

Quarterly funding update

September Quarter 2023



Borrowing Programme Update

During the quarter LGFA issued NZ\$1.17 billion of bonds across seven bond maturities via two bond tenders and one bond syndication.

We issued our inaugural AUD bond with A\$1 billion of an August 2028 Bond via syndication.

The weighted average term of issuance during the September quarter was 5.06 years compared to a weighted average term for the 2022-23 financial year of 5.50 years.

Other news

Two CCOs joined LGFA during the quarter (Whanganui District Holdings and Infrastructure Holdings Limited) with membership at seventy seven councils and five CCOs. The number of guarantors increased by one to seventy-two councils as West Coast Regional Council moved from non-guarantor to become a guarantor.

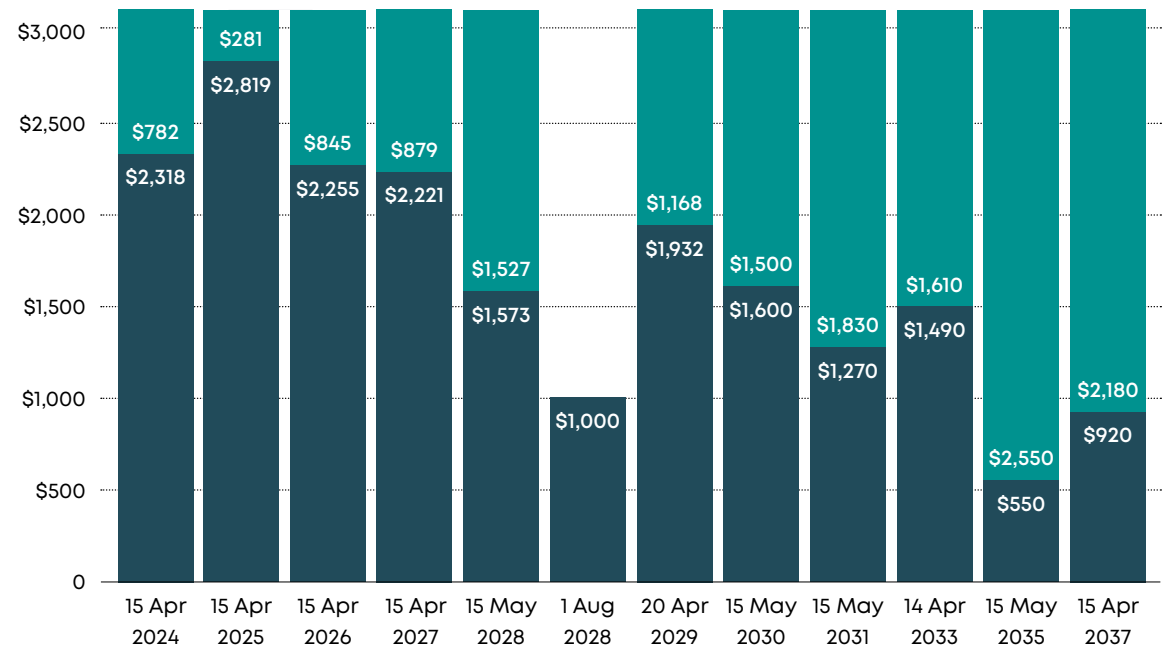
Total term borrowing by councils during the quarter was NZ\$1.2 billion, bringing total term loans outstanding to NZ\$17.40 billion and short term loans of NZ\$558.1 million.

Climate Action Loans (CALs) outstanding to councils and CCOs borrowers as at 30 September were \$940.7 million to four borrowers and there were GSS loans outstanding of NZ\$371.2 million to five borrowers.

Due to larger than expected council and CCO borrowing during the September quarter we are revising upwards our forecast bond issuance for FY2023-24 by NZ\$300 million to NZ\$4.5 billion. We will continue to provide quarterly updates if the forecasts change.

