Capital Markets

2020 SSA Maple Roundtable

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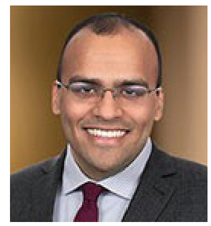

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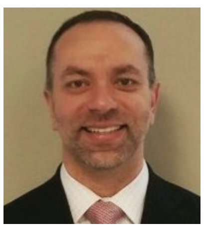

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MODERATORS

Alex Caridia
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Jigme Shingsar
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SSA MAPLE KEY THEMES

1

Funding programs for SSA issuers have increased significantly due to the pandemic, and the CAD market has benefited from a more active supply calendar

Many SSA issuers, much like governments around the word, have significantly raised their borrowing programs and issuance volumes across the board this year to cope with the negative impacts of covid-19. The Canadian dollar market, albeit smaller in comparison to the rest of the issuance currencies such as USD and EUR, are getting increased attention for the obvious diversification opportunity and we expect SSA issuance in CAD to continue to grow.

2

Increased domestic demand for Maple SSA issuance complements robust international demand

Maple bond issuers are seeing continued growth in domestic investor participation in their issuance while offshore interest in CAD investments is also growing. Increased demand has allowed larger issue sizes and more frequent issuance.

3

SSA Issuers would welcome opportunities to offer more duration in CAD

SSA issuers value duration and the Canadian market offer very long term maturities. Subject to swap costs and pricing, SSA issuers are open to longer dated issuance.

4

ESG, in particular Sustainability, continues to be a major focus

Maple bond issuers are heavily focusing on the Sustainable development bond market in addition to the Green Bond market. Many international issuers are establishing frameworks, creating standards and holding accountable their disclosures before and after issuing Sustainable and Green Bonds, in order to properly assess risks around ESG and to provide clear use of proceeds disclosures to gain investors' vote of confidence. Sustainability has resonated with Canadian investors and this has helped SSA issuers make significant inroads in the CAD market.

FUNDING REQUIREMENTS

Jigme Shingsar, RBC: Why don't we start with our issuers telling us a bit about their institutions and their funding needs. How has your funding program done over the past year, how does the Canadian market fit into the funding program, and lastly if applicable, how was your experience issuing in Canada this year?

Andrea Dore, IBRD: The World Bank funding needs increased significantly this year compared to previous years. During our last fiscal year (July to June), the World Bank (IBRD) raised a historical $75 billion and IDA raised $5 billion. These increased funding requirements have been driven largely by the World Bank Group's response to the health, social and economic impacts of covid-19. In the case of IDA, a newcomer to the capital markets, we have had to frontload IDA's funding from an initial estimate of $3 billion, to $10 billion this fiscal year - a funding volume that was expected 3 to 5 years from now. The funding volumes for IBRD and IDA are expected to remain at elevated levels in the short term as the World Bank (IBRD) and IDA continue to respond to the growing needs of their member countries during this global pandemic and beyond.

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>
> *– Andrea Dore, IBRD*

Aldo Romani, EIB: The EIB has issued roughly €70 billion EUR equivalent this year, versus €50 billion last year and €60 billion in 2018. Part of the €70 billion is on prefunding needs, the general borrowing authorization for the year was at €65 billion, but given the high levels of disbursements this year and expected for next year, the Board of Directors extended the range of our issuances. It is remarkable to underline the doubling, or more than doubling, of the issuance we performed in sustainability. Last year we issued roughly €4.3 billion and this year we issued ~€10.5 billion, partly due to the knock on effect that the EU Taxonomy regulation force has generated this year.

Laura Fan, IDB: For this year as a result of the increased lending to mitigate the negative impact of covid-19 in Latin America and the Caribbean, we had our largest borrowing program ever. We have borrowed $26.8 billion (above the projected $26 billion program) with 83% of that funding denominated in USD. Canada has played a part as it was the third largest currency of issuance, moving up one spot from last year's 4th place ranking. We have issued C$1.5 billion CAD in 2020 so far, with two 5-year transactions and a 7-year transaction. Canada was about 4% of this year's funding program.

Zauresh Kezheneva, IFC: Our medium and long-term funding program for this year remains relatively flat to last year at approximately $12 to $14 billion, with an additional short-term discount note program for up to $5 billion outstanding on any given day. Since our fiscal year runs from July to June, we are now through the first half of the program and early next calendar year, we will reevaluate our funding needs. From there, we will see if the size of our funding program is subject to change. Regarding trends for this year, we've seen heavier issuance in the public markets and heavier weight of the G10 currencies. With the Canadian dollar being one of them, we continue to maintain our presence in the Canadian market, where we have been since 2018 and have done a 5-year trade for C$500 million this year. Proportionately, CAD issuance has been around 5-6% of our funding volume overall.

Piet Jurging, KFW: We have not issued that much in Canadian dollars in the recent years. Our funding target is at €65 billion, and with the €2 billion green bond transaction, we have completed our funding program now. Everything else would be considered as pre-funding, but no specific plans. Our target has been reduced by €10 billion, even though we became responsible for various loan facilities, providing liquidity for companies in Germany that struggled due to the pandemic. So commitments were increased by roughly €50 billion for 2020, thus it sounds contradictory that we reduced the funding target but the government allowed us to draw funds form the so called Economic Stabilization Fund, which is up to a maximum of €100 billion. This year we made use of roughly €40 billion, and we are even allowed to make use of it in the next year depending on further drawdowns within Corona financial aid programmes; so overall, proving the strong link between Germany and KFW overall. We have not issued in 2020 with respect to Canadian dollars, however our last issuance in 2019 was very successful. We would like to repeat the success next year, and I am fairly certain this will be in green form.

