ISLE OF ANGLESEY COUNTY COUNCIL

REPORT TO:	**AUDIT COMMITTEE**
DATE:	**05 DECEMBER 2017**
SUBJECT:	**TREASURY MANAGEMENT MID-YEAR REVIEW REPORT 2017/18**
PORTFOLIO HOLDER(S):	**COUNCILLOR J GRIFFITH**
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LOCAL MEMBERS:	**n/a**

1. Introduction

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 optimising investment return.

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 borrowing need of the Council, essentially the longer term cash flow planning to ensure the Council can meet its capital spending operations. This management of longer term cash may involve arranging long or short term loans, or using longer term cash flow surpluses, and on occasion any debt previously drawn may be restructured to meet Council risk or cost objectives.

Accordingly, 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*."

2. Background

The primary requirements of the Code are as follows:

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

2. Creation and maintenance of Treasury Management Practices which set out the manner in which the Council will seek to achieve those policies and objectives.

3. Receipt by the full Council of an Annual Treasury Management Strategy Statement, which includes the Annual Investment Strategy and Minimum Revenue Provision Policy for the year ahead, a Mid-year Review Report (this report) and an Annual Report, covering activities during the previous year.

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

5. Delegation by the Council of the role of scrutiny of treasury management strategy and policies to a specific named body. For this Council the delegated body is the Audit Committee.

This mid-year report has been prepared in compliance with CIPFA's Code of Practice on Treasury Management, and covers the following:-

- An economic update for the first part of the 2017/18 financial year;
- A review of the Treasury Management Strategy Statement and Annual Investment Strategy;
- The Council's capital expenditure (prudential indicators);
- A review of the Council's investment portfolio for 2017/18;
- A review of the Council's borrowing strategy for 2017/18;
- A review of any debt rescheduling undertaken during 2017/18;
- A summary of activity since Quarter 2;
- A look ahead to next year; and
- A review of compliance with Treasury and Prudential Limits for 2017/18.

3. Economic Update

3.1 The Council's treasury advisers provided an economic update shortly after the end of the first quarter, and can be found in Appendix 1. They have also recently provided the following interest rate forecast:-

	Dec 2017	Mar 2018	Jun 2018	Sep 2018	Dec 2018	Mar 2019	Jun 2019
Bank Rate (%)	0.25	0.25	0.25	0.25	0.25	0.25	0.50
5yr PWLB rate (%)	1.50	1.60	1.70	1.70	1.80	1.80	1.90
10yr PWLB rate (%)	2.20	2.30	2.30	2.40	2.40	2.50	2.50
25yr PWLB rate (%)	2.90	2.90	3.00	3.00	3.10	3.10	3.20
50yr PWLB rate (%)	2.70	2.70	2.80	2.80	2.90	2.90	3.00

3.2 The Council's treasury advisers recently provided a commentary alongside the interest rate forecast above. This commentary can be found in Appendix 2.

3.3 The projected investment income is currently in line with the budget for 2017/18.

4. Treasury Management Strategy Statement and Annual Investment Strategy Update

4.1 The Treasury Management Strategy Statement (TMSS) for 2017/18 was approved by this Council on 28 February 2017. 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 plans;
- How these plans are being financed;
- The impact of the changes in the capital expenditure plans on the prudential indicators and the underlying need to borrow; and
- Compliance with the limits in place for borrowing activity.

5.2 Prudential Indicator for Capital Expenditure

This table shows the revised estimates for capital expenditure in comparison to the capital budget.

Capital Expenditure	2017/18 Original Estimate £'000	Position as at 30 September 2017 £'000	2017/18 Current Estimate £'000
Council Fund	38,510	7,430	22,020
HRA	12,870	4,220	11,490
Total	51,380	11,650	33,510

5.2.1 The current estimate for capital expenditure is behind the original estimate mainly due to the New Highways to Wylfa being delayed until the next financial year, and the Holyhead Strategic Infrastructure still awaiting WEFO funding and it is not anticipated that any significant capital expenditure will be incurred this financial year. A full breakdown on the planned capital expenditure for 2017/18, is provided in the Capital Budget Monitoring Report, presented to the Executive on 27 November 2017.

5.3 Changes to the Financing of the Capital Programme

5.3.1 There are no significant changes to the financing of the capital programme to report at this stage.

5.3.2 The table below draws together the main strategy elements of the capital expenditure plans (above), highlighting the original funding of the capital programme, and the expected funding 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.

