



## LGFA Quarterly Report to Shareholders



September Quarter 2022

### Contents

A. September Quarter highlights .....	02
B. LGFA bond issuance over quarter .....	03
C. Summary financial information (provisional and unaudited) .....	07
D. Strategic priorities. Performance against objectives and performance targets .....	07
E. Investor relations .....	15

## A. September Quarter highlights

Quarter	Total	Bespoke Maturity	April 2023	April 2024	April 2025	April 2026	April 2027	May 2028	April 2029	May 2031	April 2033	May 2035	April 2037
Bonds issued \$m	560	n/a		60	130	50	130	50		100			40
Term Loans to councils \$m	846.8	329.0		17.5	10.5	78.0	39.8	103.5	28.7	201.0	50.0		
Term Loans to councils #	68	32		1	4	4	8	10	5	3	1		

Year to date	Total	Bespoke Maturity	April 2023	April 2024	April 2025	April 2026	April 2027	May 2028	April 2029	May 2031	April 2033	May 2035	April 2037
Bonds issued \$m	560	n/a		60	130	50	130	50		100			40
Term Loans to councils \$m	846.8	317.8		17.5	10.5	78.0	39.8	103.5	28.7	201.0	50.0		
Term Loans to councils #	68	32		1	4	4	8	10	5	3	1		

### Key points and highlights for the September quarter:

- The LGFA bond yield curve rose and flattened over the quarter as the RBNZ tightened monetary policy through three successive 50 bps hikes in the OCR to 3.50% and markets are now pricing in a further 140 bps of hikes by June 2023. 2035 bond yields rose by 52 bps to 5.29% while 2024 bond yields rose by 89 bps to 4.93%.
- LGFA issued a record \$560 million of bonds during the quarter through three bond tenders in what remained a difficult environment for issuance. The average term of issuance during the quarter was a shorter than normal 5.36 years compared to 6.22 years for the financial year to June 2022. We are projecting 2022-23 bond issuance of \$2.9 billion and are comfortable with the volume of issuance achieved by the end of the first quarter.
- LGFA borrowing margins to both NZGB and swap widened on increased high-grade supply from LGFA, Kainga Ora and Kauri issuers with domestic and offshore investors more subdued given the market volatility. LGFA spreads to swap widened between 13 bps (2033s) and 22 bps (2024s) while spreads to NZGB were unchanged (2037s) to 18 bps wider (2025s).
- Long dated lending to councils during the quarter of \$846.8 million was another strong quarter following on from the June quarter near record amount of lending. The average term of lending at 6.17 years was in line with the 2021-22 financial year average of 6.22 years.
- LGFA has an estimated market share of 80% of total council borrowing for the rolling twelve-month period to September 2022 compared to a historical average of 75% since 2012. This was unchanged from the year to June 2022.
- Short-term lending to councils has increased by \$93 million to \$546.4 million of short-term loans outstanding on 30 September 2022 to twenty-nine councils.
- LGFA Net Operating Gain (unaudited management estimate) for the three-month period to 30 September 2022 of \$1.62 million was \$77k above budget, comprising total operating income at \$42k above budget and expenses at \$35k below budget.
- We are on track to achieve thirteen out of our fourteen performance objectives after the first quarter of the new financial year with only our carbon reduction plan not being met as the plan is being established.
- There were no new council or CCO members during the quarter with seventy-five council and one CCO members as at 30 September 2022 but we are expecting another two councils and two CCOs to join in the next quarter.

## B. LGFA bond issuance over quarter

We issued \$560 million of bonds via three bond tenders (July, August and September). Issuance conditions remained difficult with rising interest rates, widening credit spreads, significant intraday volatility and subdued investor sentiment. We responded to these uncertain times by issuing bonds with a shorter duration than normal and did not issue as many bonds as we would have preferred.

**The July tender** was a good result with strong demand for the shorter dated tranches and a small but acceptable tail on the 2031s. The market background was less conducive to a good result given the rapid fall in yields over the prior three weeks with the 2031 LGFA bond yield down 80 bps and the 2025 LGFA bond yield down 94 bps. Spreads to both NZGB and swap had also narrowed over the prior month between 3 bps and 6 bps, so we were no longer as cheap for investors on an outright and relative basis.

We issued a mix of 2025s and 2031s for the second consecutive month and we issued 2027s to replace the June 2022 tender of 2028s. The volume of \$200 million was higher than normal but we had \$215 million of council lending to fund, and we have just started the new financial year.

Pricing achieved was 2 bps to 3 bps below prevailing market mid-rate for the 2025s and 2027s and 3 bps above market mid-rate for the 2031s.

The average maturity of the LGFA bonds issued was again a short 5.3 years but we wanted to keep the tenor short given the underlying market volatility and sentiment changing daily.

While we issued \$200 million of LGFA bonds we on-lent \$215 million to twelve councils with a longer average term of lending to councils than normal at 8.3 years (82 months). The new base margin of 20 bps applied to the tender lending.

<b>Tender 91 – 06 July 2022</b>	<b>15 Apr 2025</b>	<b>15 Apr 2027</b>	<b>15 May 2031</b>
Total Amount Offered (\$million)	70	70	60
Total Amount Allocated (\$million)	70	70	60
Total Number of Bids Received	18	16	18
Total Amount of Bids Received (\$million)	171	193	93
Total Number of Successful Bids	7	4	13
Highest Yield Accepted (%)	3.805	3.890	4.240
Lowest Yield Accepted (%)	3.790	3.875	4.210
Highest Yield Rejected (%)	3.890	3.970	4.270
Lowest Yield Rejected (%)	3.805	3.890	4.240
Weighted Average Accepted Yield (%)	3.794	3.884	4.224
Weighted Average Rejected Yield (%)	3.838	3.920	4.249
Amount Allotted at Highest Accepted Yield as Percentage of Amount Bid at that Yield*	11.1	75	22.2
Coverage Ratio	2.44	2.76	1.55
NZGB Spread at Issue (bps)	54.00	55.00	65.00
Swap Spread at Issue (bps)	4.75	17.00	44.25
Swap Spread: AA council (bps)	24.75	38	61
Swap Spread: AA- council (bps)	29.75	43	66
Swap Spread: A+ council (bps)	34.75	48	71
Swap Spread: Unrated council (bps)	44.75	58	81

**The August bond** tender was more difficult than what the result appeared to show as the tender bidding lacked depth despite the decision to issue fewer bonds than we needed and to issuer shorter duration bonds. Demand was good in terms of pricing for the three shorter tenors but barely covered the 2031 maturity (\$45 million bid for \$40 million on offer).

We issued 2031s for the fourth consecutive month to match a large amount of council borrowing in this tenor while we issued 2024s/26s/28s to appeal to the bank balance sheets. The volume of \$200 million was for the second consecutive month, higher than normal but we had \$464.5 million of council lending to fund, and we could not afford to fall behind our borrowing track.

Price support was strongest for the 2024s and 2028s where we issued at yields flat to the prevailing market but the 2031s were issued 3 bps above market (and for a slightly smaller amount).

Overall bidding volume was not great at 1.95x which was the lowest since August 2021. This was due to the recent fall in interest rates, tightening in spreads to both swap and NZGB and volatile underlying market conditions. LGFA bonds were not cheap on an outright or relative basis on any measure. Successful bid ranges were tight at 2 bps (2024s and 2026s) but the 6.5 bps range for only \$40 million of 2031s was weak. The number of successful bids ranged between eight (2024s) and thirteen (2031s) which implies the market had been filled in with bonds. The staggered bids in the 2031s that were above mid-market also suggested trader support only for this long-dated maturity.

