

Quarterly funding update

March Quarter 2023



Borrowing Programme Update

During the quarter LGFA issued NZ\$390 Million of bonds across six bond maturities via two bond tenders.

The weighted average term of issuance during the March quarter was 4.6 years compared to a weighted average term for the 2021-22 financial year of 6.2 years.

Other news

There were no new members during the quarter with current membership remaining unchanged at seventy seven councils and three CCOs. The number of guarantors was unchanged at seventy-one councils.

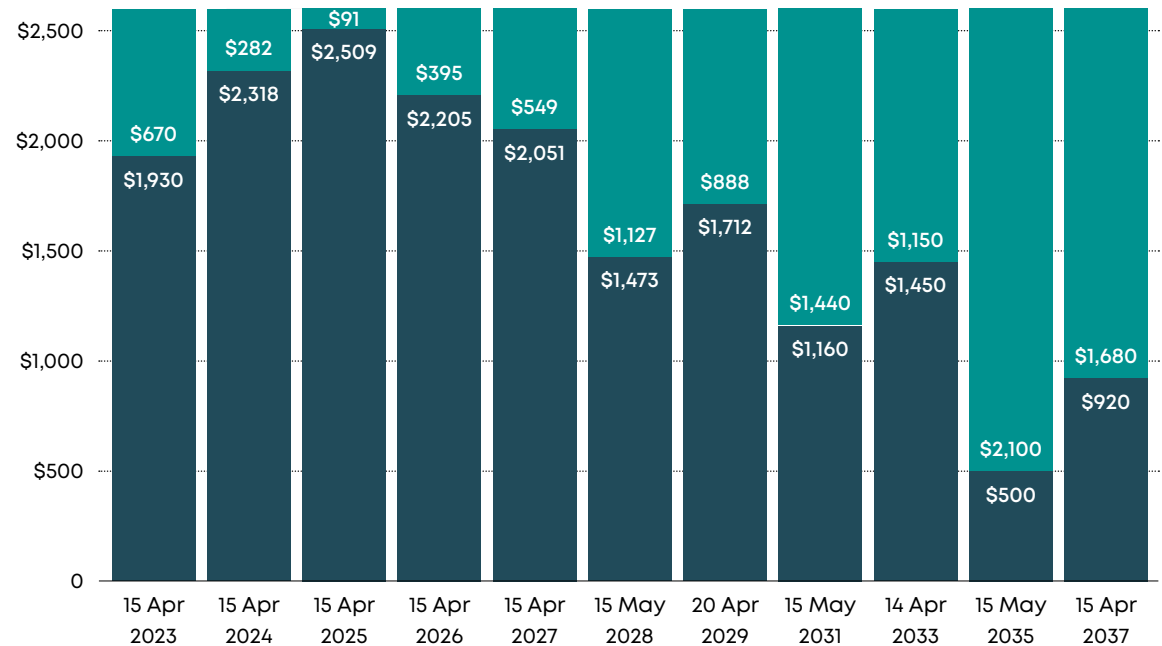
Total term borrowing by councils during the quarter was NZ\$689.7 million, bringing total term loans outstanding to NZ\$15.839 billion and short term loans of NZ\$533 million.

We approved our first Climate Action Loans (CALs) on 30 March for Auckland Council and Hutt City Council. There were no new GSS loan approvals with the number of GSS loan approvals of NZ\$543 million across five projects and drawdowns of NZ\$195 million to date.

We have revised upwards our forecasts for council lending and LGFA bond issuance for the current 2022-23 financial year by \$500 million to \$3.45 billion each. This reflects higher forecast council lending in the April to June 2023 period and a desire to maintain liquid assets at current levels. For the 9 month period to 31 March 2023, LGFA has issued NZ\$2.153 billion of bonds so the Q4 funding requirement is NZ\$1.3 billion (excluding any issuance of Treasury Stock).

LGFA retail bonds on issue (NZ\$ million)

