

Quarterly funding update

September Quarter 2022



Borrowing Programme Update

During the quarter LGFA issued NZ\$560 million of bonds across seven bond maturities via three bond tenders.

The weighted average term of issuance during the September quarter was 5.3 years compared to a 6.2 years weighted average term for the 2021-22 financial year.

We expect gross bond issuance for the next three years of NZ\$2.9 billion (FY23), NZ\$2.93 billion (FY24) and NZ\$2.8 billion (FY25).

These forecasts are unchanged from the previous forecasts released at the end of June 2022.

Other news

Fitch Ratings upgraded LGFA's long term foreign currency credit rating to AA+ on 16 September.

There were no new members during the quarter but we are expecting two councils and two CCOs to join in the coming quarter.

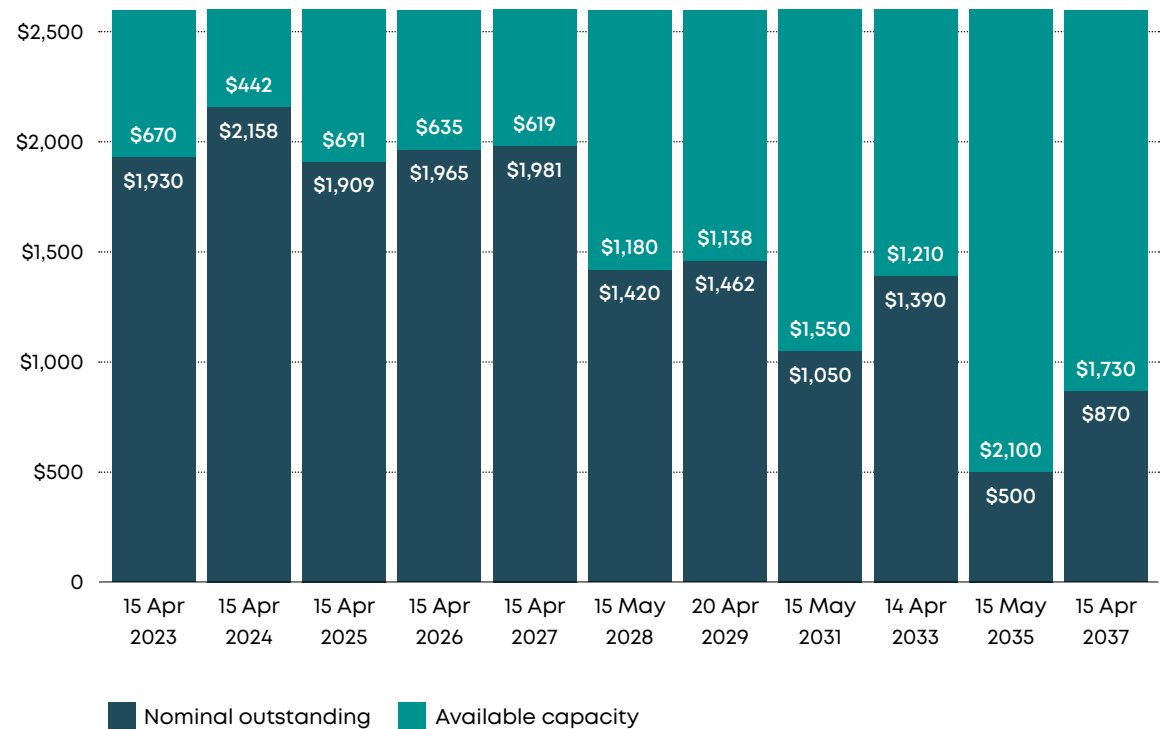
Current membership is seventy five councils and one CCO. The number of guarantors increased by one to sixty-nine councils during the quarter as Mackenzie District Council joined the guarantee group.

Total term borrowing by councils during the quarter was NZ\$846.8 million, bringing total term loans outstanding as at 30 September to NZ\$14.288 billion and short term loans of NZ\$546.4 million.

The Whangarei District Council Civic Centre was approved as an eligible project for GSS lending, bringing the number of eligible projects to four with GSS loan approvals of \$488 million and drawdowns of \$102 million to date.

On 28 September we published a paper reviewing the Climate Emergency Declarations and Responses by Councils.