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>
> *– Piet Jurging, KFW*

GROWING INTERNATIONAL DEMAND FOR CANADA

Jigme Shingsar, RBC: We have seen continued growth in the Canadian dollar market, SSAs have been more active with larger volumes raised. For investors, how do you view SSAs in the Canadian dollar context and their relative value?

Andy Kochar, AGF: To start around relative value, we have been invested in the SSA space in Canada for close to 20 years across a variety of our mandates. Obviously there have been a lot of changes since then, but the reference points for us have been the typical provinces and Canada Mortgage Bonds (CMB), that have been used by investors over many years as reference points for valuations. But the one change that has been the most significant in the last few years is that until very recently, the SSAs had just left the market, you didn't see as many issuers come to the market, so investors such as ourselves had to resort to CMBs and provinces because there just wasn't enough pickup. Investors integrating ESG in their portfolios has been a big reason for demand in Canada. The pandemic has made the need to fund a bigger program much more relevant. Three or four years ago we would always ask issuers what it would take for them to grow their program in Canada, because we care about Canadian dollar denominated SSAs. We do not tend to go for USD SSAs because hedge costs are very expensive, and frankly the FX hedge costs are also one of the main reasons issuers do not want to issue in Canada. The equation has changed as programs have grown so much and issuers needed to diversify their funding. Hedging costs have come down significantly as interest rate differentials have normalized. They might be paying up a bit, but we welcome this willingness for issuers to return to Canada to grow their program as they diversify their funding needs.

Lastly, the programs are now explicitly linked to specific sustainability objectives, something which is very important for our portfolios we care about. In particular the value proposition that is in a SSA paper and the values aspect that these programs bring with it. We get a lot of questions on the equity and fixed income side on how the portfolio is resilient to the uncertainties. This is an ongoing theme because it is possible that events such as the pandemic or the likes of it will come up in the future, and it is important to determine how the portfolio will be ready for these uncertainties. Thus I think SSA issuers can help us build a resilient portfolio that aims to make a positive impact while delivering alpha at the same time.

Jigme Shingsar, RBC: Thanks Andy, and just as a follow-on to that, you talked about CMBs and Ontario as domestic reference points, and I think we've been successful in moving the focus away from the Ontario part to more of the CMB relative value. As a portfolio that is very focused on CAD, how much do you look at where SSAs are trading at in other markets in terms of reference points? For example does a USD reference point make a big difference to investors such as yourself?

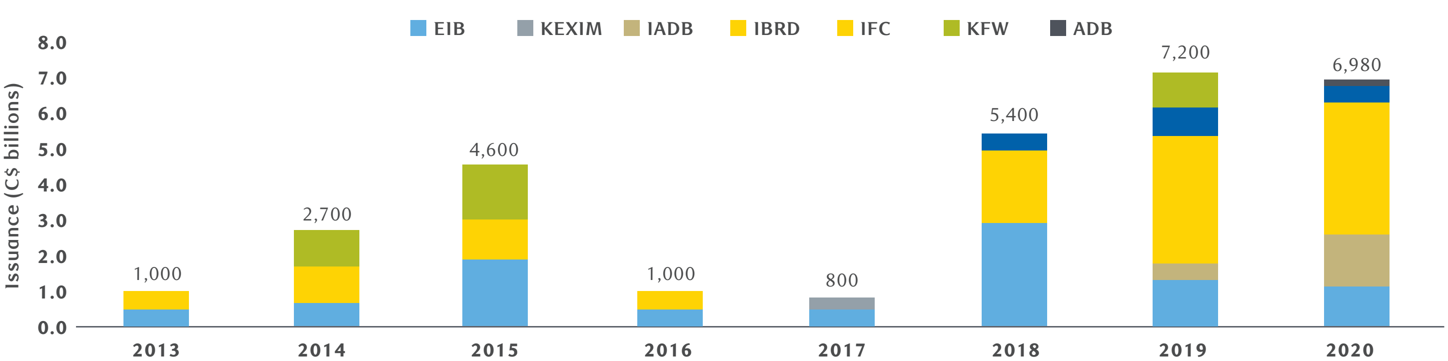
Andy Kochar, AGF: We have a couple of large global mandates that invest in foreign currencies (EM & DM) for SSAs, and for those we do engage in active FX exposure and thus it matters where the SSAs are trading in those currencies vs CAD. However the majority of SSA exposure in AGF is in CAD. As much as we do care about reference points in other currencies, at the end of the day what matters for us most is CAD because we are hedging the exposure in these mandates and that is where we welcome the issuers when they look to issue in CAD.

Piet Jurging, KFW: If I may, Andy you mentioned relative value vs CMBS, what kind of pickup are you roughly looking for?

Andy Kochar, AGF: Well it's kind of all over the place, for the longest time people thought Ontario has passed that mark. It varies. For CMBs where they have come to the market in general we think it has a reasonable value. We believe the SSA market issuance has picked up tremendously and investors are asking less questions about the illiquidity relative to CMBs. In our view we believe the value is fair.

Alex Caridia, RBC: To expand on that, this year we have seen issuances vs CMBs somewhere in the high single digit ranges which is slightly higher than last year's low to mid-single digits, so maybe that gives you an idea for where most of the transactions seem to be going.

