

# 2018–19 FUNDING YEAR IN REVIEW

AS AT 30 JUNE 2019

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AUDAX AT FIDELIS  
QUEENSLAND  
TREASURY  
CORPORATION



Queensland Treasury Corporation (QTC) is the Queensland Government's central financing authority and corporate treasury services provider. QTC borrows funds in the domestic and international financial markets by issuing a variety of debt instruments and is the largest Australian semi-government issuer of Australian dollar denominated bonds.

## 2018–19 FUNDING HIGHLIGHTS

Completed **AUD8 billion** term debt borrowing program

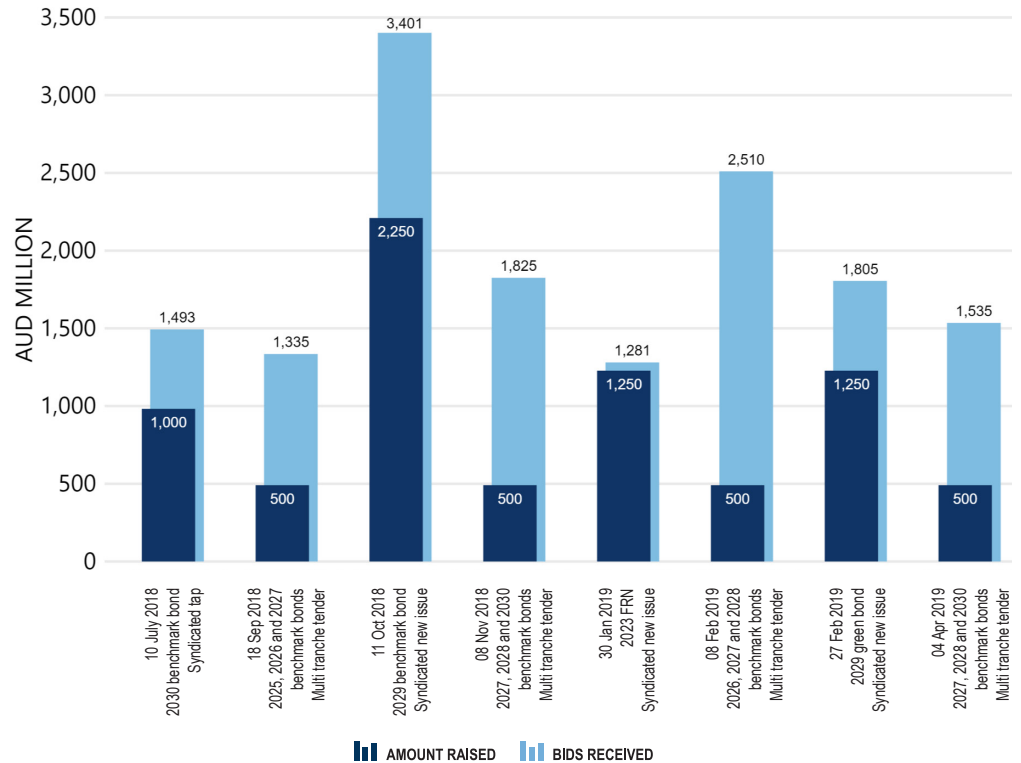
Issued approximately **AUD12.4 billion** in term debt in gross terms including:

- **AUD9.5 billion** in total of benchmark bonds including a new 2029 benchmark bond line
- **AUD1.7 billion** of a 2023 floating rate note
- **AUD1.25 billion** of a new 2029 green bond
- **AUD125 million** increase to the 2047 bond line

Turnover of approximately **AUD101 billion** of QTC bonds in the secondary market<sup>^</sup>

Bought back and cancelled **AUD1.67 billion** of QTC 2020 benchmark bonds

### 2018–19 PUBLIC ISSUANCE

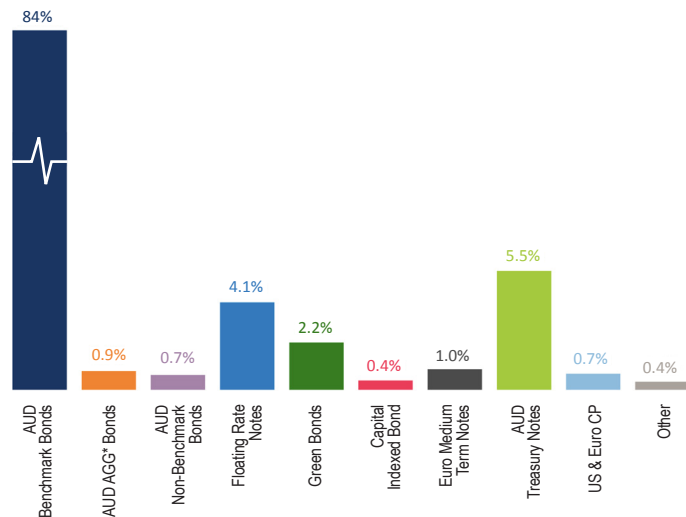


Figures are from 1 July 2018 to 30 June 2019.  
<sup>^</sup>Turnover for period 1 April 2018 to 31 March 2019.

