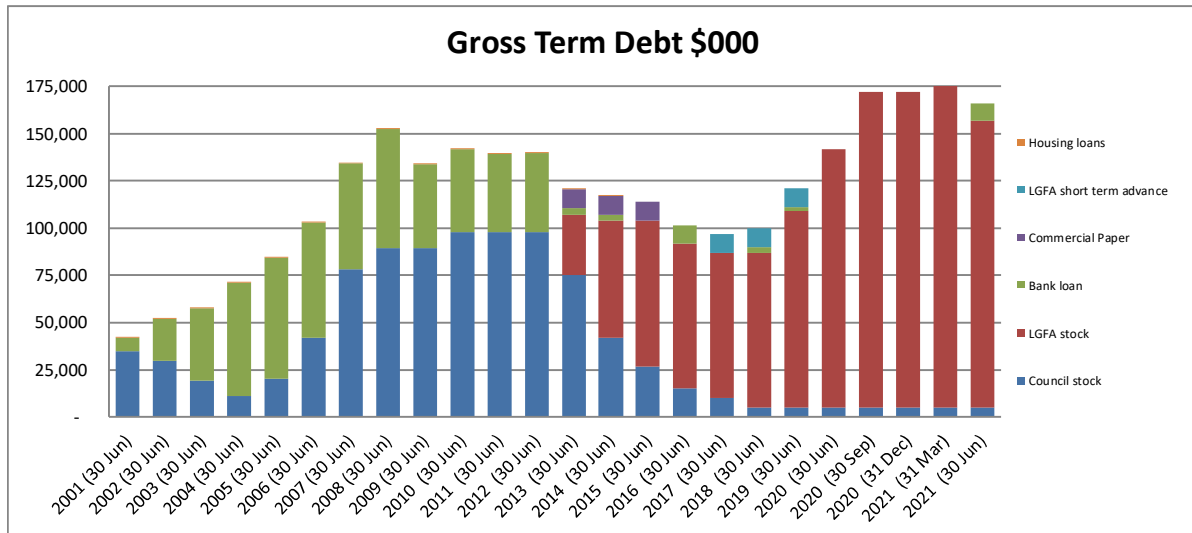
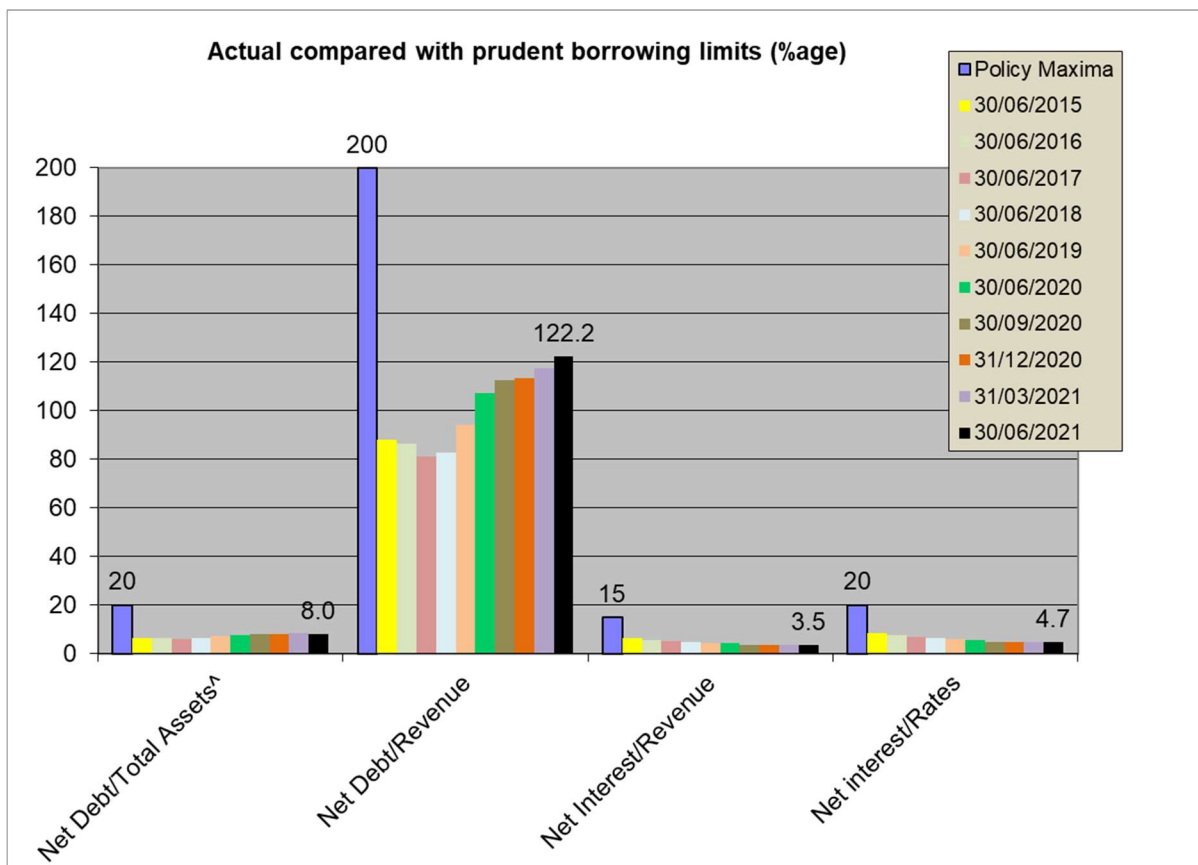


