

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

Background

- On June 17th, 2024, the Province of Ontario re-opened its 4.10% March 4th, 2033 Green Bond for \$1.25 billion.
- This is the sixteenth Green Bond issued by the Province, the first offering of this current fiscal year and the second under the Province's new [Sustainable Bond Framework](#).
- Ontario remains the largest and most consistent issuer of Canadian dollar Green Bonds, totaling \$19.25 billion to date, with \$17.2 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 February 2024.

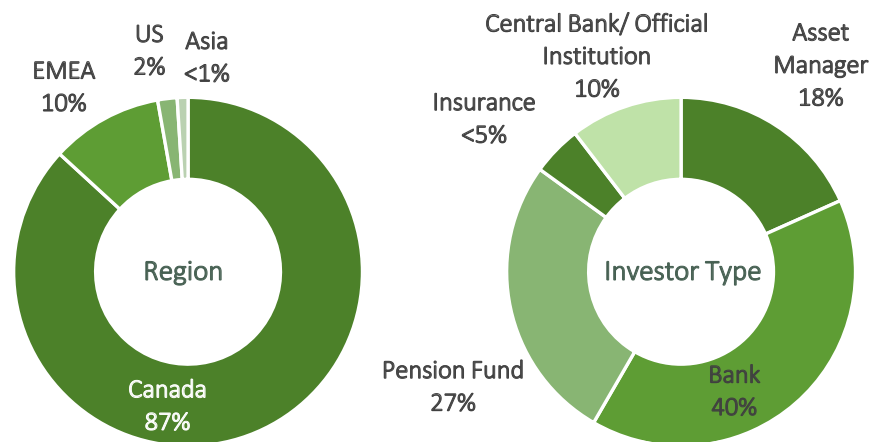
Execution Highlights

- The deal was officially announced on the morning of June 17th under a constructive market backdrop, with initial spread guidance set in the area of +61.5 bps versus the Canada June 2033 bond.
- The orderbook built rapidly, with indications of interest totaling over \$1.5 billion. The spread was set at +61.5 bps, and the deal size struck at \$1.25 billion.
- The new issue priced at slightly through the Province's conventional funding curve given the size and strength of the high quality orderbook.
- 42 investors participated in the trade with interest driven by Banks/Treasuries (40.0%), Pension Funds (26.6%), Asset Managers (18.3%), Central Bank/Official Institutions (10.4%), and Insurers (4.6%).
- Buyers were concentrated in Canada (86.9%) with international participation from the EMEA region (10.4%), US (1.8%) and Asia (1.0%).
- The transaction saw material participation from Green investors. The final book comprised of 36.5% Dark Green buyers and 11.1% Light Green buyers.

Transaction Summary

Issuer:	Province of Ontario
Issuer Ratings:	Aa3 (P)/AA /A+ (P)/AA-
Size:	CAD 1.25 Billion
Coupon:	4.10%
Pricing Date:	June 17, 2024
Settlement Date:	June 19, 2024
Maturity Date:	March 4, 2033
Re-offer Spread:	+61.5 bps over the CAN 2.75% June 2033
Re-offer Price:	\$101.158
Joint Bookrunners:	BMO Capital Markets, National Bank Financial, RBC Capital Markets, and TD Securities

Investor Demand by Region and Investor Type



Note: Numbers may not add due to rounding.

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

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 15, 2023.

Eligible Projects for Ontario's Sixteenth Green Bond

Clean Transportation

GO Expansion

Hazel McCallion Light Rail Transit (LRT) - *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

This information was compiled by the Ontario Financing Authority. This information is intended for general information purposes only and does not constitute an offer to sell or a solicitation of offers to purchase securities. It has not been approved by any securities regulatory authority and it is not sufficient for the purpose of deciding to purchase securities. While the information in this presentation, when posted or released, was believed to be reliable as of its date, **NO WARRANTY IS MADE AS TO THE ACCURACY OR COMPLETENESS OF THIS DOCUMENT OR THE INFORMATION IT CONTAINS.**