

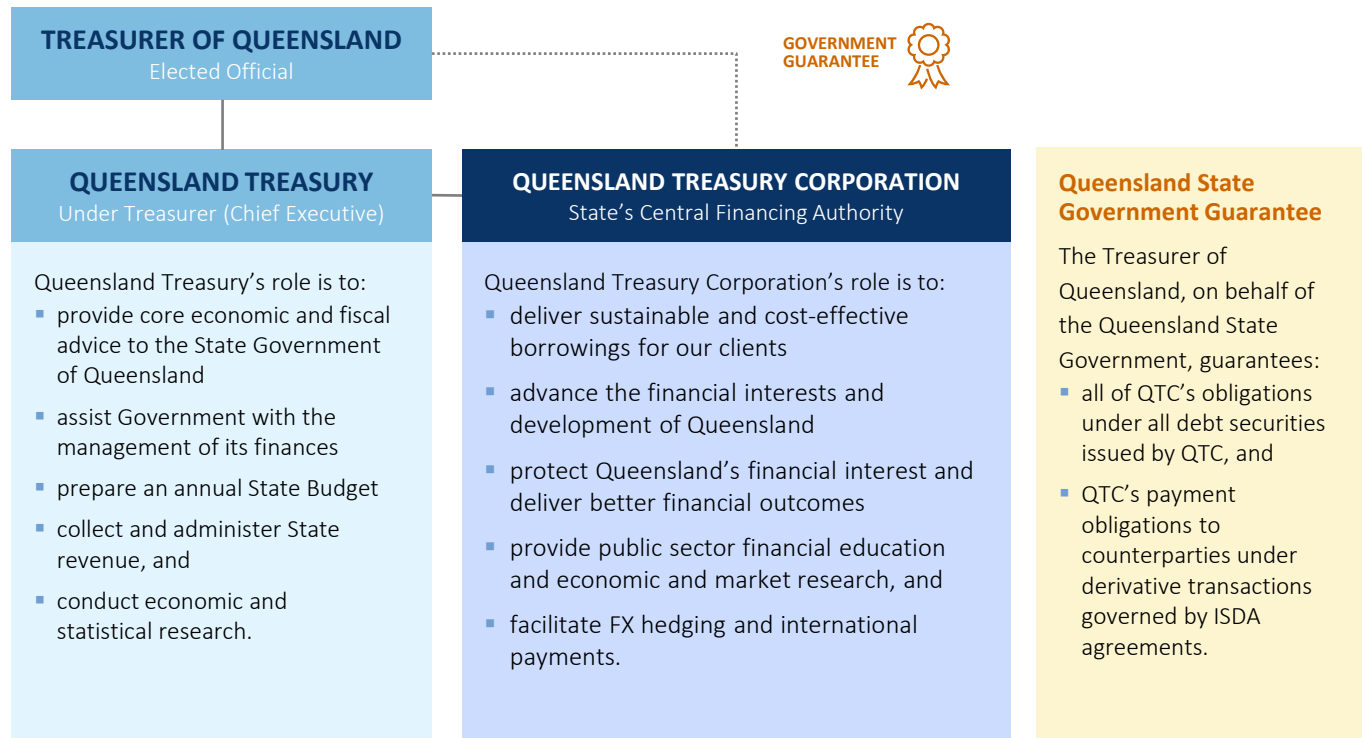


QUEENSLAND  
TREASURY  
CORPORATION

# Queensland Treasury Corporation

# QTC is government-owned and its debt is government guaranteed

QTC is the central financing authority for the Queensland Government and provides financial resources and services for the State



## QTC is rated AA+/Aa1/AA

### Credit ratings

QTC carries the same credit ratings as the State of Queensland – founded on its diverse economic base, established institutional framework, significant liquidity levels and Federal fiscal support.

Queensland has financial holdings greater than its superannuation obligations.