Schedule 1 - Debt levels & Prudent Borrowing Ratios

Palmerston North City Council								
Term Debt as at 30 June 2021								
1. Loan Stock on Issue - Council debentures						Current		
Issue Date	Term	Principal	Margin over BKBM	Interest Rate	Maturity Date	as at 30/06/2021	Interest Rate	Reset Date
FRN 5 Aug 16	6	5,000,000	0.6300%	0.9900%	5-Aug-2022		Floating Qtrly	5-Aug-21
		5,000,000						
2. Loan Stock on Issue - Borrowed from LGFA								
LGFA 13 Apr 15	7	10,000,000	0.3300%	0.6750%	5-Apr-2022	10,000,000	Floating Qtrly	5-Jul-21
LGFA 18 Aug 14	9	10,000,000	0.6325%	0.9725%	17-Apr-2023		Floating Qtrly	15-Jul-21
LGFA 15 Apr 20	3	10,000,000	0.7350%	1.0750%	17-Apr-2023		Floating Qtrly	15-Jul-21
LGFA 23 Jul 18	6	15,000,000	0.5525%	0.8925%	15-Apr-2024		Floating Qtrly	15-Jul-21
LGFA 15 Apr 20	4	5,000,000	0.7850%	1.1250%	15-Apr-2024		Floating Qtrly	15-Jul-21
LGFA 6 Sep 17	7	6,000,000	0.6000%	0.9200%	15-Sep-2024		Floating Qtrly	15-Sep-21
LGFA 6 Sep 17	8	6,000,000	0.6600%	1.0000%	15-Apr-2025		Floating Qtrly	15-Jul-21
LGFA 28 Jan 20	5	8,000,000	0.5400%	0.8800%	15-Apr-2025		Floating Qtrly	15-Jul-21
LGFA 13 Jul 20	5	5,000,000	0.6700%	1.0100%	15-Apr-2025		Floating Qtrly	15-Jul-21
LGFA 22 Mar 18	8	5,000,000	0.7250%	1.0650%	15-Apr-2026		Floating Qtrly	15-Jul-21
LGFA 17 Jun 19	7	7,000,000	0.6525%	0.9925%	15-Apr-2026		Floating Qtrly	15-Jul-21
LGFA 11 May 20	6	5,000,000	0.6600%	1.0000%	15-Apr-2026		Floating Qtrly	15-Jul-21
LGFA 13 Jul 20	6	5,000,000	0.7225%	1.0625%	15-Apr-2026		Floating Qtrly	15-Jul-21
LGFA 16 Mar 15	12	5,000,000	0.4575%	0.7975%	15-Apr-2027		Floating Qtrly	15-Jul-21
LGFA 8 Jun 15	12	5,000,000	0.4525%	0.7925%	15-Apr-2027		Floating Qtrly	15-Jul-21
LGFA 11 Aug 20	7	10,000,000		1.1200%	15-Apr-2027		Fixed	
LGFA 9 Feb 21	6	5,000,000		1.3579%	15-Apr-2027		Fixed	
LGFA 17 Dec 18	10	5,000,000	0.7875%	1.1275%	18-Apr-2028		Floating Qtrly	15-Jul-21
LGFA 7 Oct 19	9	5,000,000	0.7100%	1.0500%	18-Apr-2028		Floating Qtrly	15-Jul-21
LGFA 11 Aug 20	8	10,000,000	0.8300%	1.1700%	18-Apr-2028		Floating Qtrly	15-Jul-21
LGFA 17 Dec 18	11	10,000,000	0.8225%	1.1625%	15-Apr-2029		Floating Qtrly	15-Jul-21
		152,000,000						
3. Bank facilities								
ANZ (\$25m)		-			31-Mar-2024		Reset at any time	
				* plus line fee of 0.22%				
Westpac (\$18m)	On call	9,125,000		1.330%	31-Jul-2022		Reset at any time	
				* plus line fee of 0.27%				
4. Short term facility from LGFA								
		-						
Total as at 30 June 2021								
		166,125,000				10,000,000		



