

Quarterly funding update

September Quarter 2026

Borrowing Programme Update

During the quarter LGFA issued NZ\$500 million of NZD bonds across seven bond maturities via three bond tenders and one USD 500 million syndication of a new September 2031 USD bond. Total bond issuance (both NZD and NZD equiv. of foreign currency) for the twelve month period to 30 September 2026 was NZ\$4.03 billion comprising 53% in NZD bonds and 47% in foreign currency bonds (that were fully hedged back into NZD).

The weighted average term of bond issuance during the September quarter was 5.6 years compared to 6.69 years for the FY ending 30 June 2026. This average was impacted by the large 5 year USD bond issue.

Other news

Two water CCOs (Central Water Limited and Northern Waters Limited) joined LGFA during the quarter and this increased our water CCO membership to six. Council membership remained unchanged at seventy-seven members and CCO membership (excluding water CCOs) was also unchanged at eight. The number of guarantors increased by one to seventy-five.

Total long term borrowing by councils during the quarter was NZ\$1.02 billion compared to NZ\$568 million in the comparable period a year ago. Total term loans outstanding were NZ\$23.25 billion and short term loans of NZ\$1.66 billion as at 30 September 2026.

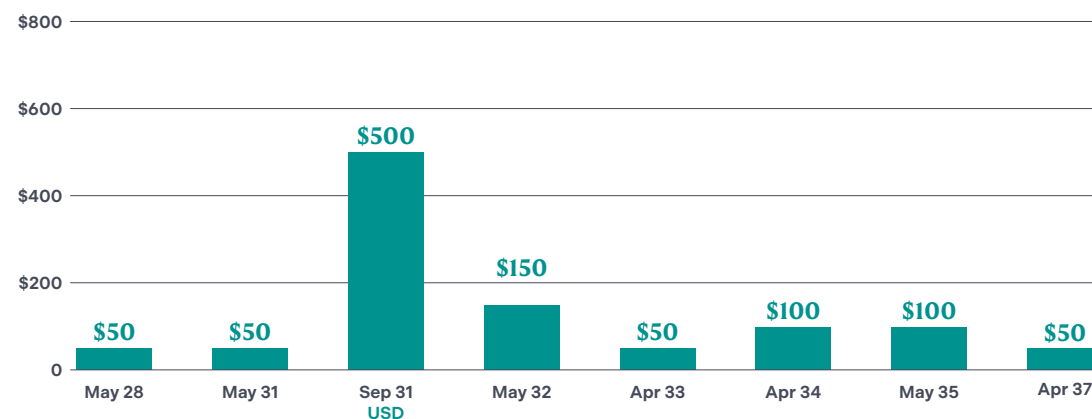
Climate Action Loans (CALs) outstanding to council and CCO borrowers total \$4.15 billion to eight borrowers and there were Green and Social loans outstanding of NZ\$653.9 million to fifteen projects.

LGFA has NZ\$854 million of NZD LGFA Bills and the equivalent of NZ\$700 million of ECP (across USD and EUR) on issue. LGFA bonds lent on repo by LGFA to banks total NZ\$372 million.

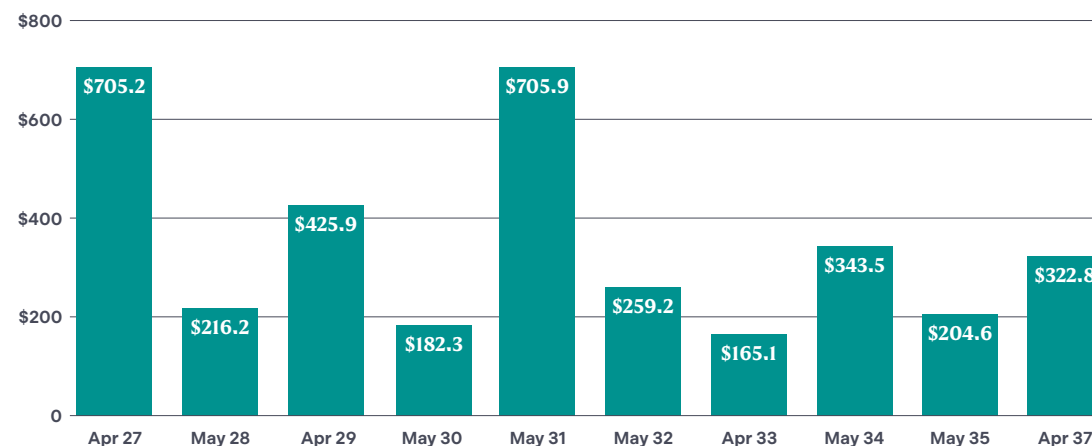
During the September 2026 quarter LGFA repurchased NZ\$125 million of the April 2027 and \$36 million of the April 2037 LGFA bonds via the repurchase tender programme.

