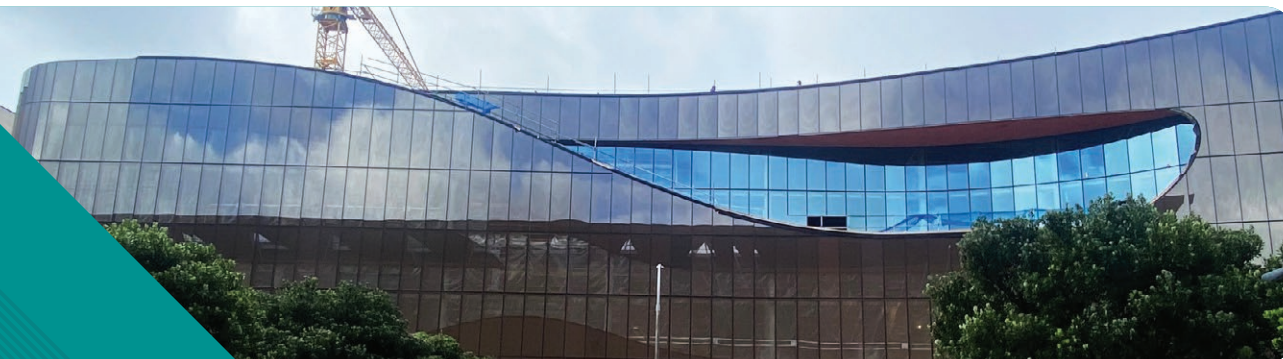


# Quarterly investor update

December Quarter 2021



## Borrowing Programme Update

During the December quarter LGFA issued NZ\$1.4 billion of bonds across seven bond maturities via two bond tenders and a syndication of new May 2028 and May 2035 bond maturities.

The weighted average term of issuance during the quarter was 5.2 years compared to the 8.7 years weighted average term for the previous 2020-21 financial year.

There are no changes to the number of tenders or tender dates for the remainder of the 2021-22 bond tender programme.

**We have however increased our forecast borrowing requirement for the 2021-22 year (originally outlined in the June 2021 SOI) by NZ\$200 million to NZ\$3.1 billion.**

Our issuance for the first six month period of the 2021-22 year has been NZ\$2.055 billion so we are expecting to issue NZ\$1.045 billion over the next six months.

The upward revision is due to higher council borrowing than anticipated over the past six months.

## Other news

We reached our ten year milestone since incorporation as a company on 1 December 2011. There were no new council members during the quarter with current membership at seventy four councils and one CCO. The number of guarantors remains unchanged at sixty-five councils.

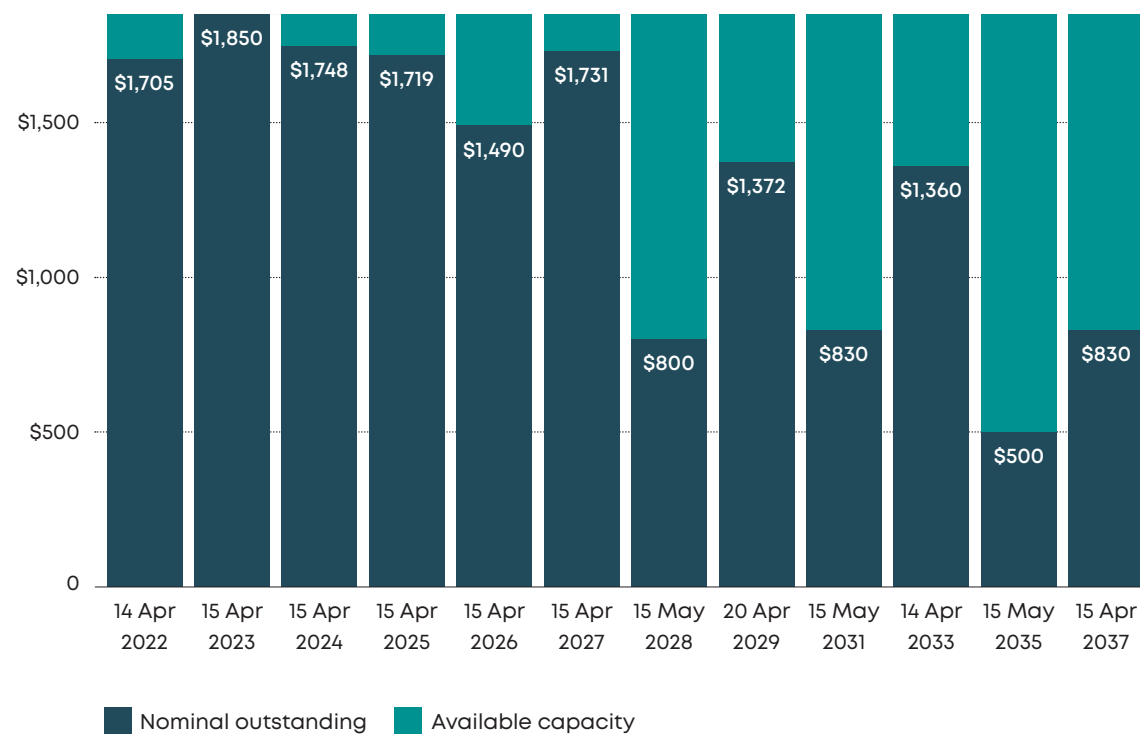
Total term borrowing by councils during the quarter was NZ\$809.2 million bringing total term loans outstanding to NZ\$13.11 billion and short term loans of NZ\$384 million.

