

## **MEDIA RELEASE**

### **Listing of New Zealand Local Government Funding Agency Limited Bonds a significant step for the Agency and New Zealand Capital Markets**

16 November 2015

New Zealand Local Government Funding Agency Limited (LGFA) announces that all existing series of bonds it has issued (LGFA Bonds) have been accepted for quotation by NZX and will be quoted on the NZX Debt Market (NZDX) from today, 16 November 2015.

Mark Butcher, Chief Executive of LGFA notes the NZDX listing has many benefits for both LGFA and investors.

“Listing on the NZDX will further extend our retail investor base, provide greater price transparency to all investors and achieve best practice from a governance perspective. Listing should also help increase secondary market liquidity in LGFA Bonds and assist retail investors with greater access to a highly rated and liquid fixed income investment,” says Mr Butcher.

LGFA Bonds currently on issue comprise \$5.56 billion in aggregate across six maturities ranging from 2017 to 2027 making LGFA one of the largest issuers of bonds in the domestic capital markets.

LGFA is owned in part by the New Zealand Government (which holds 20 per cent of shares) with the remaining 80 per cent of shares held by thirty councils. LGFA was established in December 2011 following recommendations from the 2009 Jobs Summit and Capital Markets Development Task Force and LGFA commenced borrowing on behalf of the local government sector in February 2012.

Since then, LGFA has provided its forty-seven council members with:

- longer dated borrowing terms;
- lower borrowing costs; and
- improved access to capital markets.

LGFA has also worked closely over the past four years with a number of organisations including the Department of Internal Affairs, Office of the Auditor General, Audit New

Zealand and Local Government New Zealand to assist councils with improving their financial management and approach to debt management.

LGFA has a current local currency long-term credit rating of AA+ with a stable outlook by Standard and Poor's Ratings Service and AA+ with positive outlook by Fitch Ratings. Both ratings are the second highest credit ratings available and the same as those of the New Zealand Government.

Current holders of LGFA Bonds include domestic and international institutional investors, banks and some retail investors.

ANZ Bank New Zealand Limited was the Organising Participant on the listing and Russell McVeagh acted as legal advisers to LGFA.

For further information on LGFA visit the website [www.lgfa.co.nz](http://www.lgfa.co.nz) or contact:

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