LGFA bonds on issue (\$ million)

As at 30 September 2023: NZ\$19,948 million and A\$1,000 million

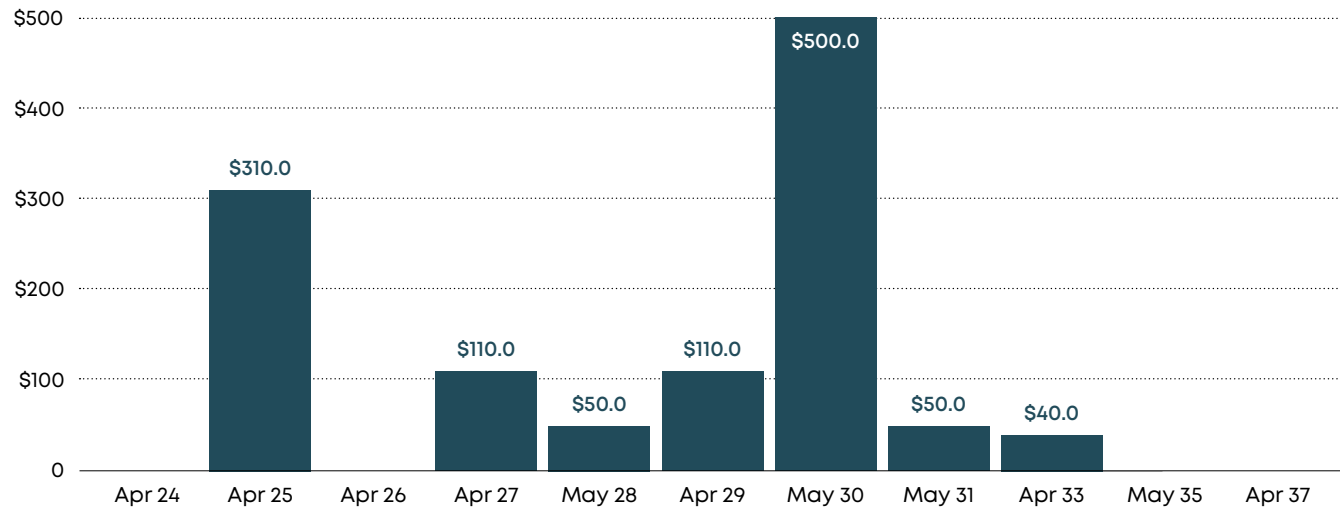


■ Nominal outstanding ■ Available capacity

The 1 Aug 2028 bond is an AUD issue.

