

Quarterly investor update



**June
Quarter
2021**

Borrowing Programme Update

During the quarter LGFA issued NZ\$970 million of bonds across five bond maturities via two tenders of NZ\$160 million each and a NZ\$650 million syndication of a new May 2031 bond.

We completed NZ\$3.25 billion of funding in the twelve months to June 2021 across ten different maturities with a weighted average term of 8.67 years.

The bond tender programme dates for 2021-22 have been released and we have added an extra bond tender in September 2021 to the programme but as always we reserve the right to replace one or more tenders with syndications.

We released the 2021-22 SOI on 30 June 2021 and have a forecast borrowing requirement of NZ\$2.90 billion (2021-22), NZ\$2.875 billion (2022-23) and NZ\$2.85 billion (2023-24) over the next three years.

Other news

There were no new council members during the quarter with total membership unchanged at 72 councils. There were no changes to the group of 63 council guarantors.

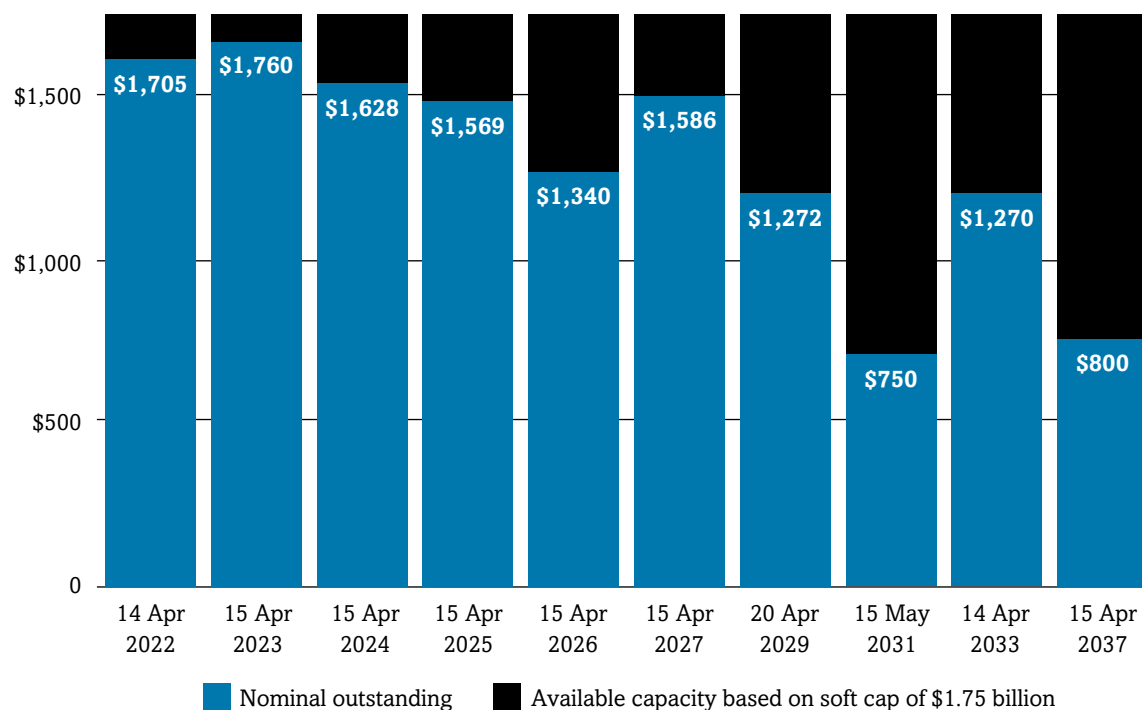
Total term borrowing by councils during the quarter was NZ\$829.5 million bringing total term loans outstanding to NZ\$11.75 billion and short term loans of NZ\$287.6 million as at 30 June 2021. Long dated lending to councils for the 12 month period to 30 June 2021 was NZ\$2.917 billion with a weighted average term of 6.34 years.

