

Quarterly funding update

June Quarter 2023



Borrowing Programme Update

During the quarter LGFA issued NZ\$1.38 billion of bonds across seven bond maturities via two bond tenders and one bond syndication.

We issued our first Sustainable Financing Bond Issue (May 2030) via syndication. The weighted average term of issuance during the June quarter was 6.85 years compared to a weighted average term for the 2022-23 financial year of 5.50 years and the prior 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\$1.473 billion, bringing total term loans outstanding to NZ\$15.651 billion and short term loans of NZ\$555.6 million.

Climate Action Loans (CALs) outstanding to councils and CCOs borrowers as at 30 June were \$520.7 million to three borrowers and there were GSS loans outstanding of NZ\$294.5 million to five borrowers.

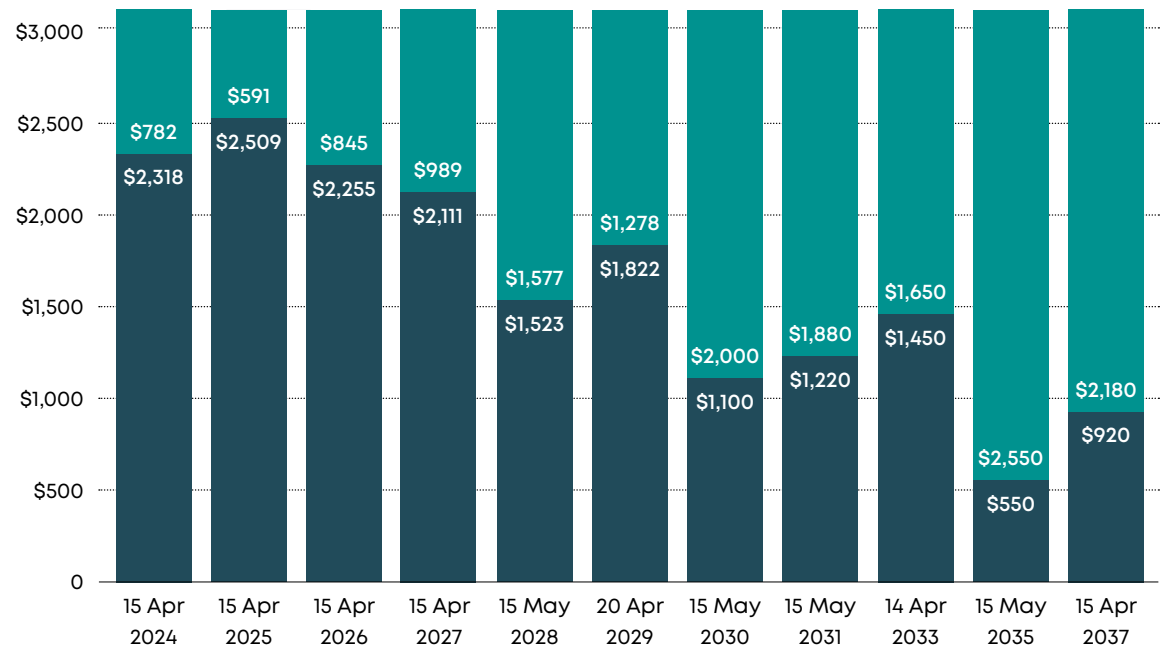
We released our Statement of Intent (SOI) for the 2023-26 period and increased our forecasts for council lending and LGFA bond issuance for the next three years by approximately \$1 billion per year. Our forecast gross borrowing programme is:

- 2023-24 NZ\$4.20 billion
- 2024-25 NZ\$4.15 billion
- 2025-26 NZ\$4.24 billion

Further information regarding the SOI and underlying financial assumptions is available on our website.

LGFA retail bonds on issue (NZ\$ million)