#### LOCAL CURRENCY

##### S&P Global

Long-term **AA+**

Short-term **A-1+**

Outlook **Stable**

##### Moody's

Long-term **Aa1**

Short-term **P-1**

Outlook **Stable**

##### Fitch

Long-term **AA**

Short-term **F1+**

Outlook **Stable**



#### FOREIGN CURRENCY

##### S&P Global

Long-term **AA+**

Short-term **A-1+**

Outlook **Stable**

##### Moody's

Long-term **Aa1**

Short-term **P-1**

Outlook **Stable**

##### Fitch

Long-term **AA**

Short-term **F1+**

Outlook **Stable**

# Consolidated asset base

## Clients

- Principally Queensland's public sector (also entities guaranteed, supported or approved by the State).
- 126 borrowing clients (government-owned corporations, government departments, local governments and statutory bodies).
- 199 investors in QTC's Capital Guaranteed Cash Fund (government-owned corporations, government departments, local governments and statutory bodies).

*As the State's central financing authority, QTC only charges for services on a cost recovery basis.*

## MARKET VALUE – AS AT 30 JUNE 2021

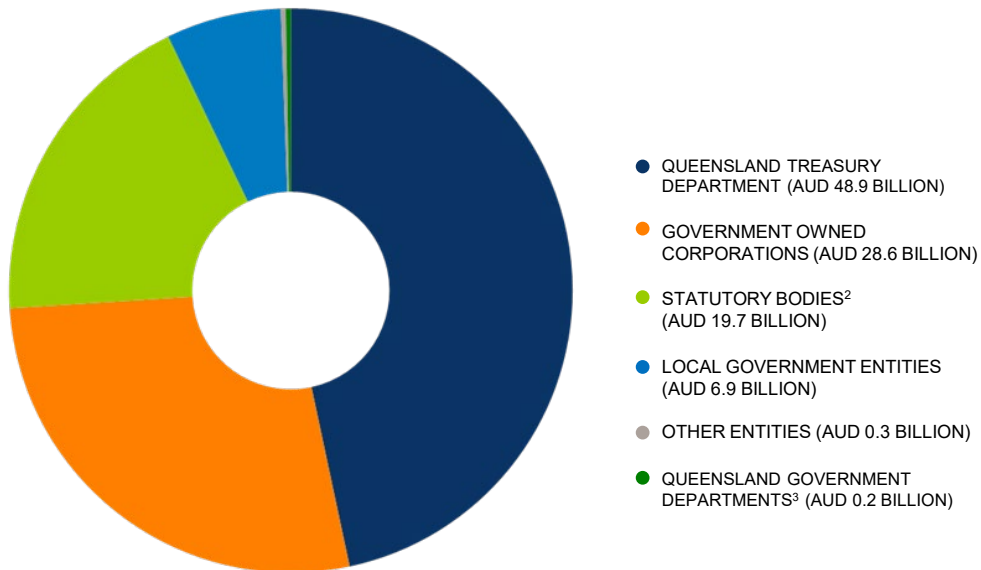
	Capital markets operations	State investment operations <sup>#</sup>	QTC consolidated
	AUD bn	AUD bn	AUD bn
Loan to clients	104.6	-	104.6
Liquidity/management reserves*	18.6	-	18.6
<b>Sub-total</b>	<b>123.2</b>	<b>-</b>	<b>123.2</b>
Assets under management-client deposits	8.1	-	8.1
Other managed investments <sup>#</sup>	-	37.8	37.8
<b>Total</b>	<b>131.3</b>	<b>37.8</b>	<b>169.1</b>

As at 30 June 2021. \* Excludes any QTC bonds held as assets. <sup>#</sup> The Queensland Government transferred to QTC the States' long-term assets which are held to meet the future superannuation and other long-term obligations of the State. These assets are managed by QIC Limited.

## Since 1988, QTC has funded the State's public sector programs

- Under the Industry Support Package, QTC has extended AUD36.5 million\* in loans to non-State entities to support the State's COVID-19 response. QTC's exposures are guaranteed by the Queensland Government.