The Financial Strategy contains a series of ratios that the Council has determined to be prudent maxima. The chart below shows the actual results for since 2014/15 compared to those ratios.



[^] The Net Debt/Total Assets ratio became effective from 1 July 2015. Previously the ratio used was Net Debt/Equity and the actuals for the previous ratio are shown in this report for information. This figure is provisional as at 30 June 2021 as it awaits finalisation of the calculation of the total assets figure.

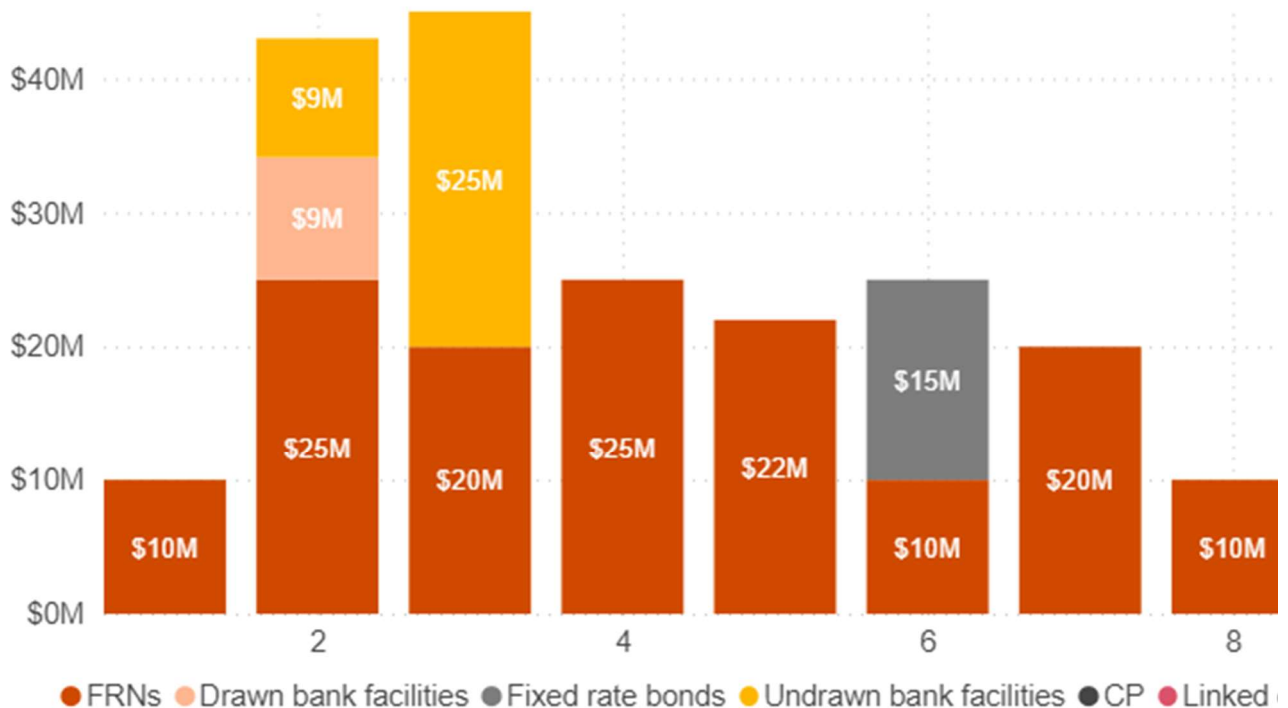
Schedule 2 – Interest Rate Swaps

Palmerston North City Council									
Interest Rate Swaps as at 30 June 2021									
Council pays fixed & receives floating on a monthly basis								Hedgebook	
Bank	Trade Date	Deal No	Amount	Start Date	Maturity	Fixed Interest rate	Current Floating rate	Reset date	Value at 30-Jun-21
			\$m						
Westpac	12-Feb-13	2882838	5.0	11-Mar-13	9-Dec-20	4.61%		Matured 9 Dec 20	
Active total at 30 Jun 21			-						0
								Current	0
								Term	0
Council pays fixed & receives floating on a quarterly basis								Current	Value at
Bank	Trade Date	Deal No	Amount	Start Date	Maturity	Fixed Interest rate	Floating rate	Reset date	30-Jun-21
			\$m						
Westpac	19-Aug-10	1656928	5.0	10-Oct-10	10-Jul-20	5.9350%		Matured 10 Jul 20	
ANZ	17-Dec-13	8539285	3.0	17-Feb-14	15-Nov-20	4.92%		Matured 15 Nov 20	
Westpac	21-Feb-14	3540565	5.0	7-Mar-14	7-Sep-20	6.295%		Matured 7 Sep 20	
Westpac	8-May-14	3673014	5.0	9-Jun-14	7-Sep-21	6.060%	0.320%	7-Sep-21	(71,509)
Westpac	8-May-14	3672892	5.0	10-Jul-14	11-Apr-22	5.690%	0.315%	12-Jul-21	(262,837)
Westpac	8-May-14	3672895	5.0	6-Jun-14	8-Jun-21	5.820%		Matured 8 Jun 21	
ANZ	20-Jun-14	9572093	5.0	15-Dec-14	15-Jun-23	4.840%	0.320%	15-Sep-21	(405,166)
Westpac	18-Jul-14	3787822	6.0	29-Sep-15	29-Sep-23	4.850%	0.340%	29-Sep-21	(537,160)
ANZ	28-Nov-14	10730910	5.0	15-Dec-17	15-Jun-24	4.500%	0.320%	15-Sep-21	(521,767)