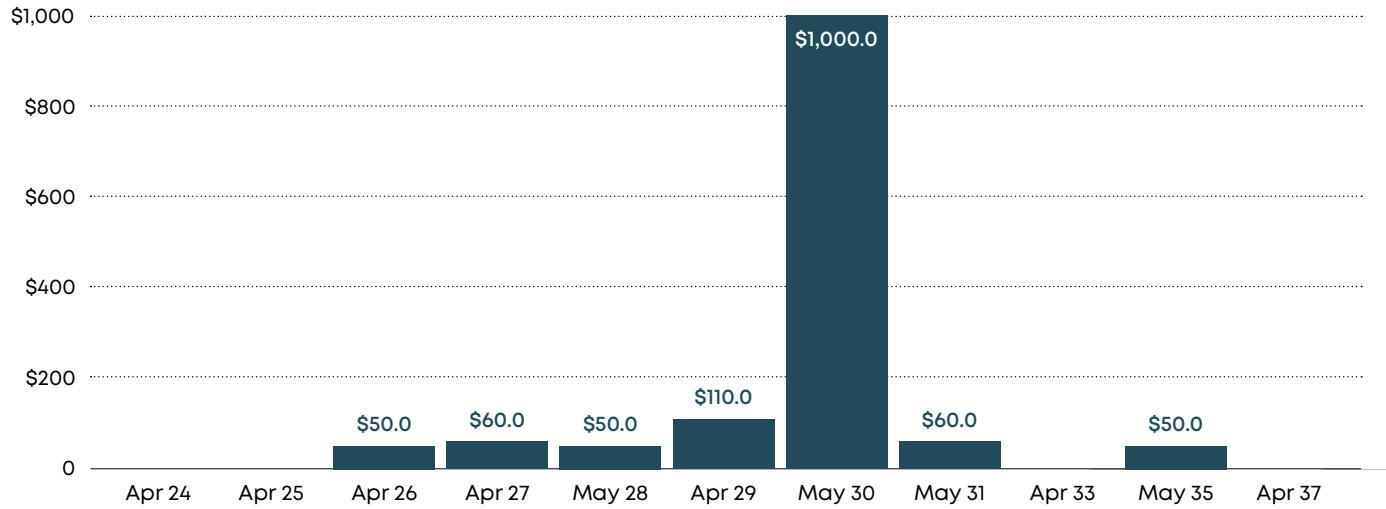
As at 30 June 2023: NZ\$17,778 million



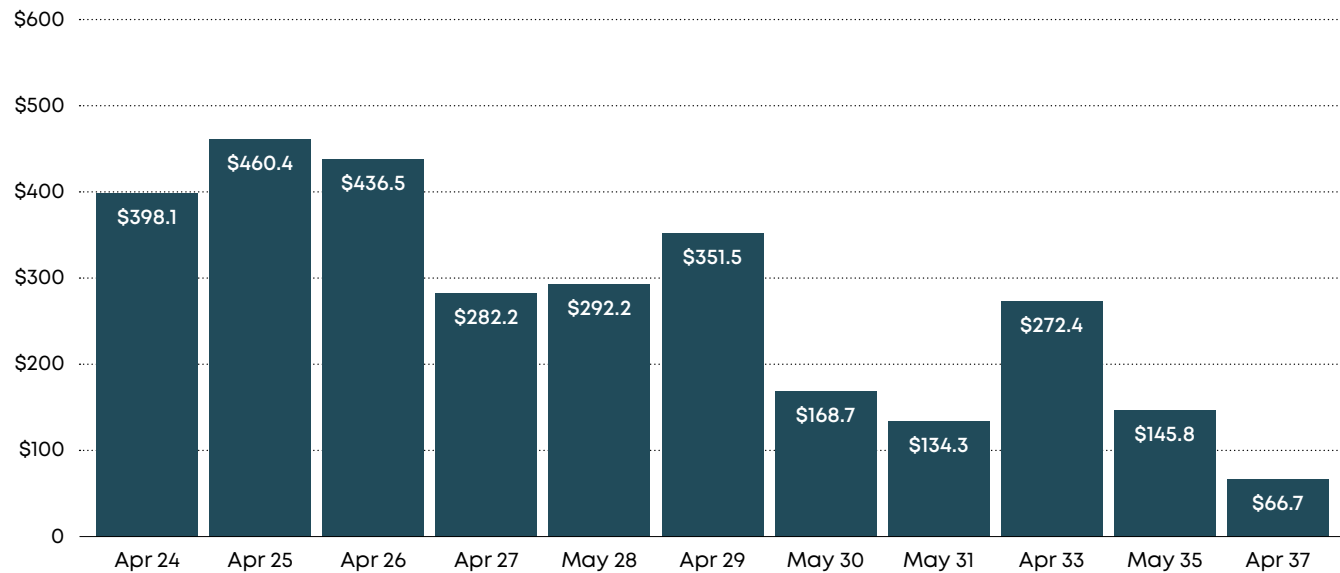
■ Nominal outstanding ■ Available capacity

Includes NZ\$1.1 billion treasury stock

June Quarter LGFA Bond Issuance (NZ\$ million)



