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Council	
10 December 2012	

Subject: Mid-Year Review of Treasury Management 2012/2013

Report by:	Financial Services Manager (Section 151 Officer)
Contact Officer:	Frank O'Brien Interim Group Accountant 01427 676696 Frank.O'Brien@west-lindsey.gov.uk
Purpose / Summary:	The mid-year review report is a requirement of the Council's reporting procedures. This report also sets out the treasury management activity during the period 1 April to 30 September 2012.

RECOMMENDATION(S):	**1) That Members note the report** **2) That Members note the treasury management activity for the six months to 30 September 2012**

IMPLICATIONS

Legal: None arising as a result of this report.

Financial : The treasury management activities during the reporting period are disclosed in the body of this report.

Staffing : None arising as a result of this report.

Equality and Diversity: None arising as a result of this report.

Risk Assessment: This is a monitoring report only.

Climate Related Risks: This is a monitoring report only.

Background Papers :

The following background papers were used in the preparation of this report.

Title :	**Location of Background Papers:**
LGA Icelandic Banks updates	Financial Services section.

Call in and Urgency:

Is the decision one which Rule 14 of the Scrutiny Procedure Rules apply?

Yes		**No**	**x**

Key Decision:

Yes		**No**	**x**

1 Background

1.1 The Council operates a balanced budget, which broadly means cash raised during the year will meet its cash expenditure. Part of the treasury management operations ensure this cash flow is adequately planned, with surplus monies being invested in low risk counterparties, providing adequate liquidity initially before considering maximising investment return.

1.2 The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the longer term cash flow planning to ensure the Council can meet its capital spending operations.

1.3 As a consequence treasury management is defined as:

"The management of the local authority's 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."

1.4 This report is the mid-year review to full Council and has been prepared in compliance with CIPFA's Code of Practice.

2 Executive Summary

2.1 This report updates the Council on the mid-year position in relation to the Councils approved Treasury Management Strategy. Treasury Management by its nature is quite a technical topic and as such this is a very technical report. By way of summary the report contains the following;

a) An economic update (prepared by the Councils Treasury Advisors Sector) which sets out the factors behind the on-going global recession as it impacts on the low growth forecasts for 2012/13. The update also reflects the reasoning behind a low growth forecast which is likely to keep interest rates depressed for the next two years (paragraph 3). Key factors reflected in the economic update include;

- Lowered expectations of a recovery within the next 12 months
- Low investor confidence within the Euro zone as 'rescue packages' fail to deliver to expectations
- UK consumer confidence falling due to unemployment concerns, indebtedness and low pay rises
- Higher social security payments while tax receipts are down

b) An update on the current investment portfolio yield for the first 6 months of year. The average investment placed during this period was £19.2m showing an overall 0.49% return (AER 0.98%) which is currently £18.5k above budget in cash terms.

c) A position statement on the Councils investments with Icelandic banks (paragraph 10) which details how much has been recovered to date £4.2m against the historic levels of investment of £7m with a further recovery of £2.7m due in later years bringing a total recovery of £6.944m (99.25%)

d) The update also includes the following;

- The Council's revised capital expenditure profile and financing requirements (paragraph 5.2);
- A review of the Council's borrowing strategy for 2012/13 (paragraph 7);
- A summary of the Councils investment activity April to September 2012/13 (paragraph 8);
- A review of compliance with Treasury and Prudential Limits for 2012/13 (paragraph 9).

3 Economic update (extract from Treasury Management Adviser's commentary)

3.1 Economic sentiment, in respect of the prospects for the UK economy to recover swiftly from recession, suffered a major blow in August when the Bank of England substantially lowered its expectations for the speed of recovery and rate of growth over the coming months and materially amended its forecasts for 2012 and 2013. It was noted that the UK economy is heavily influenced by worldwide economic developments, particularly in the Eurozone, and that on-going negative sentiment in that area would inevitably permeate into the UK's economic performance.

With regard to the Eurozone, investor confidence remains weak because successive "rescue packages" have first raised, and then disappointed, market expectations. However, the uncertainty created by the continuing Eurozone debt crisis is having a major effect in undermining business and consumer confidence not only in Europe and the UK, but also in America and the Far East/China.