ANZ	28-Nov-14	10730993	5.0	10-Apr-18	10-Oct-24	4.515%	0.315%	12-Jul-21	(603,850)
ANZ	3-May-17	15995740	6.0	22-Jul-19	21-Apr-22	3.350%	0.340%	21-Jul-21	(175,023)
BNZ	10-Jul-19	384538896	5.0	31-Jul-19	21-Jul-22	1.345%	0.340%	21-Jul-21	(53,320)
ANZ	29-Nov-18	18984011	5.0	6-Dec-19	6-Sep-23	2.555%	0.320%	6-Sep-21	(194,189)
Westpac	28-Nov-14	4040149	5.0	10-Jan-20	10-Jan-24	4.585%	0.315%	12-Jul-21	(507,048)
ANZ	29-Nov-18	18984258	2.0	6-Mar-20	6-Mar-29	3.095%	0.320%	6-Sep-21	(208,713)
Westpac	28-Nov-14	4040489	7.0	8-Jun-20	8-Dec-22	4.5675%	0.320%	8-Sep-21	(413,755)
Westpac	25-Feb-15	4218128	5.0	7-Sep-20	9-Sep-24	3.990%	0.320%	9-Sep-21	(474,842)
ANZ	25-Feb-15	11281075	3.0	16-Nov-20	15-Nov-24	3.990%	0.350%	16-Aug-21	(303,333)
Westpac	18-Jan-16	4910927	5.0	9-Dec-20	9-Jun-25	3.970%	0.320%	9-Sep-21	(548,602)
Westpac	25-Feb-15	4218131	5.0	8-Jun-21	10-Jun-24	3.990%	0.315%	10-Sep-21	(446,329)
Active total at 30 Jun 21			79.0						(5,727,443)
Westpac	26-Feb-16	5013577	5.0	11-Apr-22	12-Jan-26	3.635%		11-Apr-22	(394,617)
ANZ	27-Nov-17	17029213	5.0	15-Jun-23	15-Jun-27	3.7675%		15-Jun-23	(362,479)
ANZ	27-Nov-17	17029223	6.0	29-Sep-23	29-Jun-27	3.7875%		29-Sep-23	(400,423)
ANZ	27-Mar-18	17670250	5.0	15-Jun-24	15-Jun-29	3.840%		15-Jun-24	(384,960)
ANZ	27-Mar-18	17670276	5.0	10-Oct-24	10-Jan-31	3.920%		10-Oct-24	(457,531)
ANZ	27-Mar-18	17670295	5.0	10-Jun-24	10-Jun-32	3.935%		10-Jun-24	(571,824)
BNZ	27-Feb-20	384575543	7.0	8-Dec-22	8-Dec-28	1.3375%		8-Dec-22	232,242
ANZ	13-Oct-20	22956802	10.0	15-Apr-22	15-Apr-28	0.4025%		15-Apr-22	772,772
Westpac	25-Jun-21	9002142	10.0	15-Jun-22	15-Jun-28	1.8200%		15-Jun-22	(11,216)
Westpac	25-Jun-21	9002154	10.0	15-Sep-22	15-Sep-28	1.9000%		15-Sep-22	(18,353)
Westpac	25-Jun-21	9002127	10.0	15-Mar-23	15-Mar-28	1.9400%		15-Mar-23	(18,574)
Westpac	25-Jun-21	9002104	10.0	15-Jun-23	15-Sep-27	1.9325%		15-Jun-23	(17,320)
Forward start total at 30 Jun 21			88.0						(1,632,283)
									(7,359,726)
								Current	(2,719,281)
								Term	(4,640,445)
									(7,359,726)