The Reserve Bank of New Zealand announced on 8 July 2026 that they intend to fully unwind their holdings of LGFA Bonds purchased as part of the Large Scale Asset Purchase Programme between April 2020 and February 2021. They intend to unwind the holdings by the end of June 2027.

September Quarter Bond Issuance (\$ million)



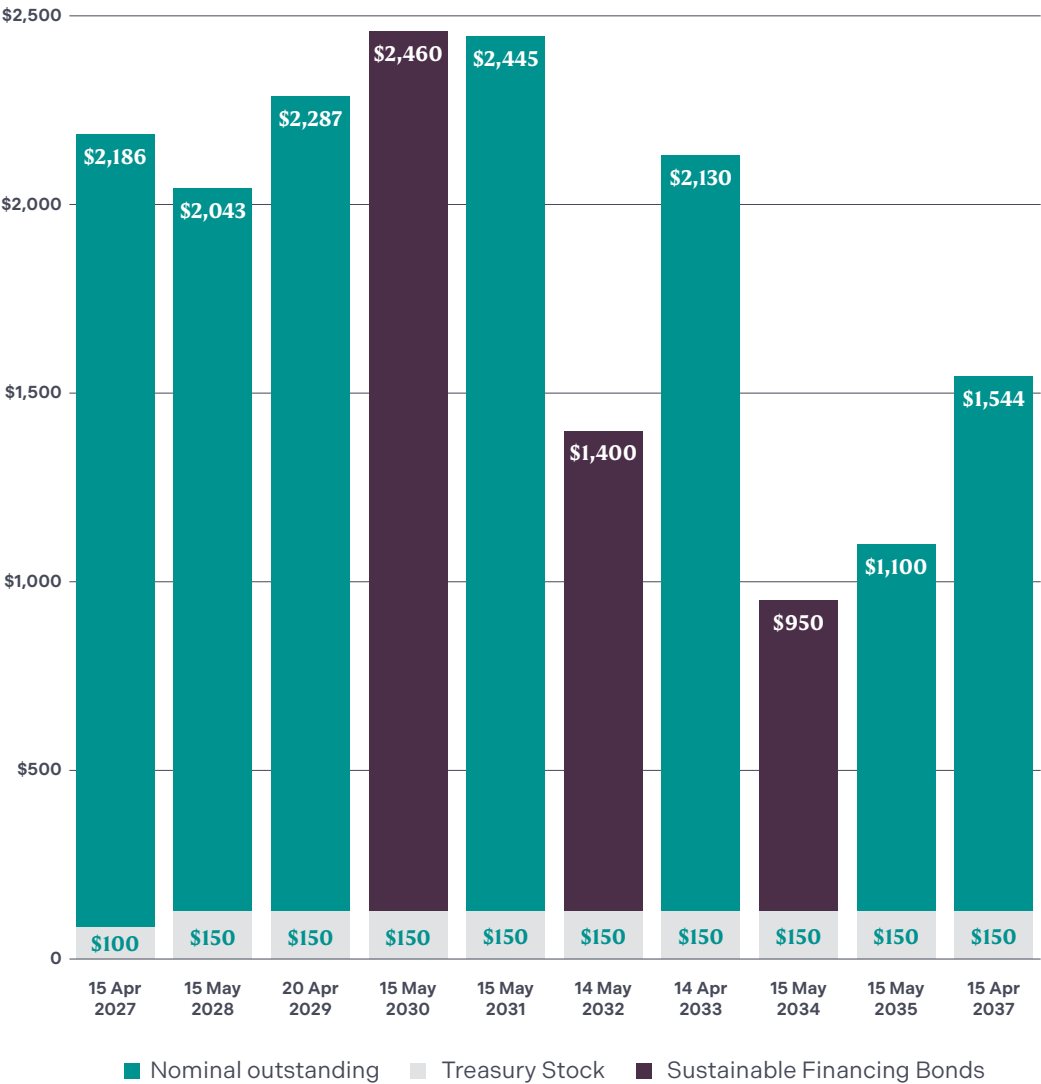
September Quarter Secondary Market Activity in NZD Bonds (NZ\$ million)