In the UK, consumer confidence remains very depressed with unemployment concerns, indebtedness and a squeeze on real incomes from high inflation and low pay rises, all taking a toll. Whilst inflation has fallen considerably (CPI @ 2.6% in July), UK GDP fell by 0.5% in the quarter to 30 June, the third quarterly fall in succession. This means that the UK's recovery from the initial 2008 recession has been the worst and slowest of any G7 country apart from Italy (G7 = US, Japan, Germany, France, Canada, Italy and UK). It is also the slowest recovery from a recession of any of the five UK recessions since 1930 and total GDP is still 4.5% below its peak in 2008.

This weak recovery has caused social security payments to remain elevated and tax receipts to be depressed. Consequently, the Chancellor's plan to eliminate the annual public sector borrowing deficit has been pushed back further into the future. The Monetary Policy Committee has kept Bank Rate at 0.5% throughout the period while quantitative easing was increased by £50bn to £375bn in July. In addition, in June, the Bank of England and the Government announced schemes to free up banking funds for business and consumers.

On a positive note, despite all the bad news on the economic front, the UK's sovereign debt remains one of the first ports of call for surplus cash to be invested in and gilt yields, prior to the European Central Bank bond buying announcement in early September, were close to zero for periods out to five years and not that much higher out to ten years.

3.2 Outlook for the next six months of 2012/13

The risks in economic forecasts continue unabated from the previous treasury strategy. Concern has been escalating that the Chinese economy is heading for a hard landing, rather than a gentle slowdown, while America is hamstrung by political deadlock which prevents a positive approach to countering weak growth. Whether the presidential election in November will remedy this deadlock is debatable but urgent action will be required early in 2013 to address the US debt position. On 13 September the Fed announced an aggressive stimulus programme for the economy with a third round of quantitative easing focused on boosting the stubbornly weak growth in job creation, and this time with no time limit. They also announced that it was unlikely that there would be any increase in interest rates until at least mid 2015.

Eurozone growth will remain weak as austerity programmes in various countries curtail economic recovery. A crunch situation is rapidly developing in Greece as it has failed yet again to achieve deficit reduction targets and so may require yet another (third) bail out. There is the distinct possibility that some of the northern European countries could push for the ejection of Greece from the Eurozone unless its financial prospects improve, which does not seem likely at this juncture. A financial crisis was also rapidly escalating over the situation in Spain. However, in early September the European Central Bank announced that it would purchase unlimited amounts of shorter term bonds of Eurozone countries which have formally agreed the terms for a bailout. Importantly, this support would be subject to conditions (which have yet to be set) and include supervision from the International Monetary Fund. This resulted in a surge in confidence that the Eurozone has at last put in place the framework for adequate defences to protect the Euro. However, it remains to be seen whether the politicians in charge of Spain and Italy will accept such loss of sovereignty in the light of the verdicts that voters have delivered to the politicians in other peripheral countries which have accepted such supervision and austerity programmes. The Eurozone crisis is therefore far from being resolved as yet. The immediate aftermath of this announcement was a rise in bond yields in safe haven countries, including the

UK. Nevertheless, this could prove to be as short lived as previous "solutions" to the Eurozone crisis.

The Bank of England Quarterly Inflation Report in August pushed back the timing of the return to trend growth and also lowered its inflation expectations. Nevertheless, concern remains that the Bank's forecasts of a weaker and delayed robust recovery may still prove to be over optimistic given the world headwinds the UK economy faces. Weak export markets will remain a drag on the economy and consumer expenditure will continue to be depressed due to a focus on paying down debt, negative economic sentiment and job fears. The Coalition Government, meanwhile, is likely to be hampered in promoting growth by the requirement of maintaining austerity measures to tackle the budget deficit.

The overall balance of risks is, therefore, weighted to the downside:

- We expect low growth in the UK to continue, with Bank Rate unlikely to rise in the next 24 months, coupled with a possible further extension of quantitative easing. This will keep investment returns depressed.
- The expected longer run trend for PWLB borrowing rates is for them to eventually rise, primarily due to the need for a high volume of gilt issuance in the UK and the high volume of debt issuance in other major western countries. However, the current safe haven status of the UK may continue for some time, tempering any increases in yield.
- This interest rate forecast is based on an assumption that growth starts to recover in the next three years to a near trend rate (2.5%). However, if the Eurozone debt crisis worsens as a result of one or more countries having to leave the Euro, or low growth in the UK continues longer, then Bank Rate is likely to be depressed for even longer than in this forecast.

