

28 February 2025

Dear LGFA Stakeholder

LGFA 2024-25 Half Year Report

Please find attached the following link to our Half Year Report for the six-month period to December 2024.

[LGFA Half Year Report – 31 December 2024](#)

We are pleased to highlight a positive six-month period for LGFA including the following:

1. Increased lending to council and CCO borrowers

As at 31 December 2024, LGFA had loans outstanding to councils and CCO members of \$22.3 billion with lending of \$2.1 billion over the six-month period. We added two new CCOs as members, bringing the number of members to seventy-two councils and seven CCOs.

2. A financial position tracking to forecast.

Net Operating Profit for the six-month period was a record \$8.6 million, in line with our SOI forecast and an increase of 65.4% on the comparable prior period. We expect to meet the full year SOI forecast by June 2025. LGFA is in a strong financial position with assets of \$26.5 billion and shareholder equity of \$120.7 million as at 31 December 2024.

3. A continued focus on sustainability.

We have added staff to the Sustainability Team and are scheduling a series of Sustainable Finance workshops for our members during March 2025.

Our two sustainable lending products remain well supported by councils and CCOs. Our Climate Action Loan (CAL) product incentivise borrowers through a lower loan margin if they have an approved greenhouse gas (GHG) emission reduction plan in place and are meeting their reduction targets. As at 31 December 2024, we had CALs outstanding of \$3.2 billion across seven councils and CCOs. Our Green, Social and Sustainable (GSS) loans provide a discounted borrowing margin to councils and CCOs for eligible projects. As at 31 December 2024, GSS loans totaled \$401.2 million across six councils.

We also reported under Climate Related Disclosure requirements for the first time in the 2024 Annual Report that was published in August 2024.

4. Working with our stakeholders.

We have been assisting Central and Local Government with the implementation of the water reform programme and with councils and CCO members on promoting sustainability.

We have negotiated an increase in the size and extension of the term to our Crown Liquidity Facility and shareholders approved changes to our Foundation Policies to assist high growth councils at the November 2024 Annual Meeting.

Our focus remains on adding value to the local government sector through:

- Providing cheaper loans.
- Enabling easier access to markets.
- Providing reliable financing.
- Underpinning confidence.
- Encouraging sustainability.
- Enhancing capital markets.
- Being a centre of expertise.

To achieve the above, we require the support of all our stakeholders and thank you for your contribution and assistance over the past six months.

Please do not hesitate to contact me if you have any comments or questions.

Kind regards

A handwritten signature in black ink, appearing to read 'Mark Butcher', with a stylized flourish extending to the right.

Mark Butcher
Chief Executive