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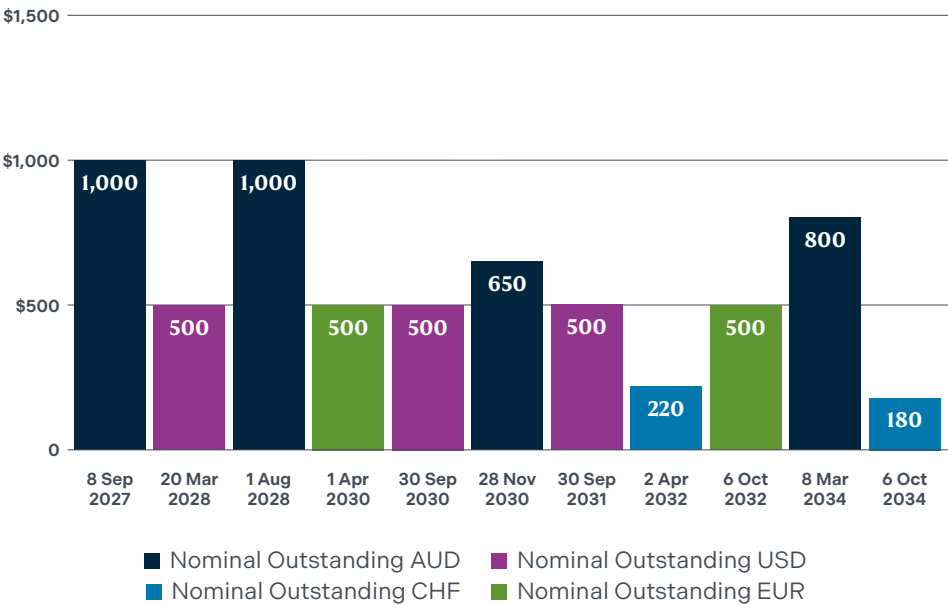
LGFA NZD bonds on issue (NZ\$ million)

As at 30 September 2026: NZ\$18,545 million (Includes NZ\$1,450 million treasury stock)



LGFA Foreign Currency Bonds on issue

As at 30 September 2026



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September Quarter LGFA Bond Issuance (NZ\$ million)

	May 28	Apr 29	May 30	May 31	May 32	Apr 33	May 34	May 35	Apr 37	Total
Tender 133 (9 Sept)					\$75	\$50		\$50		\$175
Tender 132 (5 Aug)	\$50				\$75				\$50	\$175
Tender 131 (7 July)				\$50			\$50	\$50		\$150
	\$50.0	\$0.0	\$0.0	\$50.0	\$150.0	\$50.0	\$50.0	\$100.0	\$50.0	\$500

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

	Apr 27	May 28	Apr 29	May 30	May 31	May 32	Apr 33	May 34	May 35	Apr 37	Total
September	\$462.3	\$61.5	\$237.0	\$69.4	\$121.0	\$143.6	\$42.7	\$97.0	\$38.9	\$68.4	\$1,341.9
August	\$151.0	\$108.7	\$43.9	\$75.6	\$155.8	\$92.6	\$54.1	\$58.2	\$58.0	\$83.0	\$880.9
July	\$91.9	\$46.0	\$145.0	\$37.2	\$429.2	\$23.0	\$68.3	\$188.3	\$107.6	\$171.4	\$1,307.8
	\$705.2	\$216.2	\$425.9	\$182.3	\$705.9	\$259.2	\$165.1	\$343.5	\$204.6	\$322.8	\$3,530.6