The average maturity of the LGFA bonds issued was a short 4.62 years compared to the average for the recent 2021-22 financial year of 6.22 years. We needed to keep the tenor short to ensure we cleared the tender, and this was in line with our strategy of issuing shorter bonds than our council lending to help improve profitability.

We on-lent a large \$464.5 million to eighteen councils. Outside of the syndications around a bond maturity the council borrowing was the largest on record for both volume of loans and number of participating councils.

<b>Tender 92 – 10 August 2022</b>	<b>15 Apr 2024</b>	<b>15 Apr 2026</b>	<b>15 May 2028</b>	<b>15 May 2031</b>
Total Amount Offered (\$million)	60	50	50	40
Total Amount Allocated (\$million)	60	50	50	40
Total Number of Bids Received	13	13	17	13
Total Amount of Bids Received (\$million)	135	110	100	45
Total Number of Successful Bids	8	9	10	13
Highest Yield Accepted (%)	3.860	3.830	3.845	4.000
Lowest Yield Accepted (%)	3.840	3.810	3.810	3.935
Highest Yield Rejected (%)	3.895	3.860	3.900	4.000
Lowest Yield Rejected (%)	3.860	3.830	3.845	4.000
Weighted Average Accepted Yield (%)	3.853	3.822	3.829	3.965
Weighted Average Rejected Yield (%)	3.867	3.836	3.862	4.000
Amount Allotted at Highest Accepted Yield as Percentage of Amount Bid at that Yield*	30.8	27.1	59.3	50
Coverage Ratio	2.25	2.20	2.00	1.13
NZGB Spread at Issue (bps)	52.00	52.00	57.00	66.00
Swap Spread at Issue (bps)	0.50	19.50	32.00	45.50
Swap Spread: AA council (bps)	21.5	40.5	53.25	65
Swap Spread: AA- council (bps)	26.5	45.5	58.25	70
Swap Spread: A+ council (bps)	31.5	50.5	63.25	75
Swap Spread: Unrated council (bps)	41.5	60.5	73.25	85

**The September bond tender** was a good result and well-judged in that we cleared the tender at levels 1 bps to 2 bps above mid rates and we issued 2037s for the first time since November 2022.

The underlying market sentiment was not strong with traders and investors cautious given the determination amongst global central banks to raise interest rates and a false rally in bond markets that reversed going into the tender. There had also been large supply of high-grade bonds with steady issuance of Kauri bonds and the NZDM issued a net \$1 billion of Index Linked Bonds just before the tender.

We continued the trend of issuing shorter bonds to capture bank demand but did opportunistically tender the 2037s as there had been modest buying interest in them. The tender size of \$160 million was smaller than the \$200 million tenders in July and August as we felt market conditions were going to be tough and we had less council borrowing demand. Our preference would have been to issue closer to \$200 million but we knew that we would struggle to get the volume away.

Price support was good for all three bond maturities (even in normal conditions) as they went 1 bps to 2 bps above the prevailing mid- market, but it was a smaller volume tender. Overall bidding volume was not great at 1.55x coverage which was the lowest for two years. The number of successful bids ranged between six (2037s) and ten (2025s and 2027s) and is higher than normal despite the small amount of bonds offered.

The average maturity of the LGFA bonds issued was 6.36 years which was longer than the previous two tenders. We offered the 2037s as the trader market was short the bonds so were confident that they would support the longest maturity on our yield curve.

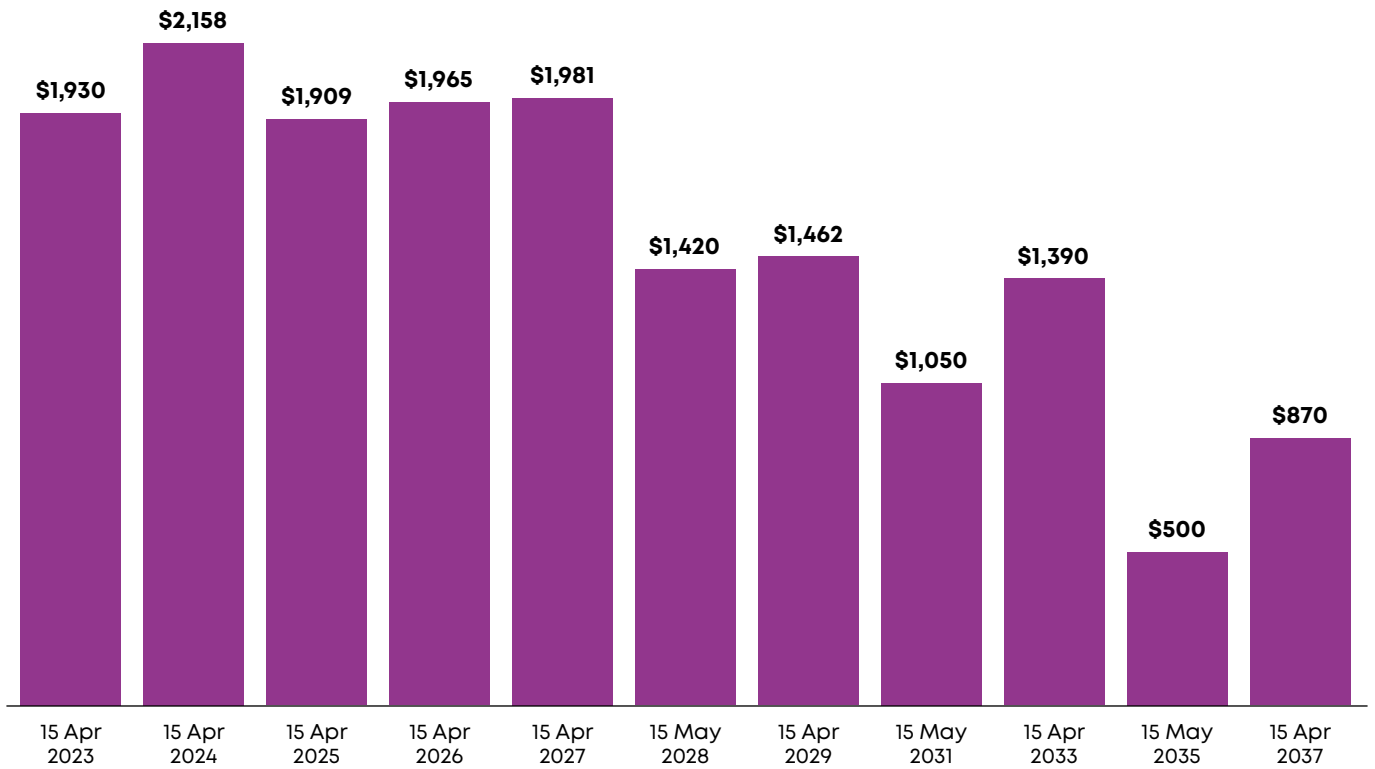
We on-lent a smaller than normal \$96 million to six councils which was the smallest number of councils and lowest amount lent since May 2020. The average term of lending to councils was 8 years (96 months).

