

TCV 2019-20 mid-year funding update

Thursday 12 December 2019

Treasury Corporation of Victoria (TCV) is the central financing authority for the State of Victoria and issues Victorian Government guaranteed debt for on-lending to the State and Victorian Government Business Enterprises. TCV and the State are rated AAA (stable) by Standard & Poor's Corporation and Aaa (stable) by Moody's Investors Service.

Budget Update

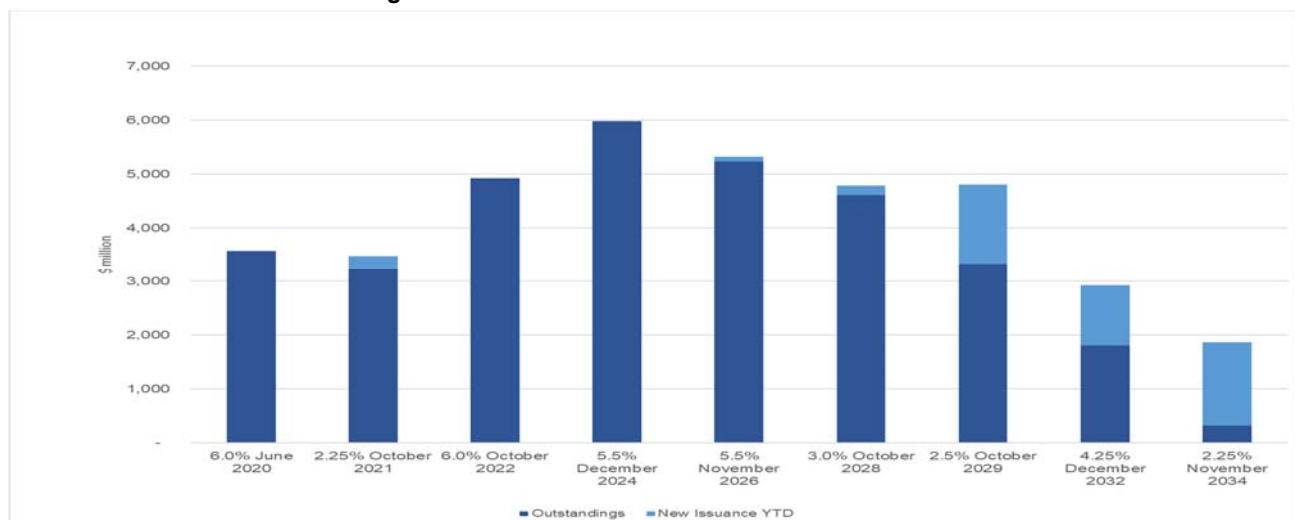
On the 12th of December the Treasurer of Victoria, the Honourable Tim Pallas MP, released the mid-year budget update. The key highlights of the release were as follows:

- Victoria's economy recorded its fifth year of above-trend growth in 2018-19, amid strong jobs growth and business investment, despite the Australian economy slowing sharply in 2018-19 to a 10-year low. Victoria's economy grew by 3 per cent in 2018-19 in line with the *2019-20 Budget* forecast. Victoria's real GSP growth is forecast to be 2.5 per cent in 2019-20 and 2.75 per cent from 2020-21 to 2022-23.
- The operating result (net result from transactions) for the general government sector in 2019-20 is forecast to be a surplus of \$618 million, with annual operating surpluses averaging \$3.3 billion a year over the forward estimates.
- Net debt as a proportion of GSP is expected to be 8.5 per cent in 2019-20, before increasing to 10.5 per cent by 2022-23.

TCV Funding Update

TCV has completed approximately \$4.5 billion of the \$5.5 billion funding requirement announced in May 2019, with the major focus being to increase the amount on issue of our 2029, 2032 and 2034 benchmark bonds.

TCV benchmark bond outstanding's



For the remainder of 2019-20, TCV expects to raise between \$4-5 billion which will complete this years funding task and also provide some pre-funding for the 2020-21 year. TCV will remain an active issuer via tap issuance, public tenders and syndication.

We will continue to focus on building outstanding's in our long dated benchmark lines, and will consider further extensions of the curve and infilling of maturities depending on our client requirements and market conditions.

TCV would like to thank our investors and dealer panel intermediaries for their continued support and we look forward to successfully completing our market financing activities for 2019-20.

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