

## Interest Rate Forecasts Mar 2015 - Mar 2018

## APPENDIX A

	Mar 2015	Jun 2015	Sep 2015	Dec 2015	Mar 2016	Jun 2016	Sep 2016	Dec 2016	Mar 2017	Jun 2017	Sep 2017	Dec 2017	Mar 2018
<b>Capita Asset Services Interest Rate View</b>													
Bank Rate	0.50%	0.50%	0.50%	0.75%	0.75%	1.00%	1.00%	1.25%	1.25%	1.50%	1.75%	1.75%	2.00%
3 month LIBID	0.50%	0.50%	0.60%	0.80%	0.90%	1.10%	1.10%	1.30%	1.40%	2.50%	1.80%	1.90%	2.10%
6 month LIBID	0.70%	0.70%	0.80%	1.00%	1.10%	1.20%	1.30%	1.50%	1.60%	1.70%	2.00%	2.10%	2.30%
12 month LIBID	0.90%	1.00%	1.10%	1.30%	1.40%	1.50%	1.60%	1.80%	1.90%	2.00%	2.30%	2.40%	2.60%
5yr PWLB Rate	2.20%	2.20%	2.30%	2.50%	2.60%	2.80%	2.90%	3.00%	3.20%	3.30%	3.40%	3.50%	3.60%
10yr PWLB Rate	2.80%	2.80%	3.00%	3.20%	3.30%	3.50%	3.60%	3.70%	3.80%	3.90%	4.00%	4.10%	4.20%
25yr PWLB Rate	3.40%	3.50%	3.70%	3.80%	4.00%	4.20%	4.30%	4.40%	4.50%	4.60%	4.70%	4.70%	4.80%
50yr PWLB Rate	3.40%	3.50%	3.70%	3.80%	4.00%	4.20%	4.30%	4.40%	4.50%	4.60%	4.70%	4.70%	4.80%
<b>Bank Rate</b>													
Capita Asset Services	0.50%	0.50%	0.50%	0.75%	0.75%	1.00%	1.00%	1.25%	1.25%	1.50%	1.75%	1.75%	2.00%
Capital Economics	0.50%	0.50%	0.75%	0.75%	1.00%	1.00%	1.25%	1.25%					
<b>5yr PWLB Rate</b>													
Capita Asset Services	2.20%	2.20%	2.30%	2.50%	2.60%	2.80%	2.90%	3.00%	3.20%	3.30%	3.40%	3.50%	3.60%
Capital Economics	2.20%	2.50%	2.70%	3.00%	3.10%	3.20%	3.30%	3.40%					
<b>10yr PWLB Rate</b>													
Capita Asset Services	2.80%	2.80%	3.00%	3.20%	3.30%	3.50%	3.60%	3.70%	3.80%	3.90%	4.00%	4.10%	4.20%
Capital Economics	2.80%	3.05%	3.30%	3.55%	3.60%	3.65%	3.70%	3.80%					
<b>25yr PWLB Rate</b>													
Capita Asset Services	3.40%	3.50%	3.70%	3.80%	4.00%	4.20%	4.30%	4.40%	4.50%	4.60%	4.70%	4.70%	4.80%
Capital Economics	3.25%	3.45%	3.65%	3.85%	3.95%	4.05%	4.15%	4.25%					
<b>50yr PWLB Rate</b>													
Capita Asset Services	3.40%	3.50%	3.70%	3.80%	4.00%	4.20%	4.30%	4.40%	4.50%	4.60%	4.70%	4.70%	4.80%
Capital Economics	3.30%	3.50%	3.70%	3.90%	4.00%	4.10%	4.20%	4.30%					

ORGANISATION	Min. Credit Criteria		Maximum limit per institution	Maximum maturity period
	Short-Term	Long-Term		
Deposits with Banks and Building Societies (including unconditionally guaranteed subsidiaries)	Minimum F1+	AAA, AA+, AA,	£7.5m	As per colour band - see Section 6 of TMSS
	Minimum F1+	Minimum AA-	£5m	
	Minimum F1	A+, A	£2.5m	
UK nationalised / part nationalised banks	F1+		£7.5m	1 year
CDs or corporate bonds with Banks and Building Societies *	As per colour band		As above	As per colour band
UK Govt. Gilts	UK sovereign rating		£10m	1 year
UK Govt. Treasury Bills	UK sovereign rating		£10m	1 year
UK Local & Police Authorities			Unlimited	1 year
Debt Management Agency Deposit Facility			Unlimited	6 mths
Money Market Funds / Enhanced Money Market Funds	AAA		£10m	Liquid
Bonds issued by Multilateral Development Banks	UK sovereign rating		£3m	6 mths

**Notes:**

- Sovereign debt rating of AAA only + UK counterparties
- Country limit £10m
- Limit in all Building Societies £10m
- Limit of £20m in aggregate in non-specified investments

\* Covered by UK Government (explicit) guarantee

*Based on Lowest available rating*

<b>AAA</b>	Australia
	Canada
	Denmark
	Germany
	Luxembourg
	Norway
	Singapore
	Sweden
	Switzerland
<b>AA+</b>	Finland
	Hong Kong
	Netherlands
	U.K.
	U.S.A.
<b>AA</b>	Abu Dhabi (UAE)
	France
	Qatar
<b>AA-</b>	Belgium
	Saudi Arabia