ANNUAL MAPLE ISSUANCE



Source: RBC Capital Markets

Jigme Shingsar, RBC: Alain any thoughts on how you look at relative value since you run a substantial USD portfolio as well?

Alain Hage, RBC: We have USD, EUR and Sterling presence as well as CAD. From that standpoint we don't only look at where SSAs trade in Canada relative to CMBs, but also relative to how they trade in Sterling, Euros, and USD. We often swap them back to various currencies, whether that is back to CAD or dollars, using the underlying funding to buy SSAs in those specific currencies. Overall we look at it globally, but we also try and support the Canadian market as much as we can. In terms of our SSA book, we would like to see consistency from the issuers to build enough liquidity in the secondary market because, when comparing CMBs and SSAs, there is quite a big difference in terms of liquidity. When the spread between the two tightens too much, it makes investors slightly more hesitant. The question becomes: do we want to buy SSAs in CAD or buy SSAs in Euros or USD? There is significantly better secondary market and repo liquidity in EUR or USD. Whereas in Canada, it is a bit of a hit and miss. Many, but not all, dealers nowadays are experiencing increasing difficulty holding inventory and are acting more as agents instead of true market makers. This is due to balance sheet constraints and their reduced tolerance for risk.

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>
> *– Alain Hage, RBC*

Andy Kochar, AGF: To follow up, I agree with Alain's views around liquidity around SSA, as that has been a debate in Canada for 20 years. We initially used to look at it vs Ontario, and then it moved to CMBs. The goalposts keep moving around depending on which dealer you talk to. From our perspective, as a CAD SSA investor, the part of our portfolio that invests in SSA paper is long-term core capital. These bonds and issues come with an objective that is very valuable to us and for that we want to pay up, we understand the liquidity aspect of it due to the redemptions and contributions. Dealers do have a hard time trading CAD paper, but I want to note that for a lot of CAD investors looking at CAD SSAs, liquidity matters but we are not trading this on a day to day basis. Since this is long-term part of our portfolio, we have to ask ourselves if we want to own these SSAs with these objectives or do we want to look at CMBs which are backed by the Canadian government and is high quality paper. However we can also make a good case for SSA bonds to be just as good if not better quality.

Alex Caridia RBC: I think that is a key point and something we see and talk about a lot here in terms of liquidity vs CMBs. Sometimes we trade as much CMBs in two weeks as much as we trade on our entire SSA book over the course of a whole year. To a certain extent that's an aspect of our outstanding as there are only around C$23 billion in the CAD SSA sector vs. ~C$256 billion in CMBs outstanding. The key point to investors is to diversify, because obviously a lot of investors are heavily invested in CMBs and provincials, whereas they do not get the opportunity to buy SSA maple credits often.

Jigme Shingsar, RBC: Andy you have referenced this a couple times but going back to Alain, you've heard Andy's comments on ESG, do you feel that the ESG component many of these issues have brought (whether from the type of issuer or format of the bond), is additive to the value proposition when you are on the fence in terms of value vs CMBs?

Alain Hage, RBC: We do not have a specific ESG mandate but we have an enterprise wide philosophy on ESG. A lot of the ESG bond purchases are against the various programs RBC has which are ESG related. From a philosophical standpoint, it is important for us to be involved in ESG, we also don't also want to pay through relative value levels just to say we buy ESG bonds. So as long as the value is fair, we would show preferential treatment as we are trying to grow the portfolio, but you don't want to give up too much value chasing bonds that can sometimes have slightly less liquidity. Overall, SSAs are a big part of our portfolio and we look at our holdings cumulatively, across a broad spectrum of currencies.

Jigme Shingsar, RBC: So Alex, do you think there is an ESG component that gets investors more likely to participate in an issue?

Alex Caridia, RBC: Yes, I think there is a growing pool of ESG money which is very focused on the topic. At the margin perhaps even if investors do not want to give up on the price as Alain mentioned, they feel there will be better performance on the secondary market and we see that not just in SSA Maple but also in the provincial space, where green issues tend to trade 2-5bps through the non-green curve. So there is an expectation of performance but on top of that there is a growing number of investors putting in green specific mandates, so it is certainly a factor. When we price our issues we add some sort of "greenium" to our pricing, not significant but maybe around 1bps or so.

Jigme Shingsar, RBC: We will focus on this later on but before we go back to the issuers, a question for our investors. We talk about liquidity and that can mean a lot of different things in terms of frequency, issue size, overall commitment to the CAD market. As an investor, how important is it that issuers maintain some sort of regularity in the CAD market? And by that, what would you consider a good amount? I wanted to ask Andy as he has a very CAD focused portfolio here.

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>
> *– Andy Kochar, AGF*

Andy Kochar, AGF: Absolutely, back in 2004-2005 we had a big wave of SSA issuers come to the CAD market for the first time and RBC was instrumental in creating a very active SSA market in CAD. A lot of issuers came to Canada and we participated in almost all of the deals. The value proposition was very different at that time, and sustainability was not a big proposition back then even though these bonds were essentially sustainable bonds in our mind. The financial crisis of 2008 resulted in the disruption of the swap market resulting in issuers leaving the market. Virtually none of them came back for the longest time and many are still not back in the market. The EU sovereign crisis of 2011 also did not help. Maybe it's the pandemic or the situation evolving now, or maybe where the swaps are today, it would be very nice to have a good number of European and other foreign SSA issuers to stay invested and to issue several transactions a year in Canada, so that we have the opportunity to certain value analysis in different points of the curve. It would not be ideal to see issuers come to the market and do not come back for the next few years, while the tenor keeps on shrinking. Like I mentioned earlier, this is long term capital for us and we want to be invested for the very long term, so it would be nice to have frequent issuers, more than one, on an ongoing basis.