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



Stead Street stopbank, Invercargill City Council



June Quarter LGFA Bond Issuance (NZ\$ million)

	Apr 24	Apr 25	Apr 26	Apr 27	May 28	Apr 29	May 30	May 31	Apr 33	May 35	Apr 37	Total
Tender 99 (7 June)			\$50		\$50	\$50				\$50		\$200.0
Tender 98 (10 May)				\$60		\$60		\$60				\$180.0
Syndication (11 April)							\$1,000					\$1,000.0
	\$0.0	\$0.0	\$50.0	\$60.0	\$50.0	\$110.0	\$1,000.0	\$60.0	\$0.0	\$50.0	\$0.0	\$1,380.0

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

	Apr 24	Apr 25	Apr 26	Apr 27	May 28	Apr 29	May 30	May 31	Apr 33	May 35	Apr 37	Total
June	\$55.3	\$152.4	\$51.2	\$99.2	\$43.0	\$33.3	\$48.7	\$20.3	\$22.8	\$40.5	\$14.5	\$581.2
May	\$113.0	\$82.9	\$196.6	\$66.0	\$141.6	\$114.8	\$97.6	\$53.3	\$198.9	\$62.7	\$25.1	\$1,152.6
April	\$229.8	\$225.2	\$188.7	\$117.0	\$107.5	\$203.4	\$22.3	\$60.7	\$50.7	\$42.6	\$27.1	\$1,274.9
	\$398.1	\$460.4	\$436.5	\$282.2	\$292.2	\$351.5	\$168.7	\$134.3	\$272.4	\$145.8	\$66.7	\$3,008.7

Holdings by Investor Group (NZ\$ million)

As at month end	Banks	Offshore	Domestic Investors	RBNZ
June	\$4,221.4	\$6,198.6	\$5,228.5	\$1,174.0
May	\$4,219.7	\$6,094.3	\$5,133.1	\$1,174.0
April	\$4,235.7	\$5,826.7	\$5,250.6	\$1,174.0
Mar-2023	\$4,581.4	\$5,673.8	\$5,565.3	\$1,429.0

Holdings by Investor Group (% of outstandings)

Banks	Offshore	Domestic Investors	RBNZ
25.1%	36.8%	31.0%	7.0%
25.4%	36.7%	30.9%	7.1%
25.7%	35.3%	31.9%	7.1%
26.6%	32.9%	32.2%	8.3%

Secondary Market Yields on LGFA Bonds (month end)

	Apr 24	Apr 25	Apr 26	Apr 27	May 28	Apr 29	May 30	May 31	Apr 33	May 35	Apr 37
June	5.83%	5.60%	5.28%	5.19%	5.14%	5.16%	5.14%	5.18%	5.23%	5.35%	5.41%
May	5.78%	5.29%	4.98%	4.88%	4.86%	4.87%	4.88%	4.93%	5.00%	5.16%	5.20%
April	5.62%	5.11%	4.84%	4.72%	4.70%	4.73%	4.75%	4.81%	4.89%	4.99%	5.11%
Mar-2023	5.41%	5.17%	4.95%	4.87%	4.85%	4.91%	4.91%	4.95%	5.01%	5.12%	5.20%

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

	Apr 24	Apr 25	Apr 26	Apr 27	May 28	Apr 29	May 30	May 31	Apr 33	May 35	Apr 37
June	41 bps	31 bps	43 bps	47 bps	54 bps	57 bps	56 bps	60 bps	60 bps	64 bps	63 bps
May	39 bps	50 bps	54 bps	60 bps	64 bps	64 bps	65 bps	69 bps	70 bps	77 bps	73 bps
April	42 bps	55 bps	60 bps	63 bps	67 bps	68 bps	69 bps	74 bps	78 bps	80 bps	80 bps
Mar-2023	40 bps	52 bps	53 bps	54 bps	58 bps	65 bps	65 bps	71 bps	80 bps	83 bps	84 bps

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

	Apr 24	Apr 25	Apr 26	Apr 27	May 28	Apr 29	May 30	May 31	Apr 33	May 35	Apr 37
June	2 bps	5 bps	11 bps	29 bps	43 bps	53 bps	58 bps	65 bps	72 bps	84 bps	88 bps
May	2 bps	2 bps	11 bps	26 bps	40 bps	48 bps	53 bps	59 bps	67 bps	80 bps	83 bps
April	bps	2 bps	14 bps	27 bps	39 bps	47 bps	51 bps	58 bps	66 bps	76 bps	82 bps
Mar-2023	5 bps	12 bps	22 bps	33 bps	42 bps	53 bps	53 bps	62 bps	70 bps	79 bps	85 bps