Schedule 3 - Risk Exposure Position

Funding & Liquidity Risk Position – proportions of Debt within pre-set maturity bands

Funding and liquidity risk timeline



Funding summary

Bucket (years)	Maturing in period (\$)	Policy	Actual
0 - 3	98,000,000	15% - 60%	49%
3 - 7	92,000,000	25% - 85%	46%
7 - 15	10,000,000	0% - 60%	5%
Total	200,000,000		100%

< ————— >

Liquidity Ratio

Policy: $\geq 110\%$

Actual at 30 June 2021 120%

Gross external debt at 30 June 2021:
\$166,125,000

Undrawn bank facilities at 30 June 2021:
\$33,875,000

Interest Rate Risk Position – proportions of forecast Debt subject to floating versus fixed interest rates within pre-set policy limits

As at 30 June 2021

Total fixed rate instruments
\$94,000,000

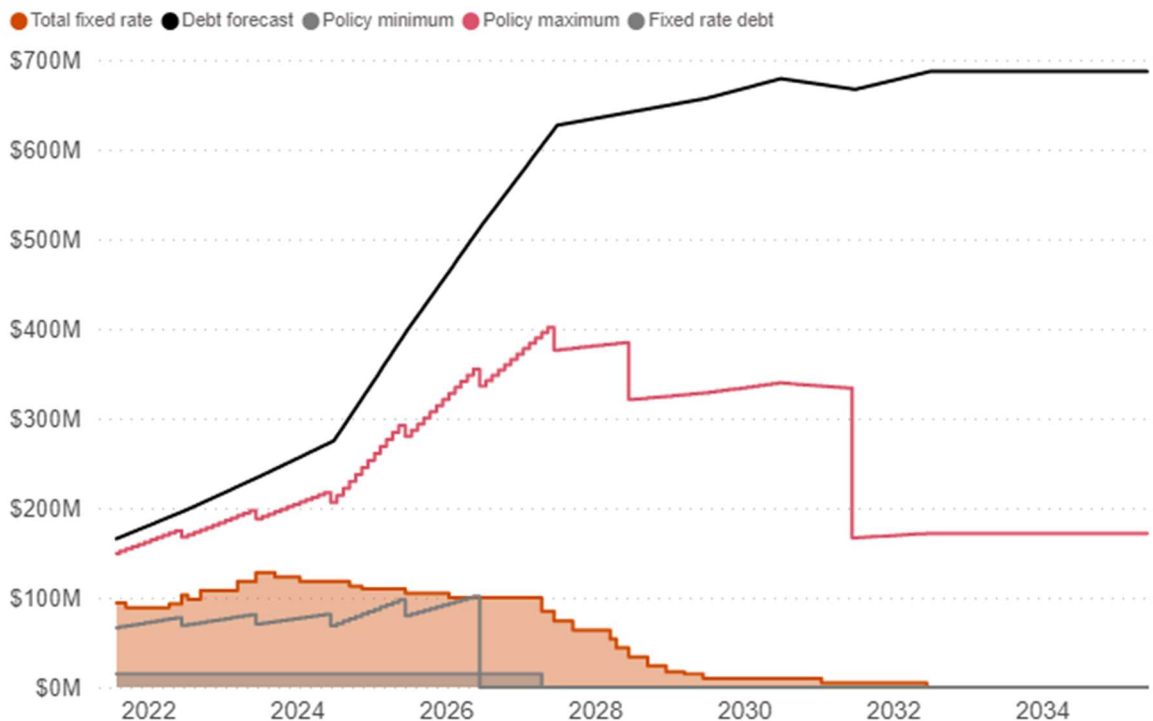
Weighted average fixed rate of fixed rate instruments
3.66%

Weighted average term of fixed rate instruments
5.4 years

Fixed proportions each year compared with policy – based on 10YP debt forecast with 30% haircut

