

LGFA Bills

New Zealand Local Government Funding Agency Limited (LGFA) intends to commence the issuance of short term notes (LGFA Bills) on Wednesday 14th October 2015.

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|-----------------------|--|
| Security: | LGFA Bills, which constitute direct, unsecured debt obligations of LGFA |
| Tender mechanism: | <p>Tenders conducted in accordance with the LGFA Operating Rules and Guidelines through the Yieldbroker Auction System with the ability for LGFA to receive phone bids if required.</p> <p>A person authorised by the Tender Counterparty should place the institution's bids by calling the following LGFA contacts: Mark Butcher +64 21 2236573 Andrew Michl +64 21 662434 LGFA Office +64 4 9746530</p> |
| Tender frequency: | Monthly (see expected tender schedule for the next twelve months) |
| Issuance amounts: | <p>\$50 million per tender split between:</p> <ul style="list-style-type: none">• \$25 million of three month LGFA Bills• \$25 million of six month LGFA Bills |
| Size of bids: | Minimum amount of \$1million and in multiples of \$500,000 (principal) thereafter |
| Format of bids: | Each bid must state the yield as a percentage per annum and may be expressed in three decimals with the third decimal only to be in half point increments, e.g. 2.765% |
| Tender announcements: | 2.00pm one business day prior to the tender |
| Tender bids close: | 10.30am on day of tender |

Tender results announced: Yieldbroker - From 10.35am
Website and Bloomberg – From 10.35am

Settlement: Same day settlement by 4.45pm New Zealand time through NZClear

Credit Rating: LGFA has NZ dollar short term credit ratings of A-1+ from Standard & Poor's ("**S&P**"). This rating is not a recommendation to you to buy, sell or hold LGFA Bills and the rating may be subject to revision, qualification or withdrawal at any time by S&P. Any downward revision, qualification or withdrawal of the rating may affect your ability to sell your LGFA Bills and the price you are able to sell them for.

Issue Documentation: The LGFA Bills will be issued under existing documentation, including LGFA's investment statement dated 17 August 2015 (or any replacement investment statement), a master trust deed dated 7 December 2011 between LGFA and Trustees Executors Limited (as amended on 8 February 2012) and a supplemental trust deed (no.2) dated 15 February 2012.

Registrar: Computershare Investor Services Ltd

Tender Schedule: We anticipate holding tenders on the following dates in the next 12 months and issuing the following LGFA Bill maturities

| Tender Date | 3 month LGFA Bill Maturity | 6 month LGFA Bill Maturity |
|------------------------------|------------------------------|------------------------------|
| Wednesday, 14 October 2015 | Wednesday, 13 January 2016 | Wednesday, 13 April 2016 |
| Wednesday, 18 November 2015 | Wednesday, 17 February 2016 | Wednesday, 18 May 2016 |
| Wednesday, 16 December 2015 | Wednesday, 16 March 2016 | Wednesday, 15 June 2016 |
| Wednesday, 13 January 2016 | Wednesday, 13 April 2016 | Wednesday, 13 July 2016 |
| Wednesday, 17 February 2016 | Wednesday, 18 May 2016 | Wednesday, 17 August 2016 |
| Wednesday, 16 March 2016 | Wednesday, 15 June 2016 | Wednesday, 14 September 2016 |
| Wednesday, 13 April 2016 | Wednesday, 13 July 2016 | Wednesday, 12 October 2016 |
| Wednesday, 18 May 2016 | Wednesday, 17 August 2016 | Wednesday, 16 November 2016 |
| Wednesday, 15 June 2016 | Wednesday, 14 September 2016 | Wednesday, 14 December 2016 |
| Wednesday, 13 July 2016 | Wednesday, 12 October 2016 | Wednesday, 11 January 2017 |
| Wednesday, 17 August 2016 | Wednesday, 16 November 2016 | Wednesday, 15 February 2017 |
| Wednesday, 14 September 2016 | Wednesday, 14 December 2016 | Wednesday, 15 March 2017 |
| Wednesday, 12 October 2016 | Wednesday, 11 January 2017 | Wednesday, 12 April 2017 |

Series Notices: Further information in relation to LGFA Bills will be set out in the series notice for each issuance, which is expected to be

released as part of the standard announcements of tender details (at 2.00pm one business day prior to each tender). Each series notice should be read together with, and forms part of, LGFA's investment statement which is available at: www.lgfa.co.nz.

Indicative only:

While it is LGFA's intention to issue LGFA Bills on the tender dates and for the maturities and amounts referred to above, such tender dates, maturities and amounts are indicative only and subject to change at LGFA's discretion.