The Department of Internal Affairs ("DIA") released a number of papers relating to the Three Waters Reform (www.dia.govt.nz/Three-Waters-Reform-Programme) and the Review into the Future for Local Government (www.dia.govt.nz/Future-for-Local-Government-Review).

LGFA achieved carbonzero certification from Toitu Envirocare on 30 June 2021.

LGFA retail bonds on issue (\$ million)

As 30 June 2021: NZ\$ 13,710 million



Includes NZ\$ 1billion treasury stock

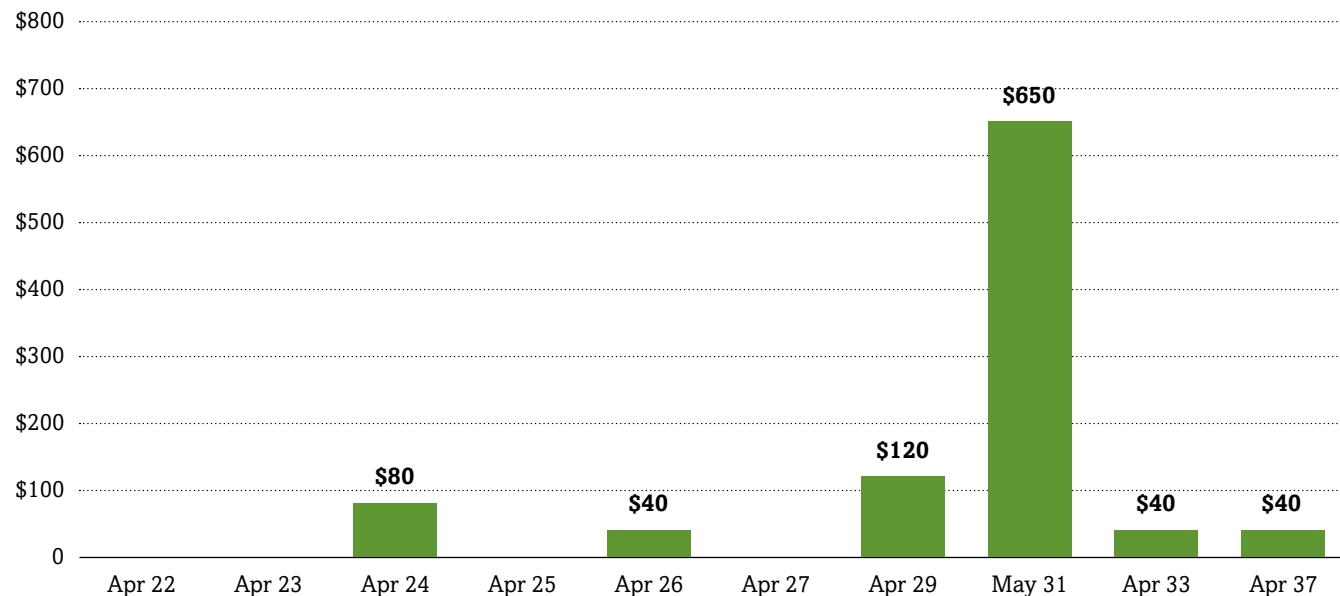
In addition to the retail bonds listed on the NZDX, LGFA has NZ\$130 million of Wholesale Floating Rate