Capital Financing	2017/18 Original Estimate £'000	2017/18 Revised Estimate £'000
Capital Grants	23,610	11,360
Capital Receipts	2,870	3,100
From Reserves	750	460
Revenue Contribution	10,210	8,920
Supported Borrowing	3,510	2,090
Unsupported Borrowing	8,870	6,580
Loan	1,000	1,000
Underspend from 2016/17	560	0
Total	**51,380**	**33,510**

5.4 Changes to the Prudential Indicators for the Capital Financing Requirement (CFR), External Debt and the Operational Boundary

5.4.1 The table below 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.

5.4.2 Prudential Indicator – Capital Financing Requirement

5.4.2.1 We are currently slightly below the original forecast Capital Financing Requirement due to the forecast underspend in the 21st Century schools programme, meaning less borrowing will be undertaken in 2017/18.

5.4.3 Prudential Indicator – External Debt/the Operational Boundary

	2017/18 Original Estimate £000	2017/18 Revised Estimate £000
Prudential Indicator – Capital Financing Requirement		
CFR – Council Fund	100,080	96,370
CFR – HRA	41,650	41,650
Total CFR	141,730	138,060
Net movement in CFR	7,720	4,010

	2017/18 Original Estimate £000	2017/18 Estimate Borrowing Position £000	Amount Within The Boundary £000
Prudential Indicator – External Debt/the Operational Boundary			
Borrowing	162,000	118,010	43,990
Other long term liabilities	3,000	Nil	3,000
Total debt 31 March	165,000	118,010	46,990

5.5 Limits to Borrowing Activity

5.5.1 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. Gross external borrowing should not, except in the short term, exceed the total of CFR in the preceding year plus the estimates of any additional CFR for 2017/18 and the next two financial years. This allows some flexibility for limited early borrowing for future years. The Council has approved a policy for borrowing in advance of need which will be adhered to if this proves prudent.

	2017/18 Original Estimate £000	CFR Position at 30 September 2017 £000	2017/18 Revised Estimate £000
Gross borrowing	141,730	111,430	138,060
Plus other long term liabilities	Nil	Nil	Nil
Gross borrowing	141,730	111,430	138,060
CFR (year-end position)	141,730	n/a	138,060

5.5.2 It is not envisaged that there will be any difficulties for the current year in complying with this prudential indicator.

5.5.3 A further prudential indicator controls the overall level of borrowing. This is the Authorised Limit which represents the limit beyond which borrowing is prohibited, and needs to be set and revised by Members, currently £170m. 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.

Authorised limit for external debt	2017/18 Original Indicator	Current Borrowing Position as at 30 September 2017 £'000
Borrowing	167,000	111,430
Other long term liabilities	3,000	Nil
Total	170,000	111,430

6. Investment Portfolio 2017/18

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 current 0.25% Bank Rate. The continuing potential for a re-emergence of a Eurozone sovereign debt crisis, and its impact on banks, prompts a low risk and short term strategy. Given this risk environment and the fact that increases in Bank Rate are likely to be gradual and unlikely to return to the levels seen in previous decades, investment returns are likely to remain low.

6.2 The Council held £9.4m of investments as at 30 September 2017 (£13.3m at 31 March 2017) and the investment portfolio yield for the first six months of the year was 0.15%. A full list of investments as at 30th September 2017 can be found in Appendix 4. A summary of the investments and rates can be found in Appendix 3.

6.3 The approved limits within the Annual Investment Strategy were not breached during the first six months of 2017/18.

6.4 The Council's budgeted investment return for 2017/18 is £0.015m and performance for the year to date exceeds the budget, with £0.013m received to the end of Quarter 2.

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

6.6 During the first six months of 2017/18, a fixed term investment matured from the London Borough of Barking & Dagenham for £5m on the 22 May 2017. This investment was recalled and placed in one of our call accounts.