3.3 Interest rate forecast

The Treasury Management and Investment strategies were set against a prediction of an average 1% interest rate level for 2012/13.

Taking account of the changes in the economic outlook the Council's Treasury Management advisors' latest forecast movement in interest rates is as follows:-

Table 1.

Date	Bank Rate	Libid*			PWLB Rates**		
		3 mth	6 mth	12 mth	5 yr	25 yr	50 yr
2012 Sep	0.50	0.55	0.85	1.30	1.89	4.15	4.32
Dec	0.50	0.60	0.85	1.30	1.50	3.70	3.90
2013 Mar	0.50	0.60	0.85	1.30	1.50	3.70	3.90
Jun	0.50	0.60	0.85	1.30	1.50	3.70	3.90

Sep	0.50	0.60	0.85	1.40	1.60	3.80	3.90
Dec	0.75	0.60	0.85	1.50	1.70	3.80	3.90

***London Interbank Lending Rates**

****Public Works Loan Board Rates**

4 Treasury Management Strategy Statement and Annual Investment Strategy update

4.1 The Treasury Management Strategy Statement (TMSS) for 2012/13 was approved by the Council on 5th March 2012.

- There are no policy changes to the TMSS, the details in this report update the position in the light of the updated economic position and budgetary changes already approved.

5 The Council's Capital Position (Prudential Indicators)

5.1 This part of the report is structured to update:-

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

5.2 **Prudential Indicator for Capital Expenditure** –Table 2 shows the revised estimates for capital expenditure and the changes since the capital programme was approved in March 2012.

Table 2.

Capital Expenditure	2012/13 Original Estimate £m	2012/13 Revised Estimate £m
Total	2.862	4.773

The revised estimate includes in year changes and items carried forward from earlier years.

5.3 **Changes to the Financing of the Capital Programme**

Table 3 below draws together the main strategy elements of the capital expenditure plans (above), highlighting the original elements of the capital programme, and the expected financing arrangements of this capital expenditure. The borrowing element of the table increases the underlying indebtedness of the Council by way of the Capital Financing Requirement (CFR), although this will be reduced in part by revenue charges for the repayment of debt (the Minimum Revenue Provision). This direct borrowing need may also be supplemented by maturing debt and other treasury requirements.

Table 3

Capital Expenditure	**2012/13 Original Estimate £m**	**2012/13 Revised Estimate £m**
Total spend	2.862	4.773
Financed by:		
Capital receipts	1.227	2.076
Capital grants	0.636	1.274
Capital reserves	0.500	0.536
Revenue	0.112	0.500
Total financing	2.475	4.386
New finance leases	0.387	0.387
Total	**0**	**0**

5.4 **Changes to the Prudential Indicators for the Capital Financing Requirement (CFR), External Debt and the Operational Boundary** - Table 4 shows the CFR, which is the underlying external need to incur borrowing for a capital purpose. It also shows the expected debt position over the period. This is termed the Operational Boundary.

Prudential Indicator – Capital Financing Requirement – There are no proposed changes to the financing plans.

Prudential Indicator – External Debt/the Operational Boundary

Table 4

	2012/13 Original Estimate £m	**Current Position £m**	**2012/13 Revised Estimate £m**
Prudential Indicator - Capital Financing Requirement			
Total CFR	2.061	1.962	1.976
Net movement in CFR	0.174	0.075	0.089
Prudential Indicator - External Debt/the Operational Boundary			
Borrowing	0	0	0

Other long term liabilities*	0.174	0.075	0.089
Total debt 31 March	**0.174**	**0.075**	**0.089**

*****On balance sheet finance leases

5.5 Limits to Borrowing Activity

The first key control over the 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. Net 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 2012/13 and next two financial years. This allows some flexibility for limited early borrowing for future years. Table 5 shows the net borrowing requirement is negative (no requirement to borrow to fund activities in the longer term). The Council has approved a policy for borrowing in advance of need which will be adhered to if this proves prudent.

Table 5

	2012/13 Original Estimate £m	Current Position £m	2012/13 Revised Estimate £m
Gross borrowing	0	0	0
Plus other long term/current liabilities*	0.996	0.896	0.910
Less investments	10.540	17.678	14.000
Net borrowing	(9.544)	(16.782)	(13.090)
CFR* (year end position)	2.061	1.962	1.976

*Includes on balance sheet finance leases

The Financial Services Manager (Chief Finance Officer) reports that no difficulties are envisaged for the current or future years in complying with this prudential indicator.

