

ONTARIO 9-YEAR — \$1.0 BILLION DMTN CAD GREEN BOND

Background

- On August 28th, 2025 the Province of Ontario issued a \$1.0 billion re-opening of the 3.65% February 3, 2034 Green Bond.
- This is the nineteenth Green Bond issued by the Province, the first offering of this current fiscal year, and the fifth under the Province's [Sustainable Bond Framework](#).
- Ontario remains the largest and most consistent issuer of Canadian dollar Green Bonds, totalling \$22.5 billion to date, with \$17.75 billion outstanding.
- Four projects have been selected as eligible to receive funding from this issue. These initiatives support clean transportation. These projects are detailed in the [Province's Investor Presentation](#) released in August 2025.

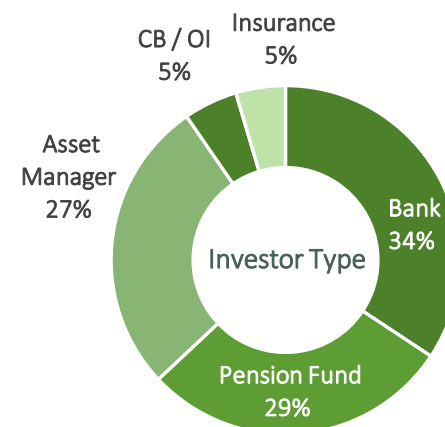
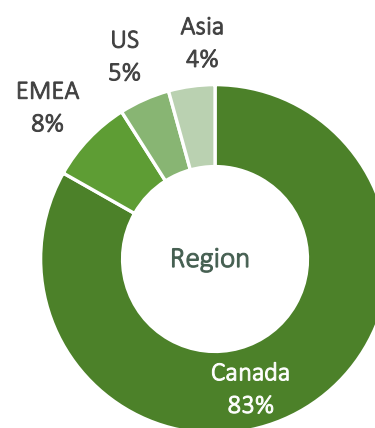
Execution Highlights

- The deal was officially announced on the morning of August 28th (using same-day execution), with initial spread guidance set in the area of +47.0 bps versus the Canada December 2033 bond.
- The orderbook saw strong and steady growth with indications of interest totalling over \$1.8 billion at the time the books closed. The spread was set at +47.0 bps and the deal size was struck at \$1.0 billion.
- The new issue priced slightly through the Province's conventional funding curve given the size, strength, and quality of demand.
- 45 investors participated in the trade with interest driven by Banks/Treasuries (34.3%), Pension Funds (28.7%), Asset Managers (27.4%), Central Banks/Official Institutions (5.0%) and Insurers (4.6%).
- Investors from Canada made up the majority of demand (83.2%) along with international participation from the EMEA region (7.8%), the US (4.7%) and Asia (4.3%).
- The deal saw material participation from investors with ESG and/or Green mandates of which 45.2% were Dark Green investors and 13.6% were Light Green investors.

Transaction Summary

Issuer:	Province of Ontario
Issuer Ratings:	Aa3 /AA- /AA /AA-
Size:	CAD 1.0 Billion
Coupon:	3.65%
Pricing Date:	August 28, 2025
Settlement Date:	September 2, 2025
Maturity Date:	February 3, 2034
Spread:	+47.0 bps over the CAN 3.25% Dec 1, 2033
Price:	\$99.004
Joint Bookrunners:	National Bank Financial, RBC Capital Markets (R&D), Scotia Capital Inc., and TD Securities

Investor Demand by Region and Investor Type



Note: Numbers may not add due to rounding.

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Ontario's Sustainable Bond Framework

- In January 2024, Ontario released its [Sustainable Bond Framework](#), replacing its Green Bond Framework from 2014. The Framework allows for a broader range of potential bond offerings in the future.
- The Framework was developed in consultation with Sustainalytics and adheres to the ICMA Green Bond Principles, the ICMA Social Bond Principles and the ICMA Sustainability Bond Guidelines.
- The Sustainable Bond Framework sets out the types of projects that may be eligible for Bond proceeds. Eligible Green Bond project categories include:
 - Clean Transportation
 - Green Buildings
 - Energy Efficiency
 - Pollution Prevention and Control
 - Clean Energy
 - Environmentally Sustainable Management of Living Natural Resources and Land Use
 - Terrestrial and Aquatic Biodiversity
 - Climate Change Adaptation
 - Sustainable Water and Wastewater Management
 - Circular Economy, Adapted Products, Production, Technologies and Processes

Use and Management of Green Bond Proceeds

- Bond proceeds are paid into the Consolidated Revenue Fund of Ontario.
- The proceeds are invested short-term in Government of Canada treasury bills.
- An amount equal to the net proceeds of each bond issue is recorded in a designated account in the Province of Ontario's financial records. These designated accounts are used to track the use and allocation of funds to eligible projects.
- An assurance audit is performed by the Office of the Auditor General of Ontario verifying amounts allocated to selected projects and tracking the amount of Green Bond proceeds. This assurance audit is expected within a year of the issue date. The most recent assurance audit was completed on November 22, 2024.

Eligible Projects for Ontario's Nineteenth Green Bond

Clean Transportation

GO Expansion

Hazel McCallion Line
formerly Hurontario LRT

Ontario Line Subway

Scarborough Subway Extension

EU Taxonomy

- Ontario funds Green Bond projects that contribute to environmental objectives set out in the EU Taxonomy, primarily in Climate Change Mitigation and Climate Change Adaptation.

United Nations Sustainable Development Goals

- Under the new Sustainable Bond Framework, Ontario will fund eligible projects within Framework categories that support the following UNSDGs:



Cette présentation est également disponible en français

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