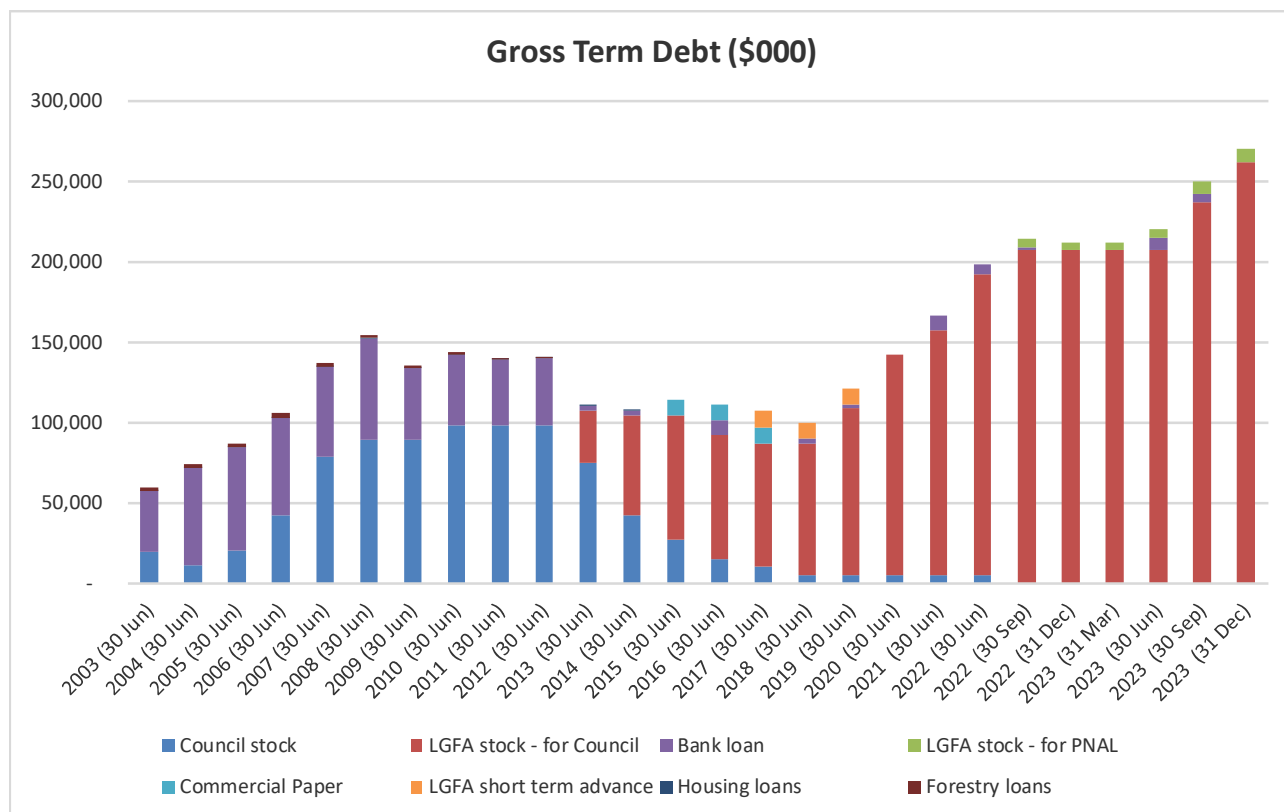


Schedule 1 - Debt levels & Prudent Borrowing Ratios

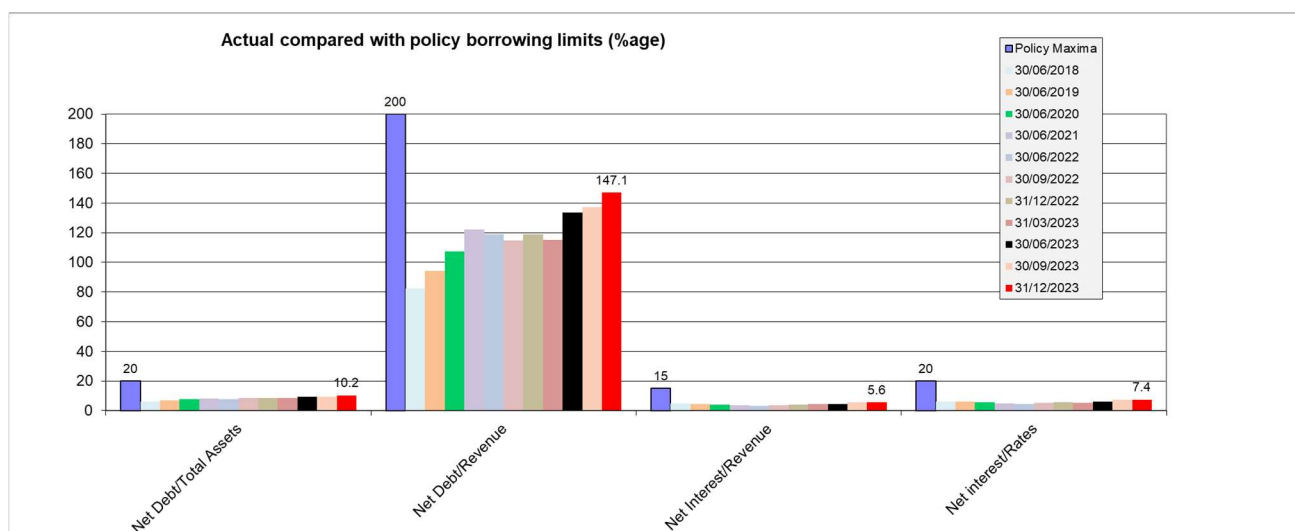
The following table shows the details of the tranches of debt on issue as at 31 December 2023:

Palmerston North City Council								
Term Debt as at 31 December 2023								
Issue Date	Term	Principal	Margin over BKBM	Interest Rate	Maturity Date	Current as at 30/09/2023	Interest Rate	Reset Date
1. Loan Stock on Issue - Borrowed from LGFA								
LGFA 23 Jul 18	6	15,000,000	0.5525%	6.2625%	15-Apr-2024	15,000,000	Floating Qtrly	15-Jan-24
LGFA 15 Apr 20	4	5,000,000	0.7850%	6.4950%	15-Apr-2024	5,000,000	Floating Qtrly	15-Jan-24
LGFA 6 Sep 17	7	6,000,000	0.6000%	6.2150%	15-Sep-2024	6,000,000	Floating Qtrly	15-Mar-24
LGFA 6 Sep 17	8	6,000,000	0.6600%	6.3700%	15-Apr-2025		Floating Qtrly	15-Jan-24
LGFA 28 Jan 20	5	8,000,000	0.5400%	6.2500%	15-Apr-2025		Floating Qtrly	15-Jan-24
LGFA 13 Jul 20	5	5,000,000	0.6700%	6.3800%	15-Apr-2025		Floating Qtrly	15-Jan-24
LGFA 22 Mar 18	8	5,000,000	0.7250%	6.4350%	15-Apr-2026		Floating Qtrly	15-Jan-24
LGFA 17 Jun 19	7	7,000,000	0.6525%	6.3625%	15-Apr-2026		Floating Qtrly	15-Jan-24
LGFA 11 May 20	6	5,000,000	0.6600%	6.3700%	15-Apr-2026		Floating Qtrly	15-Jan-24
LGFA 13 Jul 20	6	5,000,000	0.7225%	6.4325%	15-Apr-2026		Floating Qtrly	15-Jan-24
LGFA 27 Apr 23	3	10,000,000	0.5000%	6.2100%	15-Oct-2026		Floating Qtrly	15-Jan-24
LGFA 13 Nov 23	3	10,000,000	0.4600%	6.0625%	15-Oct-2026		Floating Qtrly	15-Jan-24
LGFA 16 Mar 15	12	5,000,000	0.4575%	6.1675%	15-Apr-2027		Floating Qtrly	15-Jan-24
LGFA 8 Jun 15	12	5,000,000	0.4525%	6.1625%	15-Apr-2027		Floating Qtrly	15-Jan-24
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 14 Aug 23	4	10,000,000	0.4900%	6.2000%	15-Jul-2027		Floating Qtrly	15-Jan-24
LGFA 28 Jul 22	5	5,000,000	0.5000%	6.2100%	15-Oct-2027		Floating Qtrly	15-Jan-24
LGFA 30 May 23	4	10,000,000		5.2300%	15-Oct-2027		Fixed	
LGFA 13 Nov 23	4	5,000,000	0.5890%	6.1915%	15-Oct-2027		Floating Qtrly	15-Jan-24
LGFA 17 Dec 18	10	5,000,000	0.7875%	6.4975%	18-Apr-2028		Floating Qtrly	15-Jan-24