LOANS TO CLIENTS<sup>1</sup> (MARKET VALUE) **AUD104.6 BILLION**

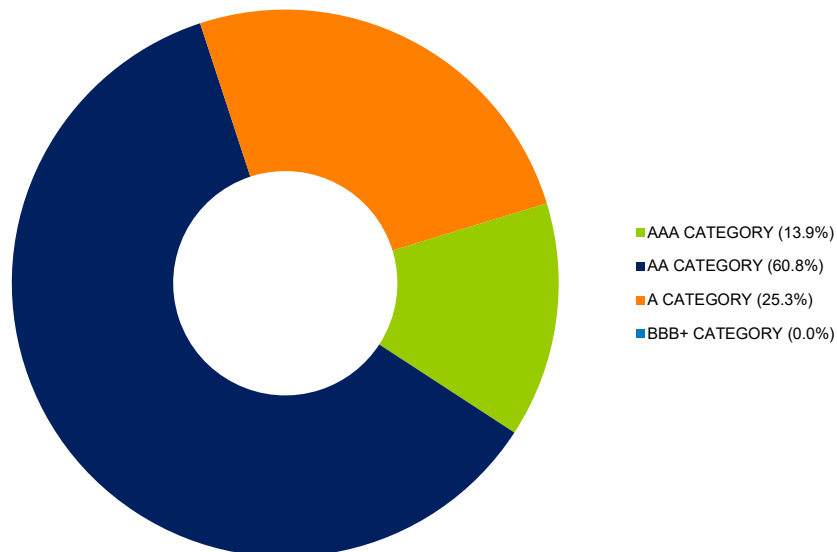


As at 30 June 2021. <sup>1</sup> Figures are rounded. <sup>2</sup> Includes Queensland water entities, universities, grammar schools and water boards. <sup>3</sup> Includes other bodies within the public accounts. \* As at 30 June 2021

## QTC has a conservative approach to risk management

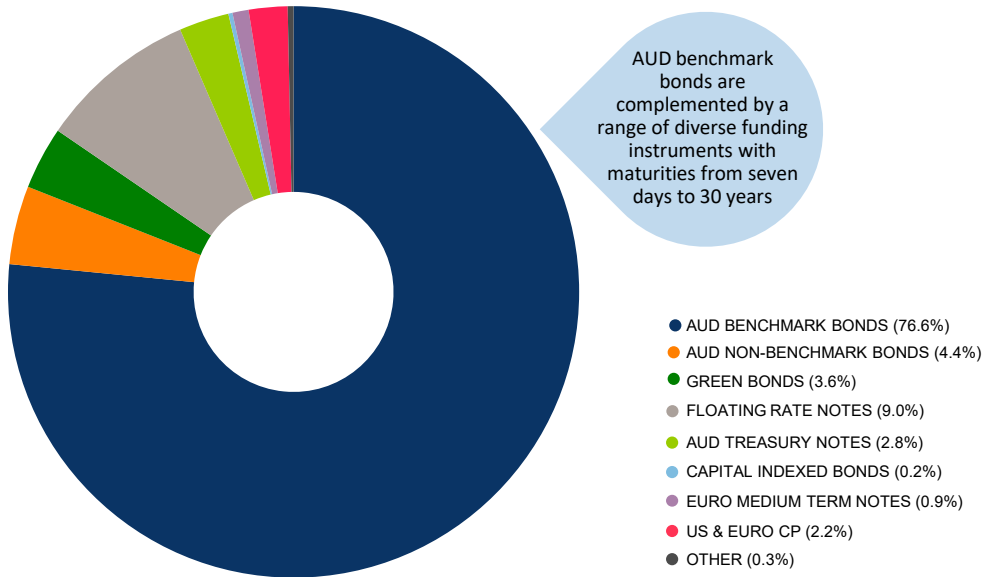
- Approximately 75 per cent of QTC's counterparty credit exposures are rated AA- or higher.
- All types of financial risk, including interest rate, foreign exchange and counterparty risk, are managed within QTC's Board approved risk parameters.
- Enterprise risk management processes are independent to operational activities.
- Risk provisions are in line with industry best practice.
- Diversified funding instruments and regular issuances are used to mitigate funding risks.
- A portfolio of diverse, liquid financial securities is held to meet the State's liquidity requirements.
- Market credit exposure is restricted to dealings with counterparties rated BBB+ or higher.

COUNTERPARTY CREDIT EXPOSURES



## QTC uses a diverse range of funding instruments

FUNDING SOURCES BY INSTRUMENT (FACE VALUE) ~AUD112.19 BILLION



As at 30 June 2021. Figures are rounded.