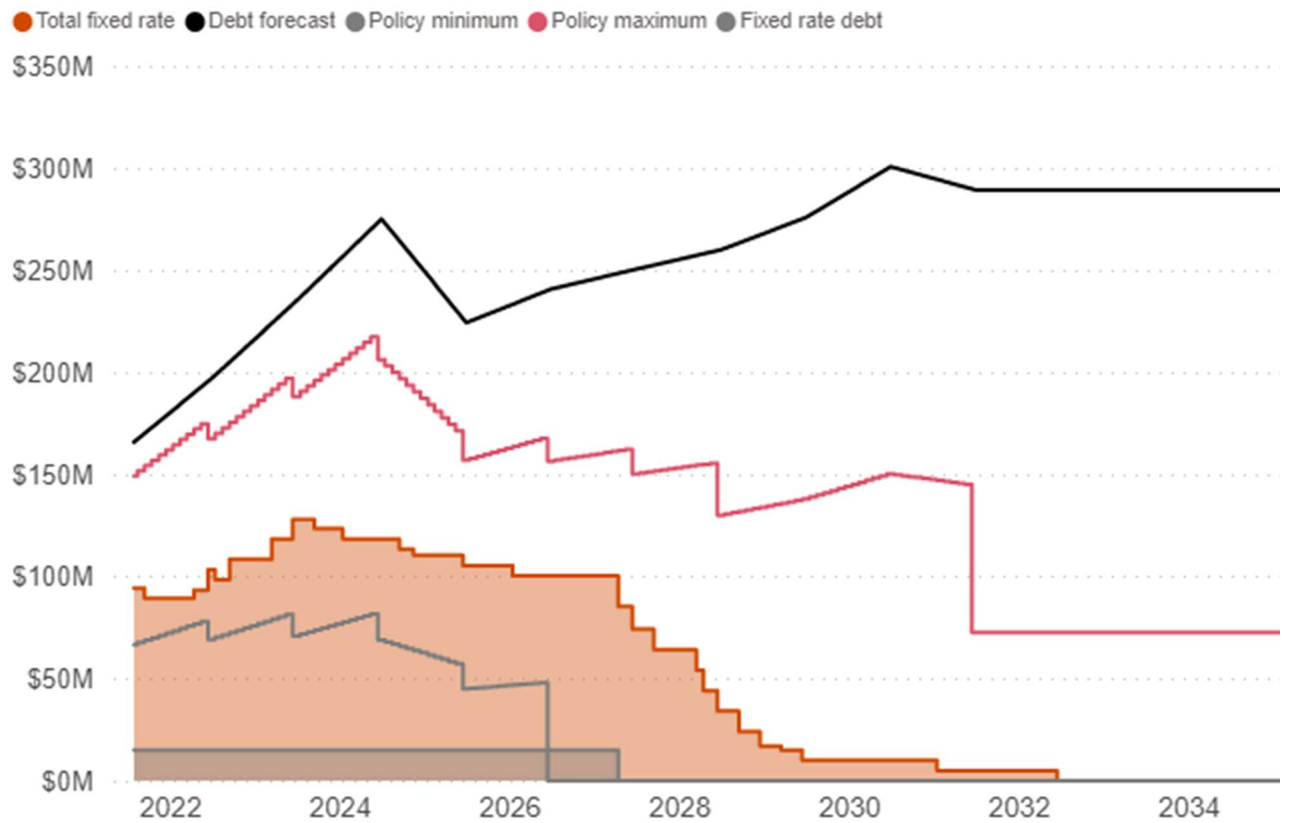
#	Bucket	Min	Max	Actual
1	0 - 12	40%	90%	51%
2	12 - 24	35%	85%	51%
3	24 - 36	30%	80%	48%
4	36 - 48	25%	75%	34%
5	48 - 60	20%	70%	23%
6	60 - 72	0%	65%	17%
7	72 - 84	0%	60%	10%
8	84 - 96	0%	50%	3%
9	96 - 108	0%	50%	1%
10	108 - 120	0%	50%	1%
11	120 - 132	0%	25%	1%
12	132 - 144	0%	25%	0%
13	144 - 156	0%	25%	0%
14	156 - 168	0%	25%	0%

Interest rate risk timeline



The shaded portion reflects the fixed portion of the forecast debt based on 10YP with 30% haircut

Interest rate risk timeline



The shaded portion reflects the fixed portion of the forecast debt (excluding three waters) based on 10YP with 30% haircut