Holdings of LGFA NZD Bonds by Investor Group (NZ\$ million)

As at month end	Banks	Offshore	Domestic Investors	RBNZ
September	\$5,528.0	\$3,833.2	\$7,110.0	\$983.0
August	\$5,705.8	\$3,853.8	\$6,902.4	\$976.0
July	\$5,928.7	\$3,807.4	\$6,757.9	\$830.0
June	\$5,855.8	\$3,816.0	\$6,646.3	\$882.0

Holdings of LGFA NZD Bonds by Investor Group (% of outstandings)

Banks	Offshore	Domestic Investors	RBNZ
31.7%	22.0%	40.7%	5.6%
32.7%	22.1%	39.6%	5.6%
34.2%	22.0%	39.0%	4.8%
34.0%	22.2%	38.6%	5.1%

Secondary Market Yields on LGFA NZD Bonds (month end)

	Apr 27	May 28	Apr 29	May 30	May 31	May 32	Apr 33	May 34	May 35	Apr 37
September	3.47%	4.12%	4.39%	4.57%	4.70%	4.82%	4.95%	5.07%	5.23%	5.47%
August	3.34%	3.83%	4.04%	4.22%	4.36%	4.50%	4.64%	4.76%	4.92%	5.17%
July	3.32%	3.81%	4.00%	4.20%	4.36%	4.52%	4.64%	4.74%	4.90%	5.13%
June	3.06%	3.47%	3.66%	3.85%	4.00%	4.14%	4.27%	4.37%	4.54%	4.77%

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

	Apr 27	May 28	Apr 29	May 30	May 31	May 32	Apr 33	May 34	May 35	Apr 37
September	27 bps	25 bps	24 bps	23 bps	19 bps	15 bps	18 bps	20 bps	27 bps	33 bps
August	21 bps	21 bps	22 bps	21 bps	18 bps	16 bps	20 bps	22 bps	28 bps	34 bps
July	21 bps	20 bps	19 bps	22 bps	21 bps	23 bps	26 bps	26 bps	32 bps	37 bps
June	19 bps	16 bps	16 bps	17 bps	16 bps	16 bps	19 bps	19 bps	28 bps	31 bps

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

	Apr 27	May 28	Apr 29	May 30	May 31	May 32	Apr 33	May 34	May 35	Apr 37
September	3 bps	19 bps	24 bps	28 bps	31 bps	35 bps	41 bps	46 bps	56 bps	70 bps
August	3 bps	18 bps	24 bps	29 bps	32 bps	37 bps	43 bps	47 bps	56 bps	69 bps
July	4 bps	18 bps	22 bps	29 bps	35 bps	42 bps	47 bps	49 bps	59 bps	71 bps
June	6 bps	17 bps	23 bps	30 bps	37 bps	42 bps	47 bps	50 bps	61 bps	73 bps

2026 and early 2027 Tender and Settlement Dates

Tender #	Announcement Date	Tender Date	Settlement Date
134	Monday, 12 October 2026	Wednesday, 14 October 2026	Monday, 19 October 2026
135	Monday, 9 November 2026	Wednesday, 11 November 2026	Monday, 16 November 2026
136	Monday, 7 December 2026	Wednesday, 9 December 2026	Monday, 14 December 2026
137	Monday, 18 January 2027	Wednesday, 20 January 2027	Tuesday, 26 January 2027
138	Monday, 15 February 2027	Wednesday, 17 February 2027	Monday, 22 February 2027
139	Tuesday, 16 March 2027	Thursday, 18 March 2027	Tuesday, 23 March 2027

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+ (neg)	AA+ (neg)

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For further information

Matt Appleby, Senior Manager Funding and Projects

+64 (04) 974 6744 / matthew.appleby@lgfa.co.nz

Level 8, Grant Thornton House, 215 Lambton Quay, Wellington 6011, New Zealand. www.lgfa.co.nz