<b>Tender 93 – 07 September 2022</b>	<b>15 Apr 2025</b>	<b>15 Apr 2027</b>	<b>15 Apr 2037</b>
Total Amount Offered (\$million)	60	60	40
Total Amount Allocated (\$million)	60	60	40
Total Number of Bids Received	13	12	15
Total Amount of Bids Received (\$million)	100.3	84	64
Total Number of Successful Bids	10	6	6
Highest Yield Accepted (%)	4.495	4.590	5.165
Lowest Yield Accepted (%)	4.450	4.545	5.135
Highest Yield Rejected (%)	4.530	4.620	5.240
Lowest Yield Rejected (%)	4.495	4.590	5.170
Weighted Average Accepted Yield (%)	4.479	4.571	5.147
Weighted Average Rejected Yield (%)	4.509	4.614	5.197
Amount Allotted at Highest Accepted Yield as Percentage of Amount Bid at that Yield*	61.8	80	100
Coverage Ratio	1.67	1.40	1.60
NZGB Spread at Issue (bps)	52.00	60.00	82.00
Swap Spread at Issue (bps)	13.50	31.75	82.00
Swap Spread: AA council (bps)	34.25	53.5	87
Swap Spread: AA- council (bps)	39.25	58.5	92
Swap Spread: A+ council (bps)	44.25	63.5	97
Swap Spread: Unrated council (bps)	54.25	73.5	107

**LGFA NZX-listed bonds on issue** (NZ\$ million, face value)

As at 30 September 2022 NZ\$16,635 million

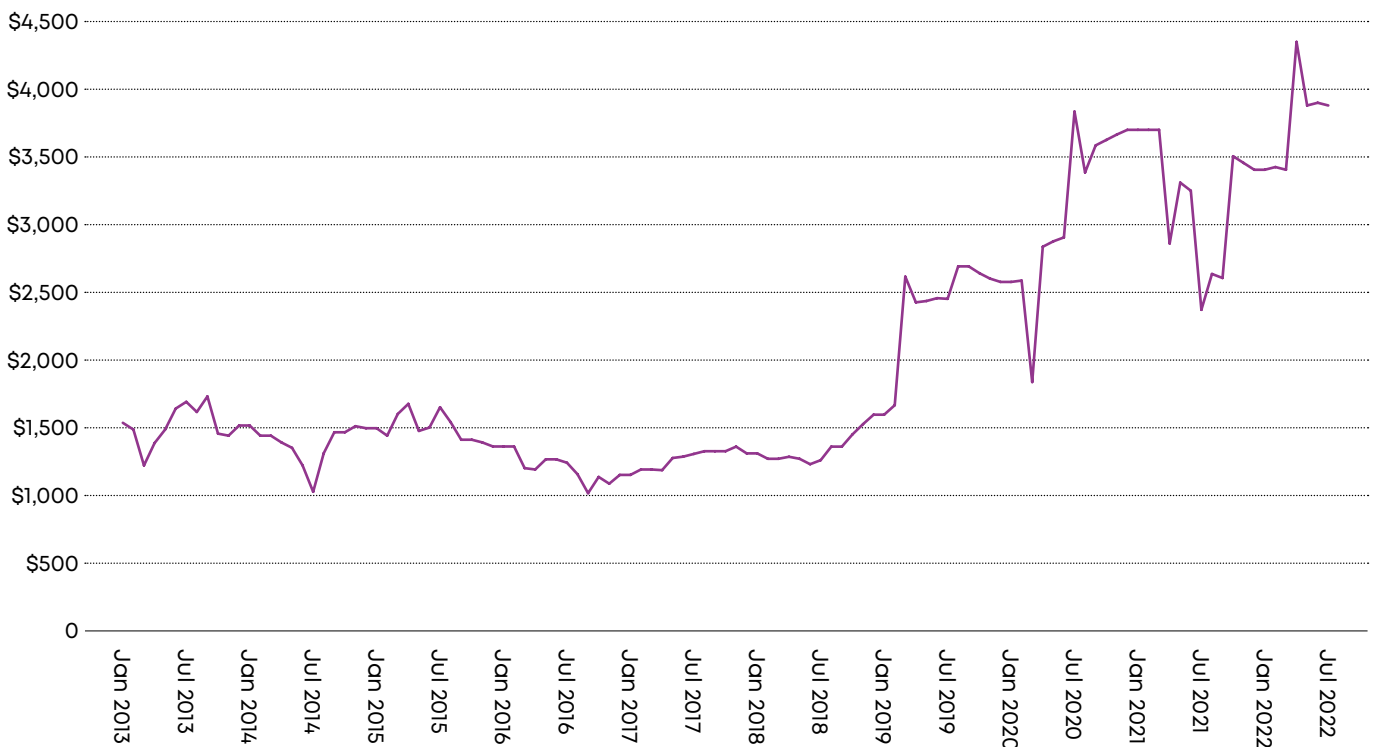
Includes NZ\$1,100 million treasury stock



We have eleven LGFA bond maturities listed on the NZX Debt market that finance our long-term lending to councils.

Our issuance volume on a rolling 12-month basis to September 2022 of \$3.98 billion was just below the record of \$4.35 billion for the 12-month period to April 2022 (which included the May 2021 syndication as well as the April 2022 syndication).

**Rolling 12 month Issuance** (\$ millions)



## C. Summary financial information (provisional and unaudited)

The following results are management estimates only and are unaudited.

Financial Year (\$m) – cumulative	YTD as at Q1
<b>Comprehensive income</b>	<b>30 Sep 2022</b>
Interest income	116.440
Interest expense	113.145
<b>Net interest revenue</b>	<b>3.295</b>
Other operating Income	0.334
<b>Total operating income</b>	<b>3.629</b>
Issuance and On-lending costs	0.807
Approved issuer levy	\$0
Operating expenses	1.203
<b>Issuance and operating expenses</b>	<b>2.010</b>
<b>Net Profit</b>	<b>1.619</b>
Financial position (\$m) – as at	30 Sep 2022
Retained earnings + comprehensive income	79.9
Total assets (nominal)	16,882.2
Total LG loans (nominal)	14,857.1
Total LGFA bills (nominal)	602.0
Total LGFA bonds (nominal)	15,655.0
Total borrower notes (nominal)	290.1
Total equity	104.9

## D. Strategic priorities. Performance against objectives and performance targets

### D1. Governance, capability and business practice

Performance target	2022-23 Target	Performance against target
Comply with the Shareholder Foundation Polices and the Board-approved Treasury Policy at all times.	No breaches	Met – No breaches
Maintain LGFA's credit rating equal to the New Zealand Government's sovereign rating where both entities are rated by the same Rating Agency.	LGFA credit ratings equivalent to NZ Sovereign.	Met – Fitch Ratings upgraded LGFA Foreign Currency Rating to AA+ on 16 Sept 2022
LGFA's total operating income for the period to 30 June 2023.	> \$12.2 million	On Track – \$3.629 million as at 30 Sept 2022
LGFA's total operating expenses for the period to 30 June 2023.	< \$9.4 million	On Track – \$2.01 million as at 30 Sept 2022

Fitch Ratings upgraded our long-term foreign currency credit rating to AA+ on 16 September 2022 following the upward revision to the New Zealand Government rating on 9 September 2022. We had been on positive outlook since January 2020. Our ratings remain equivalent to the New Zealand Government for both S&P Global Ratings and Fitch Ratings.

The Notice of AGM was sent to shareholders with the AGM scheduled for 23 November 2022. The only business is Director and Shareholder Council elections but we ask that shareholder complete the proxy forms and return to LGFA ahead of the AGM.