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

7. Borrowing

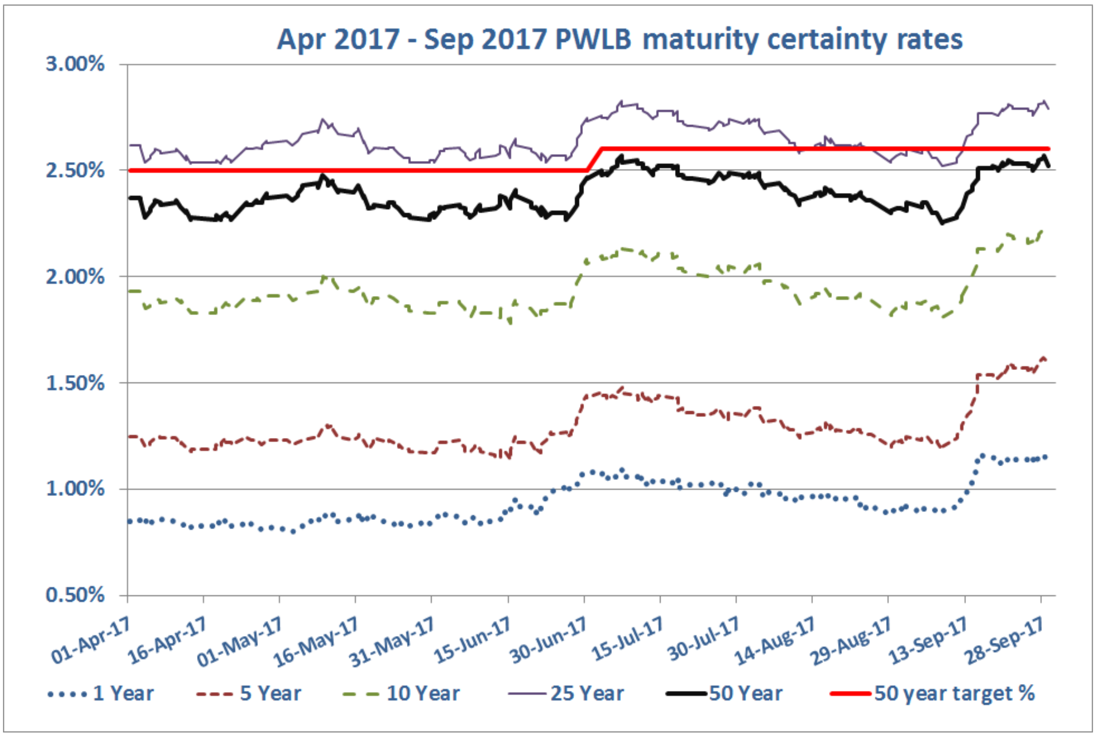
7.1 The projected capital financing requirement (CFR) for 2017/18 is £138.1m. The CFR denotes the Council's underlying need to borrow for capital purposes. If the CFR is positive, the Council may borrow from the PWLB or the market (external borrowing) or from internal balances on a temporary basis (internal borrowing). The balance of external and internal borrowing is generally driven by market conditions. The Council has projected year end borrowings of £118.0m and will have used £20.1m of cash flow funds in lieu of borrowing. This is a prudent and cost effective approach in the current economic climate but will require ongoing monitoring in the event that upside risk to gilt yields prevails.

7.2 No borrowing was undertaken during the first half of this financial year. However, it is anticipated that borrowing will need to be undertaken during the second half of the financial year.

7.3 During the first six months of the financial year, two separate Long Term Loans with the PWLB matured. The first loan for £2.5m matured on 06/06/17, and the interest rate on this loan was 3.25%. The second loan for £3.0m matured on 17/07/17, and the interest rate on this loan was 10.375%. These repayments were made from existing cash balances and no new loans were undertaken to fund the repayment.

7.4 The graph and table below show the movement in PWLB certainty rates for the first six months of the year to date. We are using the information in the graph to assist with any future borrowings. Although the rates have recently started to move up, we are still not borrowing long term. We will borrow short term to ensure adequate cash balances, and keep the situation under review taking advice from our Treasury advisors:-

PWLB certainty rates 1 April 2017 to 30 September 2017



8. Debt Rescheduling

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

9. Activity since Quarter

9.1 Since Quarter 2 ended, the authority has arranged to borrow £5m from Tyne & Wear Pension Fund South shields. The borrowing will take place from 20/10/17 until 19/01/18 at a rate of 0.33%. This decision is in line with our current borrowing strategy of only borrowing longer term when we require the funding and not to borrow simply to take advantage of low borrowing rates as the cost of carry (difference between the interest paid and the investment return) is too high.

10. Plans for next year

10.1 At its next meeting in February, this Committee will consider the plans for borrowing for the next financial year. The initial plan for 2018/19, as outlined in the Capital Strategy approved by the Executive at its meeting on 30 October 2017 is:-

- to use the required sum from the available general supported borrowing allocation of £2.192m, and £2.558m of specific supported borrowing for the 21st century schools programme; and
- to borrow £3.433m on an unsupported basis for the 21st century schools programme.