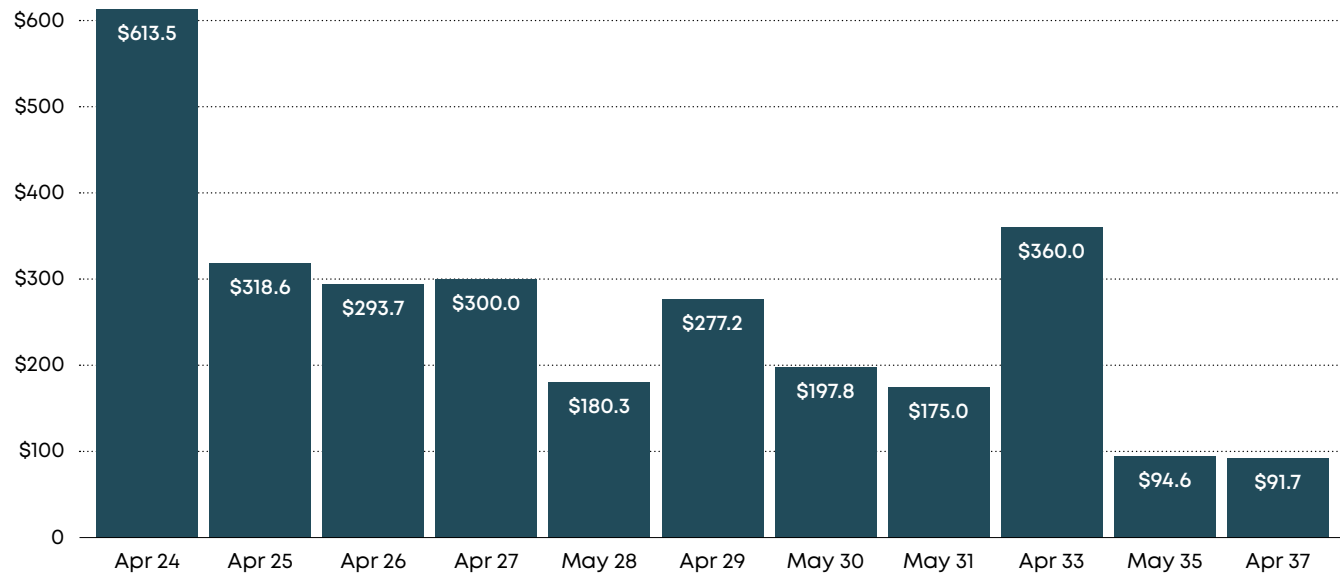
Includes NZ\$1.1 billion treasury stock

September Quarter LGFA Bond Issuance (NZ\$ million)*



* Does not include A\$1 billion of 1/08/28 AUD Bond.

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



Whangārei District Council's Civic Centre, Te Iwitahi, opened to the public in June 2023



September 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
Syndication (7 Sept)		\$250					\$500					\$750.0
Tender 100 (9 Aug)				\$50	\$50	\$50			\$40			\$190.0
Tender 101 (5 July)		\$60		\$60		\$60		\$50				\$230.0
	\$0.0	\$310.0	\$0.0	\$110.0	\$50.0	\$110.0	\$500.0	\$50.0	\$40.0	\$0.0	\$0.0	\$1,170.0

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
Sept	\$192.9	\$105.3	\$180.7	\$139.0	\$105.1	\$65.8	\$62.9	\$15.4	\$58.2	\$3.7	\$28.6	\$957.6
Aug	\$319.6	\$169.6	\$77.4	\$55.4	\$29.0	\$171.6	\$110.8	\$35.4	\$114.8	\$49.9	\$27.8	\$1,161.2
July	\$101.1	\$43.7	\$35.7	\$105.5	\$46.2	\$39.8	\$24.1	\$124.2	\$187.0	\$41.0	\$35.3	\$783.7
	\$613.5	\$318.6	\$293.7	\$300.0	\$180.3	\$277.2	\$197.8	\$175.0	\$360.0	\$94.6	\$91.7	\$2,902.5

Holdings by Investor Group (NZ\$ million)

As at month end	Banks	Offshore	Domestic Investors	RBNZ
Sept	\$5,078.0	\$6,235.5	\$5,526.8	\$1,174.0
Aug	\$4,484.0	\$6,251.9	\$5,360.8	\$1,174.0
July	\$4,289.0	\$6,367.7	\$5,365.8	\$1,174.0
Jun-2023	\$4,221.4	\$6,198.6	\$5,228.5	\$1,174.0

Holdings by Investor Group (% of outstandings)

Banks	Offshore	Domestic Investors	RBNZ
28.2%	34.6%	30.7%	6.5%
26.0%	36.2%	31.0%	6.8%
24.9%	37.0%	31.2%	6.8%
25.1%	36.8%	31.0%	7.0%

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
Sept	5.95%	6.01%	5.76%	5.70%	5.72%	5.78%	5.84%	5.91%	5.98%	6.05%	6.16%
Aug	5.78%	5.65%	5.37%	5.27%	5.27%	5.31%	5.35%	5.40%	5.45%	5.54%	5.62%
July	5.81%	5.66%	5.32%	5.23%	5.20%	5.24%	5.25%	5.30%	5.33%	5.43%	5.50%
Jun-2023	5.83%	5.60%	5.28%	5.19%	5.14%	5.16%	5.14%	5.18%	5.23%	5.35%	5.41%

* Does not include A\$1 billion of 1/08/28 AUD Bond.