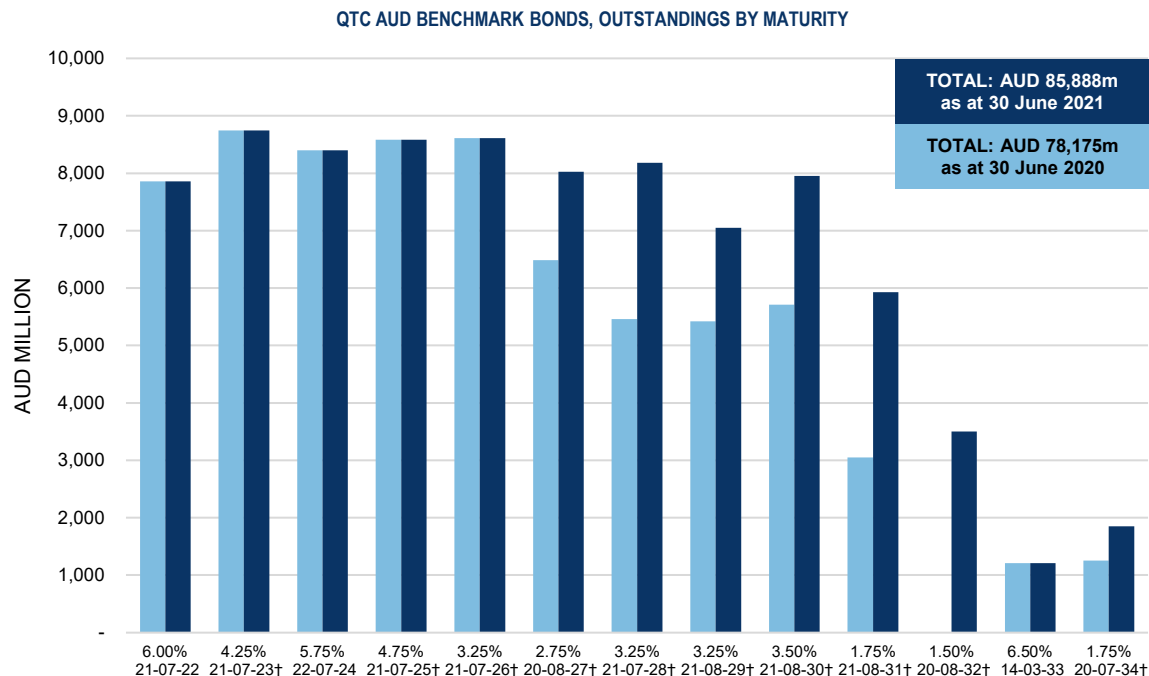
## A diverse investor base by geography and type

- QTC's domestic and global investors include central banks and other sovereign investors, multi-national finance, superannuation and investment corporations, and major domestic and international banks.
- Approximately 25% of Australian semi-issuance is held offshore<sup>1</sup>.
- QTC's established issuance program is built on more than 30 years' experience in global capital markets.
- New bond lines may be offered in the US to 'qualified institutional buyers' pursuant to Rule 144A.