Jigme Shingsar, RBC: Do any of the issuers want to respond to that, when you lay out your financing plans do you have some general sense of targets for each market?

Andrea Dore, IBRD: Thanks Andy for your comments because it is extremely helpful for us as an issuer to understand how investors perceive issuer's behavior in their market. The World Bank (IBRD) is committed to the CAD market and we have been a consistent CAD issuer for several years. The World Bank has taken a strategic, long-term approach to the CAD market. Last fiscal year, the World Bank raised approximately CAD5 billion in the benchmark bond market, making CAD one of the top 4 currencies of issuance for the World Bank. The World Bank intends to continue to be an active player in the CAD benchmark market, though funding can be constrained by the cross-currency swap and the need to swap the CAD proceeds to US$ for ALM purposes given that the World Bank's balance sheet is denominated in US$.

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>
> *– Andrea Dore, IBRD*

Jigme Shingsar, RBC: Piet, KfW pioneered the term 'semi-strategic' for certain markets. Would you consider CAD 'semi-strategic' from your standpoint in terms of the various pillars at KFW? How motivated would you be to look at CAD in the future?

Piet Jurging, KFW: Each year it is an objective for KFW to issue in the CAD market. However, this year the economics have not been that attractive, at least for Euro based funders. We are mainly looking at the CAD or USD Euro basis swap, and at times this did not work out. We always tried to show a decent pickup of CMBs to address this liquidity issue, so this combined makes it sometimes slightly difficult and unfortunately we have to come close to our Euro levels, and we have not been able to reach those levels in 2020. In case there are opportunities to issue in CAD, our friendly peers usually react quite quickly as well.

Aldo Romani, EIB: The points made by Piet are very relevant and my feeling in accessing the CAD market is that it is a mix of dexterity maneuvering around competing supply and also internal maneuvering because we very often have the case that we are about to issue USD global benchmark and we do need to wait because there might be overlap in terms of distribution. I believe going forward it would be extremely important to be recognized as serious, in terms of commitment, for example to those items such as sustainability that are of an increasing profile. You are able to access the markets rapidly if you have a fertile ground that you have cultivated over time, in which we are recognized as a credible counterparty. So we are definitely thinking on the sustainability funding side to monitor the Canadian market with a lot of attention, since this is a market thanks to the initiative of Canada, in terms of the contribution to sustainable financing in the field of taxonomy, is indeed in the process of organizing a framework within which certain features of our issuance will be better appreciated going forward. With regards to the commitment, we have a domestic issuance program in place, which testifies to the willingness of EIB to issue in this market, not only to issue but really to develop an ongoing relationship with local investors beyond the banking community which has already supported us thus far. We know there are a lot of potential new investors that we could access on this basis.

Laura Fan, IDB: We have become a more consistent issuer in Canada over the past several years. In 2019, CAD ranked fourth in terms of issuance currencies and it ranked third for 2020. We strive to issue a new line or tap an outstanding bond at least once a year or within a two year time period, subject to market conditions. So far over the past several years we have been very successful in issuing at least once a year. Per our charter we are not allowed to take any currency risk. We give our borrowers a choice of the currency they want their loan denominated in, as long as we can source it from the capital markets, but typically our

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>
> *– Laura Fan, IDB*

borrowers choose USD. Therefore when we look at the CAD markets, we need to swap it back into USD. We would typically compare the CAD with a direct issuance in the USD market. In part, liquidity can imply the size of the transaction, with the larger the size, the better the liquidity.

Another aspect is the breadth and depth of the investor base. When we issued a 5-year in 2019 compared to the recent 5-year, there was a more than doubling of participating investors. Of course it is not exactly comparing apples to apples, because last year we only issued a $600 million 5-year whereas for this year we issued a total of $1 billion (initial tranche and subsequent tap). We have seen the growth in the investor base and interest from investors internationally. Domestic investors still account for more than 50% of investor distribution, but this year we have seen a pickup in the Asia-Pacific and Europe regions. Part of that could be attributed to the growing interest in sustainable development bonds, as all of our issuances this and last year in Canada have been in sustainable development bond format, so perhaps this is what is increasing international interest for CAD. I do think that a larger investor base will help contribute to liquidity. For example, a bank is more likely to provide a competitive bid for a seller if they can resell the bonds to another investor. A larger, diversified investor base should provide better opportunities to facilitate that process.

Jigme Shingsar, RBC: IFC has a slightly smaller funding program and arguably you could issue as much as you want in USD, but you still chose to come to the CAD market. Why do you consider that important?

Zauresh Kezheneva, IFC: I agree with all my colleagues about the importance of the swap markets - hedging opportunities are one of the primary considerations for timing of issuances. With the current program of $12-14 billion we were able to issue in the CAD market between CAD500 and CAD750 million in different years, and our target is to continue growing our investor base in this market. If we jump from 2020 to a distant future where we do not have to wear masks, like 5-7 years from now, with the capital increase for IFC, we would expect to see the growth of our business portfolio and a respective increase in our funding needs. So, in the long-term perspective, we could anticipate the sizes offered in various markets, including the Canadian market, to grow.