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
Sept	16 bps	27 bps	28 bps	32 bps	44 bps	51 bps	56 bps	62 bps	67 bps	67 bps	70 bps
Aug	11 bps	20 bps	26 bps	27 bps	38 bps	44 bps	48 bps	53 bps	58 bps	61 bps	62 bps
July	14 bps	29 bps	35 bps	39 bps	48 bps	55 bps	56 bps	62 bps	64 bps	67 bps	67 bps
Jun-2023	40 bps	33 bps	46 bps	49 bps	54 bps	58 bps	56 bps	61 bps	61 bps	65 bps	63 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
Sept	12 bps	18 bps	17 bps	31 bps	46 bps	58 bps	67 bps	74 bps	80 bps	85 bps	94 bps
Aug	6 bps	9 bps	10 bps	24 bps	40 bps	52 bps	60 bps	67 bps	73 bps	81 bps	86 bps
July	1 bps	7 bps	8 bps	26 bps	41 bps	53 bps	60 bps	68 bps	73 bps	82 bps	86 bps
Jun-2023	2 bps	5 bps	11 bps	29 bps	43 bps	53 bps	58 bps	65 bps	72 bps	84 bps	88 bps

2023 Tender and Settlement Dates

Tender #	Announcement Date	Tender Date	Settlement Date
103	Monday, 6 November 2023	Wednesday, 8 November 2023	Monday, 13 November 2023
104	Monday, 4 December 2023	Wednesday, 6 December 2023	Monday, 11 December 2023
105	Friday, 19 January 2024	Tuesday, 24 January 2023	Tuesday, 30 January 2024
106	Monday, 4 March 2024	Wednesday, 24 January 2024	Monday, 11 March 2024
107	Monday, 8 April 2024	Wednesday, 10 April 2024	Monday, 15 April 2024
108	Monday, 6 May 2024	Wednesday, 8 May 2024	Monday, 13 May 2024
109	Friday, 31 May 2024	Wednesday, 5 June 2024	Monday, 10 June 2024

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+

Disclaimer

This document has been prepared by New Zealand Local Government Funding Agency ("LGFA") for general information purposes only.

To the maximum extent permitted by law, neither LGFA nor any of its affiliates, directors, officers, partners, employees or agents make any representation, recommendation or warranty, express or implied as to the accuracy, completeness or currency of any of the information in this document and accept no responsibility or liability therefore. Data is indicative and approximate only, and all information is subject to change. Some information may be taken from publicly available sources and has not been verified by LGFA. This document is intended as a snapshot view of LGFA only, and LGFA has no obligation, and does not undertake or accept any responsibility or obligation, to update, expand or correct anything in this document or inform you of any matter arising or coming to its notice, after the date of this document which may affect any matter referred to in this document.

This document contains forward-looking statements including information regarding LGFA's future bond issuances and forecast financial performance based on current information, estimates and forecasts. Those statements are subject to risks, uncertainties, and assumptions which are hard to predict or anticipate, and therefore actual outcomes and performance may differ materially from the statements. Any opinions expressed in this document reflect the judgement of LGFA as at the date hereof, and do not bind LGFA.

This document is not a product disclosure statement, disclosure statement or other offer document under New Zealand law or any other law. This document is not, and does not constitute, financial advice. All reasonable care has been taken in relation to the preparation and collation of this document. Except for the statutory liability which may not be excluded, LGFA accepts no responsibility for any loss or damage howsoever occurring resulting from the use or reliance on this document by any person. Past performance is not indicative of future performance and no guarantee or future rights are implied or given.

Nothing in this document is an offer to sell, or solicitation of an offer to purchase, any securities.

This document is proprietary to LGFA and not be copied, distributed, disclosed or used without LGFA's express written consent.



He Puna Taimoana. The New Brighton hot saltwater pools are a key development in the New Brighton Regeneration Project. Christchurch City Council

For further information

Mark Butcher, Chief Executive Phone +64 (04) 974 6744 Email mark.butcher@lgfa.co.nz
Level 8, City Chambers, 142 Featherston Street, Wellington 6011, New Zealand. www.lgfa.co.nz