



QUEENSLAND  
TREASURY  
CORPORATION

# FUNDING UPDATE

AS AT 30 JUNE 2021



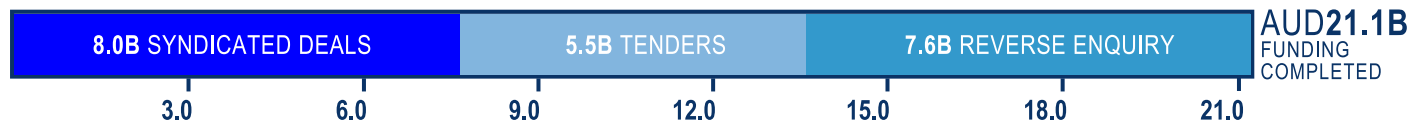
**QTC is the Queensland Government's central financing authority and corporate treasury services provider. QTC borrows funds in the domestic and international financial markets by issuing a variety of debt instruments.**

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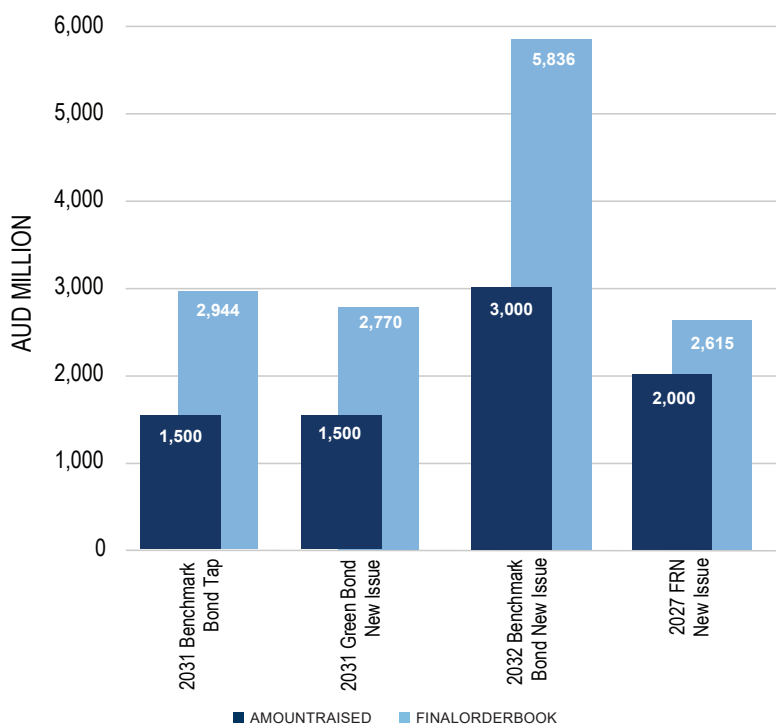
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# 2020-21 term debt borrowing program

Funding completed as at 30 June 2021



## 2020-21 syndicated deals



## 2020-21 funding highlights

- Established 4 new bond lines, including the largest syndicated semi issue since 2011
  - AUD3.0 billion** 1.50% 20 August 2032 benchmark bond
  - AUD1.5 billion** 1.25% 10 March 2031 CBI certified green bond
  - AUD2.0 billion** 3m BBSW+9 2027 floating rate note
  - AUD205 million** 2.25% 28 October 2050 non-benchmark bond
- AUD1.5 billion** syndicated tap of the existing 1.75% 21 August 2031 benchmark bond
- AUD 5.5 billion** of issuance through 9 tenders – an increase from 3 last financial year
  - average bid to cover ratio of over 3 times

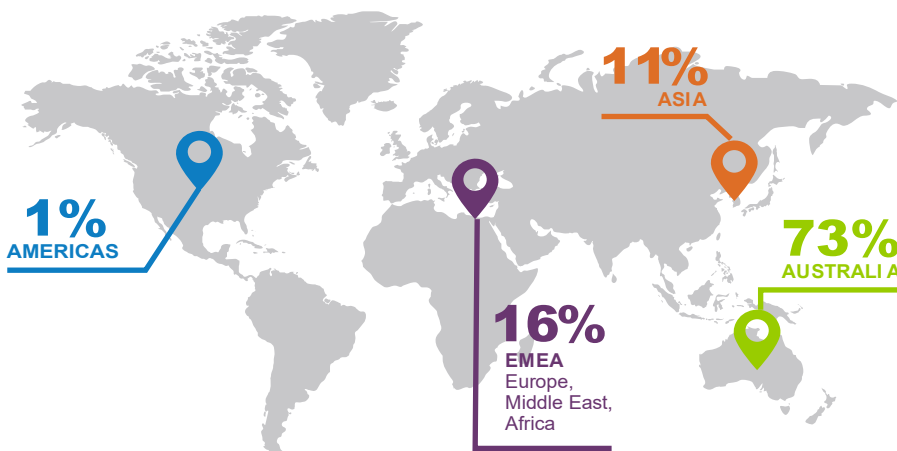
## Deal spotlight - new 2032 benchmark bond