## AUD benchmark bond lines are QTC's principal source of funding

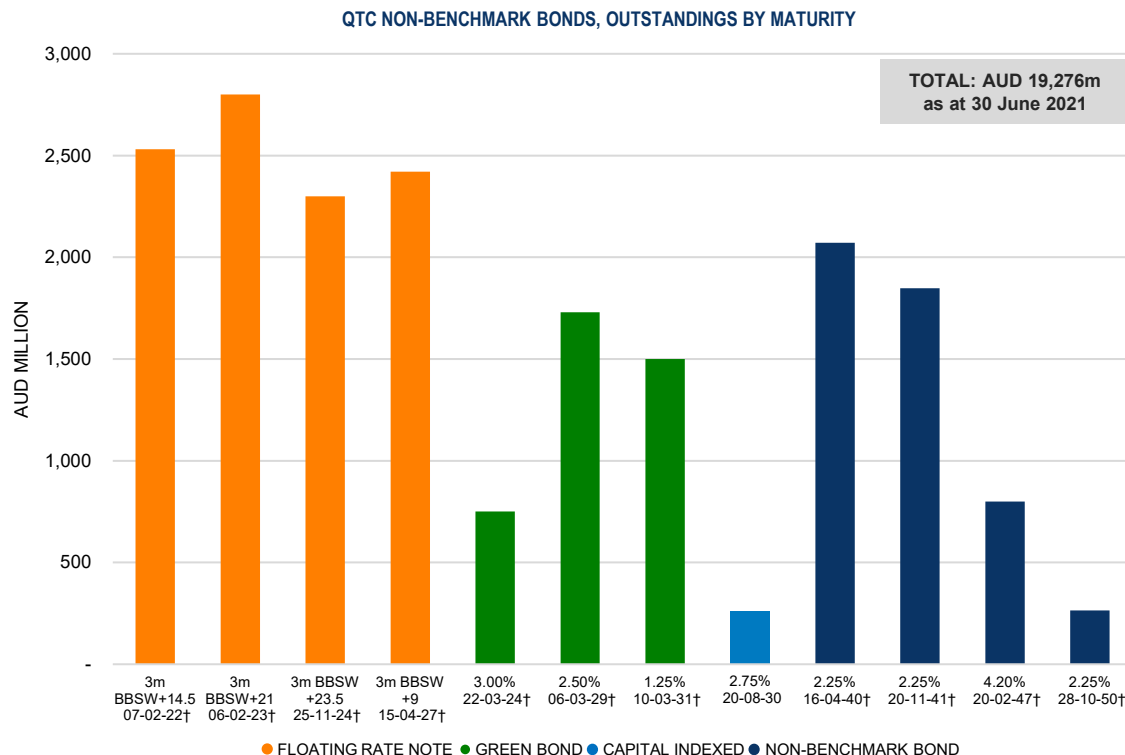
- 13 established lines with various maturities across the curve.
- New bond lines issued under the domestic program may be offered in the US to 'qualified institutional buyers' pursuant to Rule 144A.
- In January 2021, QTC issued a new AUD 2032 maturity, further establishing its benchmark curve.



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.

## Non-benchmark bonds complement AUD benchmark bonds

- QTC monitors the market to issue other instruments, taking into account investor demand, client funding requirements and market conditions.
- In FY20-21, QTC issued a new 2031 green bond, a new 2027 FRN and a new 2050 maturity.
- QTC has a total of AUD3.98 billion outstanding across three CBI certified green bond lines.



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

**Note:** The 2.75% 20 Aug 2030 outstandings do not include indexation of AUD106.8 million.

# QTC Green Bonds

Supporting Queensland's transition to a low carbon, climate resilient and environmentally sustainable economy



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**  
AWARDS\*2020

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

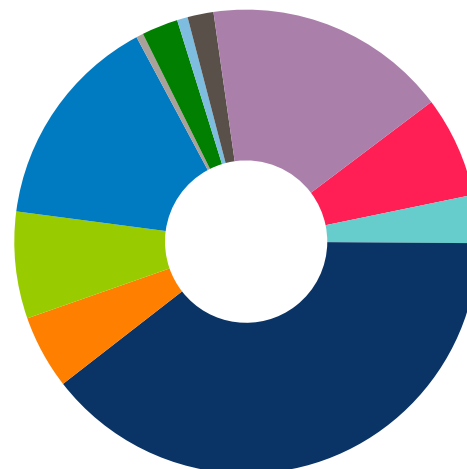
**FinanceAsia**

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

QTC's Green Bond Annual Report is available at:

<https://www.qtc.qld.gov.au/institutional-investors/green-bonds>

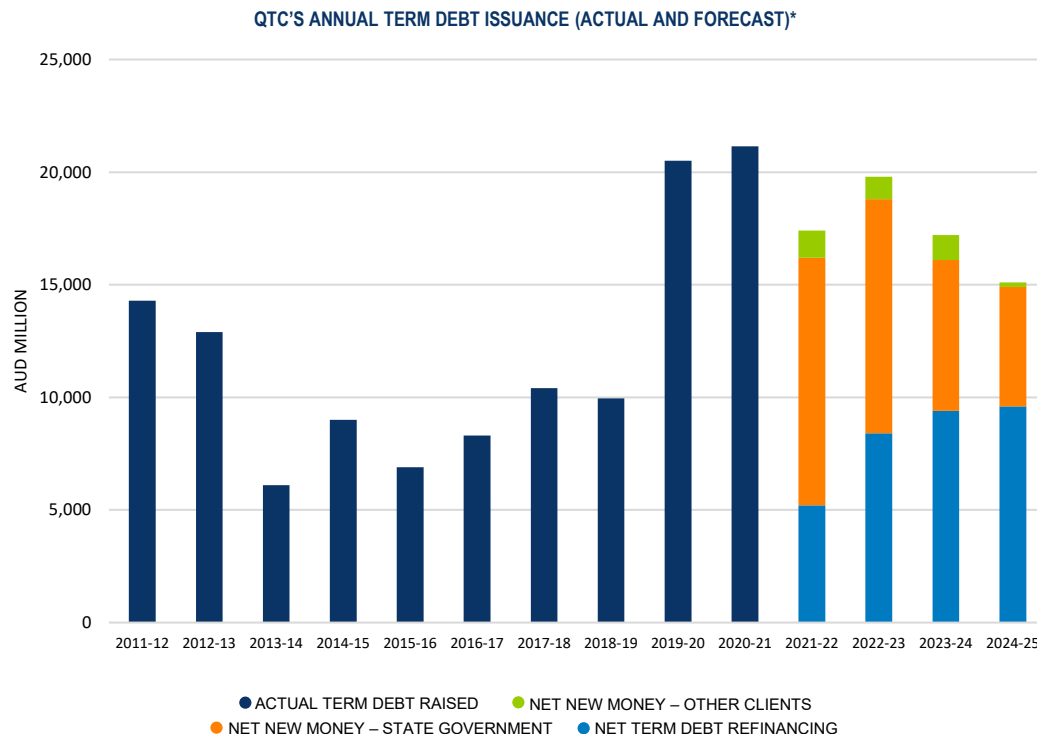
**ALLOCATION OF GREEN BOND PROCEEDS  
APPROXIMATELY AUD4.03 BILLION**



- CITYTRAIN NETWORK (1,587.0M)
- REDCLIFFE PENINSULA LINE (207.3M)
- CITYTRAIN ROLLING STOCK (300.0M)
- NEW GENERATION ROLLING STOCK (607.8M)
- TILT TRAINS ROLLING STOCK (20.0M)
- CYCLEWAYS (102.0M)
- SUNSHINE COAST SOLAR FARM (30.0M)
- WARWICK SOLAR FARM (73.0M)
- GOLD COAST DESALINATION PLANT (684.0M)
- GOLD COAST LIGHT RAIL STAGE 1 (283.7M)
- GOLD COAST LIGHT RAIL STAGE 2 (134.8M)

## QTC's annual term debt issuance

- Since 2020, the State Government has committed more than AUD11 billion in COVID-19 support initiatives.
- AUD52.2 billion, four-year capital works program.
- In addition to the total term debt requirement, QTC expects to maintain a minimum of approximately AUD5 billion of short-term debt.



As at 15 June 2021. \*Does not include short-term debt 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, except for 2019-20 due to out of cycle Annual Borrowing Program release.

## QTC's 2021–22 indicative term debt borrowing program

In addition to the total term debt requirement, QTC expects to maintain a minimum of approximately AUD5 billion of short-term debt.

Requirements	2021–22 AUD M <sup>1</sup>	2022–23 AUD M <sup>1</sup>	2023–24 AUD M <sup>1</sup>	2024–25 AUD M <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>

As at 15 June 2021. <sup>1</sup> Numbers are rounded to the nearest AUD100 million. <sup>2</sup> Includes general government and government-owned corporations. <sup>3</sup> Other entities include: universities, grammar schools, retail water entities and water boards. <sup>4</sup> 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.

## Summary of key points

### Queensland Treasury Corporation:

- funds the Queensland Government public sector
- is 100 per cent government-owned
- has all debt security and derivative ISDA obligations fully guaranteed by the State of Queensland
- issues debt that carries the following credit rating (identical to the State of Queensland)
  - S&P Global: AA+/Stable/A-1+
  - Moody's: Aa1/Stable/P-1
  - Fitch: AA/Stable/F1+
- has 13 AUD benchmark bond lines on issue
- has an indicative term debt borrowing program of AUD17.4 billion for 2021–22
- employs a conservative and transparent funding strategy, and
- has more than 30 years' experience in global debt capital markets.