## D2. Optimising financing services for local government

Performance target	2022-23 Target	Performance against target
Share of aggregate long-term debt funding to the Local Government sector.	> 80%	Met – 80% as at 30 September 2022
Total lending to Participating Borrowers.	> \$15,004 million	On Track – \$14,834 million as at 30 September 2022
Conduct an annual survey of Participating Borrowers who borrow from LGFA as to the value added by LGFA to the borrowing activities.	> 85% satisfaction score	Met – 100% satisfaction score in August 2022 Stakeholder Survey
Successfully refinance existing loans to councils and LGFA bond maturities as they fall due.	100%	Met
Meet all lending requests from Participating Borrowers, where those requests meet LGFA operational and covenant requirements.	100%	Met

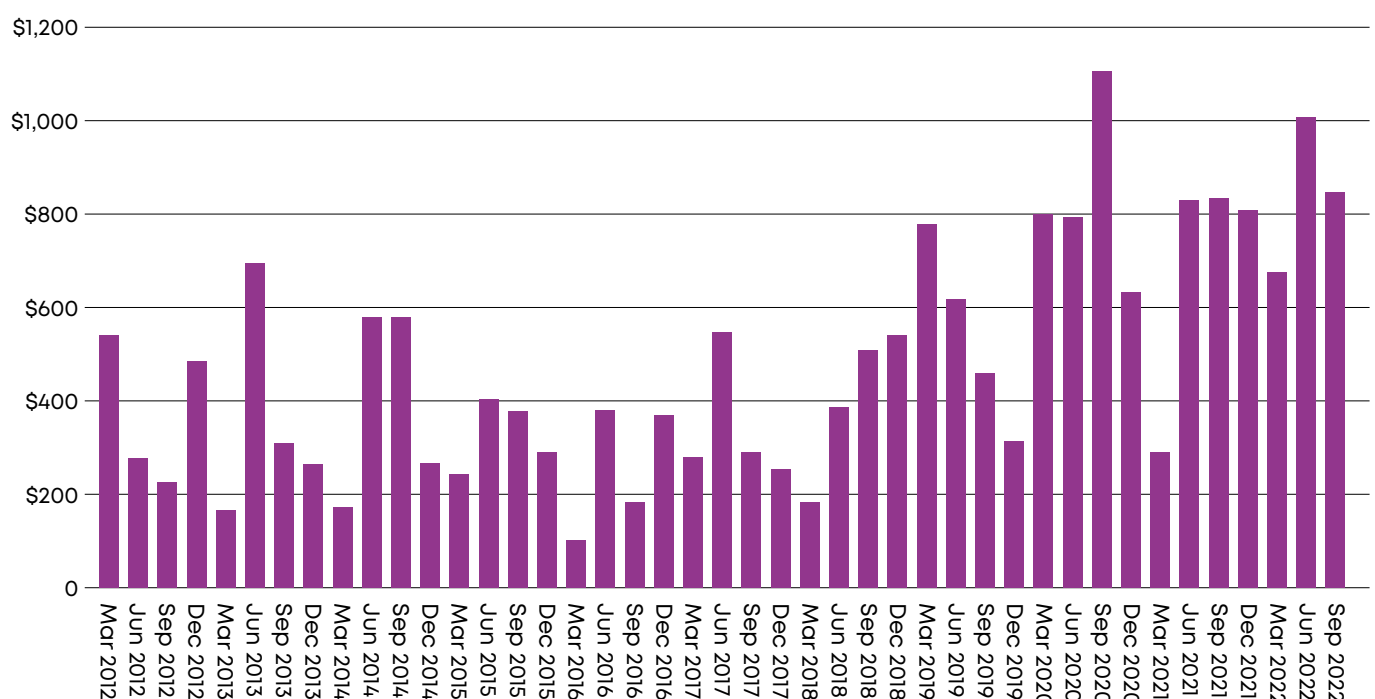
### Objectives:

- Provide interest cost savings relative to alternative sources of financing.
- Offer flexible short and long-term lending products that meet the borrowing requirements for borrowers.
- Deliver operational best practice and efficiency for lending services.
- Ensure certainty of access to debt markets, subject always to operating in accordance with sound business practice.

LGFA provides short term loans (less than one year maturity), long term loans (between one year and April 2037), Green Social and Sustainable (GSS) Loans and standby facilities to councils and CCOs. Long term and GSS loans can be on a floating or fixed rate basis.

The September quarter was another strong period for council borrowing with \$846.8 million lent to councils. The September quarter lending was the third highest quarter on record and is tracking above the forecast \$2.95 billion of council borrowing for the 2022-23 financial year. The lending is a combination of early refinancing of the \$1.547 billion of April 2023 loans and new borrowing.

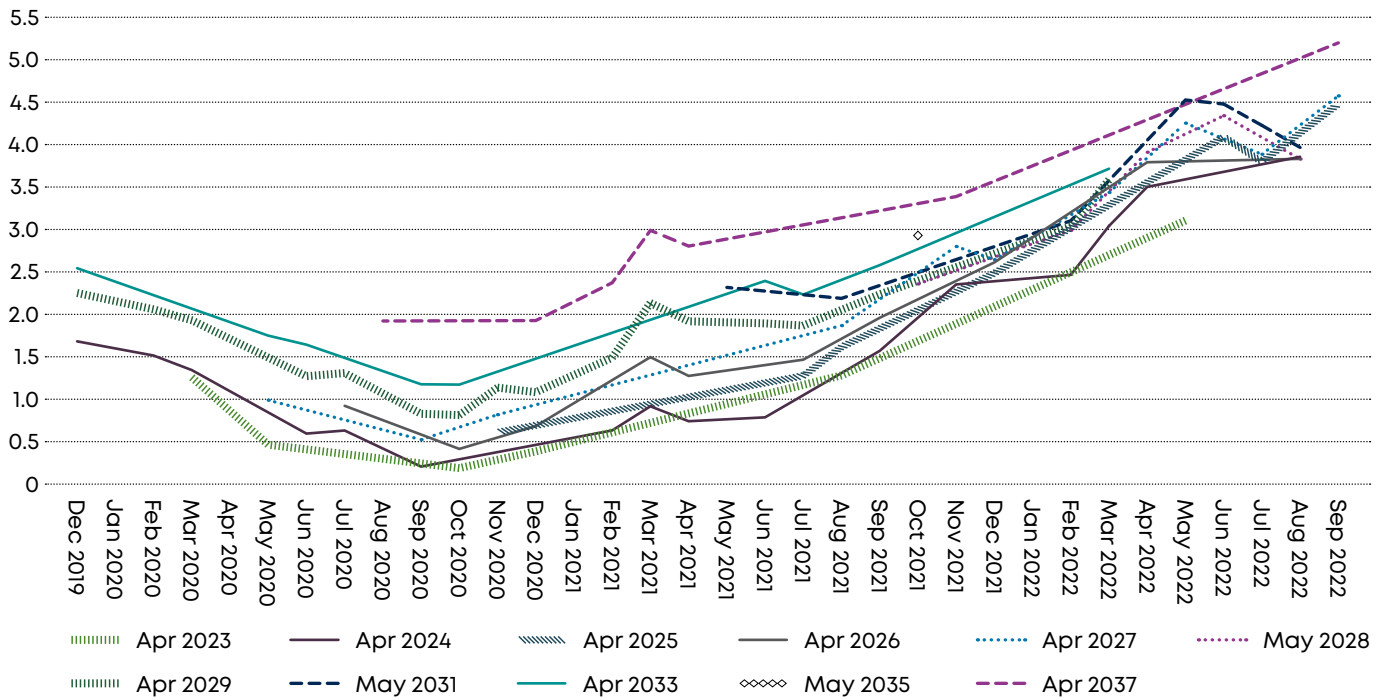
### Council Borrowing from LGFA – quarterly (NZ\$ million)