With the current program of $12-14 billion we were able to issue in the CAD market between CAD500 and CAD750 million in different years, and our target is to continue growing our investor base in this market.

– Zauresh Kezheneva, IFC

Jigme Shingsar, RBC: That's great, thanks Zauresh. Andrea do you want to repeat your question for Andy in terms of duration and the curve?

Andrea Dore, IBRD: One of our goals this year is to continue to extend the duration of the Word Bank's funding to reduce potential refinancing risk. Recently, we successfully executed several very large-sized, long-dated bonds across different currencies including a 30-year, EUR2 billion benchmark bond. We also issued our first 10-year CAD benchmark bond last year, albeit a small size, but we hope to increase liquidity in that 10-year CAD line over time. The CAD market has been a great source of duration for the World Bank in the past. In fact, one of the longest maturity bonds issued in the history of the World Bank was done in CAD - a 99-year bond issued in 1994.

Andy Kochar, AGF: We would love to go out the curve with respect to the issuers. For the most part, Canadian SSA issuances have been 5-year and under, because it matches CMBs and it has been easier to sell. As the goals linked to these bonds are long-term goals, in order to demonstrate that to our investors, there should be a tenure that matches those goals. To make that point it would either be great to have 10s and/or longs come to the market as well.

Alex Caridia, RBC: As you know one of the things we see in Canada, outside of the SSA space is extremely long credit curve. Canada is unusual in that sense with public sector spread product being issued all the way out to 100yrs. I think that certainly should provide some opportunity to look further down the curve if there is relative value in the space. The challenge in the long-end will be to provide a hedge for some of those issuers. If we can make the hedge work, I believe a large number of investors in Canada will look further down the curve and that could provide an opportunity for SSA maples going forward.

Alain Hage, RBC: From a bank treasury standpoint, the maximum tenure that we invest in is 10-years and that is fairly rare. There is value to have various points on the curve for an issuer. We do look at the 7-year part of the curve because at times, there is relative value. As we asset swap most of our bond purchases, the 7 to 10-year curve is normally not as appealing. We do find that when issuance occurs in the 10 year sector and old bonds roll down the curve, certain investors will sell their current holdings to roll into the new issuance. This can create some better value in the older issuances. There are other investors who would certainly prefer to have longer tenors. It's also useful to have various points on the curve in order to better analyze SSAs, even if it's not from one specific issuer, as high quality SSA names track each other pretty closely. If there are enough issuers and issuance increases across the curve, and as Laura mentioned, the pool of investors grows, all these factors will help increase liquidity in the SSA space in Canada.

Andy Kochar, AGF: We are seeing the demand for issuance pickup whether it is on the back of the green deal and other parts of the world that are going to be stepping up their programs. For the issuers, how do you think the supply of tenors might evolve in the coming years as these programs become larger?

Jigme Shingsar, RBC: I think Andrea you've already alluded to the fact you're looking at incremental duration, so you've kind of answered that part of the question. I don't know if you have any other questions before maybe we can ask another issuer who hasn't really talked much about relative value.

Laura Fan, IDB: Depending on where interest rates are headed, I can definitely see even in other markets, for the 7-year to become the new 5-year as investors seek the longer part of the curve to achieve incremental yield. The other choice is for investors to go lower down the credit rating curve to achieve higher yields. So, depending on where the interest rate environment could be going forward, I would say that there could be more longer-dated issuance. IDB has been extremely good in terms of maintaining a certain duration, as we have been able to issue 5- and 7-years in CAD. We typically do not have specific interest for very long maturities, e.g., over 10 years, but if there is interest from investors for such maturities then definitely that is something we could consider. To minimize refinancing risk, one of our policies is that at any given point in time, maturing debt (on a 12-month rolling period) cannot exceed 25% of outstanding debt.

Jigme Shingsar, RBC: Any other issuers want to comment on duration? Generally speaking I think the USD market has historically been weighted more towards 5-years and shorter, but this year we have seen more issuance further out the curve, probably a more active 10-year market then we've had in quite a while. And the EUR market continues to creep further out the curve. Generally speaking, with increased funding needs is duration becoming more important to any of your programs?

Piet Jurging, KFW: Our asset side has been quite stable, so due to that we do not have to prolong our liability side. We are well aware of the trend that investors are looking for pickup in yields, so perhaps in Euros they want to go up to 30-years and EU, the new big borrower will offer lots of supply in Euros in longer-duration. For us in Euro, it would definitely be a theme to issue a bit more in 15 years and even 20 years and in USD it is possible that we look for 10-years and maybe even 7 years. I believe next year there will be more opportunities in USD to go longer.

Zauresh Kezheneva, IFC: On our side, we are comfortable with duration close to 5-years, that we have been targeting over the last few years for our borrowing program. However, we often implement the strategy of bar-belling across different markets, so you could see us being quite long in one market or the other if we see relative value there. On the other hand, as some investors are looking for shorter exposure in emerging market currencies, we are happy to tailor to this demand too.

Jigme Shingsar, RBC: We have talked a lot about liquidity and CAD market growth and it definitely feels like there is more global interest in CAD this year given low rate environments generally. Alex any comments in terms of investor flow in CAD, not necessarily specific to SSAs but in the government or public sector?