During the quarter, LGFA approved loan applications from two councils for green social and sustainable loans covering projects of NZ\$407 million.

To date NZ\$43 million of loans have been drawn by councils at a loan margin discounted by 5 bps compared to the convention loan margin.

## LGFA retail bonds on issue (NZ\$ million)

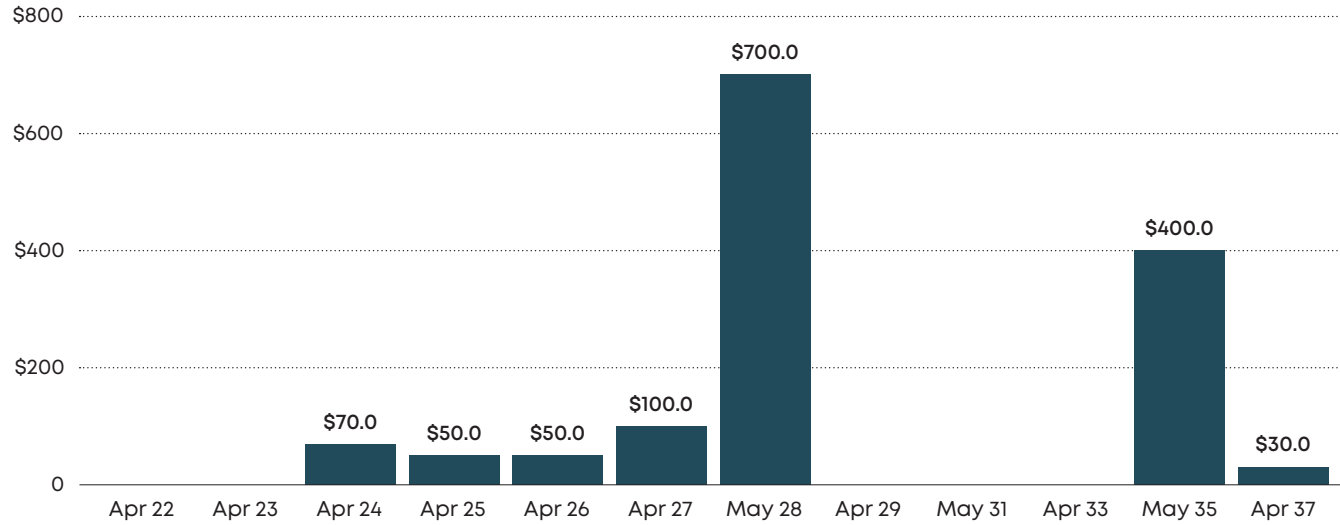
As 31 December 2021: NZ\$15,935 million



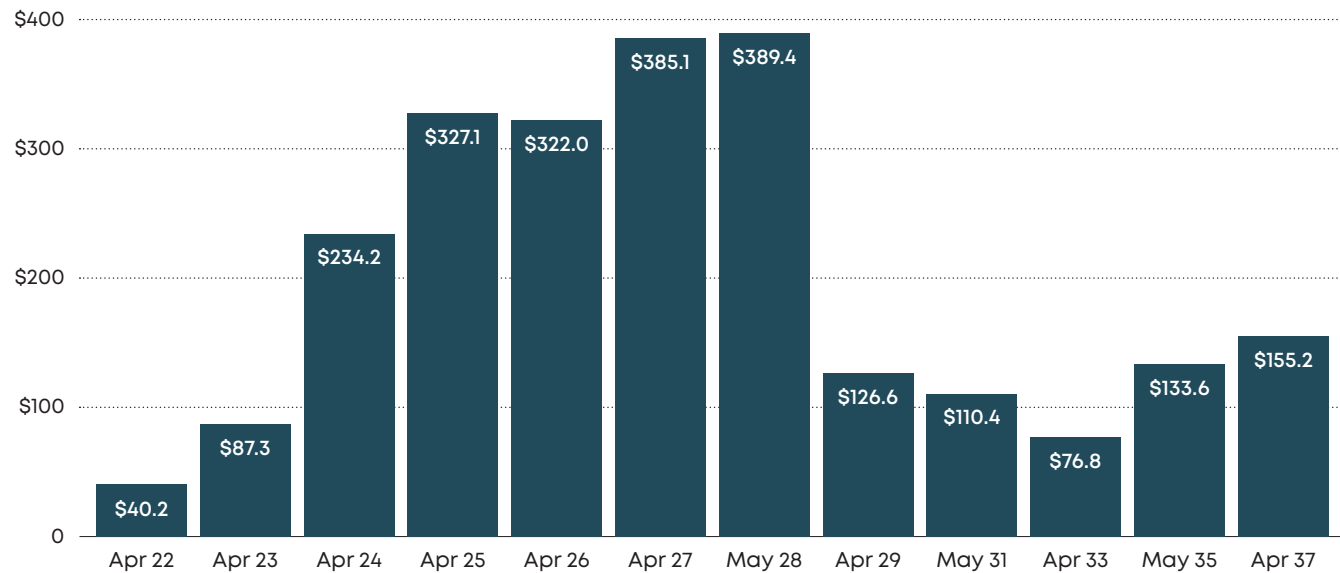
Includes NZ\$1.2 billion treasury stock

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

## December Quarter LGFA Bond Issuance (NZ\$ million)



## Secondary Market Turnover of LGFA Bonds estimated by LGFA (NZ\$ million) – December quarter



Riverlink Project (image is indicative), Greater Wellington Regional Council



## December Quarter LGFA Bond Issuance (NZ\$ million)

	Apr 22	Apr 23	Apr 24	Apr 25	Apr 26	Apr 27	May 28	Apr 29	May 31	Apr 33	May 35	Apr 37	Total
