



Case Study

Auckland Council Euro New Issue and LM Tender

The Client

Auckland Council is a local government authority governing the Auckland region in New Zealand. It is the largest council in the country and is responsible for urban planning, public transport, environmental management, cultural initiatives and community development in Auckland.

The Challenge

Executing a trade against volatile market conditions.

The Solution

Citi priced a €600mm issuance via a new 10-year Euro green bond transaction, alongside a concurrent 'any and all' liability management (LM) tender of their existing short-dated November 2024 Euro bonds. Citi acted as Joint Bookrunner, Tender Dealer Manager and Billing & Delivery Agent on this offering.

The Result

Books peaked at €935mm, including a number of central banks, official institutions and insurance investors. As a result, Auckland Council was able to tighten pricing and print their maximum volume cap. €600mm 10-yr new issue is the client's largest offshore benchmark to date.

The client was able to expand their offshore investor base with a variety of specialist ESG funds participating in the transaction, the new bonds were 41% allocated to fund managers, 31% to bank treasuries, 22% to official institutions, with the remainder to insurers and pension funds.

The LM tender achieved a ~68% take-up and allowed the client to prepay €341mm of notional debt for a cash spend of ~€334.8mm.

The client was able to reduce the negative carry of pre-financing the Nov-2024 bonds while proactively managing its future debt maturity profile in the process.

The net proceeds were used to fund the LM tender and eligible green assets, including units for electric trains, energy efficient public buildings, and watermain infrastructure.