Alex Caridia, RBC: I think that's absolutely right and over the last two years we have seen an increasing number of international investors focusing on Canadian dollars. On a relative basis CAD and USD are high yielding currencies vs Europe and the UK now, so from that perspective we have seen huge uptick in demand out of Asia, Japan specifically and then some of the other regions as well. We have also seen some of the European investors become more involved, they've become involved on two sides, one being buying Canadian credits in their respective home currencies because they yield more, so some of the Canadian provinces at the long-end of the Euro market, and more pertinent for this discussion, also just increasing the size of the overall CAD holdings, be that in terms of yield considerations or hedged back to Yen or other currencies investors see the CAD very attractive. Particularly in the provincial and CMB space we have seen a huge uptick in demand, we've also seen that feed through to some of the SSA issues. Probably not at the scale as what we've seen with provincial's and CMBs, but that's partly also driven by the fact that there is some overlap to the currencies here as, investors will buy all of the SSAs that issue in Canada in other currencies, so they'll be active participants in USD and Euros and the like.

On a relative basis CAD and USD are high yielding currencies vs Europe and the UK now, so from that perspective we have seen huge uptick in demand out of Asia, Japan specifically and then some of the other regions as well.

– Alex Caridia, RBC

I think it's fair to say international investors have become much more active and that's really helpful from a liquidity perspective because those investors tend to have slightly different considerations to the domestic investor base which are very focused on CMBs as we've just talked about. When you look oversees and you have Japanese investors or other regions in Asia looking at outright yields, which gives us an outlet which might not have otherwise have in Canada and that has manifested to lower bid/ask spreads. Looking at bid/ask spreads over the last couple of years they've come in quite a bit and we've moved from fairly high bid/ask spreads three years ago in the 4-5 bps region to now 2 bps or so, I think that development with international investors has been really helpful and hopefully we see more of that going forward.

Jigme Shingsar, RBC: I would assume that increased global interest in Canadian dollars leads to an expanded market and therefore hopefully increasing liquidity. Andy, as someone who is very focused on the domestic, is that something you would necessarily agree with? And the flip side of having offshore interest in CAD is that it creates large flows in both directions in and out of this market, how do you view that topic?

Andy Kochar, AGF: I think that comes down to the dealers facilitating flows in a more systematic way, a comment came earlier that it is more of an agency market for a Canadian dollar investor. It's great to see more investors playing in the domestic currency, definitely creates more liquidity and hopefully we can capture that liquidity through the right channels and the dealers are facilitating those flows in the proper way. It is welcome from our side. If that is a consideration for issuers to grow the Canadian program, that's great for us.

Jigme Shingsar, RBC: Alain do you think more offshore interest in CAD generally would enhance some of the liquidity considerations you factor into your decisions?

Alain Hage, RBC: It can hurt or help but as I said earlier, it's very dealer specific. In terms of getting deals and flows overnight, the market does get slightly one-sided. Even though there is demand from foreign investors, at times it can cause a bit of an unbalance which can create opportunities for others from a relative value basis. Generally speaking, as more investors enter the market, the more it will be beneficial for spreads. For us, we would rather see more participants in the Canadian market as it will eventually lead to a more balanced market and create more liquidity.

Andy Kochar, AGF: Different investors have different measures of relative value as we know. If you are a foreign investor coming to Canada and you have a certain type of mandate you would look at relative value a certain way compared to if you are domestic investor such as ourselves you would look at relative value a certain way. When investors of different thresholds of relative value are brought together on a certain market and deal, investors start questioning some of the price action happening in that market. For example: for the longest time people questioned whywould I ever pay through a green Ontario bond versus a non-green bond, and look where we are today. That market took many years to evolve to where we are today. We looked at SSAs back of Ontario's, and now we look at them on back of CMBs – so that market has evolved as well. As the investor base broadens out and foreign investors come to the Canadian market, there will be a certain level of appreciation from domestic investors to reconsider how they look at relative value, because although the way they were looking at it is not wrong, the bigger players out there might have different view on relative value and that forces the domestic investors to reconsider what determines value. Bottom line is that the more players there are the more this tit for tat discussion between what is true relative value for an issuer.

Jigme Shingsar, RBC: We've talked about how investors look at things, and I know a lot of issuers on this call spend a lot of time on investor relations and investor marketing globally including Canada. Laura you alluded briefly to the distribution to your Canadian dollar transactions, can you expand a little more on that – have you seen any evolution there? Do you see the global investor base expanding as well for Canada?

Laura Fan, IDB: In the past when we were issuing Canadian dollars, it would have primarily targeted the domestic investor base. Over the past couple of years, even though the domestic distribution is still more than 50%, that number has trended slightly lower. For example in 2019, domestic distribution was around 57%, but in 2020 so far it's 52%. We have seen growing interest from Asia Pacific with strong interest from Japan for ESG bonds (since our CAD issuance has been in Sustainable Development Bond format) as well as yield and foreign exchange views. We have also seen some interest from Europe. When you take a look at investor type distribution, what we have seen more participation from bank treasuries as well as the insurance and pension sector. If you have more investors involved in the Canadian dollar market, eventually what you may see is that you will also have more active international bank participation. If the market is very Canadian-centric, you have a few large domestic Canadian players and now with the international dimension what you may potentially see is more international banks coming in because they view it as a growing business. For example: in Australia, before there used to be a small group of players but as the market grew there was an influx of international banks that became more active which is beneficial for both investors and issuers, but especially for investors because now there are more banks potentially providing pricing when you are looking to buy or sell.