A further prudential indicator controls the overall level of borrowing. This is the Authorised Limit (Table 6) which represents the limit beyond which borrowing is prohibited, and needs to be set and revised by Members. It reflects the level of borrowing which, while not desired, could be afforded in the short term, but is not sustainable in the longer term. It is the expected maximum borrowing need with some headroom for unexpected movements. This is the statutory limit determined under section 3 (1) of the Local Government Act 2003.

Table 6

Authorised limit for external debt	**2012/13 Original Estimate £m**	**Current Position £m**	**2012/13 Revised Estimate £m**
Borrowing	5.000	5.000	5.000
Plus other long/current term liabilities*	1.250	1.250	1.250
Total	**6.250**	**6.250**	**6.250**

*Includes on balance sheet finance leases

6 Investment Portfolio 2012/13

6.1 In accordance with the Code, it is the Council's priority to ensure security of capital and liquidity, and to obtain an appropriate level of return which is consistent with the Council's risk appetite. As set out in Section 3, it is a very difficult investment market in terms of earning the level of interest rates commonly seen in previous decades as rates are very low and in line with the 0.5% Bank Rate. The continuing Euro zone sovereign debt crisis, and its potential impact on banks, prompts a low risk and short term strategy. Given this risk adverse environment, investment returns are likely to remain low.

6.2 The Council held £19.2m of investments as at 30 September 2012 (£12.89m at 31 March 2012) and the investment portfolio yield for the first six months of the year is 0.49% (AER 0.98%) against a benchmark 7 Day London Interbank Bid Rate (LIBID) of 0.4263%.

6.3 The Financial Services Manager (Chief Financial Officer) confirms that as reported in the quarter 1 report during July the £5m per banking group limit was breached by £13.5k overnight with Lloyds TSB Bank. This was due to an unexpected CHAPS receipts for £173k. A second breach of £1.5m occurred overnight in September due to authorisers being locked out of the Lloydlink system and therefore unable to place the funds by the 2.30pm cut off point. This problem was rectified immediately the following morning.

6.4 The Council's budgeted investment return for 2012/13 is £135k based on a forecast average investment level of £13.5m with a return of 1%, and performance for the year to date is £18.5k above budget.

6.5 **Investment Counterparty criteria** – The current investment counterparty criteria selection approved in the TMSS is meeting the requirement of the treasury management function.

7 Borrowing

The Council's strategy is not to undertake any long term borrowing although temporary borrowing for cash flow purposes, on a short term basis, may occasionally take place. The Council has recognised this possibility by setting its Authorised Borrowing Limit for 2012/13 at £5m.

During the six months to 30 September, no borrowing – either long or short term, took place. However, credit arrangements such as finance leases are classified as borrowing under the capital control arrangements for local authorities. The Council procures replacement vehicles and certain other assets (printers, fuel tanks) through finance lease arrangements which count as credit arrangements. The liability to pay the finance leases are disclosed as other long term liabilities in the Council's accounts. The operational limit that has been approved for long term liabilities for 2012/13 is £1.250m.

8 Treasury Activity to 30 September 2012

8.1 Action Summary 1 April 2012 to 30 September 2012

The investments placed over the six months for one week or more are listed in table 7 below;

Table 7

Counterparty	Date Placed	Period	Interest Rate	Amount
Lloyds TSB Bank	19 Apr 12	357 days	3.25%	£500,000
Debt Management Office	15 May 12	7 days	0.25%	£2,100,000
Debt Management Office	22 May 12	28 days	0.25%	£1,500,000
Debt Management Office	15 Jun 12	7 days	0.25%	£3,500,000
Debt Management Office	19 Jun 12	7 days	0.25%	£1,000,000
Debt Management Office	22 Jun 12	7 days	0.25%	£7,000,000
Debt Management Office	29 Jun 12	7 days	0.25%	£3,500,000
Debt Management Office	06 Jul 12	7 days	0.25%	£1,500,000
Lloyds TSB Bank	27 Jul 12	342 days	3.00%	£1,000,000
Debt Management Office	01 Aug 12	9 days	0.25%	£1,000,000
Debt Management Office	15 Aug 12	7 days	0.25%	£1,350,000
Debt Management Office	03 Sep 12	7 days	0.25%	£1,500,000

The investments maximised the use of the liquid cash available, working with our cash flow forecast and programmed precept dates.

