

Quarterly funding update

December Quarter 2023



Borrowing Programme Update

During the quarter LGFA issued NZ\$460 million of bonds across six bond maturities via three bond tenders.

We also accessed the AUD bond market for the second time with a follow up A\$650 million issue of a November 2030 bond after our debut A\$1 billion August 2028 Bond in August.

The weighted average term of NZ\$ issuance during the December quarter was 7.02 years compared to a weighted average term for the 2022-23 financial year of 5.50 years.

Other news

There were no new Council or CCO members during the quarter with membership unchanged at seventy seven councils and five CCOs. The number of guarantors was also unchanged at seventy-two councils.

Total term borrowing by councils during the quarter was NZ\$1.4 billion, bringing total term loans outstanding to NZ\$18.0 billion and short term loans of NZ\$626.1 million as at 31 December 2023.

Climate Action Loans (CALs) outstanding to councils and CCOs borrowers as at 31 December 2023 were \$1.22 billion to four borrowers and there were GSS loans outstanding of NZ\$377.2 million to five borrowers.

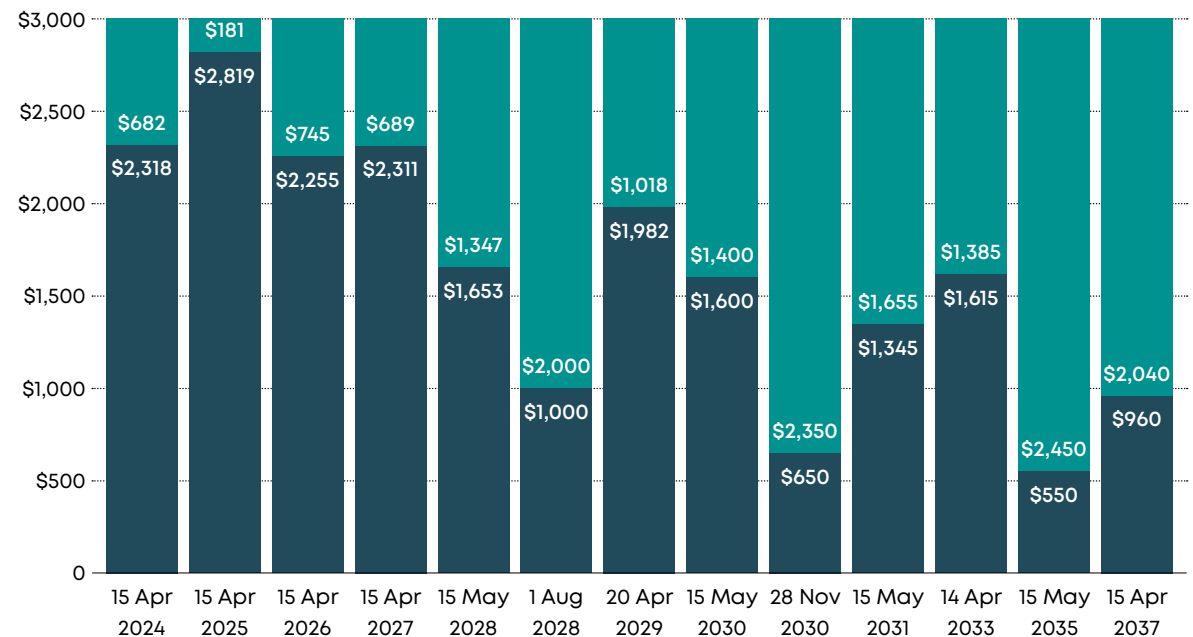
Due to larger than expected council and CCO borrowing during the September and December quarters (NZ\$2.6 billion) we are revising upwards our forecast bond issuance for FY23-24 by NZ\$500 million to NZ\$5 billion. Our issuance for the first six months of FY23-24 has been NZ\$3.4 billion. We will continue to provide quarterly updates if the forecasts change.

We have also published our indicative bond tender programme for 2024 with a few dates revised to accommodate the RBNZ MPS and OCR Review dates.

Finally, thanks to the investors, banks and intermediaries who voted in the KangaNews 2023 Awards with LGFA being acknowledged with five awards including New Zealand Issuer of the Year Award for the second consecutive year.

