,000,000	4.49
494139	M	F	10/12/2007	30	10/12/2037	10,000,000	4.49
498974	M	F	08/09/2011	27	08/09/2038	10,000,000	4.67
498995	M	F	15/09/2011	28	15/09/2039	10,000,000	4.52

499052	M	F	06/10/2011	32	06/10/2043	20,000,000	4.35
498851	M	F	09/08/2011	34.5	09/02/2046	20,000,000	4.8
491119	M	F	23/01/2006	40.5	23/07/2046	10,000,000	3.7
491226	M	F	23/01/2006	40.5	23/07/2046	10,000,000	3.7
491628	M	F	19/05/2006	40.5	19/11/2046	10,000,000	4.25
494202	M	F	07/01/2008	40	07/01/2048	5,000,000	4.4
491258	M	F	27/01/2006	45.5	27/07/2051	1,250,000	3.7
492718	M	F	16/01/2007	45.5	16/07/2052	40,000,000	4.25
492853	M	F	30/01/2007	45.5	30/07/2052	10,000,000	4.35
492908	M	F	13/02/2007	45.5	13/08/2052	20,000,000	4.35
492937	M	F	20/02/2007	45.5	20/08/2052	70,000,000	4.35
492960	M	F	22/02/2007	45.5	22/08/2052	50,000,000	4.35
493036	M	F	08/03/2007	45.5	08/09/2052	5,000,000	4.25
493334	M	F	30/05/2007	45.5	30/11/2052	10,000,000	4.6
493377	M	F	11/06/2007	45.5	11/12/2052	15,000,000	4.7
493383	M	F	12/06/2007	45.5	12/12/2052	25,000,000	4.75
493428	M	F	05/07/2007	45.5	05/01/2053	12,000,000	4.8
493516	M	F	25/07/2007	45.5	25/01/2053	5,000,000	4.65
493701	M	F	10/08/2007	45.5	10/02/2053	5,000,000	4.55
493872	M	F	24/08/2007	45.5	24/02/2053	7,500,000	4.5
493920	M	F	13/09/2007	45.5	13/03/2053	5,000,000	4.5
493979	M	F	12/10/2007	45.5	12/04/2053	5,000,000	4.6
494045	M	F	05/11/2007	49.5	05/05/2057	5,000,000	4.6
494725	M	F	15/08/2008	49.5	15/02/2058	5,000,000	4.39
499195	M	F	02/12/2011	50	02/12/2061	5,000,000	3.98
Total						<u>1,072,846,853</u>	

Market

Loan Reference	Lender	Start Date	Maturity Date	Principal Outstanding	Interest Rate
6000017	BAYERISCHE LANDESBANKGIROZENTRALE	30/03/1992	30/03/2017	1,000,000	10.25
6000019	DRESDNER BANK AG	21/08/1992	21/08/2017	500,000	9.75
6000020	DRESDNER BANK AG	21/08/1992	21/08/2017	500,000	9.75
6000091	DEUTSCHE PFANDBRIEFBANK AG	12/11/1998	13/11/2028	3,000,000	4.75
6000102	FMS WERTMANAGEMENT AoR	15/12/2003	15/12/2053	10,000,000	5.25
6000105	DEXIA CREDIT LOCAL	18/02/2004	18/02/2054	10,000,000	4.54
6000109	FMS WERTMANAGEMENT AoR	28/04/2005	28/04/2055	12,900,000	4.75
6000133	Royal Bank of Scotland plc	25/02/2011	25/02/2060	15,000,000	7.589
6000134	Royal Bank of Scotland plc	25/02/2011	25/02/2060	10,000,000	7.589
6000131	Royal Bank of Scotland plc	26/02/2010	26/02/2060	5,000,000	7.597
6000132	Royal Bank of Scotland plc	26/02/2010	26/02/2060	10,000,000	7.597
6000111	BARCLAYS BANKGLOBAL SERVICES	30/06/2005	30/06/2065	5,000,000	4.4
6000110	DEXIA CREDIT LOCAL	01/07/2005	01/07/2065	10,000,000	3.86
6000112	BARCLAYS BANKGLOBAL SERVICES	07/07/2005	07/07/2065	5,000,000	4.4
6000113	DEXIA CREDIT LOCAL	24/08/2005	24/08/2065	5,000,000	4.4
6000114	EEPKA IN LUXEMBURG S.A.	07/09/2005	07/09/2065	10,000,000	4.99
6000115	EEPKA IN LUXEMBURG S.A.	13/09/2005	14/09/2065	5,000,000	3.95
6000116	KA FINANZ AG	03/10/2005	05/10/2065	5,000,000	4.375
6000117	BARCLAYS BANKGLOBAL SERVICES	21/12/2005	21/12/2065	5,000,000	4.99
6000119	FMS WERTMANAGEMENT AoR	23/12/2005	23/12/2065	10,000,000	4.75
6000118	BARCLAYS BANKGLOBAL SERVICES	28/12/2005	24/12/2065	12,500,000	4.99
6000124	DANSKE BANK LONDON	06/03/2006	04/03/2066	5,000,000	4.625
6000125	BARCLAYS BANKGLOBAL SERVICES	14/03/2006	15/03/2066	15,000,000	5
6000127	DEXIA CREDIT LOCAL	17/03/2006	17/03/2066	10,000,000	5.25
6000120	DEXIA CREDIT LOCAL	03/04/2006	01/04/2066	10,000,000	4.875
6000121	DEXIA CREDIT LOCAL	03/04/2006	01/04/2066	10,000,000	4.875
6000122	DEXIA CREDIT LOCAL	03/04/2006	01/04/2066	10,000,000	4.875
6000123	EEPKA IN LUXEMBURG S.A.	07/04/2006	07/04/2066	10,000,000	4.75
6000128	DEXIA CREDIT LOCAL	05/06/2006	07/06/2066	20,000,000	5.25
6000129	DEXIA CREDIT LOCAL	05/06/2006	07/06/2066	16,500,000	5.25
6000126	BARCLAYS BANKGLOBAL SERVICES	18/08/2006	18/08/2066	10,000,000	5.25
6000130	BARCLAYS BANKGLOBAL SERVICES	01/02/2008	01/02/2078	10,000,000	3.95
Total				276,900,000	

Other

Loan Reference	Loan Type	Fixed / Variable	Start Date	Loan Term	Maturity Date	Principal Outstanding	Interest Rate
8000029	E	F	07/01/2015	7	01/09/2021	434,264	0
8000030	E	F	31/03/2015	8	01/04/2023	1,352,173	0
8000031	E	F	22/09/2015	8	01/10/2023	351,680	0
	Total					<u><u>2,138,117</u></u>	