Tender 86 (15 Dec)				\$50	\$50	\$50							\$150.0
Tender 85 (10 Nov)			\$70			\$50						\$30	\$150.0
Syndication (13 Oct)							\$700				\$400		\$1,100.0
	\$0.0	\$0.0	\$70.0	\$50.0	\$50.0	\$100.0	\$700.0	\$0.0	\$0.0	\$0.0	\$400.0	\$30.0	\$1,400.0

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

	Apr 22	Apr 23	Apr 24	Apr 25	Apr 26	Apr 27	May 28	Apr 29	May 31	Apr 33	May 35	Apr 37	Total
December	\$10.1	\$15.9	\$37.4	\$48.4	\$37.8	\$102.0	\$183.8	\$46.1	\$65.3	\$26.8	\$8.5	\$8.6	\$590.8
November	\$10.7	\$2.0	\$52.6	\$162.8	\$253.3	\$101.7	\$186.4	\$64.0	\$31.7	\$38.4	\$111.7	\$116.8	\$1,132.1
October	\$19.5	\$69.4	\$144.3	\$115.8	\$30.8	\$181.5	\$19.2	\$16.6	\$13.3	\$11.5	\$13.4	\$29.8	\$665.1
	\$40.3	\$87.3	\$234.2	\$327.1	\$322.0	\$385.1	\$389.4	\$126.6	\$110.4	\$76.8	\$133.6	\$155.2	\$2,388.0