## LGFA Bond Issuance Yields (%)

Last 30 tenders



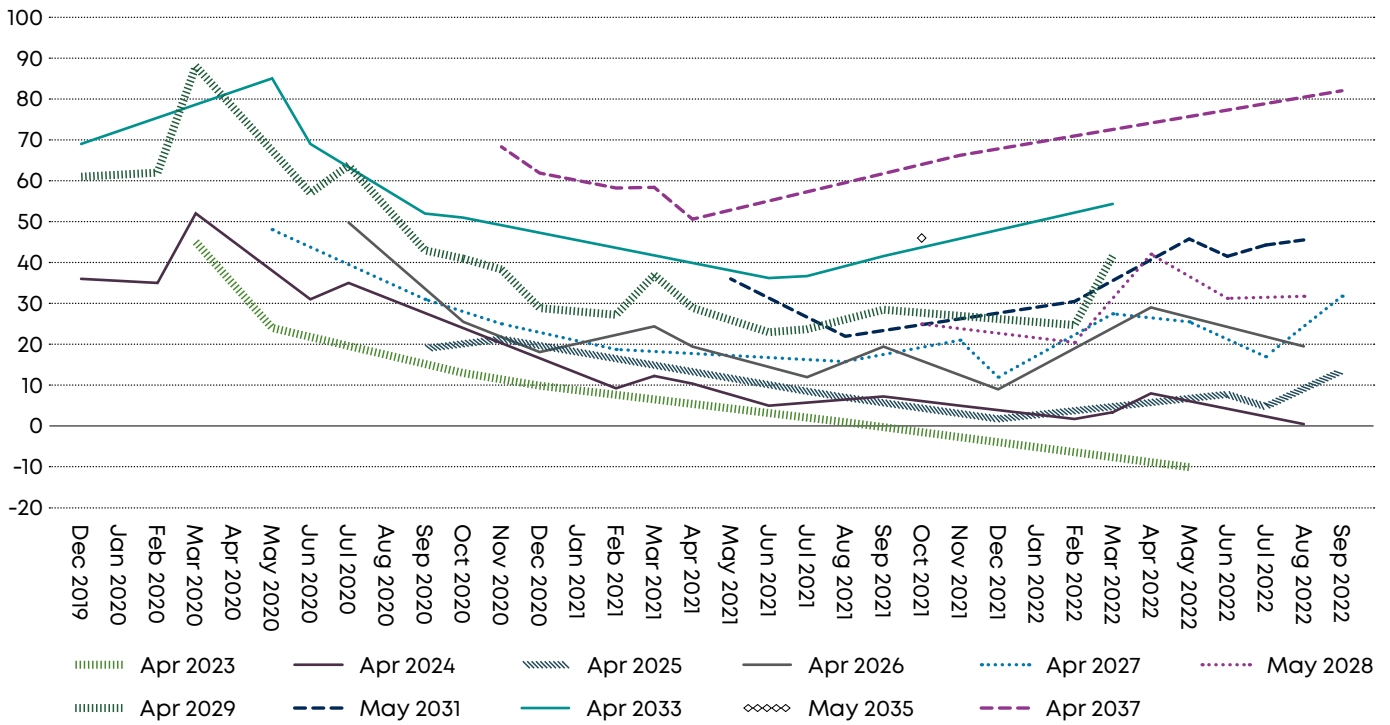
Our borrowing margins are similar to other high-grade issuers in the New Zealand capital markets.

## Comparison to other high-grade issuers – secondary market spread to swap (bps)

30 Sep 2022	Comparison to other high-grade issuers – secondary market spread to swap (bps)											
	2023	2024	2025	2026	2027	2028	2029	2030	2031	2033	2035	2037
LGFA (AAA)	13	21	22	32	36	43	47		54	62	76	88
Kainga Ora (AAA)	13		23	32	39	44		51			82	
Asian Development Bank (AAA)	1	11	17	20	26	32			46			
IADB (AAA)	4	14	17	23	27	41						
International Finance Corp (AAA)	5	8	16	18	30							
KBN (AAA)	14	21	25		33			52				
Rentenbank (AAA)	6	12	18		22		38					
World Bank (AAA)	5	12	13	22	29	30		40				
Nordic Investment Bank (AAA)	4		17									
ANZ (AA-)	29	37										
BNZ (AA-)	28		44	66	79							
Westpac Bank (AA-)	18	38	44	59	76							
SSA Average	6	13	18	21	28	34	31	46	46			
Bank Average	25	38	44	63	78							

## Spread to swap

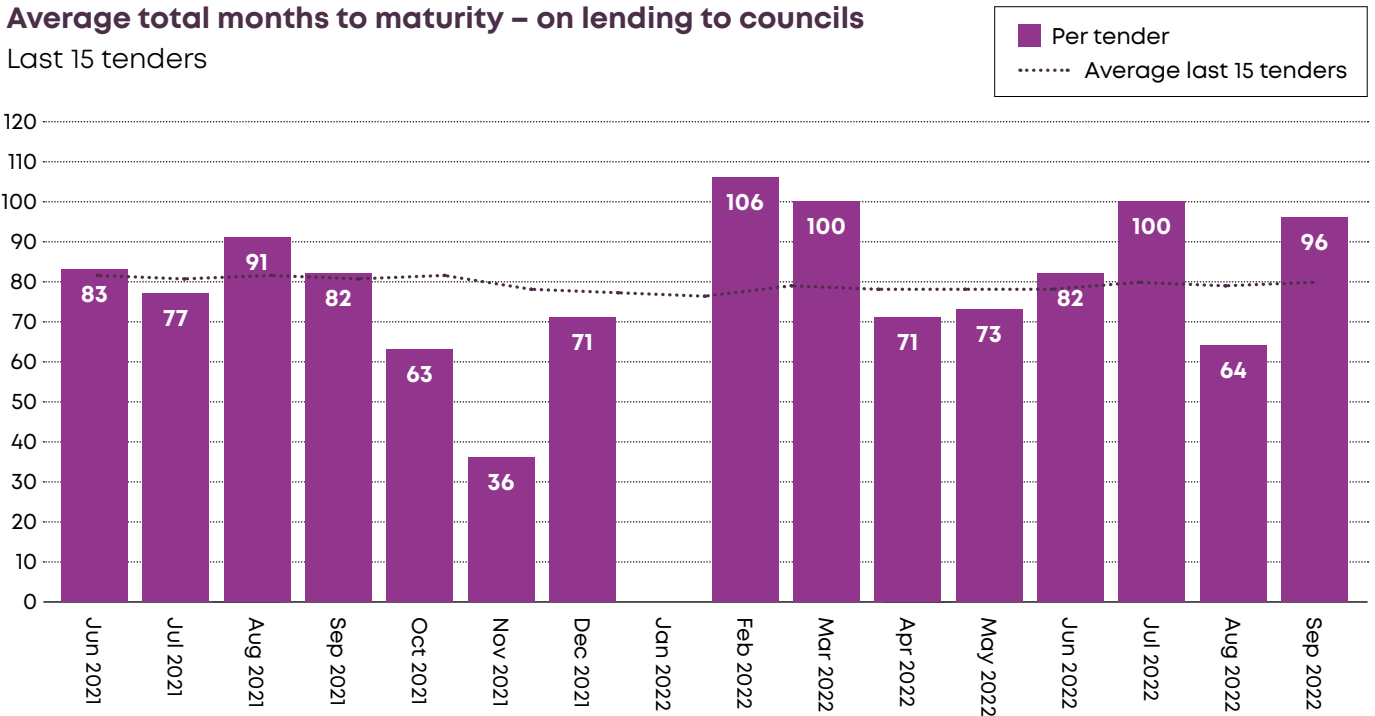
Last 30 tenders



The average borrowing term (excluding short-dated borrowing) for the September quarter by council members was 6.17 years and was in line with the average term of 6.22 years for the year to June 2022.