11. Additional updates

11.1 Revised CIPFA Codes - The Chartered Institute of Public Finance and Accountancy, (CIPFA), is currently conducting an exercise to consult local authorities on revising the Treasury Management Code and Cross Sectoral Guidance Notes, and the Prudential Code. CIPFA is aiming to issue the revised codes during November. A particular focus of this exercise is how to deal with local authority investments which are not treasury type investments e.g. by investing in purchasing property in order to generate income for the authority at a much higher level than can be attained by treasury investments. Officers are monitoring developments and will report to members when the new codes have been agreed and issued and on the likely impact on this authority.

11.2 MIFID II - The EU has now set a deadline of 3 January 2018 for the introduction of regulations under MIFID II. These regulations will govern the relationship that financial institutions conducting lending and borrowing transactions will have with local authorities from that date. There are two options available to the council, either to opt up to professional status, or to remain as retail clients. If the authority decides to opt up to professional status this would allow access to money market investments, which are permitted under the strategy, however, under this status the council has less protection for its Treasury Management investments. Upon opting up, the Council also must have £10m in its investment portfolio at some point during the year and are required to achieve a minimum amount of transactions per quarter. If the council remains as retail clients, it can still access all of its current investments types such as call accounts, but it would not be able to access money markets. Following discussions with the Council's Treasury Management Advisors, the Council can achieve the required criteria for professional status and have therefore taken the decision to opt for the professional status.

12. Recommendation

12.1 To consider the content of the report and forward any comments onto the Executive.

Diweddariad ar yr Economidd hyd yma a'r rhagolygiad/ Economic Update

1. United Kingdom (UK)

After the UK economy surprised on the upside with strong growth in 2016, growth in 2017 has been disappointingly weak; quarter 1 came in at only +0.3% (+1.7% y/y) and quarter 2 was +0.3% (+1.5% y/y) which meant that growth in the first half of 2017 was the slowest for the first half of any year since 2012. . The main reason for this has been the sharp increase in inflation, caused by the devaluation of sterling after the referendum, feeding increases in the cost of imports into the economy. This has caused, in turn, a reduction in consumer disposable income and spending power and so the services sector of the economy, accounting for around 75% of GDP, has seen weak growth as consumers cut back on their expenditure. However, more recently there have been encouraging statistics from the manufacturing sector which is seeing strong growth, particularly as a result of increased demand for exports. It has helped that growth in the EU, our main trading partner, has improved significantly over the last year. However, this sector only accounts for around 11% of GDP so expansion in this sector will have a much more muted effect on the average total GDP growth figure for the UK economy as a whole.

The Monetary Policy Committee (MPC) meeting of 14 September 2017 surprised markets and forecasters by suddenly switching to a much more aggressive tone in terms of its words around warning that Bank Rate will need to rise. The Bank of England Inflation Reports during 2017 have clearly flagged up that they expected CPI inflation to peak at just under 3% in 2017, before falling back to near to its target rate of 2% in two years time. Inflation actually came in at 2.9% in August, (this data was released on 12 September), and so the Bank revised its forecast for the peak to over 3% at the 14 September meeting MPC. This marginal revision can hardly justify why the MPC became so aggressive with its wording; rather, the focus was on an emerging view that with unemployment falling to only 4.3%, the lowest level since 1975, and improvements in productivity being so weak, that the amount of spare capacity in the economy was significantly diminishing towards a point at which they now needed to take action. In addition, the MPC took a more tolerant view of low wage inflation as this now looks like a common factor in nearly all western economies as a result of increasing globalisation. This effectively means that the UK labour faces competition from overseas labour e.g. in outsourcing work to third world countries, and this therefore depresses the negotiating power of UK labour. However, the Bank was also concerned that the withdrawal of the UK from the EU would effectively lead to a decrease in such globalisation pressures in the UK, and so would be inflationary over the next few years.

It therefore looks very likely that the MPC will increase Bank Rate to 0.5% in November or, if not, in February 2018. The big question after that will be whether this will be a one off increase or the start of a slow, but regular, increase in Bank Rate. As at the start of October, short sterling rates are indicating that financial markets do not expect a second increase until May 2018 with a third increase in November 2019. However, some forecasters are flagging up that they expect growth to improve significantly in 2017 and into 2018, as the fall in inflation will bring to an end the negative impact on consumer spending power while a strong export performance will compensate for weak services sector growth. If this scenario were to materialise, then the MPC would have added reason to embark on a series of slow but gradual increases in Bank Rate during 2018. While there is so much uncertainty around the Brexit negotiations, consumer confidence, and business confidence to spend on investing, it is far too early to be confident about how the next two years will pan out.