LGFA 7 Oct 19	9	5,000,000	0.7100%	6.4200%	18-Apr-2028		Floating Qtrly	15-Jan-24
LGFA 11 Aug 20	8	10,000,000	0.8300%	6.5400%	18-Apr-2028		Floating Qtrly	15-Jan-24
LGFA 10 Jul 23	5	10,000,000	0.6680%	6.3780%	15-Jul-2028		Floating Qtrly	15-Jan-24
LGFA 14 Aug 23	5	10,000,000	0.6120%	6.3220%	15-Jul-2028		Floating Qtrly	15-Jan-24
LGFA 28 Jul 22	6	5,000,000	0.5500%	6.2600%	15-Oct-2028		Floating Qtrly	15-Jan-24
LGFA 14 Nov 22	6	5,000,000	0.6170%	6.3270%	15-Oct-2028		Floating Qtrly	15-Jan-24
LGFA 11 Dec 23	5	10,000,000	0.6730%	6.2468%	15-Oct-2028		Floating Qtrly	15-Jan-24
LGFA 17 Dec 18	11	10,000,000	0.8225%	6.5325%	15-Apr-2029		Floating Qtrly	15-Jan-24
LGFA 12 Jul 21	8	10,000,000	0.3950%	6.0600%	20-Apr-2029		Floating Qtrly	23-Jan-24
LGFA 19 Dec 22	7	5,000,000	0.6590%	6.3690%	15-Oct-2029		Floating Qtrly	15-Jan-24
LGFA 12 Jul 21	9	10,000,000	0.4350%	6.1450%	15-Apr-2030		Floating Qtrly	15-Jan-24
LGFA 18 Oct 21	9	5,000,000	0.4590%	6.1690%	15-Apr-2030		Floating Qtrly	15-Jan-24
LGFA 14 Mar 22	9	10,000,000	0.5700%	6.2100%	15-May-2031		Floating Qtrly	15-Feb-24
LGFA 14 Mar 22	9	10,000,000	0.5950%	6.3050%	15-Oct-2031		Floating Qtrly	15-Jan-24
		262,000,000						
2. Loan Stock on Issue - Borrowed from LGFA to on-lend to PNAL								
LGFA 11 Jul 22	5	5,128,205		4.1100%	15-Apr-2027		Fixed	
LGFA 14 Aug 23	5	3,076,923		5.4467%	15-Jul-2028		Fixed	
		8,205,128						
3. Bank facilities								
ANZ (\$25m)				6.650%	31-Mar-2026		Reset at any time	
Westpac (\$18m)	On call			* plus line fee of 0.22%				
				6.650%	31-Oct-2025		Reset at any time	
				* plus line fee of 0.3%				
4. Short term facility from LGFA								
		-						
Total as at 31 December 2023		270,205,128				26,000,000		

The following graph shows the changing nature of the structure of the debt portfolio over the last 20 years:



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 2017/18 compared to those ratios.



