

## Green Bond Fact Sheet

Auckland Council		Date: 22-Jun-2018	
Issue date: 27-Jun-2018 Maturity date: 27-Jun-2023 Tenor: 5			
Issuer Name	Auckland Council	Amount Issued	NZD200m/USD136m
Country of risk	New Zealand	CBI Database	Included
Issuer Type <sup>1</sup>	Local Government	Bond Type	Senior secured
Green Bond Framework	<a href="#">Link to Framework</a>	Second party opinion	N/A
Certification Standard	Low Carbon Transport	Assurance report	N/A
Certification Verifier	<a href="#">EY</a>	Green bond rating	N/A
Use of Proceeds			
<input type="checkbox"/> Energy	<input type="checkbox"/> Solar <input type="checkbox"/> Onshore wind <input type="checkbox"/> Offshore wind <input type="checkbox"/> Geothermal <input type="checkbox"/> Hydro <input type="checkbox"/> Tidal	<input type="checkbox"/> Biofuels <input type="checkbox"/> Bioenergy <input type="checkbox"/> Waste to energy <input type="checkbox"/> District heating <input type="checkbox"/> Electricity grid	<input type="checkbox"/> Energy storage <input type="checkbox"/> Energy performance <input type="checkbox"/> Infrastructure <input type="checkbox"/> Industry: components <input type="checkbox"/> Adaptation & resilience
<input type="checkbox"/> Buildings	<input type="checkbox"/> Certified Buildings <input type="checkbox"/> HVAC systems <input type="checkbox"/> Energy performance	<input type="checkbox"/> Water performance <input type="checkbox"/> Energy storage/meters <input type="checkbox"/> Other energy related	<input type="checkbox"/> Industry: components <input type="checkbox"/> Adaptation & resilience
<input checked="" type="checkbox"/> Transport	<input type="checkbox"/> Electric vehicles <input type="checkbox"/> Low emission vehicles <input type="checkbox"/> Bus rapid transit <input checked="" type="checkbox"/> Passenger trains <input type="checkbox"/> Urban rail	<input type="checkbox"/> Freight rolling stock <input type="checkbox"/> Coach / public bus <input type="checkbox"/> Bicycle infrastructure <input type="checkbox"/> Energy performance	<input type="checkbox"/> Transport logistics <input checked="" type="checkbox"/> Infrastructure <input type="checkbox"/> Industry: components <input type="checkbox"/> Adaptation & resilience
<input type="checkbox"/> Water & wastewater	<input type="checkbox"/> Water distribution <input type="checkbox"/> Water treatment <input type="checkbox"/> Wastewater treatment <input type="checkbox"/> Water storage	<input type="checkbox"/> Storm water mgmt <input type="checkbox"/> Desalination plants <input type="checkbox"/> Erosion control <input checked="" type="checkbox"/> Energy performance	<input type="checkbox"/> Infrastructure <input type="checkbox"/> Industry: components <input type="checkbox"/> Adaptation & resilience
<input type="checkbox"/> Waste management	<input type="checkbox"/> Recycling <input type="checkbox"/> Waste prevention <input type="checkbox"/> Pollution control	<input type="checkbox"/> Landfill, energy capture <input type="checkbox"/> Energy performance <input type="checkbox"/> Infrastructure	<input type="checkbox"/> Industry: components <input type="checkbox"/> Adaptation & resilience
<input type="checkbox"/> Land use & agriculture	<input type="checkbox"/> Afforestation/parks <input type="checkbox"/> FSC Forestry <input type="checkbox"/> FSC Cellulose & paper	<input type="checkbox"/> Land remediation <input type="checkbox"/> Energy/water efficiency	<input type="checkbox"/> Sustainable agriculture <input type="checkbox"/> Adaptation & resilience



<input type="checkbox"/> Other	<input type="checkbox"/> Adaptation & resilience	<input type="checkbox"/> ICT	<input type="checkbox"/> Industry: process
<b>Issue details</b>			
<b>Reporting</b>	Auckland Council will report on the Use of Proceeds of Green Bonds annually that will include as a minimum: a list of Eligible Assets, the value of the nominated Eligible Assets, and the environmental performance of each Eligible Asset.		
<b>Company information</b>	Auckland Council represents approximately 1.6 million people stretching from Wellsford in the north to Franklin in the south.		
<b>Firsts, records and certifications</b>	First green bond from New Zealand local government and second in short order from the Shaky Isles following a <a href="#">Certified transaction</a> from Contact Energy.		
<b>Proceeds description</b>	<p>The Auckland retail bond is New Zealand's first green bond to obtain a Pre-Issuance Certification under the Climate Bonds Standard. It is secured by a charge over all current and future rates revenues of the Council, on a pari pasu basis with other Council bonds.</p> <p>The bond proceeds will be used for rail infrastructure electrification, particularly passenger trains, that meet the Climate Bonds Standard Low Carbon Transport Criteria. However, the <a href="#">Green Bond Framework</a> includes a wider range of eligible sectors, including renewable energy, low carbon buildings and upgrades meeting at least standards such as NABERSNZ excellent, low carbon transport (buses, bus rapid transit, commuter rail, hybrid cars with a GHG emissions threshold of 75 gCO<sub>2</sub>/passenger), water and waste management, sustainable forestry, adaptation and energy efficiency projects related to the categories.</p> <p>Auckland Council's bond takes New Zealand's green bond market total to USD1.5bn, with 100% Certified issuance.</p>		
<b>Climate Bonds view</b>			
<b>Underwriters</b>	ANZ Bank New Zealand, Arranger and sole lead manager		
<b>Deal comments</b>			
<b>Credit Rating</b>	AA (S&P)		
<b>Pricing summary</b>	The deal was upsized from NZD150m to NZD200m. The coupon of 3.17% reflects a margin of 0.50% over the 5-year swap rate. <a href="#">(source)</a>		
<b>Investors summary</b>	<p>The final allocation was to 23 different investors with 50% of the allocation going into institutional investors and 73% of this allocation to 'green investors' with 11% to investors with specific green mandates.</p> <p>Final allocations went 50% to institutional investors, 49% to banks and 1% to brokers. The deal is expected to be partially sold down to retail investors within 6-12 months.</p>		

<sup>1</sup> Issuer categories: ABS, development bank, financial corporate, government-backed entity, loan, local government, non-financial corporate, sovereign