Notes on issue

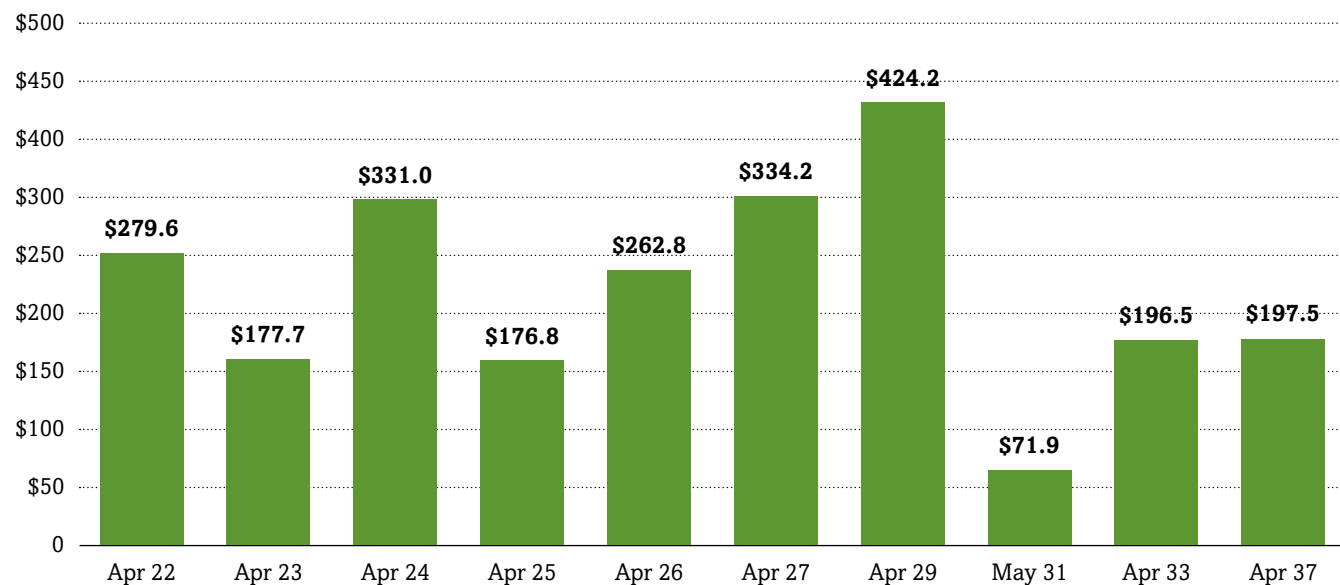
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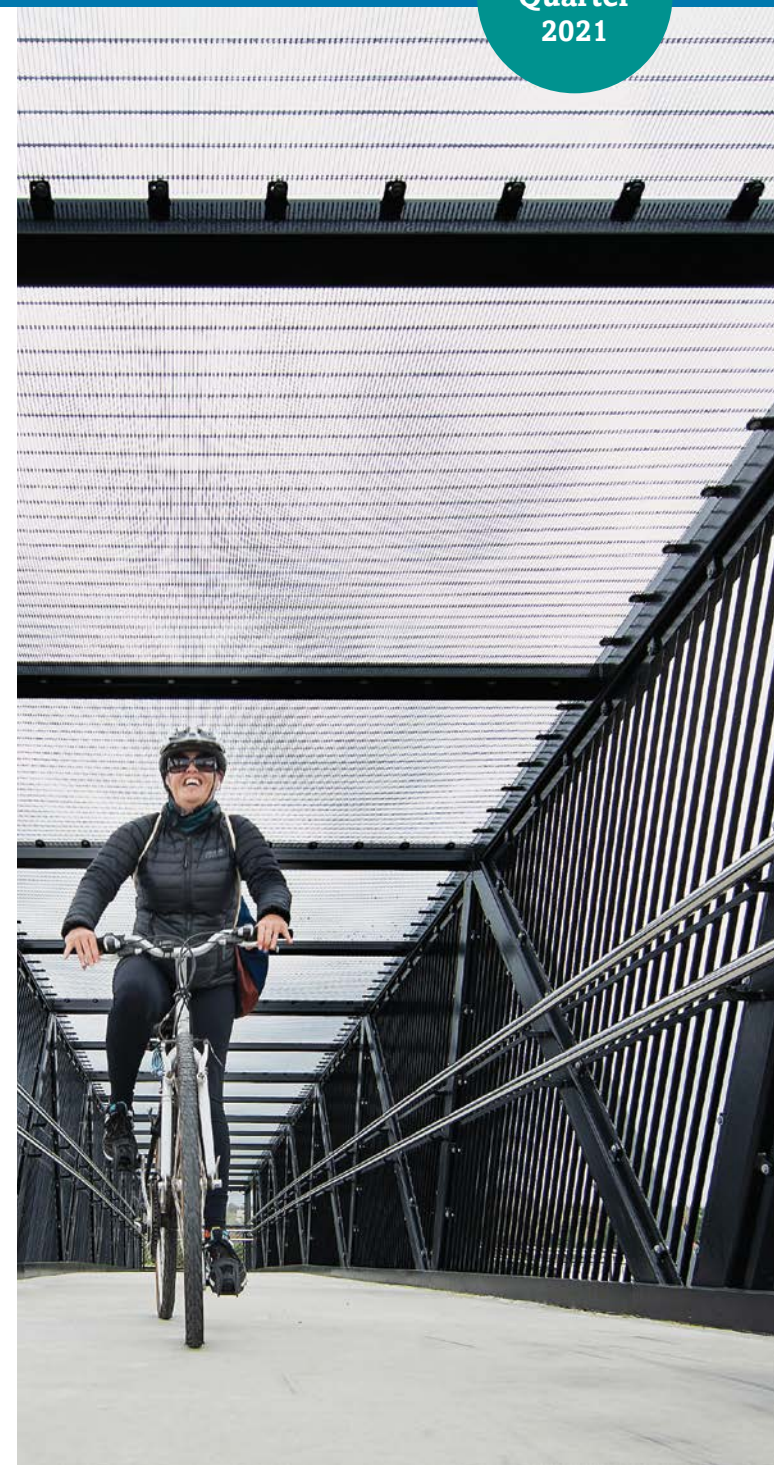
June Quarter LGFA Bond Issuance (\$ million)