Schedule 2 – Interest Rate Swaps

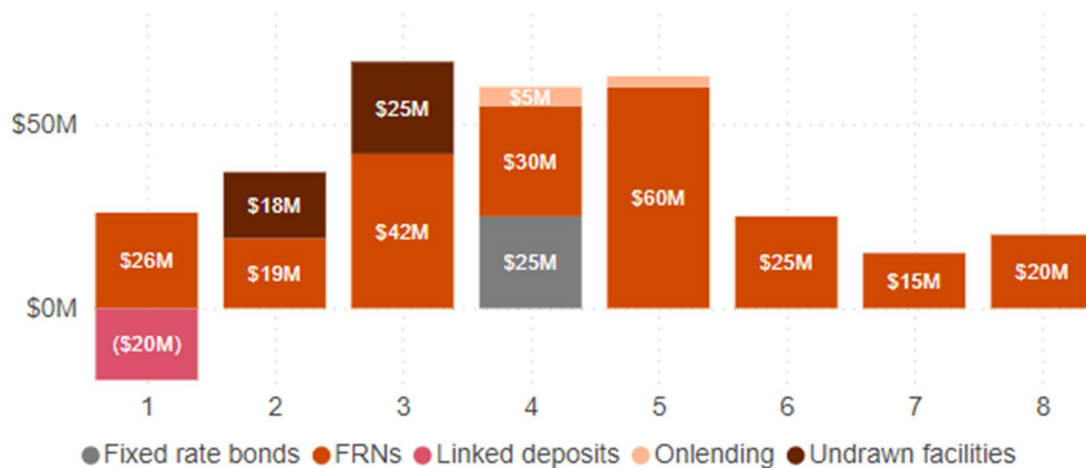
The following table schedules the swap financial instruments in place as at 31 December 2023:

Palmerston North City Council									
Interest Rate Swaps as at 31 December 2023									
Council pays fixed & receives floating on a quarterly basis							Current		Value at
Bank	Trade Date	Deal No	Amount	Start Date	Maturity	Fixed Interest	Floating	Reset date	31-Dec-23
			\$m			rate	rate		
ANZ	28-Nov-14	10730910	5.0	15-Dec-17	15-Jun-24	4.500%	5.615%	15-Mar-24	26,423
ANZ	28-Nov-14	10730993	5.0	10-Apr-18	10-Oct-24	4.515%	5.68%	10-Jan-24	47,447
ANZ	29-Nov-18	18984011	5.0	6-Dec-19	6-Sep-23	2.555%	5.69%	matured 6 Sep 23	
ANZ	29-Nov-18	18984258	2.0	6-Mar-20	6-Mar-29	3.095%	5.64%	6-Mar-24	111,431
Westpac	25-Feb-15	4218128	5.0	7-Sep-20	9-Sep-24	3.990%	5.630%	11-Mar-24	55,590
ANZ	25-Feb-15	11281075	3.0	16-Nov-20	15-Nov-24	3.990%	5.640%	15-Feb-24	41,646
Westpac	18-Jan-16	4910927	5.0	9-Dec-20	9-Jun-25	3.970%	5.63%	11-Mar-24	80,390
Westpac	25-Feb-15	4218131	5.0	8-Jun-21	10-Jun-24	3.990%	5.630%	11-Mar-24	38,667
ANZ	20-Jun-14	25213652	5.0	15-Dec-21	15-Jun-29	3.425%	5.615%	15-Mar-24	226,178
Westpac	16-Nov-21	9251755	7.0	8-Dec-21	8-Dec-28	3.190%	5.630%	8-Mar-24	346,420
Westpac	16-Nov-21	9251762	6.0	29-Dec-21	28-Sep-29	3.410%	5.64%	28-Mar-24	257,506
Westpac	16-Nov-21	9251772	5.0	10-Jan-22	10-Jan-30	3.380%	5.68%	10-Jan-24	254,297
Westpac	26-Feb-16	5013577	5.0	11-Apr-22	12-Jan-26	3.635%	5.680%	11-Jan-24	130,788
ANZ	13-Oct-20	22956802	10.0	15-Apr-22	15-Apr-28	0.4025%	5.71%	15-Jan-24	1,627,314
Westpac	25-Jun-21	9002142	10.0	15-Jun-22	15-Jun-28	1.8200%	5.615%	15-Mar-24	1,014,339
Westpac	25-Jun-21	9002154	10.0	15-Sep-22	15-Sep-28	1.9000%	5.615%	15-Mar-24	1,024,064
BNZ	27-Feb-20	384575543	7.0	8-Dec-22	8-Dec-28	1.3375%	5.630%	8-Mar-24	924,868
Westpac	25-Jun-21	9002127	10.0	15-Mar-23	15-Mar-28	1.9400%	5.615%	15-Mar-24	924,741
ANZ	27-Nov-17	17029213	5.0	15-Jun-23	15-Jun-27	3.7675%	5.615%	15-Mar-24	107,778
Westpac	25-Jun-21	9002104	10.0	15-Jun-23	15-Sep-27	1.9325%	5.615%	15-Mar-24	846,095
ANZ	27-Nov-17	17029223	6.0	29-Sep-23	29-Jun-27	3.7875%	5.64%	28-Mar-24	121,962
Active total at 31 Dec 23			126.0						8,207,944
ANZ	27-Mar-18	17670250	5.0	15-Jun-24	15-Jun-29	3.840%		15-Jun-24	62,617
ANZ	27-Mar-18	17670276	5.0	10-Oct-24	10-Jan-31	3.920%		10-Oct-24	42,325
ANZ	27-Mar-18	17670295	5.0	10-Jun-24	10-Jun-32	3.935%		10-Jun-24	82,444
Westpac	8-Jul-22	9735255	10.0	15-Apr-25	15-Apr-30	3.775%		15-Apr-25	90,864
Westpac	8-Jul-22	9735291	10.0	15-Jan-25	15-Sep-30	3.790%		15-Jan-25	116,949
ANZ	27-Apr-23	48752826	20.0	15-Apr-27	15-Apr-31	3.905%		15-Apr-27	102,938
ANZ	27-Apr-23	48752829	20.0	15-Jul-25	15-Jul-30	3.8025%		15-Jul-25	151,015
Forward start total at 31 Dec 23			75.0						649,152
								Total value	8,857,096

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)	Policy	Actual
0 - 3	15% - 60%	38%
3 - 7	25% - 85%	56%
7 - 15	0% - 60%	7%
Total		100%

Liquidity Ratio

Policy: $\geq 110\%$

Actual at 31 Dec 2023 117%

Gross external debt at 31 Dec 2023:

(Net debt i.e. Gross debt less pre-funding)

(Net debt less PNAL related debt)

\$270,205,128

\$250,705,128)

\$242,500,000)

Undrawn bank facilities at 31 Dec 2023:

\$43,000,000

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

As at 31 Dec 2023

Current fixed rate hedging

62%

Total fixed rate instruments

\$151,000,000

Weighted average fixed rate of fixed rate instruments

2.76%

Weighted average term of fixed rate instruments

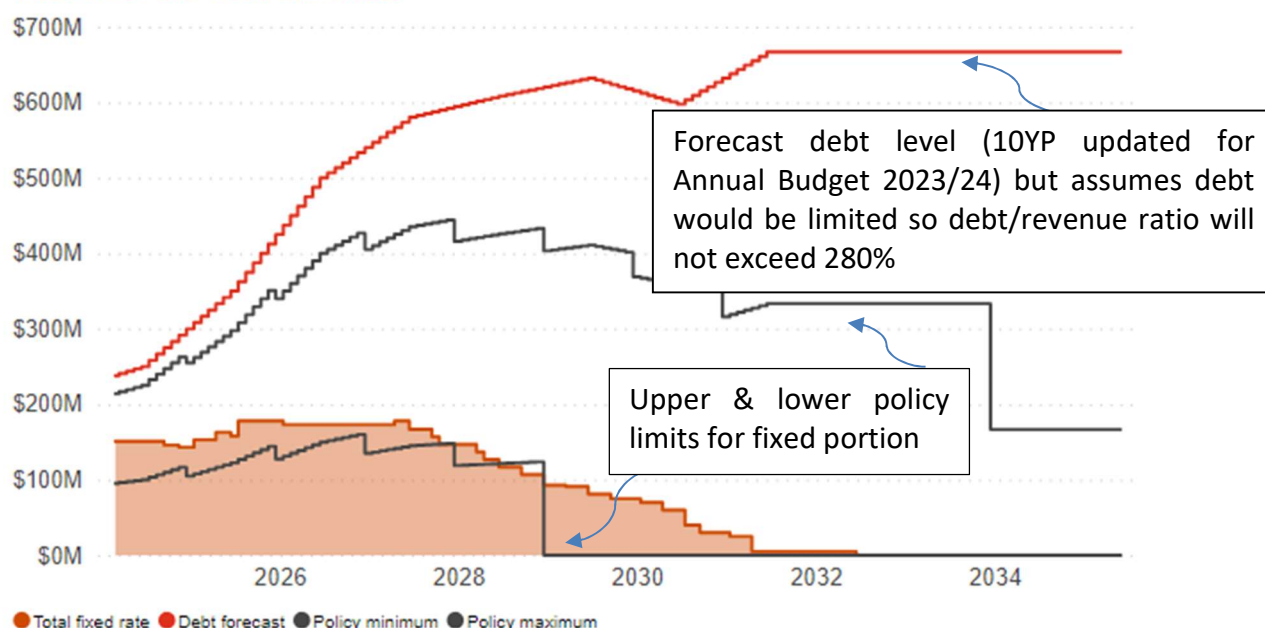
4.36 years

Fixed proportions each year compared with policy – based on 10YP debt forecast – updated via 2023/24 Annual Budget (but assuming debt will be limited so Debt/Revenue ratio will not exceed 280%)

Interest rate summary

#	Bucket	Min	Max	Actual
1	0 - 12	40%	90%	59%
2	12 - 24	35%	85%	47%
3	24 - 36	30%	80%	36%
4	36 - 48	25%	75%	29%
5	48 - 60	20%	70%	21%
6	60 - 72	0%	65%	14%
7	72 - 84	0%	60%	9%
8	84 - 96	0%	50%	2%
9	96 - 108	0%	50%	0%
10	108 - 120	0%	50%	0%

Interest rate risk timeline



The shaded portion reflects the fixed portion of the forecast debt based on the 10YP (updated as per Annual budget 2023/24) with debt limited so debt/revenue ratio does not exceed 280%

Schedule 4 – Counterparty credit limits

Counterparty credit limits

Counterparty	Investments exposure	Investment limit	MtM	Derivatives exposure	Derivatives limit	Total exposure	Total limit	Compliant?
Westpac	\$0	\$15,000,000	\$8,471,548	\$12,689,610	\$20,000,000	\$12,689,610	\$35,000,000	✓
BNZ	\$19,500,000	\$15,000,000	\$1,227,848	\$1,037,207	\$20,000,000	\$20,537,207	\$35,000,000	✗
ANZ	\$0	\$15,000,000	\$5,620,518	\$15,262,423	\$20,000,000	\$15,262,423	\$35,000,000	✓

Note: Although the counterparty credit limit for the BNZ is described as being non-compliant, it is only the investment sub-portion of the limit which is exceeded, rather than the total limit. It is intended at the next policy review to delete the sub-limits in the policy as they serve no useful purpose.