LGFA bonds on issue (\$ million)

As at 31 December 2023: NZ\$19,408 million and A\$1,650 million

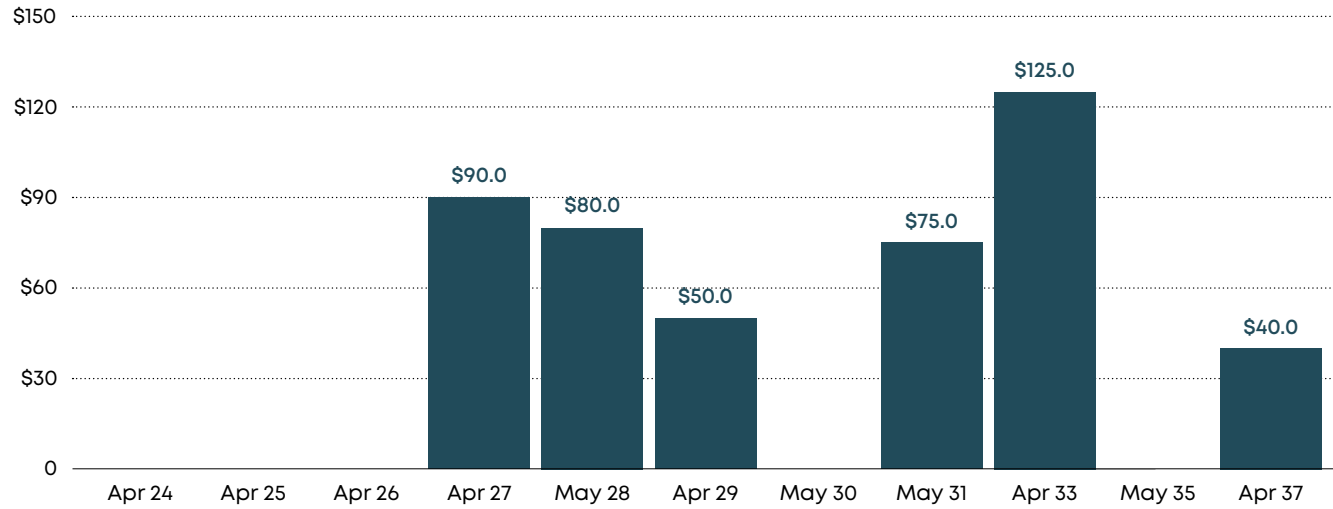


■ Nominal outstanding ■ Available capacity

Includes NZ\$1.1 billion treasury stock

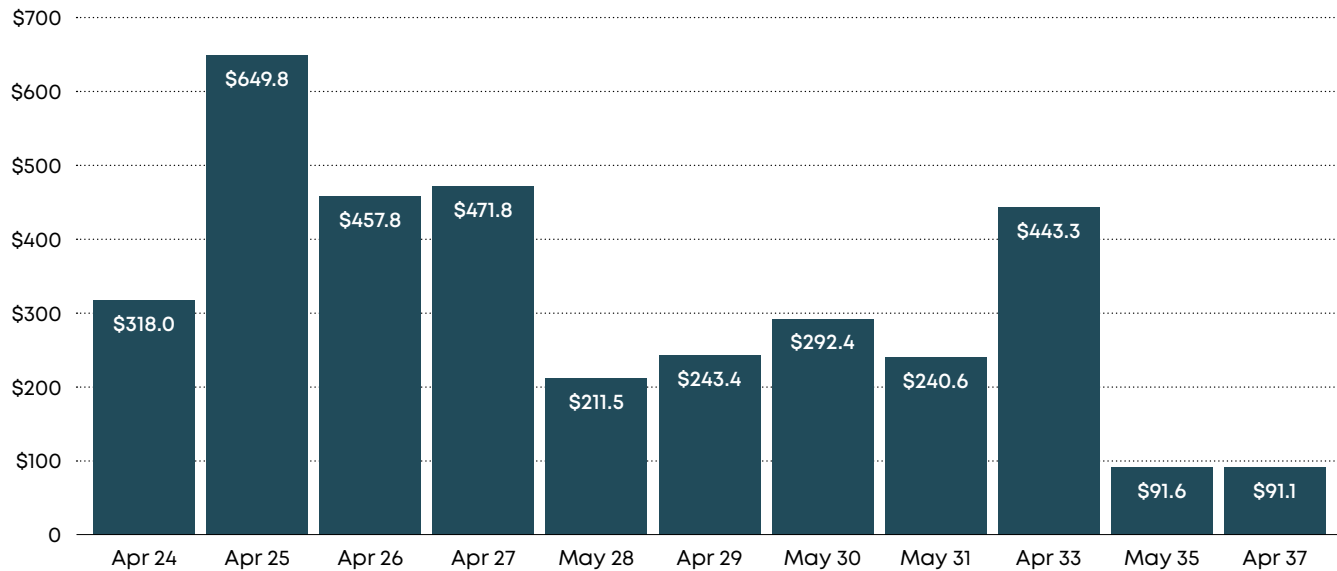
The 1 August 2028 and 28 November 2030 Bonds are AUD bonds and the 15 May 2030 Bond is a NZD Sustainable Financing Bond.

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



* Does not include A\$650 million of 28/11/30 AUD Bond.