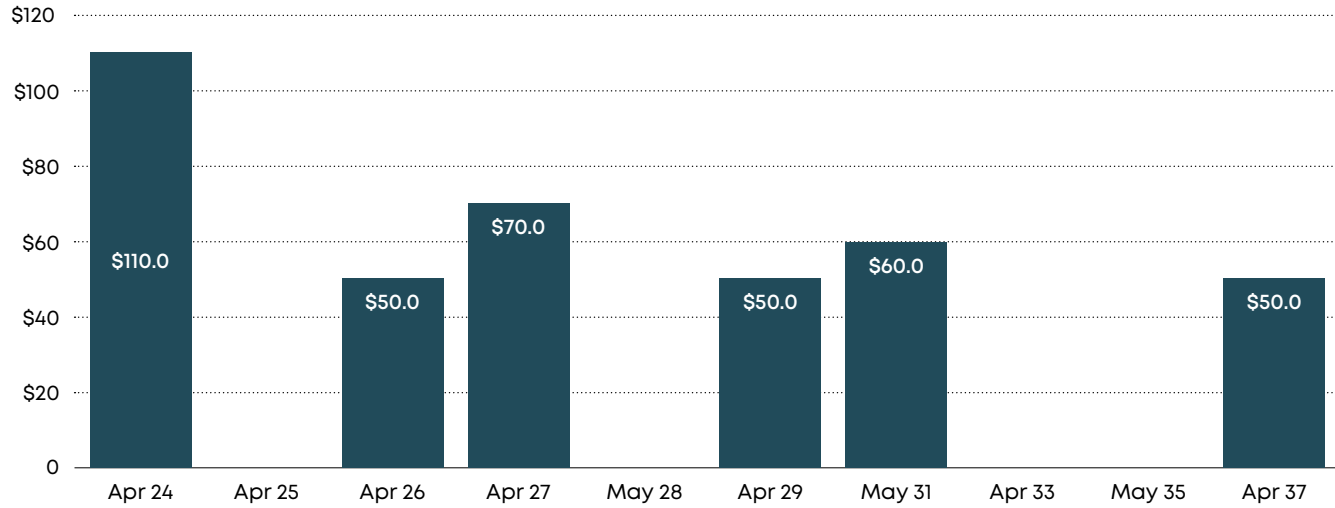
As 31 March 2023: NZ\$18,228 million



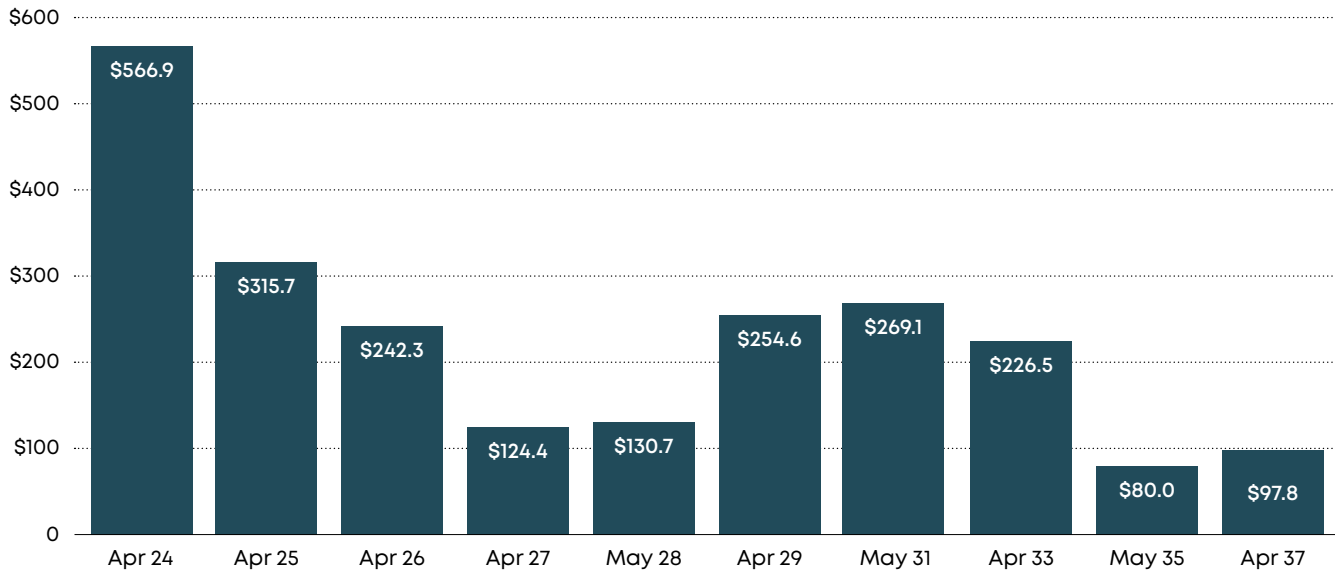
■ Nominal outstanding ■ Available capacity

Includes NZ\$1.1 billion treasury stock

March Quarter LGFA Bond Issuance (NZ\$ million)



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



Stead Street stopbank, Invercargill City Council



March Quarter LGFA Bond Issuance (NZ\$ million)

	Apr 24	Apr 25	Apr 26	Apr 27	May 28	Apr 29	May 31	Apr 33	May 35	Apr 37	Total
Tender 97 (1 March)	\$50		\$50			\$50				\$50	\$200.0
Tender 96 (1 February)	\$60			\$70			\$60				\$190.0
	\$110.0	\$0.0	\$50.0	\$70.0	\$0.0	\$50.0	\$60.0	\$0.0	\$0.0	\$50.0	\$390.0