Jigme Shingsar, RBC: Andrea you've issued two early large benchmarks in Canadian dollars fairly recently, so we've seen growth in terms of size and frequency and I'm sure that reflects an evolution of the investor base, any comment on that?

Andrea Dore, IBRD: Yes, we are seeing growing international investor participation in the World Bank's CAD benchmark bonds. The total number of investors (international and domestic) we see in our CAD benchmark bonds has grown significantly over the past few years as is evident in the size of several of our CAD trades of CAD1 billion plus. In addition to the immense growth in real money accounts, we've seen increased investor participation from key regions like Asia and Europe. In the longer maturity CAD benchmark bonds that we executed - 7 to 10 years - most of the demand comes from domestic investors while for the shorter maturities - 5-years and under - we observed an almost even split between international and domestic investors. The increased demand from international investors has allowed the World Bank to establish more liquid lines and diversify further its investor base. The increased international demand for CAD SSA products has also helped create more price tension.

Jigme Shingsar, RBC: Any comments in terms of global interest in CAD and or domestic investor penetration?

Aldo Romani, EIB: From our experience this year is that 50% or slightly above of our issue in sustainability format was placed in Canada with Canadian investors and maybe 30-35% was here. For us the diversification is a really present one as we have this kind of contribution, and I must add once again, 70% of distribution was with banks, so clearly there will be value for us in distributing further to different types of investors. But I agree that in this like in other currencies it's extremely important to react to arbitrage driven demand by certain pools of relevant investors and once again the capacity to access this market in a dexterous way depends on the ongoing relationships that are currently developing in this field, both in terms of constituents of investors and banks. For example we have experienced in the last few months that there is an increasing role of specifically Canadian banks in other currencies within sustainability format, which is probably establishing those platforms for more corporations and more conducive intermediation in Canada. So this is just a qualification based on our own experience.

Zauresh Kezheneva, IFC: I would just add that we observed the same trends, we see Asian and European investors on the rise in Canadian issuances, accounting for approximately 40-50% of the books. Once we added the green theme, we started seeing more domestic fund managers come into the book.

Jigme Shingsar, RBC: With the ECB bond buying program and also a flood of European issuances in various formats (most notably EU issuing) obviously a lot of supply and support from the ECB has impacted European issuers in particular. Aldo can you comment on how you use see the potential direction of this in terms of the impact on your funding program, is this just an opportunity or is there potential for increased competition impacting which markets you pick going forward?

Aldo Romani, EIB: Any attractive issuance opportunity that creates a large offering of supply and therefore adds to internal challenges. On the other hand it is also true that these are structural trends that are useful to multiplicity of issuers, and therefore I would not say this is a driver for our funding needs, which are driven primarily by our lending needs, they just provide additional opportunities for distribution. Again it's a question of fine tuning the recourse to the market and the combination of these different factors that make an issuance program successful in optimizing conditions for a given size. But I wouldn't overrate the relevance of individual factors and even if they are of such magnitude like the one you have mentioned.

Jigme Shingsar, RBC: Piet any comments on growth in European issuance volumes?

Piet Jurging, KFW: So the Emergency Bond Buying program has a current envelope of 1.35 trillion and luckily we had positive vaccine news, however, Madam Laggard reassured on Wednesday that there will be some policy easing in Europe and that will most likely include an increase in this Emergency Bond Buying program. But even without an increase, net bond issuances of all Euro sovereigns will be negative in 2021 of about 50 billion. So again there is a huge support from monetary policy, and the EU is definitely welcome in the SSA market and will probably become the biggest issuer next year, so before they issued their first bonds for this issuer program, there had been despite some uncertainty around this issuer. However, after the first trade and very strong secondary performance, this uncertainty has been priced out and spreads have stabilized. So from my point of view even more tailwinds for 2021 from the ECB and a very positive environment.

Jigme Shingsar, RBC: Ok thank you, it's great to hear from our Euro based issuers. Any of the non-Euro based issuers have any commentary regarding the changing dynamics of the Euro markets and how they may impact your plans to issue in that market going forward? I know Laura you were looking at Euro so maybe a comment there?

Laura Fan, IDB: To what Piet has said, the IADB has not been active in the Euro market for quite some time and we are hoping to change that starting next year. We are meeting with investors virtually to promote the IADB name. The Euro market provides us with currency and investor diversification as well as the opportunity to source longer dated funding.

Andrea Dore, IBRD: For the World Bank, Euro is the second largest currency of issuance and a natural source for duration. Given the low interest rate environment and investors now having to move further out the curve, the 15-year tenor for Euros is now the new 5-year. Since the World Bank lends in Euros, it is less constrained when compared to other currencies like CAD where the World Bank does not have any lending activities. In the case of IDA, its balance sheet is denominated in SDR, which includes Euros. That means there's a natural need for Euros for IDA.

Aldo Romani, EIB: To add a point, I think we are going through a phase of a really big challenge from a structural point of view, and what I meant is that there are issues that are relevant for the market beyond the mere size of supply. We even postponed some of our issuances in September because everyone was waiting for the EU to come to market, and the balance of supply and demand was not clear. In fact we have seen this large supply been absorbed very well by the market based on the expectations that these translations at the supranational level of debt for productive investment has been recognized also by markets as debt towards a different institutional setup, which may indeed create a different context from the one we have experienced thus far. You don't often need to think of Alexandre Hamilton, and his reports on public credit to feel this positive stance with regards to the fact that if public debt in Europe (at least partially for productive investments) is a Euro debt, the credit worthiness improves and facilitates the recourse of the markets everywhere. There are big challenges as we know though, the productive dimension and expenses that will be financed with that debt are still to be put at a test, because the EU needs to be able to prove that it would be in a better position to monitor the quality, substance, the productiveness, and sustainability of that debt than at a national level.