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



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



December 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 104 (6 Dec)					\$40			\$40	\$40		\$40	\$160.0
Tender 103 (8 Nov)				\$50		\$50			\$50			\$150.0
Tender 102 (3 Oct)				\$40	\$40			\$35	\$35			\$150.0
	\$0.0	\$0.0	\$0.0	\$90.0	\$80.0	\$50.0	\$0.0	\$75.0	\$125.0	\$0.0	\$40.0	\$460.0

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
Dec	\$84.4	\$265.1	\$191.9	\$69.8	\$41.2	\$34.4	\$112.6	\$48.3	\$89.6	\$6.9	\$14.3	\$958.6
Nov	\$79.4	\$234.3	\$195.2	\$164.0	\$65.8	\$114.9	\$127.1	\$48.8	\$144.3	\$65.6	\$27.0	\$1,266.5
Oct	\$154.2	\$150.4	\$70.7	\$238.0	\$104.5	\$94.1	\$52.7	\$143.5	\$209.3	\$19.1	\$49.8	\$1,286.2
	\$318.0	\$649.8	\$457.8	\$471.8	\$211.5	\$243.4	\$292.4	\$240.6	\$443.3	\$91.6	\$91.1	\$3,511.3

Holdings by Investor Group (NZ\$ million)

As at month end	Banks	Offshore	Domestic Investors	RBNZ
Dec	\$5,458.0	\$6,152.0	\$5,677.0	\$1,174.0
Nov	\$5,416.7	\$6,209.5	\$5,588.8	\$1,174.0
Oct	\$5,342.6	\$6,195.1	\$5,592.3	\$1,174.0
Sep-2023	\$5,078.0	\$6,235.5	\$5,526.8	\$1,174.0

Holdings by Investor Group (% of outstandings)

Banks	Offshore	Domestic Investors	RBNZ
29.6%	33.3%	30.8%	6.4%
29.5%	33.8%	30.4%	6.4%
29.2%	33.8%	30.6%	6.4%
28.2%	34.6%	30.7%	6.5%

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
Dec	5.73%	5.35%	4.95%	4.84%	4.82%	4.85%	4.90%	5.02%	5.12%	5.27%	5.36%
Nov	5.71%	5.52%	5.19%	5.09%	5.13%	5.18%	5.22%	5.35%	5.43%	5.58%	5.67%
Oct	5.91%	5.89%	5.79%	5.76%	5.87%	5.99%	6.07%	6.22%	6.35%	6.47%	6.58%
Sep-2023	5.95%	6.01%	5.76%	5.70%	5.72%	5.78%	5.84%	5.91%	5.98%	6.05%	6.16%

* Does not include A\$650 million of 28/11/30 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
Dec	21 bps	24 bps	36 bps	39 bps	43 bps	49 bps	49 bps	54 bps	58 bps	61 bps	62 bps
Nov	17 bps	31 bps	28 bps	32 bps	37 bps	42 bps	46 bps	52 bps	56 bps	62 bps	64 bps
Oct	25 bps	32 bps	38 bps	40 bps	51 bps	59 bps	61 bps	71 bps	80 bps	83 bps	84 bps
Sep-2023	19 bps	27 bps	28 bps	32 bps	44 bps	51 bps	56 bps	62 bps	67 bps	67 bps	70 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
Dec	10 bps	17 bps	21 bps	32 bps	45 bps	53 bps	60 bps	70 bps	75 bps	84 bps	91 bps
Nov	8 bps	12 bps	14 bps	26 bps	41 bps	50 bps	55 bps	67 bps	72 bps	81 bps	88 bps
Oct	18 bps	21 bps	28 bps	38 bps	55 bps	68 bps	73 bps	86 bps	93 bps	100 bps	106 bps
Sep-2023	12 bps	18 bps	17 bps	31 bps	46 bps	58 bps	67 bps	74 bps	80 bps	85 bps	94 bps

2024 Tender and Settlement Dates

Tender #	Announcement Date	Tender Date	Settlement Date
105	Friday, 19 January 2024	Wednesday, 24 January 2024	Tuesday, 30 January 2024
106	Monday, 26 February 2024	Wednesday, 28 February 2024	Monday, 4 March 2024
107	Monday, 1 April 2024	Wednesday, 3 April 2024	Monday, 8 April 2024
108	Monday, 29 April 2024	Wednesday, 1 May 2024	Monday, 6 May 2024
109	Monday, 27 May 2024	Wednesday, 29 May 2024	Tuesday, 4 June 2024
110	Monday, 1 July 2024	Wednesday, 3 July 2024	Monday, 8 July 2024
111	Monday, 5 August 2024	Wednesday, 7 August 2024	Monday, 12 August 2024
112	Monday, 2 September 2024	Wednesday, 4 September 2024	Monday, 9 September 2024
113	Monday, 30 September 2024	Wednesday, 2 October 2024	Monday, 7 October 2024
114	Monday, 11 November 2024	Wednesday, 13 November 2024	Monday, 18 November 2024
115	Monday, 9 December 2024	Wednesday, 11 December 2024	Monday, 16 December 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+

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