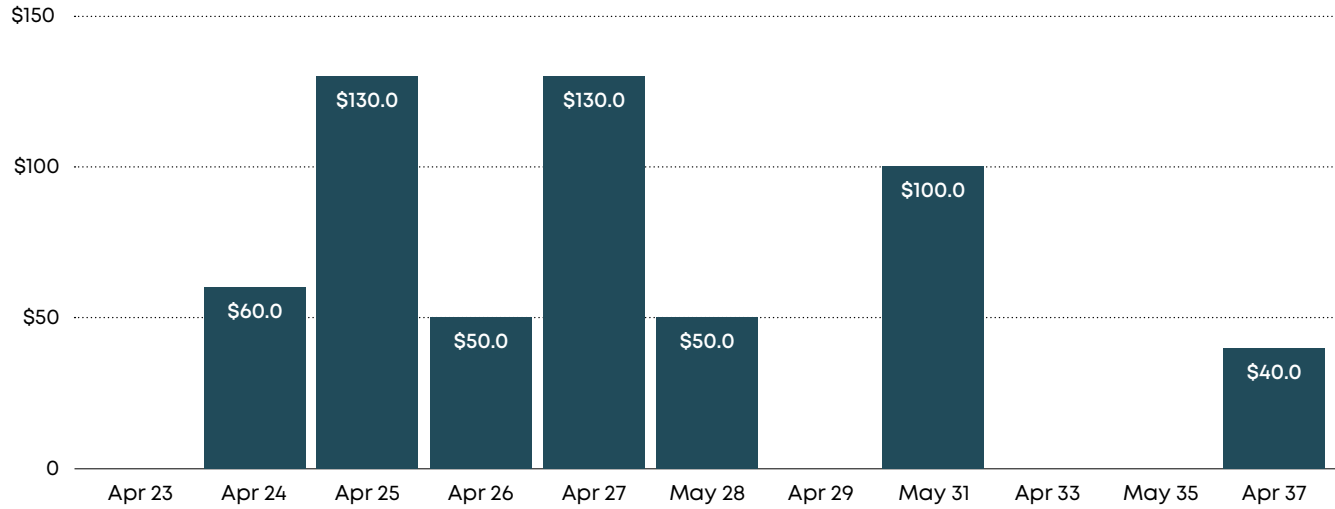
LGFA retail bonds on issue (NZ\$ million)
As 30 September 2022: NZ\$16,635 million



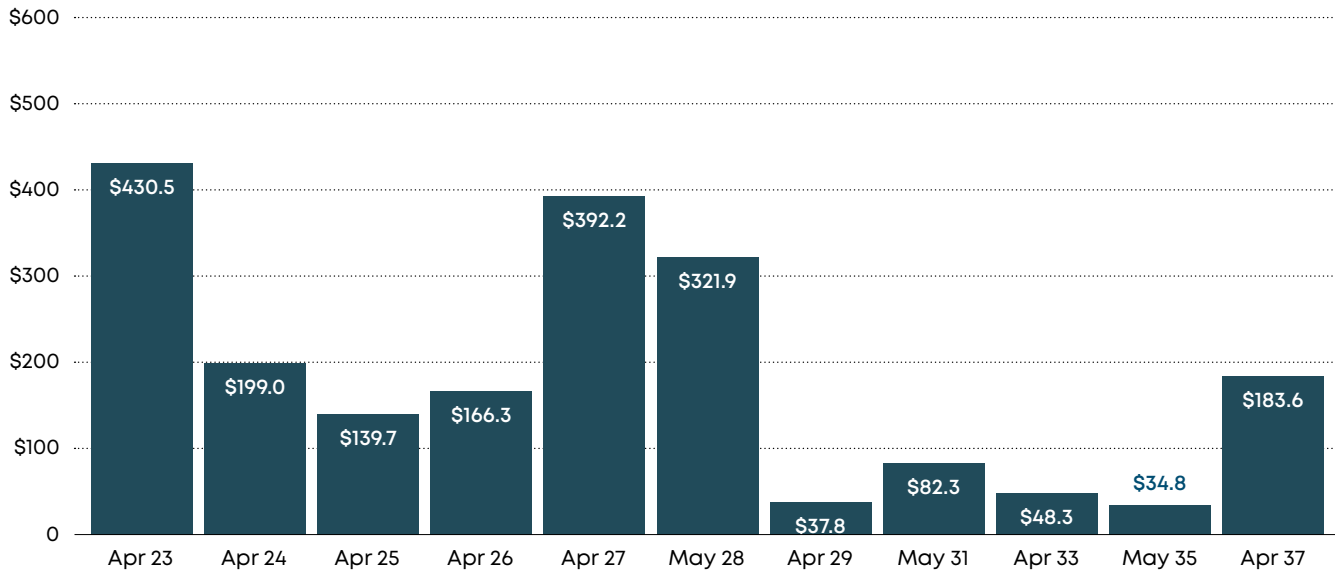
Includes NZ\$1.1 billion treasury stock

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

September Quarter LGFA Bond Issuance (NZ\$ million)



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



Stead Street stopbank, Invercargill City Council



September Quarter LGFA Bond Issuance (NZ\$ million)