## Holdings by Investor Group (NZ\$ million)

As at month end	Banks	Offshore	Domestic Investors	RBNZ
December	\$3,982.5	\$4,405.2	\$4,825.8	\$1,689.0
November	\$4,080.5	\$4,265.1	\$4,723.4	\$1,689.0
October	\$4,562.0	\$3,734.3	\$4,610.7	\$1,689.0
June 2021	\$3,896.0	\$3,113.3	\$4,224.5	\$1,689.0

## Holdings by Investor Group (% of outstandings)

Banks	Offshore	Domestic Investors	RBNZ
26.7%	29.6%	32.4%	11.3%
27.6%	28.9%	32.0%	11.4%
31.3%	25.6%	31.6%	11.6%
29.2%	24.4%	33.1%	13.3%

## Secondary Market Yields on LGFA Bonds (month end)

	Apr 22	Apr 23	Apr 24	Apr 25	Apr 26	Apr 27	May 28	Apr 29	May 31	Apr 33	May 35	Apr 37
December	1.05%	1.89%	2.25%	2.49%	2.62%	2.68%	2.81%	2.85%	2.94%	3.06%	3.18%	3.26%
November	0.99%	1.79%	2.27%	2.54%	2.71%	2.79%	2.92%	2.96%	3.05%	3.16%	3.25%	3.36%
October	1.02%	1.96%	2.44%	2.65%	2.80%	2.86%	2.93%	2.98%	3.07%	3.19%	3.29%	3.38%
June 2021	0.41%	0.71%	0.99%	1.24%	1.46%	1.62%		1.94%	2.18%	2.36%		2.68%

## Secondary Market Spreads to NZGB for LGFA Bonds (month end)

	Apr 22	Apr 23	Apr 24	Apr 25	Apr 26	Apr 27	May 28	Apr 29	May 31	Apr 33	May 35	Apr 37
December	30 bps	33 bps	31 bps	36 bps	42 bps	48 bps	54 bps	56 bps	63 bps	63 bps	64 bps	65 bps
November	30 bps	38 bps	46 bps	50 bps	55 bps	57 bps	62 bps	62 bps	63 bps	61 bps	63 bps	63 bps
October	30 bps	41 bps	44 bps	44 bps	50 bps	51 bps	48 bps	51 bps	49 bps	53 bps	56 bps	57 bps
June 2021	9 bps	22 bps	26 bps	31 bps	36 bps	40 bps		43 bps	44 bps	43 bps		43 bps

## Secondary Market Spreads to Swap for LGFA Bonds (month end)

	Apr 22	Apr 23	Apr 24	Apr 25	Apr 26	Apr 27	May 28	Apr 29	May 31	Apr 33	May 35	Apr 37
December	-4 bps	-1 bps	-1 bps	3 bps	10 bps	13 bps	23 bps	25 bps	31 bps	42 bps	51 bps	59 bps
November	1 bps	2 bps	1 bps	4 bps	12 bps	15 bps	26 bps	29 bps	35 bps	44 bps	51 bps	60 bps
October	nil	4 bps	5 bps	10 bps	19 bps	22 bps	26 bps	29 bps	33 bps	40 bps	47 bps	52 bps
Jun-2021	nil	-1 bps	2 bps	7 bps	13 bps	15 bps		25 bps	33 bps	39 bps		51 bps

## 2021-22 Tender and Settlement Dates

Tender #	Announcement Date	Tender Date	Settlement Date
87	Monday, 31 January 2022	Wednesday, 2 February 2022	Tuesday, 8 February 2022
88	Monday, 7 March 2022	Wednesday, 9 March 2022	Monday, 14 March 2022
89	Thursday, 7 April 2022	Monday, 11 April 2022	Thursday, 14 April 2022
90	Monday, 9 May 2022	Wednesday, 11 May 2022	Monday, 16 May 2022
91	Friday, 3 June 2022	Wednesday, 8 June 2022	Monday, 13 June 2022

## LGFA Issuer Credit Ratings

	Short Term	Long Term (local currency)	Long Term (foreign currency)
S&P Global Ratings Australia Pty Limited	A-1+	AAA	AA+
Fitch Australia Pty Limited	F1+	AA+	AA (positive outlook)