- AUD3.0 billion 1.50% 20 Aug 2032 benchmark bond, issued 29 January 2021.
- Largest benchmark bond issued by QTC since 2011.
- Well-oversubscribed with an order book of more than AUD5.8 billion.
- Strong participation from offshore investors with over 40 per cent allocation.
- Diversified order book, with strong participation from asset managers, bank balance sheets, official institutions and hedge funds.

## 2020-21 syndicated issuance

### Syndicated transactions by investor locations

Maintaining a diverse investor base remains important to QTC.



### Syndicated transactions by investor type



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

## 2021-22 funding strategy

QTC's 2021-22 funding strategy is likely to include the following, subject to market conditions and client funding requirements:

- A programmatic approach to issuance, including syndication, tenders and reverse enquiry.
- AUD benchmark bonds as the principal source of funding, including new AUD 2033 or longer maturities.
- Green bond issuance, including a new green bond maturity.
- Other term debt, which may include floating rate notes, bond maturities out to 30 years and non-AUD denominated bonds.
- Maintaining a minimum of approximately AUD5 billion of short-term debt outstandings.

### Funding principles guiding QTC's strategy



Transparent



Efficient



Flexible

QTC continues to focus on investor engagement in a COVID-19 environment, via virtual strategies.

## 2021-22 indicative term debt borrowing program

Requirements	2021-22 AUDm <sup>1</sup>	2022-23 AUDm <sup>1</sup>	2023-24 AUDm <sup>1</sup>	2024-25 AUDm <sup>1</sup>
State <sup>2</sup>	11,000	10,400	6,700	5,300
Local Government and other entities <sup>3</sup>	1,200	1,000	1,100	200
<b>Total new money</b>	<b>12,200</b>	<b>11,400</b>	<b>7,800</b>	<b>5,500</b>
<b>Net term debt refinancing<sup>4</sup></b>	<b>5,200</b>	<b>8,400</b>	<b>9,400</b>	<b>9,600</b>
<b>Total term debt requirement</b>	<b>17,400</b>	<b>19,800</b>	<b>17,200</b>	<b>15,100</b>

Does not include short-term debt of a minimum of approximately AUD5 billion each year.

As at 15 June 2021.

1. Numbers are rounded to the nearest AUD100 million.

2. Includes general government and government-owned corporations.

3. Other entities include: universities, grammar schools, retail water entities and water boards.

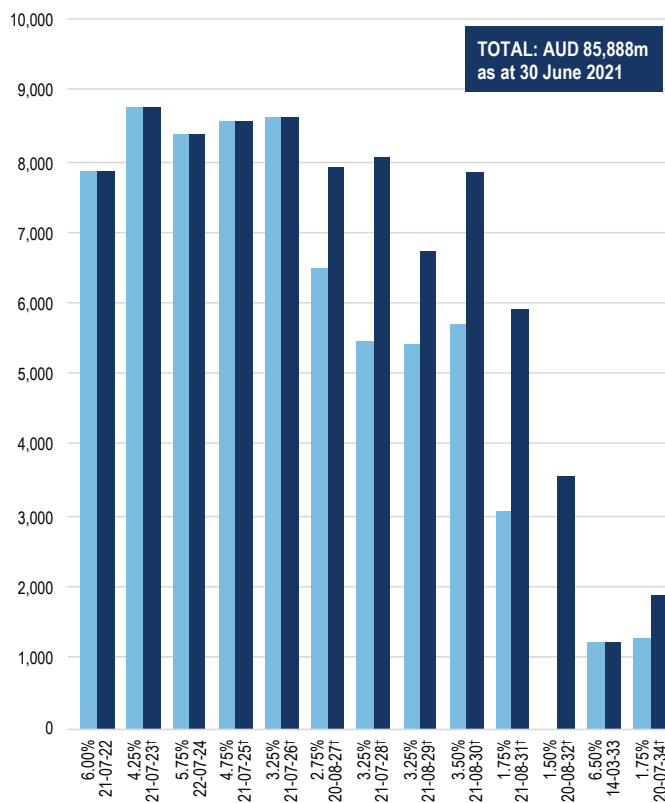
4. Includes term debt maturities, net issuance undertaken in advance of borrowing requirements and scheduled client principal repayments.