## Average total months to maturity – on lending to councils

Last 15 tenders

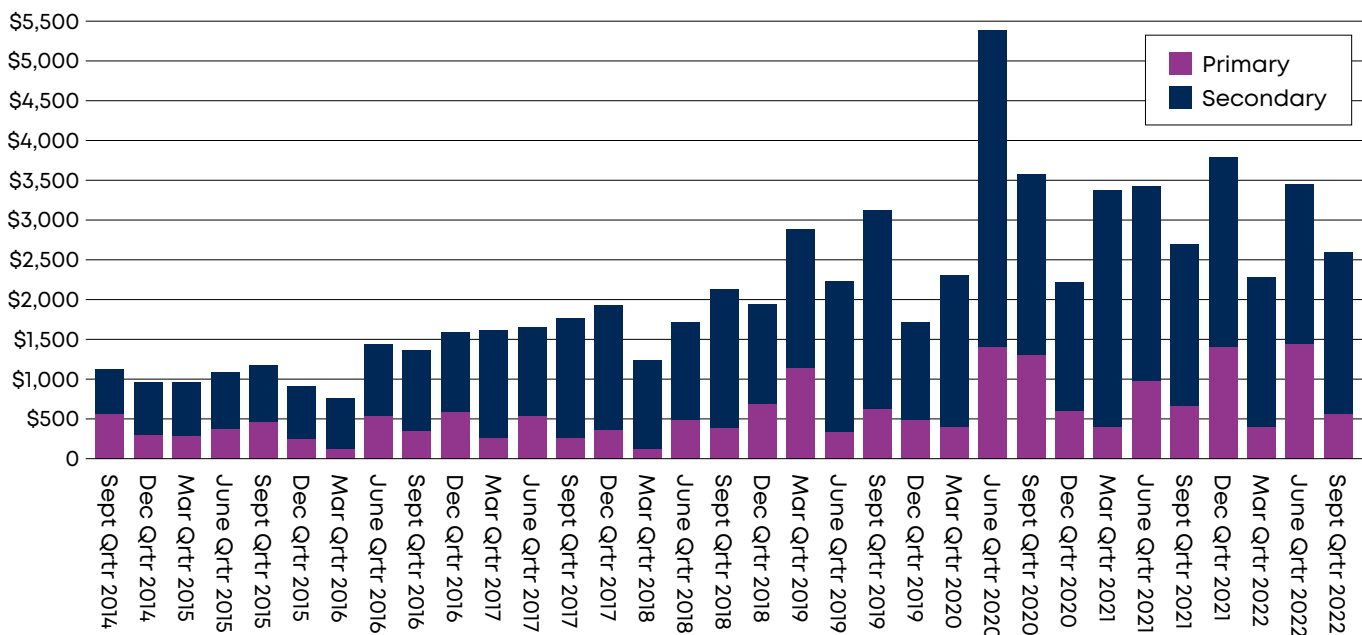


Short-term borrowing by councils and CCOs with loan terms of between one month and 12 months remains well supported with \$546.4 million outstanding as of 30 September 2022 to twenty-nine councils. The number of councils and CCOs using this product decreased by two over the quarter while the total amount outstanding increased by \$63.9 million.

For LGFA to provide certainty of access to markets for our council borrowers we need to have a vibrant primary and secondary market in LGFA bonds. The primary market is the new issuance market, and we measure strength through participation by investors at our tenders through bid-coverage ratios and successful issuance yield ranges. The secondary market is the trading of LGFA bonds following issuance and a high turnover implies a healthy market.

Activity in LGFA bonds in both the primary market (tender or syndicated issuance) and secondary market (between banks and investors) was more subdued during the September quarter compared to previous quarters. We issued \$560 billion of bonds and secondary market turnover of \$2.04 billion during the quarter was in line with the June quarter activity but is softer than normal.

### LGFA Primary and Secondary Market Activity – Quarterly (NZ\$ million)

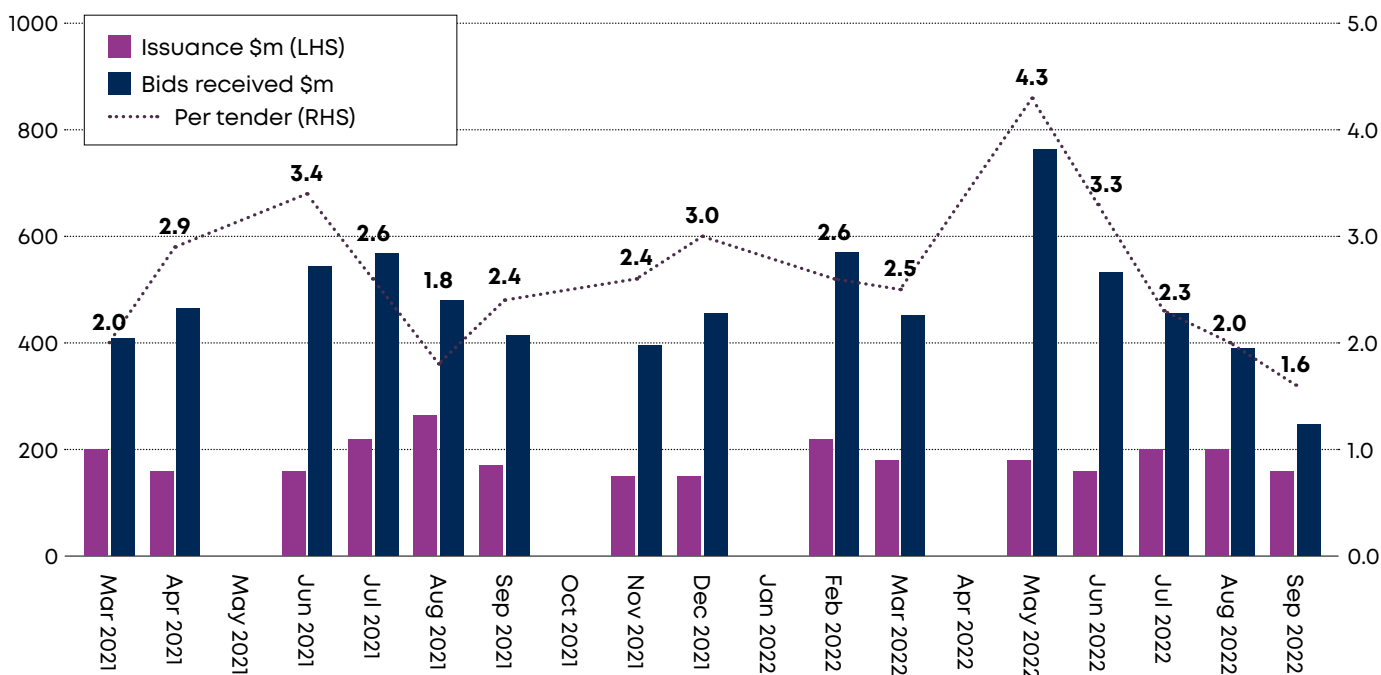


LGFA commenced issuing LGFA Bills and short dated (less than 1 year) lending to councils in late 2015. As at 30 September 2022 there were \$602 million of LGFA Bills on issue which is a record high compared to the range of \$500 million and \$600 million for the past eighteen months. We use proceeds from LGFA bills to fund short term lending to councils and hold the balance for liquidity purposes in our liquid asset portfolio.