Secondary Market Turnover of LGFA Bonds estimated by LGFA (NZ\$ million)



New bridge at the Lakes, part of the Kopurererua Valley biking and walking paths, Tauranga City Council



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June Quarter LGFA Bond Issuance (\$ million)											
	Apr 22	Apr 23	Apr 24	Apr 25	Apr 26	Apr 27	Apr 29	May 31	Apr 33	Apr 37	Total
Tender 81 (9 June)			\$40.0				\$80.0			\$40.0	\$160.0
Syndication (13 May)								\$650.0			\$650.0
Tender 80 (15 April)			\$40.0		\$40.0		\$40.0			\$40.0	\$160.0
	\$0.0	\$0.0	\$80.0	\$0.0	\$40.0	\$0.0	\$120.0	\$650.0	\$0.0	\$80.0	\$970.0

Secondary Market Turnover of LGFA Bonds estimated by LGFA (NZ\$ million)											
	Apr 22	Apr 23	Apr 24	Apr 25	Apr 26	Apr 27	Apr 29	May 31	Apr-33	Apr-37	Total
June	\$70.3	\$50.9	\$127.6	\$27.9	\$52.4	\$175.8	\$156.2	\$38.6	\$84.5	\$10.8	\$795.0
May	\$153.3	\$108.5	\$126.2	\$118.9	\$97.1	\$43.1	\$115.3	\$33.2	\$86.0	\$112.6	\$994.3
April	\$56.1	\$18.3	\$77.2	\$30.0	\$113.3	\$115.3	\$152.7		\$25.9	\$74.1	\$662.9
	\$279.6	\$177.7	\$331.0	\$176.8	\$262.8	\$334.2	\$424.2	\$71.9	\$196.5	\$197.5	\$2,452.2