	Apr 23	Apr 24	Apr 25	Apr 26	Apr 27	May 28	Apr 29	May 31	Apr 33	May 35	Apr 37	Total
Tender 93 (07 Sept)			\$60		\$60						\$40	\$160.0
Tender 92 (10 Aug)		\$60		\$50		\$50		\$40				\$200.0
Tender 91 (06 July)			\$70		\$70			\$60				\$200.0
	\$0.0	\$60.0	\$130.0	\$50.0	\$130.0	\$50.0	\$0.0	\$100.0	\$0.0	\$0.0	\$40.0	\$560.0

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

	Apr 23	Apr 24	Apr 25	Apr 26	Apr 27	May 28	Apr 29	May 31	Apr 33	May 35	Apr 37	Total
September	\$86.7	\$24.1	\$43.0	\$16.7	\$113.8	\$222.8	\$7.3	\$9.1	\$18.7	\$6.0	\$127.3	\$675.3
August	\$243.3	\$78.8	\$22.1	\$59.9	\$54.9	\$44.2	\$13.9	\$26.9	\$10.6	\$21.3	\$21.5	\$597.2
July	\$100.5	\$96.2	\$74.6	\$89.8	\$223.5	\$55.0	\$16.7	\$46.3	\$19.0	\$7.5	\$34.8	\$763.9
	\$430.5	\$199.0	\$139.7	\$166.3	\$392.2	\$321.9	\$37.8	\$82.3	\$48.3	\$34.8	\$183.6	\$2,036.4

Holdings by Investor Group (NZ\$ million)

As at month end	Banks	Offshore	Domestic Investors	RBNZ
September	\$4,746.1	\$4,297.6	\$5,197.3	\$1,429.0
August	\$4,580.5	\$4,245.8	\$5,184.6	\$1,429.0
July	\$4,043.8	\$4,438.9	\$5,318.8	\$1,429.0
Jun-2022	\$3,871.8	\$4,447.4	\$5,263.8	\$1,429.0

Holdings by Investor Group (% of outstandings)

Banks	Offshore	Domestic Investors	RBNZ
30.3%	27.4%	33.2%	9.1%
29.7%	27.5%	33.6%	9.3%
26.6%	29.1%	34.9%	9.4%
25.8%	29.6%	35.1%	9.5%

Secondary Market Yields on LGFA Bonds (month end)

	Apr 23	Apr 24	Apr 25	Apr 26	Apr 27	May 28	Apr 29	May 31	Apr 33	May 35	Apr 37
September	4.34%	4.93%	4.93%	4.98%	4.96%	4.99%	5.01%	5.07%	5.15%	5.29%	5.42%
August	3.91%	4.30%	4.38%	4.44%	4.43%	4.45%	4.51%	4.57%	4.67%	4.84%	4.98%
July	3.62%	3.76%	3.74%	3.78%	3.80%	3.85%	3.92%	4.01%	4.11%	4.25%	4.39%
Jun-2022	3.64%	4.04%	4.15%	4.24%	4.25%	4.34%	4.40%	4.50%	4.62%	4.77%	4.85%

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

	Apr 23	Apr 24	Apr 25	Apr 26	Apr 27	May 28	Apr 29	May 31	Apr 33	May 35	Apr 37
September	33 bps	76 bps	75 bps	73 bps	73 bps	78 bps	78 bps	80 bps	80 bps	84 bps	87 bps
August	19 bps	49 bps	54 bps	58 bps	57 bps	59 bps	60 bps	65 bps	65 bps	72 bps	76 bps
July	35 bps	56 bps	48 bps	51 bps	53 bps	54 bps	56 bps	61 bps	63 bps	70 bps	72 bps
Jun-2022	34 bps	53 bps	55 bps	61 bps	60 bps	61 bps	62 bps	66 bps	65 bps	78 bps	79 bps

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

	Apr 23	Apr 24	Apr 25	Apr 26	Apr 27	May 28	Apr 29	May 31	Apr 33	May 35	Apr 37
September	13 bps	21 bps	22 bps	32 bps	36 bps	43 bps	47 bps	54 bps	62 bps	76 bps	88 bps
August	-1 bps	1 bps	9 bps	22 bps	25 bps	31 bps	37 bps	45 bps	52 bps	67 bps	76 bps
July	-9 bps	0 bps	5 bps	16 bps	23 bps	29 bps	35 bps	42 bps	51 bps	63 bps	75 bps
Jun-2022	-10 bps	-1 bps	5 bps	16 bps	19 bps	28 bps	33 bps	40 bps	49 bps	62 bps	70 bps

