

ONTARIO 30-YEAR — \$1.0 BILLION DMTN CAD GREEN BOND

Background

- On October 2nd, 2024, the Province of Ontario issued a new 4.10% October 7, 2054 Green Bond for \$1.0 billion.
- This is the seventeenth Green Bond issued by the Province, the second offering of this current fiscal year and the third under the Province's new [Sustainable Bond Framework](#).
- This marks the largest long Green Bond issue in the Canadian dollar market and the first ever 30-year Green Bond by a Province.
- Ontario remains the largest and most consistent issuer of Canadian dollar Green Bonds, totaling \$20.25 billion to date, with \$18.2 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 October 2024.

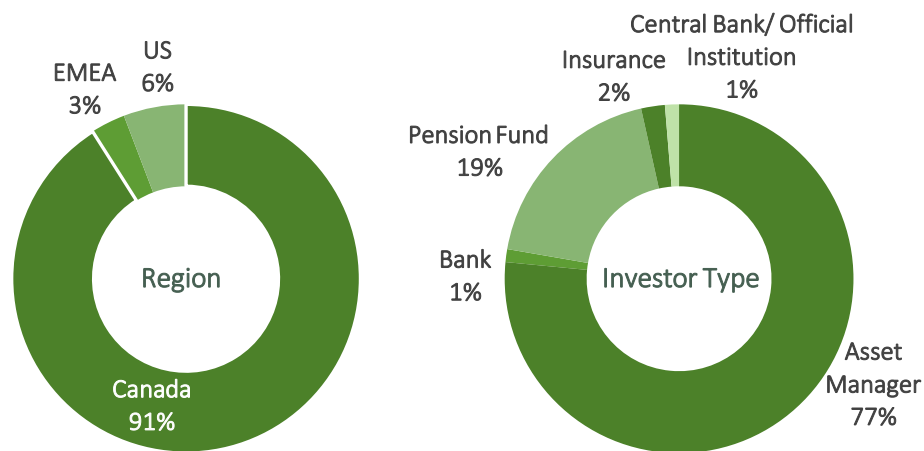
Execution Highlights

- The deal was officially announced on the morning of October 2nd, with initial spread guidance set in the area of +94.5 bps versus the Canada December 2055 bond.
- The orderbook saw a strong and steady build after launch with indications of interest totaling over C\$1.7 billion at the time the books closed. The spread was set at +94.0 bps and the deal size was struck at C\$1.0 billion
- The new issue priced slightly through the Province's conventional funding curve given the size, strength and quality of the orderbook
- 37 investors participated in the trade with interest driven by Asset Managers (76.6%), Pensions (18.8%), Insurers (2.2%), Central Banks/ Official Institutions (1.3%) and Banks/ Treasuries (1.2%).
- Buyers were concentrated in Canada (91.0%) with international participation from the U.S. (5.8%), and EMEA region (3.2%).
- The deal saw participation from investors with ESG and/or Green mandates of which 86.9% were Dark Green investors and 7.1% were Light Green investors.

Transaction Summary

Issuer:	Province of Ontario
Issuer Ratings:	Aa3 (P)/AA /A+ (P)/AA-
Size:	CAD 1.0 Billion
Coupon:	4.10%
Pricing Date:	October 2, 2024
Settlement Date:	October 7, 2024
Maturity Date:	October 7, 2054
Re-offer Spread:	+94.0 bps over the CAN 2.75% December 2055
Re-offer Price:	\$99.299
Joint Bookrunners:	CIBC Capital Markets, National Bank Financial, RBC Capital Markets, 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 15, 2023.

Eligible Projects for Ontario's Seventeenth 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

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