Holdings by Investor Group (\$ million)					Holdings by Investor Group (% of outstandings)			
As at month end	Banks	Offshore	Domestic Investors	RBNZ	Banks	Offshore	Domestic Investors	RBNZ
June	\$3,718.2	\$3,113.3	\$4,224.5	\$1,689.0	29.2%	24.4%	33.1%	13.3%
May	\$3,605.7	\$3,088.2	\$4,251.1	\$1,679.0	28.6%	24.8%	33.3%	13.3%
April	\$3,912.2	\$3,105.0	\$4,455.4	\$1,905.0	29.2%	24.7%	31.8%	14.2%
Mar 2021	\$3,896.0	\$3,050.8	\$4,356.3	\$1,905.0	29.5%	24.7%	31.4%	14.4%

Wharf Street upgrade in the central city has transformed a one-way street to a pedestrian area with gardens and al fresco dining, Tauranga City Council



Secondary Market Yields on LGFA Bonds (month end)											
	May 21	Apr 22	Apr 23	Apr 24	Apr 25	Apr 26	Apr 27	Apr 29	May 31	Apr 33	Apr 37
June		0.41%	0.71%	0.99%	1.24%	1.46%	1.62%	1.94%	2.18%	2.36%	2.68%
May		0.35%	0.57%	0.88%	1.17%	1.45%	1.66%	2.04%	2.32%	2.54%	2.89%
April	0.31%	0.39%	0.52%	0.74%	0.98%	1.24%	1.47%	1.88%		2.40%	2.76%
Mar 2021	0.31%	0.40%	0.53%	0.77%	1.05%	1.34%	1.59%	2.03%		2.56%	2.91%

Secondary Market Spreads to NZGB for LGFA Bonds (month end)											
	May 21	Apr 22	Apr 23	Apr 24	Apr 25	Apr 26	Apr 27	Apr 29	May 31	Apr 33	Apr 37
June		9 bps	22 bps	26 bps	31 bps	36 bps	40 bps	43 bps	44 bps	43 bps	43 bps
May		10 bps	21 bps	24 bps	26 bps	32 bps	34 bps	36 bps	36 bps	41 bps	49 bps
April	4 bps	14 bps	27 bps	32 bps	36 bps	39 bps	45 bps	49 bps		50 bps	54 bps
Mar 2021	9 bps	14 bps	26 bps	29 bps	34 bps	41 bps	46 bps	51 bps		51 bps	56 bps

Secondary Market Spreads to Swap for LGFA Bonds (month end)											
	May 21	Apr 22	Apr 23	Apr 24	Apr 25	Apr 26	Apr 27	Apr 29	May 31	Apr 33	Apr 37
June		nil	-1 bps	2 bps	7 bps	13 bps	15 bps	25 bps	33 bps	39 bps	51 bps
May		1 bps	2 bps	6 bps	10 bps	17 bps	18 bps	27 bps	33 bps	38 bps	49 bps
April	4 bps	3 bps	6 bps	10 bps	15 bps	20 bps	21 bps	30 bps		39 bps	49 bps
Mar 2021	3 bps	3 bps	6 bps	11 bps	16 bps	21 bps	23 bps	31 bps		40 bps	51 bps

2021 Tender and Settlement Dates				LGFA Issuer Credit Ratings			
Tender	Announcement date	Tender date	Settlement date		Short Term	Long Term (local currency)	Long Term (foreign currency)
83	Tuesday 10 August 2021	Thursday 12 August 2021	Tuesday 17 August 2021	S&P Global Ratings Australia Pty Limited	A-1+	AAA	AA+
84	Monday 6 September 2021	Wednesday 8 September 2021	Monday 13 September 2021				
85	Tuesday 5 October 2021	Thursday 7 October 2021	Monday 11 October 2021	Fitch Australia Pty Limited	F1+	AA+	AA (positive outlook)
86	Monday 8 November 2021	Wednesday 10 November 2021	Monday 15 November 2021				
87	Monday 13 December 2021	Wednesday 15 December 2021	Monday 20 December 2021				

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*Construction of Renwick Reservoir,
Marlborough District Council*