2022 Tender and Settlement Dates

Tender #	Announcement Date	Tender Date	Settlement Date
94	Monday, 10 October 2022	Wednesday, 12 October 2022	Monday, 17 October 2022
95	Monday, 7 November 2022	Wednesday, 9 November 2022	Monday, 14 November 2022
96	Monday, 12 December 2022	Wednesday, 14 December 2022	Monday, 19 December 2022
97	Monday, 30 January 2023	Wednesday, 1 February 2023	Tuesday, 7 February 2023
98	Monday, 27 February 2023	Wednesday, 1 March 2023	Monday, 6 March 2023
99	Tuesday, 11 April 2023	Wednesday, 12 April 2023	Monday, 17 April 2023
100	Monday, 8 May 2023	Wednesday, 10 May 2023	Monday, 15 May 2023
101	Tuesday, 6 June 2023	Wednesday, 7 June 2023	Monday, 12 June 2023

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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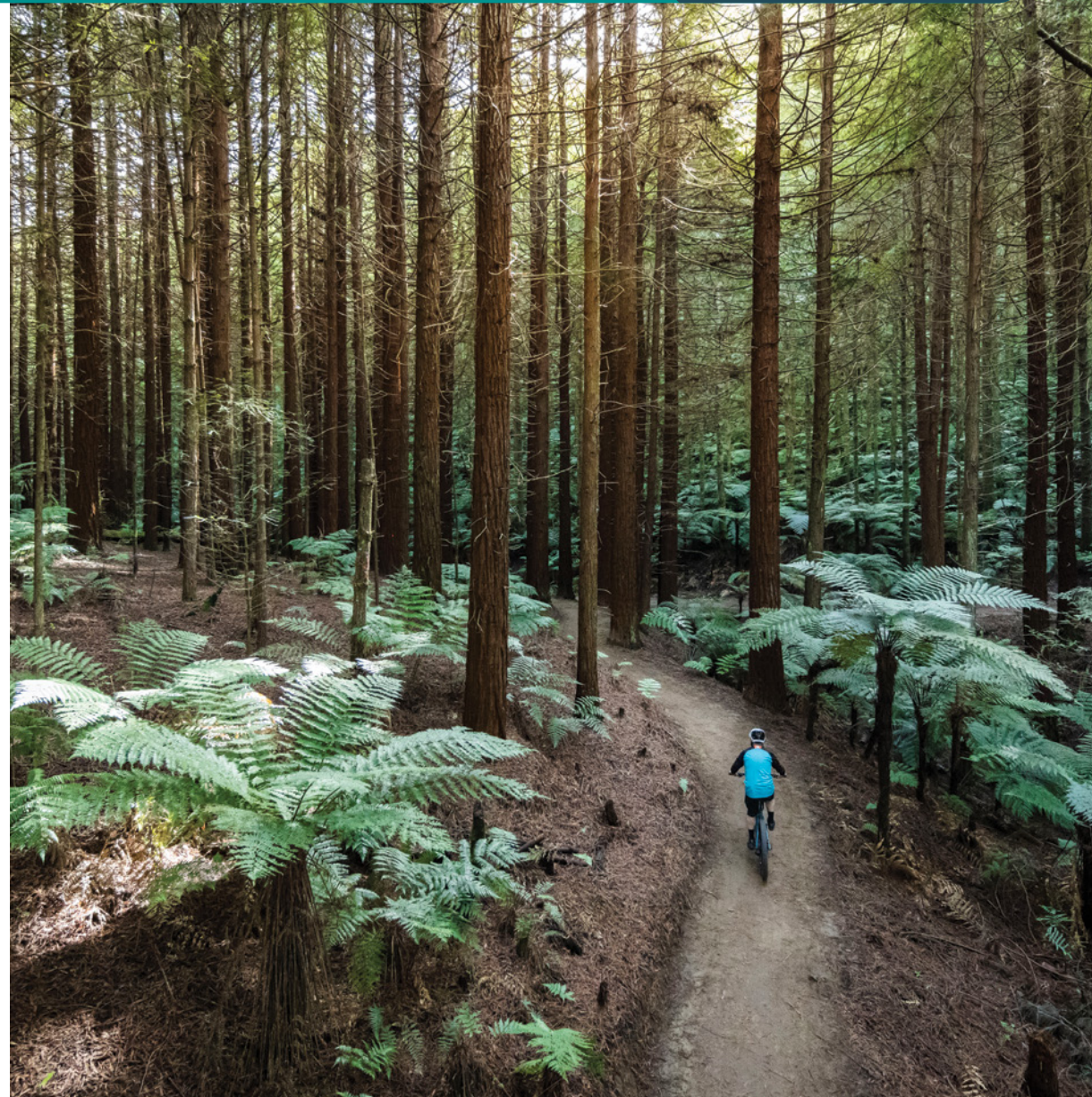
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Whakarewarewa Forest Loop (Great Ride)
Rotorua Lakes Council, Photo by Graeme Murray



New Zealand Local
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Te Pūtea Kāwanatanga ā-rohe

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