2. European Union (EU)

Economic growth in the EU, (the UK's biggest trading partner), has been lack lustre for several years after the financial crisis despite the ECB eventually cutting its main rate to -0.4% and embarking on a massive programme of QE. However, growth picked up in 2016 and now looks to have gathered ongoing substantial strength and momentum thanks to this stimulus. GDP growth was 0.5% in quarter 1 (2.0% y/y) and 0.6% in quarter (2.3% y/y). However, despite providing massive monetary stimulus, the European Central Bank is still struggling to get inflation up to its 2% target and in August inflation was 1.5%. It is therefore unlikely to start on an upswing in rates until possibly 2019.

3. United States of America (USA)

Growth in the American economy has been volatile in 2015 and 2016. 2017 is following that path again with quarter 1 coming in at only 1.2% but quarter 2 rebounding to 3.1%, resulting in an overall annualised figure of 2.1% for the first half year. Unemployment in the US has also fallen to the lowest level for many years, reaching 4.4%, while wage inflation pressures, and inflationary pressures in general, have been building. The Fed has started on a gradual upswing in rates with three increases since December 2016; and there could be one more rate rise in 2017 which would then lift the central rate to 1.25 – 1.50%. There could then be another four more increases in 2018. At its June meeting, the Fed strongly hinted that it would soon begin to unwind its $4.5 trillion balance sheet holdings of bonds and mortgage backed securities by reducing its reinvestment of maturing holdings.

4. China

Chinese economic growth has been weakening over successive years, despite repeated rounds of central bank stimulus; medium term risks are increasing. Major progress still needs to be made to eliminate excess industrial capacity and the stock of unsold property, and to address the level of non-performing loans in the banking and credit systems.

5. Japan

Japan is struggling to stimulate consistent significant growth and to get inflation up to its target of 2%, despite huge monetary and fiscal stimulus. It is also making little progress on fundamental reform of the economy.

Rhan o gyngor dderbyniwyd gan / An extract from advice received from: Capita Asset Services

Sylwadau ar y rhagolygon diweddaraf ar raddfeydd llog/Commentary on the latest interest rates forecasts

Capita Asset Services undertook its last review of interest rate forecasts on 9 August after the quarterly Bank of England Inflation Report. There was no change in MPC policy at that meeting. However, the MPC meeting of 14 September revealed a sharp change in sentiment whereby a majority of MPC members said they would be voting for an increase in Bank Rate "over the coming months". It is therefore possible that there will be an increase to 0.5% at the November MPC meeting. If that happens, the question will then be as to whether the MPC will stop at just withdrawing the emergency Bank Rate cut of 0.25% in August 2016, after the result of the EU withdrawal referendum, or whether they will embark on a series of further increases in Bank Rate during 2018.
The overall balance of risks to economic recovery in the UK is currently to the downside but huge variables over the coming few years include just what final form Brexit will take, when finally agreed with the EU, and when.

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

- UK economic growth and increases in inflation are weaker than we currently anticipate.
- Weak growth or recession in the UK's main trading partners - the EU and US.
- Geopolitical risks in Europe, the Middle East and Asia, which could lead to increasing safe haven flows.
- A resurgence of the Eurozone sovereign debt crisis.
- Weak capitalisation of some European banks.
- Monetary policy action failing to stimulate sustainable growth and to get inflation up consistently to around monetary policy target levels.

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

- The pace and timing 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 causing an increase in the inflation premium inherent to gilt yields.