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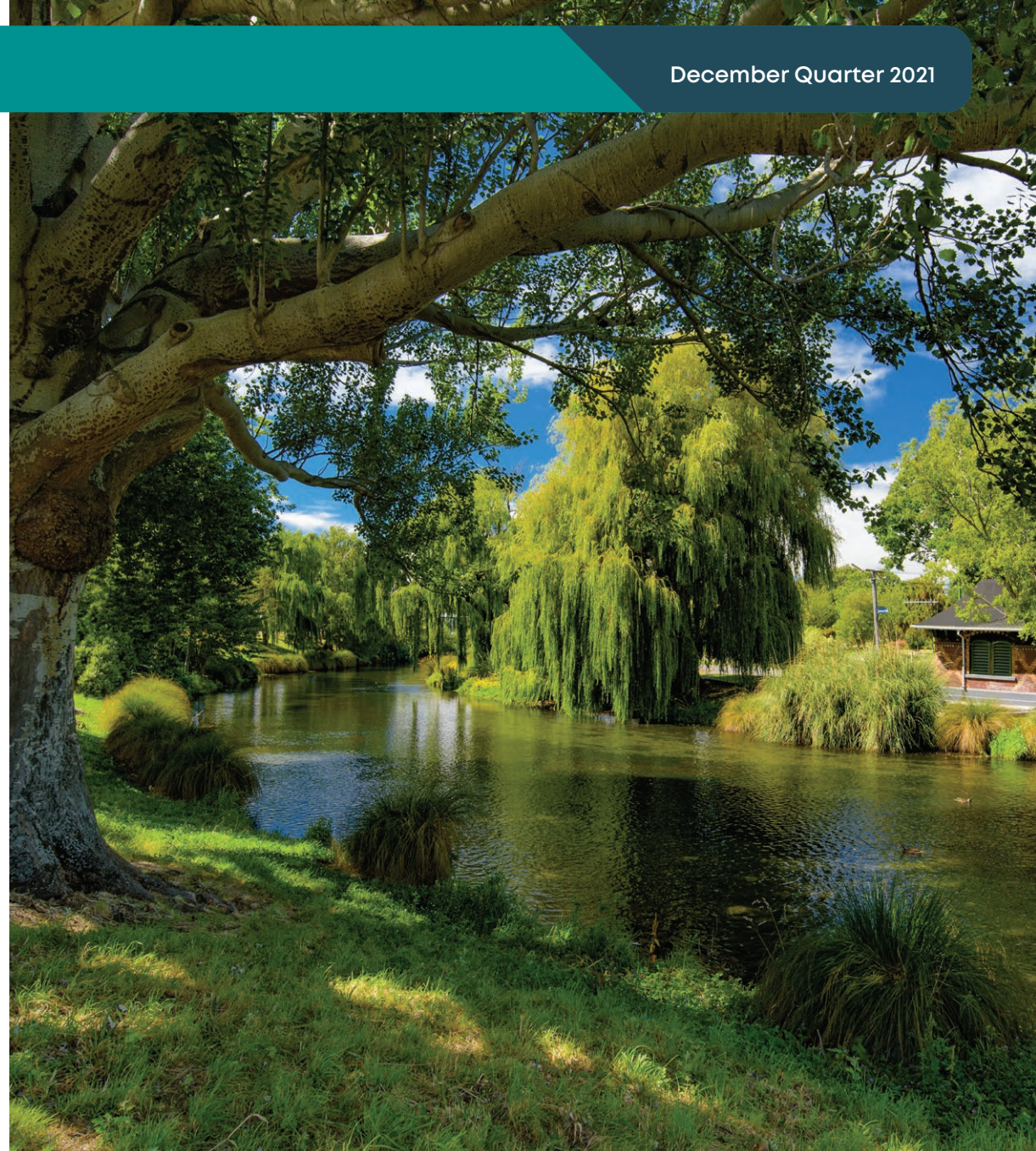
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*The Ōtakaro Avon River was named one of the most improved waterways in New Zealand recently, Environment Canterbury*



New Zealand Local  
Government Funding Agency  
Te Pūtea Kāwanatanga ā-rohe

## For further information

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