Currently most UK Banks and Building Societies have credit ratings below those specified in the Council's strategy but the strategy also allows the use of any Banks or Building Societies eligible to participate in the government's Credit Guarantee Scheme (CGS). The Council also applies a stricter credit rating scheme within the universe of eligible institutions under the CGS and as at 30 September this allowed the Council to include Lloyds TSB Bank, Bank of Scotland plc, Royal Bank of Scotland, and the Nationwide Building Society on the current lending list.

8.2 **Investments**

a) The Council's investment policy for 2012/13 was approved at the Council's meeting on 5 March 2012.
b) All surplus funds are managed internally, Table 8 shows the position (excluding Icelandic Bank deposits) as at 30 September 2012,:-

Table 8

Counterparty	Liquid	Investment	Group Balance	% Rate	Period
	£,000	£,000	£,000		
Deutsche Bank	1,500	0	1,500	0.50	open
RBS	2,500	0		0.85	open
RBS	2,490	0	4,990		
CCLA	5,000	0	5,000	0.50	open
LGIM	3,000	0	3,000	0.54	open
Glitner (ESCROW account)	0	190	n/a	3.40	n/a
Landsbanki (ESCROW account)	0	28	n/a	3.35	n/a
Lloyds TSB deposit	1,000	0		0.75	open
Lloyds TSB 363 days	0	500		3.10	13.02.13
Lloyds TSB 12 months	0	500		2.25	16.11.12
Lloyds TSB 9 months	0	500		2.00	12.12.12
Lloyds TSB 361 days	0	500		2.55	08.03.13
Lloyds TSB 342 days	0	1,000		2.65	04.07.13
Lloyds TSB 357 days	0	500		3.25	11.04.13
Lloyds TSB - Bank	42	0		0.40	open
			4,542		
Totals	15,532	3,718	19,250		
Average Yield to date				0.49	

The investment limits at Group level for all the above is £5m

c) Table 9 sets out investment income earned to 30 September 2012 compared with the approved estimate.

Table 9

Full year Estimate (1% of average balances of £13.5m)	£ 135,000

Estimated profile to 30 September 2012	67,500
Interest Earned	86,035
Variation	18,535
Average Return for 6 months to 30 September 2012	0.49%
Estimated Annual Return	0.98%

9 Treasury Management Prudential Indicators

9.1 The Prudential Code for Capital Finance in Local Authorities was introduced in April 2004.

a. The key objectives of the Prudential Code are to ensure, that the capital investment plans of local authorities are affordable, prudent and sustainable, or, in exceptional cases, to demonstrate that there is a danger of not ensuring this, so that the local authority can take remedial action.

b. To demonstrate that the local authority has fulfilled these objectives, the Prudential Code sets out the indicators that must be used, and the factors that must be taken into account. It does not include suggested indicative limits or ratios as these are for each authority to set for itself.

c. On 5 March 2012 the Council set the following Prudential Indicators:

Table 10

	2012/2013 Upper	**2013/2014 Upper**	**2014/2015 Upper**
Maximum principal sum invested for more than 364 days	£2m	£2m	£2m
Limits on fixed interest rates	100%	100%	100%
Limits on variable interest rates	25%	25%	25%
	2012/2013 Upper	**2013/2014 Upper**	**2014/2015 Upper**
Authorised Limit for External Debt			
Borrowing	£5m	£5m	£5m
Other Long Term Liabilities	£1.250m	£1.250m	£1.250m
Total	£6.250m	£6.250m	£6.250m
Operational Limit for External Debt			

Borrowing	£0	£0	£0
Other Long Term Liabilities	£0.821m	£0.996m	£1.189m
Total	£0.821m	£0.996m	£1.189m
Capital Expenditure	£2.863m	£2.496m	£1.121m
Capital Financing Requirement (CFR)	£2.061m	£2.254m	£2.054m
Maturity Structure of fixed interest rate borrowing			
	Lower	**Upper**	
Under 12 months	0%	0%	
12 months to 2 years	0%	0%	
2 years to 5 years	0%	0%	
5 years to 10 years	0%	0%	
10 years and above	0%	0%	

9.2 The Section 151 Officer has a legal responsibility for ensuring compliance with the above indicators and is required to report to members if any of the indicators are not being met. Currently all indicators are within approved limits.