Rhan o gyngor dderbyniwyd gan / An extract from advice received from: Capita Asset Services

Crynodeb Benthyca a Buddsoddi – Chwarteroedd 1 a 2 2017/18
Borrowing and Investment Summary – Quarters 1 and 2 2017/18

	30 Medi / Sept 2017		30 Mehefin / June 2017	
	£m	% (talwyd ar fenthyca a derbyniwyd ar fuddsoddiad) / (paid on borrowing and received on investment)	£m	% (talwyd ar fenthyca a derbyniwyd ar fuddsoddiad) / (paid on borrowing and received on investment)
Benthyca – graddfa sefydlog Borrowing – fixed rate	111.4	5.15	114.4	5.29
Benthyca – graddfa amrywiol Borrowing – variable rate	Dim / Nil	d/b / n/a	Dim / Nil	d/b / n/a
Adneuon – galw hyd at 30 diwrnod Deposits – Call to 30 days	9.4	0.15	15.7	0.14
Adneuon – Tymor sefydlog < 1 bl. Deposits – Fixed Term < 1 year	Dim / Nil	d/b / n/a	Dim / Nil	d/b / n/a
Adneuon – Tymor sefydlog 1 bl. + Deposits – Fixed Term 1 year +	Dim / Nil	d/b / n/a	Dim / Nil	d/b / n/a
Cyfanswm Adneuon Total Deposits	9.4	0.15	15.7	0.14
Cyfartaledd Adneuon yn y Chwarter Highest Deposits in the Quarter	19.0	d/b / n/a	26.0	d/b / n/a
Cyfartaledd Adneuon yn y Chwarter Lowest Deposits in the Quarter	8.8	d/b / n/a	13.3	d/b / n/a
Cyfartaledd Adneuon yn y Chwarter Average Deposits in the Quarter	17.6	0.16	20.8	0.16

Ni dorwyd unrhyw un o'r dangosyddion trysorlys yn ystod hanner cyntaf y flwyddyn.
None of the treasury indicators were breached during the first half of the year.

ATODIAD / APPENDIX 4

Graddfeydd Credyd Gwrthbartion buddsoddi a'r adneuon a ddelir gyda phob un ar 30 Medi 2017*
Credit ratings of investment counterparties and deposits held with each as at 30 September 2017*

Grŵp Bancio/ Banking Group	Sefydliad/ Institution	Adneuon / Deposit £'000	Hyd (Galw Tymor Sefydlog) / Duration (Call / Fixed Term**)	Cyfnod (O/I) / Period (From / To)	Graddfa Dychweliad/ Rate of Return %	Graddfa Tymor Hir Fitch Long Term Rating	Graddfa Tymor Byr Fitch Short Term Rating	Graddfa Tymor Hir Moody's Long Term Rating	Graddfa Tymor Byr Moody's Short Term Rating	Graddfa Tymor Hir Standard & Poor's (S&P) Long Term Rating	Graddfa Tymor Byr Standard & Poor's (S&P) Short Term Rating	Lliw Sector/Hyd Awgrymiedig/ Sector Colour / Suggested Duration
Lloyds Banking Group plc	Bank of Scotland plc	**1,591**	**Galw/ Call**	**n/a**	**0.15**	**A+**	**F1**	**Aa3**	**P-1**	**A**	**A-1**	**Coch - 6 mis/ Red - 6 months**
Santander Group plc	Santander UK plc	**7,457**	**Galw/ Call**	**n/a**	**0.15**	**A**	**F1**	**Aa3**	**P-1**	**A**	**A-1**	**Coch – 6 mis/ Red - 6 months**
The Royal Bank of Scotland Group plc	The Royal Bank of Scotland plc	**2**	**Galw/ Call**	**n/a**	**0.10**	**BBB+**	**F2**	**A2**	**P-1**	**BBB+**	**A-2**	**Glas - 12 mis / Blue - 12 months**
National Westminster Bank Ltd	National Westminster Bank Ltd Cash Manager A/c	**334**	**Galw/Call**	**n/a**	**0.01**	**BBB+**	**F2**	**A2**	**P-1**	**BBB+**	**A-2**	**Glas – 12 mis / Blue – 12 months**

* Ceir y Rhestr Benthyca Cymeradwyedig yn Atodiad 6 o'r Datganiad Strategaeth Rheoli Trysorlys 2017/18/Strategaeth Buddsoddi Blynyddol/ The Approved Lending List can be found at Appendix 6 of the 2017/18 Treasury Management Strategy Statement / Annual Investment Strategy

** Sef tymor ar pwynt y buddsoddi/Being term at the point of investment.

Approved countries for investments

Based upon lowest available sovereign credit rating

AAA
- Australia
- Canada
- Denmark
- Germany
- Luxembourg
- Netherlands
- Norway
- Singapore
- Sweden
- Switzerland

AA+
- Finland
- Hong Kong
- U.S.A.

AA
- Abu Dhabi (UAE)
- France
- U.K.

AA-
- Belgium
- Qatar

Graffiau Ychwanegol / Additional Graphs