LGFA documented an Australian Medium-Term Notes Programme in November 2017 and updated the Programme in March 2020. We have no immediate intention to use this programme, but it provides flexibility if there is a market disrupting event in the future.

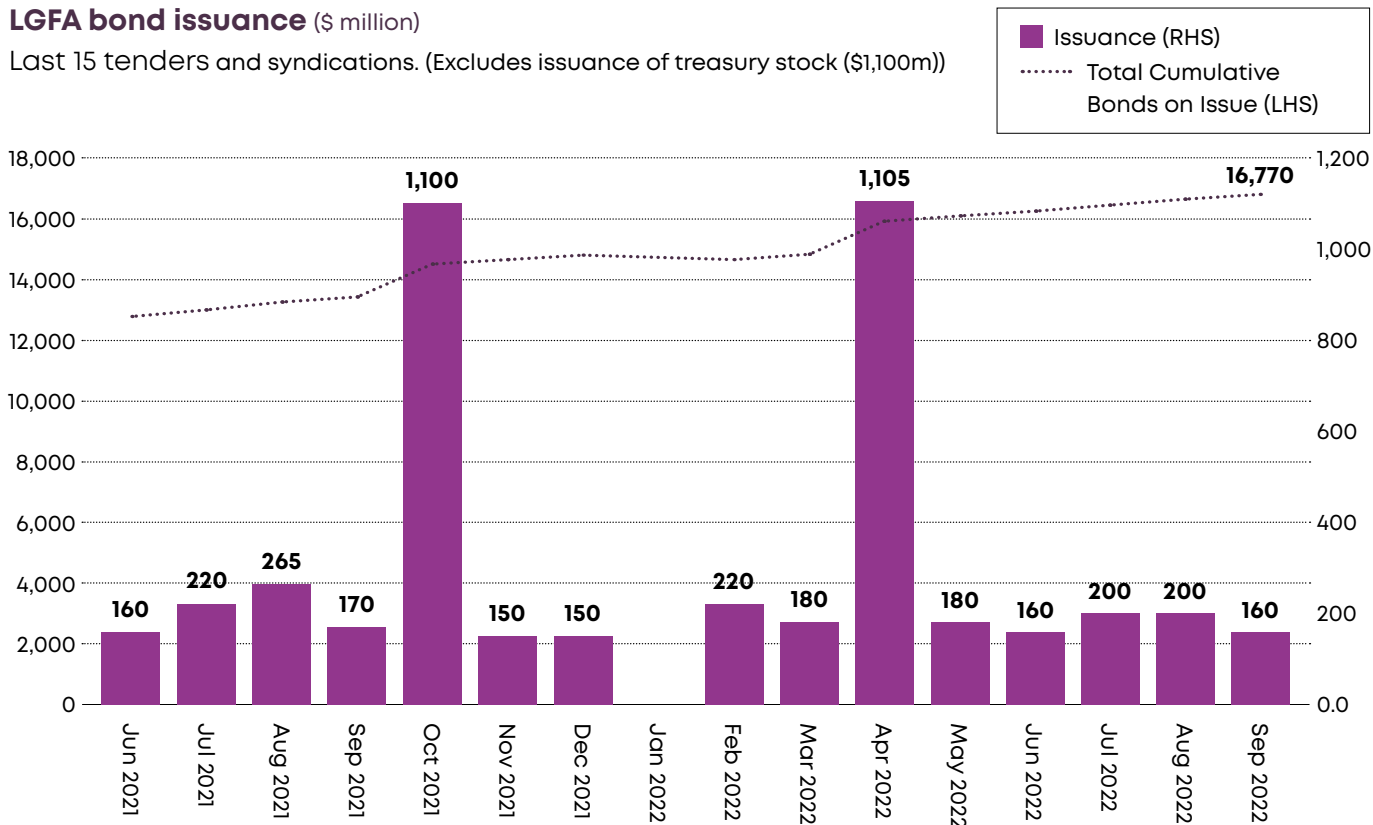
### Tender bid coverage ratio

Last 15 tenders



## LGFA bond issuance (\$ million)

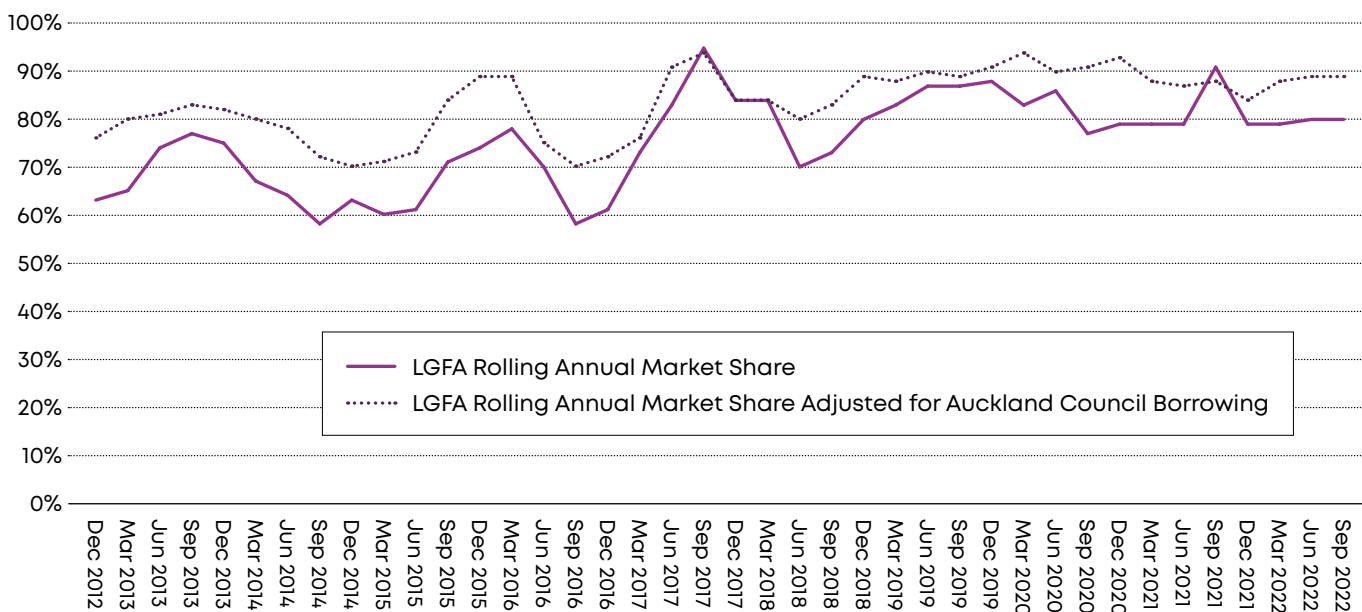
Last 15 tenders and syndications. (Excludes issuance of treasury stock (\$1,100m))