## ACCESS TO FUNDING

### DIVERSE FUNDING FACILITIES

Over the year, QTC maintained its diversified global focus to meet its funding requirements. As at 30 June 2019 QTC had AUD90 billion of debt outstanding.

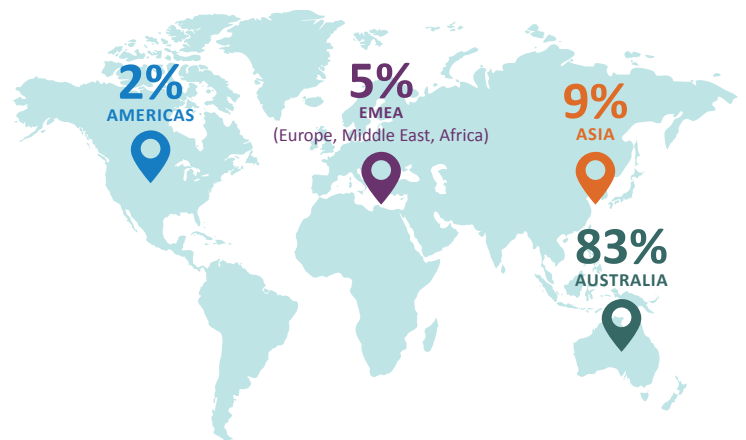


\* AGG—Australian Government Guaranteed.

## 2018–19 SYNDICATED ISSUANCE

### SYNDICATED TRANSACTIONS BY INVESTOR LOCATION

Maintaining a diverse investor base remains important to QTC. The past year saw an increase in participation from investors in Australia.



### SYNDICATED TRANSACTIONS BY INVESTOR TYPE TOTAL AUD5.75 BILLION



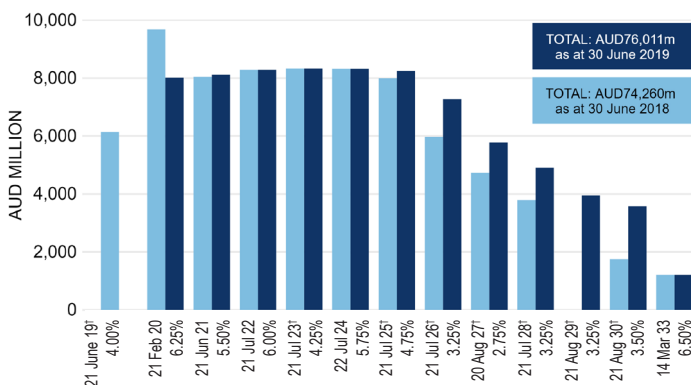
Note: May not add to 100% due to rounding. Estimate based on QTC internal data.



## OUTSTANDINGS BY MATURITY

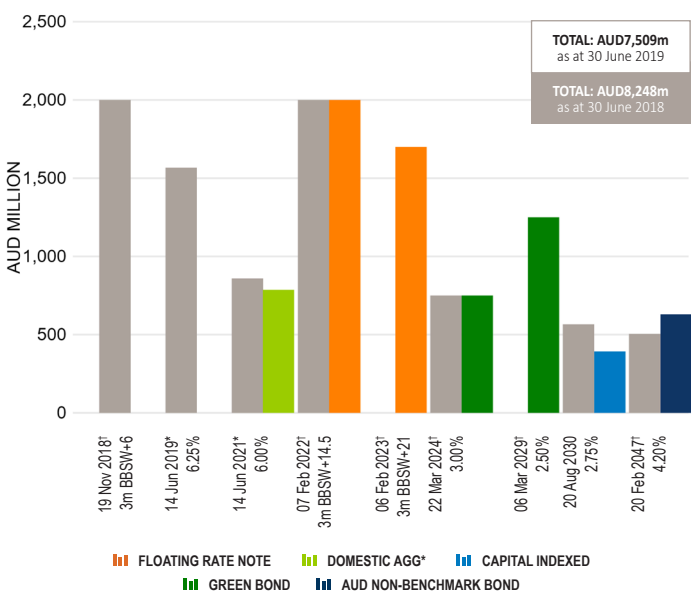
### AUD BENCHMARK BONDS

- 12 liquid benchmark lines
- 7 lines with 144A capability



† 144A capability  
QTC trades in its own securities in the open market. Such securities may be held, resold or cancelled at QTC's discretion.