2023 Tender and Settlement Dates

Tender #	Announcement Date	Tender Date	Settlement Date
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
105	Monday, 4 December 2023	Wednesday, 6 December 2023	Monday, 11 December 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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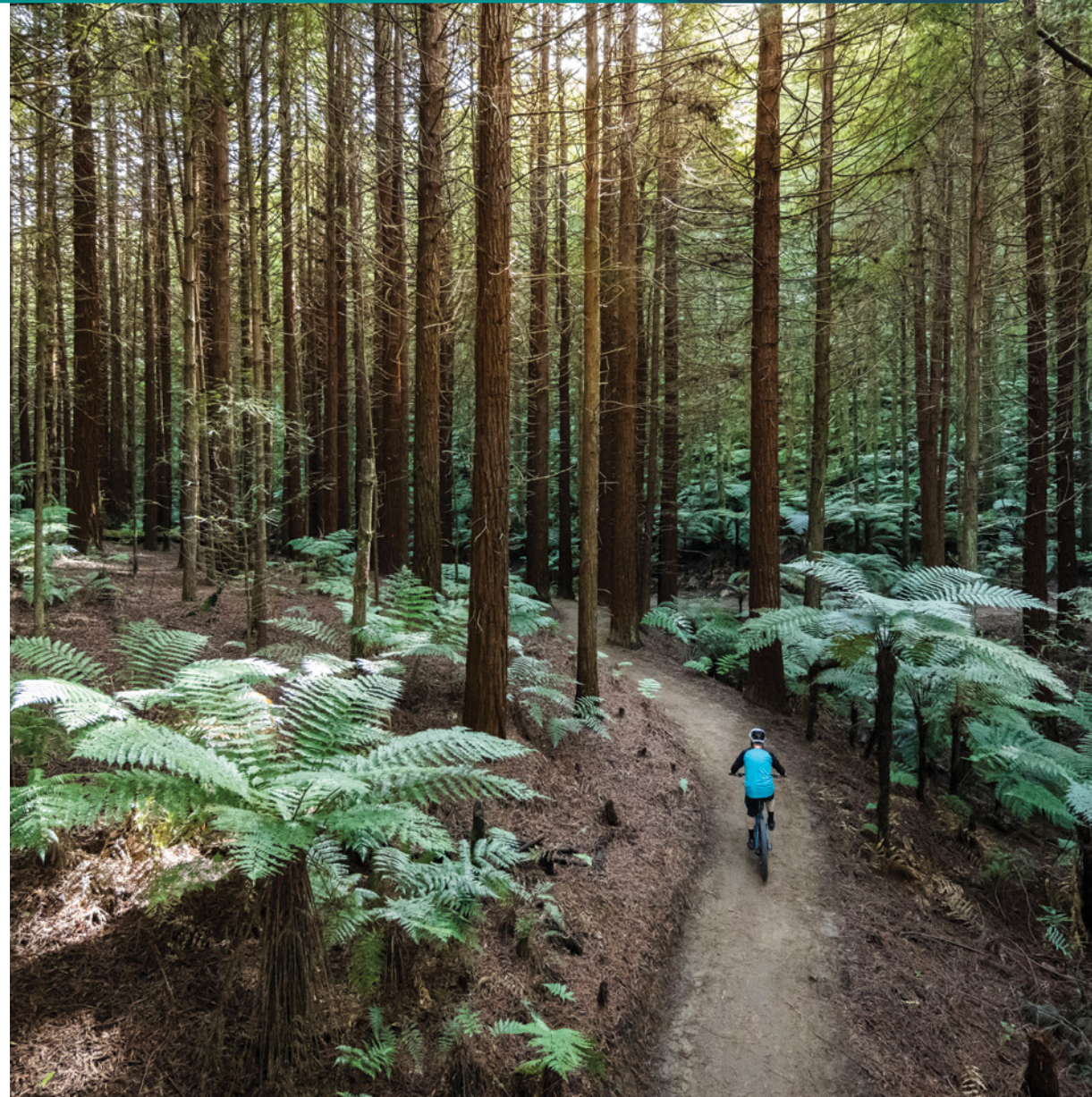
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Whakarewarewa Forest Loop (Great Ride)
Rotorua Lakes Council, Photo by Graeme Murray



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