## Council membership and market share

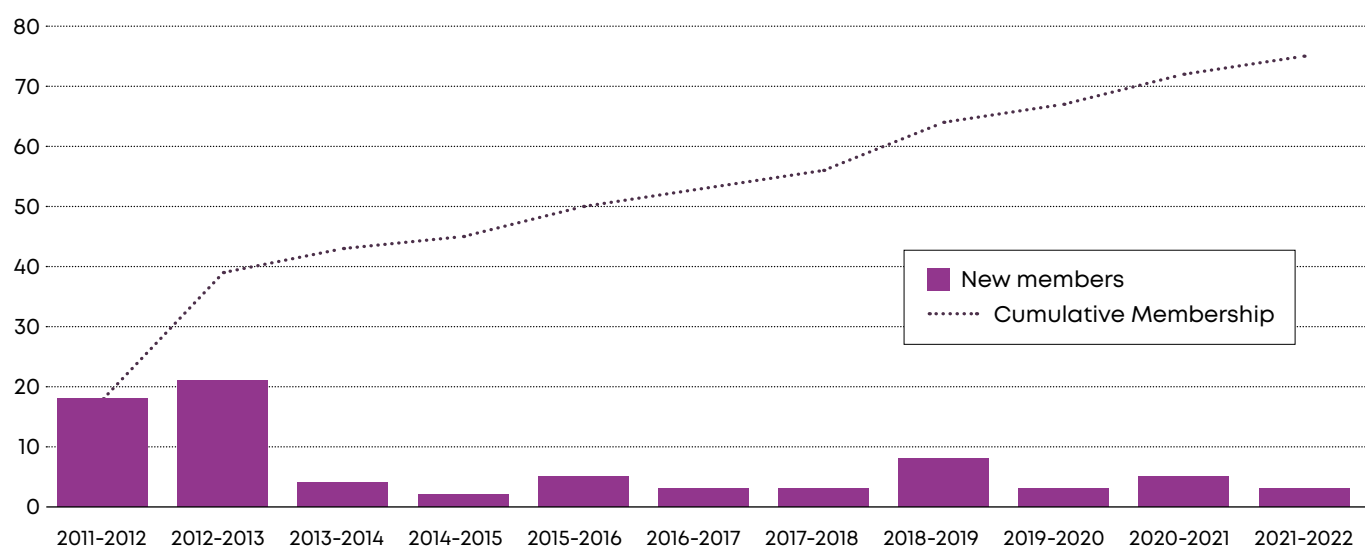
We use the PwC Local Government Debt Report as our source of market share. Our estimated market share for the rolling twelve-month period to 30 September 2022 was 80%. If we adjust for Auckland Council borrowing from both LGFA and from the market in its own name, then our market share increases to 88.7%. This compares to a historical average of 75% and our market share remains high compared to our global peers.

## LGFA Market Share – rolling one year average



As at 30 September 2022, there are seventy-five councils and one CCO as members of LGFA. MacKenzie District Council moved from being a non-guarantor to a guarantor during the quarter and the number of guarantors is now sixty-nine. Invercargill City Holdings joined as a member in July 2021. As at 30 September 2022 they have borrowings outstanding of \$90.5 million. The amount borrowed is unchanged from 30 June 2022.

### Council Membership (as at 30 September 2022)



### D3. Environmental and social responsibility

Performance target	2022-23 Target	Performance against target
Comply with the Health and Safety at Work Act 2015	No breaches	Met
Maintain Toitū Carbon Zero certification	Carbon-zero certification maintained.	Met
Meet reduction targets outlined in our carbon reduction management plan.	Reduction targets met.	Carbon Reduction Plan being established

We are currently working on the Carbon Reduction Plan targets for each year and as a result, we cannot report on progress to date. We should have the targets completed in the coming quarter.

#### Objectives:

- Assist the local government sector in achieving their sustainability and climate change objectives.
- Improve sustainability outcomes within LGFA.

During the quarter, we approved GSS loans to Hutt City Council for the Naenae swimming pool and to Whangarei District Council for the Civic Centre. This takes the total number of GSS loans approved to four with a combined value of \$488 million approved and there has been \$101 million in drawdowns as at 30 September 2022.

We are currently working on a new lending product Climate Action Loans (CALs) where a council will receive a discounted loan margin if they have in place a GHG Emission Reduction Plan and are meeting their emission reduction targets. We hope to have the product launched in the coming quarter.

Paul Tanigaito a Massey University Post Graduate student interned with us earlier this year and investigated the sixteen councils who declared a Climate Change Emergency in 2019-20, their subsequent responses and any opportunities for LGFA. His review has been published on our website.

## D4. Effective management of loans

Performance target	2022-23 Target	Performance against target
Review each participating borrower's financial position under LGFA policies.	100%	On Track
Arrange to meet each Participating Borrower at least annually, including meeting with elected officials as required, or if requested.	100%	On Track

### Objectives:

- Proactively monitor and review each Participating Borrower's financial position, including its financial headroom under LGFA policies.
- Analyse finances at the Council group level where appropriate and report to shareholders.
- Endeavour to meet each participating borrower annually, including meeting with elected officials as required, or if requested.

We undertook meetings with twenty-seven councils and CCOs during the September quarter following on from forty-two in the June quarter. LGFA continues to review council agendas and management reports on an ongoing basis for those councils on the LGFA borrower watch-list.

All councils and CCO borrowers provided compliance certificates for LGFA covenants as at June 2021 and no council has requested that they be measured on a group basis. We expect to receive compliance certificates for the year ended 30 June 2022 from most councils by 30 November although the shortage of audit and accounting staff may delay receiving all certificates on time.

## D5. Industry leadership and engagement

### Objectives

- Take a proactive role to enhance the financial strength and depth of the local government debt market and work with key central government and local government stakeholders on sector and individual council issues.
- Assist the local government sector with significant matters such as COVID -19 response and the proposed Three Waters Reform Programme.
- Support councils and CCOs in the development of reporting disclosures of the impacts of sector activity on climate change.

Throughout the quarter we have had numerous meetings with Treasury, the National Transition Unit and Policy teams at DIA and their advisers regarding Three Waters Reform. We are actively working with them on issues relating to how debt can be transitioned on 1 July 2024 and how the WSEs access borrowing through a variety of sources following transition. We are awaiting the second Water Services Entities (Amendment) Bill in the coming quarter to provide more details on whether LGFA can be involved with financing the WSEs.

LGFA has provided input into the Ratepayer Financing Scheme (RFS) project managed by a group of councils with advice from Cameron Partners. If successful, the RFS could offer temporary financial relief to ratepayers via rates postponement. LGFA is not contributing financially to this project but providing intellectual capital and assistance.

We held our ninth Shareholder Borrower Day in July at Te Papa and seventy-five people attended in person and thirty-five attending some sessions by Zoom. Attendee feedback was that it was a successful day apart from the weather interrupted return travel for many attendees.

We continue to try to progress two initiatives to reduce compliance and documentation requirements for councils when they borrow from LGFA. These relate to a universal stock security certificate and for councils to allow delegation of the S118 certificate for borrowing. We are however reliant upon other organisations to work through these changes for us and do not have much control over timelines.

## E. Investor relations

Managing relations with our investor base is very important as the amount of LGFA bonds on issue has yet to peak and we require investors and banks to support our ongoing tender issuance.

In June we participated in a Northern Hemisphere NZ Investor Roadshow with other high grade domestic issuers and presented to investors in USA, Europe and the UK.

Over the three-month period to 30 September 2022, we issued \$560 million of LGFA bonds. The change in holdings amongst our investor groups during the quarter was

- Offshore investor holdings decreased by \$150 million (but increased by \$1.0 billion from 30 September 2021) with holdings estimated to be \$4.30 billion on 30 September 2022.
- Domestic bank holdings increased by \$874 million (and up \$585 million from 30 September 2021), with holdings estimated to be \$4.75 billion on 30 September 2022.
- Domestic investor (retail and institutional) holdings decreased by \$67 million (and up \$893 million from 30 September 2021), with holdings estimated to be \$5.20 billion on 30 September 2022.
- The Reserve Bank of New Zealand (RBNZ) holdings were unchanged over the quarter and totalled \$1.43 billion as of 30 September 2022.

### LGFA Bond Holdings by Investor Group