### AUD NON-BENCHMARK BONDS



† 144A capability  
QTC trades in its own securities in the open market. Such securities may be held, resold or cancelled at QTC's discretion.

\* AGG: Australian Government Guaranteed.

The 2.75% 20 Aug 30 outstandings do not include indexation of AUD143.7 million.

## CREDIT RATINGS

|                         | Long-Term | Short-Term | Outlook |
|-------------------------|-----------|------------|---------|
| <b>Local currency</b>   |           |            |         |
| Moody's                 | Aa1       | P-1        | Stable  |
| S&P Global              | AA+       | A-1+       | Stable  |
| <b>Foreign currency</b> |           |            |         |
| Moody's                 | Aa1       | P-1        | Stable  |
| S&P Global              | AA+       | A-1+       | Stable  |

### GOVERNMENT GUARANTEED

All debt issued by QTC is explicitly guaranteed by the Queensland State Government.

## 2019–20 INDICATIVE TERM DEBT BORROWING PROGRAM

### ANNOUNCED 11 JUNE 2019

| Requirements  | 2019–20 BUDGET AUD M <sup>1</sup> |
|---|-----------------------------------|
| State (includes general government and government-owned corporations) | 1,000                             |
| Local Government and other entities <sup>2</sup>                      | 800                               |
| <b>Total new money</b>  | <b>1,800</b>                      |
| Term debt maturities  | 8,600                             |
| Net funding in advance <sup>3</sup>                                   | (500)                             |
| <b>Net term debt refinancing</b>                                      | <b>8,100</b>                      |
| <b>Total term debt requirement</b>                                    | <b>9,900</b>                      |

<sup>1</sup> Numbers are rounded to the nearest AUD100 million.

<sup>2</sup> Other entities include: universities, grammar schools, retail water entities and water boards.

<sup>3</sup> Includes net issuance undertaken in advance of borrowing requirements during 2018–19 and also in previous financial years as well as scheduled client principal repayments.

Note: Funding activity may vary depending upon actual client requirements, the State's fiscal position and financial market conditions.

### FUNDING COMPLETED SINCE BORROWING PROGRAM ANNOUNCED 11 JUNE 2019



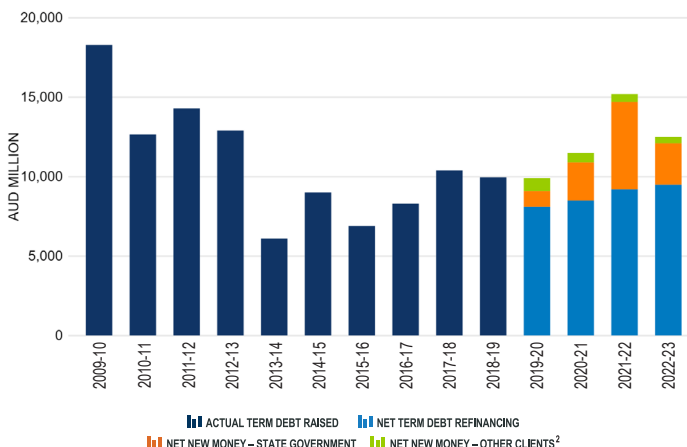
## 2019–20 FUNDING STRATEGY

QTC's 2019–20 funding strategy is likely to include the following, subject to market conditions and client funding requirements:

- Issuance of QTC's AUD benchmark bonds as the principal source of funding.
- Potential issuance of new longer dated AUD benchmark bond maturities, subject to investor demand.
- Issuance of term debt instruments to complement AUD benchmark bond issues. This may include issuance of green bonds, bond maturities out to 30 years, floating rate notes and non-AUD denominated bonds.
- Maintaining a minimum of approximately AUD5 billion of short-term debt outstandings.

## ANNUAL TERM DEBT BORROWING PROGRAMS<sup>1</sup>

QTC's borrowing requirements over the forward estimates are primarily expected to reflect term debt refinancings.



<sup>1</sup> Does not include short-term debt of a minimum of approximately AUD5 billion each year. Actual debt raised is calculated from Annual Borrowing Program release to the release of the next Annual Borrowing Program.

<sup>2</sup> Other clients include: local governments, retail water entities, universities, grammar schools and water boards.

## FIXED INCOME DISTRIBUTION GROUP

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QTC's Fixed Income Distribution Group is made up of 12 banks, who are committed to providing investors with two-way pricing in the secondary market, as well as supporting primary issuance activity.



**Bank of America  
Merrill Lynch**



**CommonwealthBank**



**J.P. Morgan**

 **National Australia Bank**

**NOMURA**



**RBC Capital Markets®**



**Westpac  
Institutional  
Bank**



**QUEENSLAND  
TREASURY  
CORPORATION**

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BLOOMBERG TICKER: QTC

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