10 Icelandic Bank Defaults

10.1 As previously reported the Council had £7m of principal deposits frozen in Icelandic banks on 2008. Table 11 shows the position at that point in time while table 12 sets out the current position:

Table 11 Position as at 2008

Bank	Date Invested	Maturity Date	Original Amount Invested £000's	Interest Rate %
Glitnir	07/02/08	06/02/09	1,000	5.45
Heritable Bank	15/07/08	17/10/08	1,000	5.88
Landsbanki	15/07/08	17/10/08	1,000	5.88
Landsbanki	30/07/08	17/10/08	1,500	5.80
Landsbanki	15/08/08	21/11/08	1,500	5.89
Heritable Bank	17/09/08	08/10/08	1,000	5.55
Total			**7,000**	

Table 12 Current Position as at September 2012

Bank	Amount claimed £,000	Repaid to Date £,000	Further Amount anticipated	Total

			£,000	
Glitnir	1,066	1,019	0	1,019
Heritable Bank	2,017	1,504	391	1,895
Landsbanki	4,169	1,705	2,325	4,030
Total	7,252	4,228	2,716	6,944

10.2 Table 12 shows that out of a registered claim of £7.25m the Council has been reimbursed a total of £4.23m to date. A further £2.7m is anticipated to be reimbursed as follows;

- Heritable Bank £391k by April 2013 (see paragraph 10.7 for details
- Landsbanki £2.33m by December 2019 (see paragraph 10.7 for details.

Background and Details of Current Position

10.3 The Council registered the following claim values for the original deposits and contractual interest

Table 13

Bank	Original Amount Invested £'s
Glitnir	1,065,699
Heritable Bank	2,016,574
Landsbanki	4,169,184
Total	**7,251,457**

10.4 The Council had, to date, received twelve reimbursements amounting to £1.50m in respect of the Heritable Bank claim as detailed below.

Table 14

Date Received	Amount £
30/07/09	325,194
18/12/09	255,287
30/03/10	124,888
16/07/10	126,528
18/10/10	83,434
14/01/11	95,121
19/04/11	126,067
15/07/11	81,822
20/10/11	84,321
23/01/12	67,032
20/04/12	76,421
23/07/12	57,485
Total	**1,503,600**

10.5 The Council had, as at the 30 September 2012, received two reimbursements amounting to £1.705m in respect of the Landsbanki Island claim as detailed below. Included in the February 2012 reimbursement was a payment made in Icelandic krona (sterling value of £27,894) which is held in an interest bearing escrow account in Iceland until existing currency controls in that country are lifted**.**

Table 15

Date Received	Amount £
17/02/12	1,208,594
29/05/12	496,421
Total	**1,705,015**

10.6 In respect of Glitnir, as previously reported a recovery with a sterling value of £1.019m was paid on 16th March 2012 reflecting 100% of the approved claim *(100% assumed 2010/11)*. Included in this recovery was a payment made in Icelandic Krona (sterling value of £190k) which is being held in an interest bearing escrow account in Iceland until existing currency controls in that country are lifted.

10.7 The current situation with regards to recovery of the sums deposited varies between each institution but based on the most up to date information available at the time of preparing the 2011/12 accounts the Council made the following recovery assumptions. The information available is not definitive as to the amounts and timings of payments to be made by the administrators/receivers.

Table 16 Heritable Bank

Date	Repayment	Amount £	Date	Repayment	Amount £
April 2012	3.79%	76,066	January 2013	3.50%	67,305
July 2012	3.50%	69,251	April 2013	5.81%	110,144
October 2012	3.50%	68,271	**Total**		**391,037**

The above is based on an overall estimated recovery of 88% of the original claim of £2,016,574.

Table 17 Landsbanki

Date	Repayment	Amount £	Date	Repayment	Amount £
May 2012	12.20%	490,244	December 2016	7.00%	215,235
December 2012	7.00%	271,867	December 2017	7.00%	203,027
December	7.00%	256,446	December	7.00%	191,510

2013			2018		
December 2014	7.00%	241,900	December 2019	8.80%	227,100
December 2015	7.00%	228,178	**Total**		**2,325,507**

The above is based on an estimated recovery of 100% of the claim.