

Attachment 3 Compliance with Treasury Risk Management

COMPLIANCE WITH TREASURY RISK MANAGEMENT POLICY

As at 30 September 2010

| Total Council Limit Compliance Analysis | Compliant | | | | Compliant | | |
|--|-----------|----|----------|---|------------|----|----------|
| | Yes | No | actual % | | Yes | No | actual % |
| The fixed net interest rate debt and swaps are to be between 40% and 95% of the total forecasted debt in 12 month time | ✓ | | 83% | The repricing of liquid financial investments are to occur within the following timebands | | | |
| The maturity of fixed rate debt is within the following timebands | | | | 0 - 1 year | 40% - 100% | ✓ | 100% |
| 1 - 3 years | 15% - 60% | ✓ | 16% | 1 - 3 years | 0% - 60% | ✓ | 0% |
| 3 - 5 years | 15% - 60% | ✓ | 25% | 3 - 5 years | 0% - 40% | ✓ | 0% |
| > 5 years | 10% - 60% | ✓ | 59% | 5 - 10 years | 0% - 20% | ✓ | 0% |
| The maturity of total external debt less liquid financial investments to fall within the following timebands | | | | Core Council External Borrowing Limits - Ratios | | | |
| 0 - 3 years | 10% - 60% | ✓ | 36% | Net debt per capita <\$400 | | ✓ | \$89 |
| 3 - 5 years | 20% - 60% | ✓ | 42% | The percentage of net external debt to annual rates and levies <210% | | ✓ | 40.9% |
| > 5 years | 0% - 60% | ✓ | 22% | Net interest expense on net external debt as a percentage of annual rates and levies <25% | | ✓ | 1.4% |
| Countreparty credit exposure with New Zealand registered banks which have a credit rating of at least A-, long term, and A2 short term | | ✓ | | Liquidity (Total debt + committed loan facilities + liquid investments to total debt) > 110% | | ✓ | 145% |
| Other countreparty exposure within policy limits | | ✓ | | Note: | | | |
| Maximum countreparty exposure with a NZ registered bank is within \$70 million limit | | ✓ | | | | | |
| Diesel Hedging - Hedging in place, Yes/No | | No | | | | | |