

ONTARIO 9-YEAR — \$1.25 BILLION DMTN CAD GREEN BOND

Background

- On January 30th, 2025 the Province of Ontario issued a new 3.65% February 3, 2034 Green Bond for \$1.25 billion.
- This is the eighteenth Green Bond issued by the Province, the third offering of this current fiscal year, and the fourth under the Province's new [Sustainable Bond Framework](#).
- Ontario remains the largest and most consistent issuer of Canadian dollar Green Bonds, totalling \$21.5 billion to date, with \$19.45 billion outstanding.
- Five 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 January 2025.

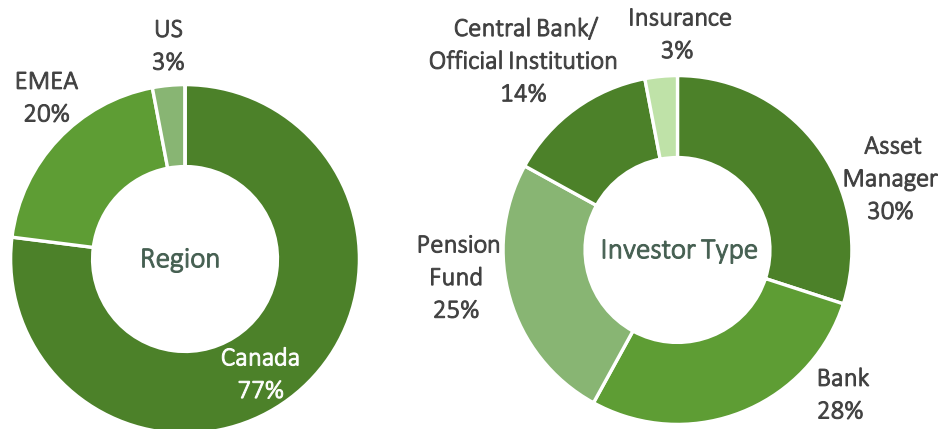
Execution Highlights

- The deal was officially announced on the morning of January 30th under a constructive market backdrop, with initial spread guidance set in the area of +55.5 bps versus the Canada December 2033 bond.
- The orderbook saw strong and steady growth with indications of interest totalling over \$1.9 billion. The spread was set at +55.0 bps and the deal size was struck at \$1.25 billion.
- The new issue launched and priced slightly through the Province's conventional funding curve given the size, strength, and quality of demand.
- 51 investors participated in the transaction with interest driven by Asset Managers (30%), Banks/Treasuries (28%), Pensions (25%), Central Bank/Official Institutions (14%), and Insurers (3%).
- Buyers were concentrated in Canada (77%) with material international participation from Europe (20%) and the US (3%).
- The transaction saw meaningful participation from Green investors. The final book comprised of 44% Dark Green buyers and 15% Light Green Buyers.

Transaction Summary

Issuer:	Province of Ontario
Issuer Ratings:	Aa3 (P)/AA- /AA /AA-
Size:	CAD 1.25 Billion
Coupon:	3.65%
Pricing Date:	January 30, 2025
Settlement Date:	February 3, 2025
Maturity Date:	February 3, 2034
Spread:	+55.0 bps over the CAN 3.25% Dec 1, 2033
Price:	\$99.901
Joint Bookrunners:	BMO Capital Markets (B&D), Desjardins Capital Markets, Scotiabank, 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 new 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 Eighteenth Green Bond

Clean Transportation

GO Expansion

Hazel McCallion Light Rail Transit(LRT)
formerly Hurontario LRT

Ontario Line Subway

Scarborough Subway Extension

Electric Vehicle (EV) ChargeON

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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