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

## Outstandings by maturity

- 13 liquid benchmark lines
- 10 lines with 144A capability

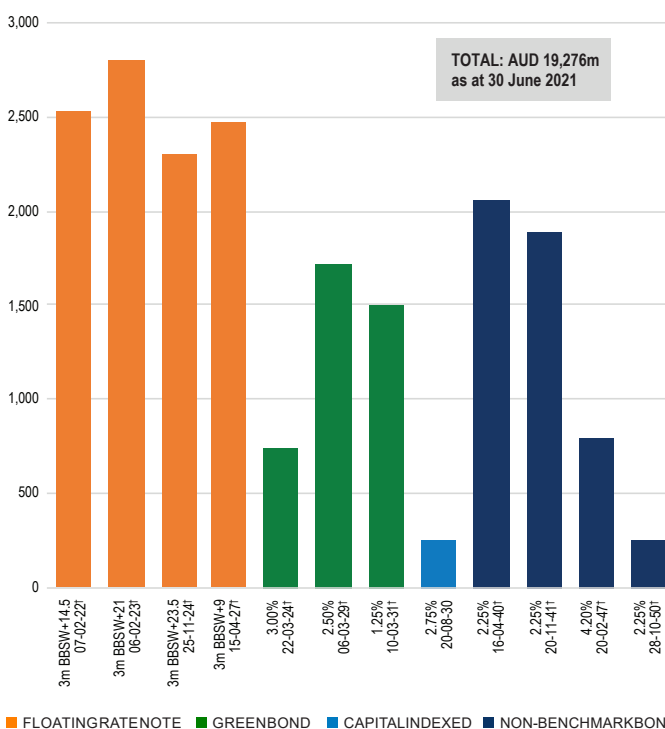
### AUD benchmark bonds



As at 30 June 2021. † 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



■ FLOATING RATE NOTE ■ GREEN BOND ■ CAPITAL INDEXED ■ NON-BENCHMARK BOND

As at 30 June 2021. † 144A capability. Note: The 2.75% 20 Aug 2030 outstandings do not include indexation of AUD106.8million. QTC trades in its own securities in the open market. Such securities may be held, resold or cancelled at QTC's discretion.

# QTC Green Bonds



Eligible project and asset pool of approximately AUD16.8 billion, of which approximately AUD4.03 billion of green bond proceeds have been allocated.



Green Bonds are issued in accordance with QTC's Green Bond Framework, and either, the Climate Bonds Standard or the ICMA Green Bond Principles.



Committed to a high standard of transparency – annual reporting and independent third-party assurance.



Climate Bonds Programmatic Certification from CBI provides a more streamlined certification process for greater flexibility in issuance.



Climate Bonds Initiative Annual Green Bond Pioneer Awards: Largest Subnational Deal of 2019



Finance Asia Deal Achievement Award for Best Green Bond Deal of 2017

**QTC's Green Bond Annual Report is available at:**  
<https://www.qtc.com.au/institutional-investors/green-bonds>

*QTC green bonds on issue are certified by the Climate Bonds Standard Board on behalf of the Climate Bonds Initiative.*

## ESG statement

The Queensland Government acknowledges the increasing expectations of the global community to demonstrate its approach to considering environmental, social and governance (ESG) risk factors and sustainability issues in its decision making.

Queensland's recently released ESG Statement outlines the State's commitment to positive environmental, social and governance outcomes. Read the statement at [www.treasury.qld.gov.au/programs-and-policies/esg-statement/](http://www.treasury.qld.gov.au/programs-and-policies/esg-statement/)

# Fixed Income Distribution Group

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.



## QTC's Funding and Liquidity team



**Grant Bush**  
 Managing Director, Funding & Markets and Deputy CEO



**Jose Fajardo**  
 Head of Funding & Liquidity



**David Kneen**  
 Director, Term Funding Management



**Georgina Jones**  
 Associate, Funding & Liquidity



**Yulia Batsman**  
 Associate, Funding & Liquidity

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