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

	Apr 24	Apr 25	Apr 26	Apr 27	May 28	Apr 29	May 31	Apr 33	May 35	Apr 37	Total
March	\$259.6	\$106.7	\$85.0	\$63.4	\$95.1	\$162.2	\$75.9	\$43.3	\$49.9	\$49.4	\$990.4
February	\$161.9	\$79.2	\$70.2	\$47.5	\$28.3	\$55.7	\$108.1	\$160.9	\$29.9	\$41.4	\$783.0
January	\$145.5	\$129.8	\$87.1	\$13.5	\$7.4	\$36.7	\$85.1	\$22.3	\$0.2	\$7.0	\$534.5
	\$566.9	\$315.7	\$242.3	\$124.4	\$130.7	\$254.6	\$269.1	\$226.5	\$80.0	\$97.8	\$2,308.0

Holdings by Investor Group (NZ\$ million)

As at month end	Banks	Offshore	Domestic Investors	RBNZ
March	\$4,581.4	\$5,673.8	\$5,565.3	\$1,429.0
February	\$4,490.0	\$5,538.0	\$5,635.0	\$1,429.0
January	\$4,550.6	\$5,265.7	\$5,621.7	\$1,429.0
Dec-2022	\$4,753.1	\$5,085.1	\$5,600.8	\$1,429.0

Holdings by Investor Group (% of outstandings)

Banks	Offshore	Domestic Investors	RBNZ
26.6%	32.9%	32.2%	8.3%
26.3%	32.4%	32.9%	8.4%
27.0%	31.2%	33.3%	8.5%
28.2%	30.1%	33.2%	8.5%

Secondary Market Yields on LGFA Bonds (month end)

	Apr 24	Apr 25	Apr 26	Apr 27	May 28	Apr 29	May 31	Apr 33	May 35	Apr 37
March	5.41%	5.17%	4.95%	4.87%	4.85%	4.91%	4.95%	5.01%	5.12%	5.20%
February	5.56%	5.51%	5.33%	5.24%	5.20%	5.27%	5.24%	5.30%	5.43%	5.53%
January	5.42%	5.10%	4.84%	4.70%	4.69%	4.76%	4.77%	4.85%	5.02%	5.13%
Dec-2022	5.61%	5.48%	5.33%	5.22%	5.22%	5.29%	5.29%	5.37%	5.54%	5.67%

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

	Apr 24	Apr 25	Apr 26	Apr 27	May 28	Apr 29	May 31	Apr 33	May 35	Apr 37
March	40 bps	52 bps	53 bps	54 bps	58 bps	65 bps	71 bps	80 bps	83 bps	84 bps
February	39 bps	58 bps	61 bps	61 bps	63 bps	66 bps	68 bps	72 bps	77 bps	80 bps
January	48 bps	55 bps	58 bps	59 bps	64 bps	71 bps	74 bps	74 bps	81 bps	81 bps
Dec-2022	49 bps	57 bps	61 bps	63 bps	72 bps	78 bps	82 bps	86 bps	99 bps	101 bps

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

	Apr 24	Apr 25	Apr 26	Apr 27	May 28	Apr 29	May 31	Apr 33	May 35	Apr 37
March	5 bps	12 bps	22 bps	33 bps	42 bps	53 bps	62 bps	70 bps	79 bps	85 bps
February	6 bps	15 bps	23 bps	29 bps	36 bps	48 bps	51 bps	58 bps	70 bps	79 bps
January	9 bps	15 bps	22 bps	28 bps	36 bps	46 bps	49 bps	55 bps	69 bps	79 bps
Dec-2022	9 bps	15 bps	23 bps	28 bps	35 bps	44 bps	48 bps	54 bps	69 bps	81 bps

2023 Tender and Settlement Dates

Tender #	Announcement Date	Tender Date	Settlement Date
98	Monday, 8 May 2023	Wednesday, 10 May 2023	Monday, 15 May 2023
99	Friday, 2 June 2023	Wednesday, 7 June 2023	Monday, 12 June 2023
100	Monday, 3 July 2023	Wednesday, 5 July 2023	Monday, 10 July 2023
101	Monday, 7 August 2023	Wednesday, 9 August 2023	Monday, 14 August 2023
102	Monday, 4 September 2023	Wednesday, 6 September 2023	Monday, 11 September 2023
103	Monday, 9 October 2023	Wednesday, 11 October 2023	Monday, 16 October 2023
104	Monday, 6 November 2023	Wednesday, 8 November 2023	Monday, 13 November 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+

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



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