The balance between national, international, and supranational debt still needs to be assessed. These are the questions for me that really influence the expectations of the market going forward, of course the policies of the central bank systems are providing a cushion for the time being, but in a few months' time, a number of these issues, including of course the persistence of the sanitary crisis will start to bite again. So those to me are really the essential points and some of them can be assessed with moves that enhance the credibility of this process, but there are number of questions marks that go beyond total supply and a lot to do with total demand for debt that would be in the market.

Jigme Shingsar, RBC: All the issuers on this call have been the vanguard of development of green bonds, ESG, and socially responsible investments. Going all the way back to Aldo and your first climate awareness bond and the World Bank with a green bond. I know social responsibility permeates your institutions as well with your funding programs. Why don't we start with you Zauresh, you have been issuing green bonds for some time, and albeit with limited volume than some of the others, but then you've also issued in support of a range of interesting themes. So perhaps a little about what you do, the sector, and how it works in your institution?

Zauresh Kezheneva, IFC: Great timing of the question - next week we are actually holding an event to celebrate 10 years of our green bond program. And last year, we achieved another milestone of crossing 10 billion of green bond issuance. I was thinking about what Andy said, with respect to investors asking how resilient their portfolio was. If we keep this question in mind and think about the composition of our green bond program, it may provide some perspective on how we approach this question. All of the projects IFC finances have to comply with our environmental and social standards that are viewed to be one of the key ESG standards applied in private sector investments. Disclosures on our website are required for each project before the investment is made. Within this portfolio, IFC has a large pool of climate-smart loans with an agenda to help alleviate climate crisis - dedicated teams of climate experts evaluate these projects. Finally, of this pool of climate-smart projects we select projects that are green bond eligible – this is the third level of filtering in the process. This speaks to the rigor of the selection mechanism.

All of the projects IFC finances have to comply with our environmental and social standards that are viewed to be one of the key ESG standards applied in private sector investments.

– Zauresh Kezheneva, IFC

Transparency and reporting are also key for resilience. And the reporting has so much evolved. IFC no longer reports only the four standard indicators like megawatts of renewable energy produced, or anticipated energy savings, but aims to provide additional color and details on expected impact. For years we've heard investors asking us, 'if I invest $100 million in IFC green bonds, what can I actually report to my stakeholders in terms of the targeted impact?', and so we listened to this, coming up with reported estimates. In our last green bond impact report, we vividly demonstrated that $1000 investment in IFC green bonds in FY20 is expected to reduce GHG emissions by 2.8 metric tons of CO2-equivalent per year. This is understandable to every type of investor. We believe such continuous dialogue with investors is very important for further evolution of our green and other thematic bond programs.

Jigme Shingsar, RBC: Thank you. Aldo, a comment on the Climate Awareness Bond program which has been around for so long, and now you have a long track record to see how things have evolved? Also, how has that impacted your own institution?

Aldo Romani, EIB: I would say this year is a crucial year for the market of sustainability funding instruments due to the entry of the EU Taxonomy regulation, which is a law that aims to establish a framework to facilitate sustainable investment by creating the conditions for a shared language and platform for the classification of sustainable economic activities that contribute in a substantial manner to policy objectives. This is the result of a three year debate among experts and stakeholders, and the EIB can be taken as a test case for this development because we have been held in the necessity of more clarity in green and sustainable finance for a very long time. This has effected the basis of our approach with our inaugural issue in 2007, and the framework that is now established goes beyond the credibility of our funding program because this framework provides a chess board for discussion in a more reliable and accountable manner going forward. The themes have been subject to a lot of judgment and approach, and this is something that has been gradually extended from climate to other environmental objectives. This also creates a platform for discussion in the extension of clarity to areas of social sustainability that have been neglected.

The Taxonomy Regulation leaves only a number of policy objectives in the area of environment but also mentions that the commission will report on the conditions for an extension of the Taxonomy approach to social objectives by the end of next year. As a result, technical working groups have been created in this field. Now, it is something that has pulled a lot of credibility to our approach and programs, also because two years ago when we saw the regulatory framework evolution, we anticipated the trend by making a strong statement in terms of the link that will progressively be implemented between the allocation from our bonds and the projects that live up to the requirements of the Taxonomy. We have put this into the communication of our bonds, and this year while the bank is starting to reclassify its portfolio of lending activities based on the regulations in the area of climate, we have been able to extend the scope of climate awareness bonds from initially renewable energy to further areas of climate mitigating activities.

This is also taking place in for example healthcare projects this year, which have been highlighted by the sanitary crisis, because within the same logical framework we've been able to extend eligibilities that we already had in place which were focusing essentially on universal access to affordable healthcare services. This also enables institutions like us with technical expertise and experience in the field to start formulating, based on the increasing interest of the market for these areas, parameters that are according to the definition of the Taxonomy

Regulation that are easier to use and verify than in the past. It is producing very positive results not only in terms of the relationship between the EIB and its investors, but also more generally the infrastructure that is at the disposal of the market, to make this dialogue more accountable.

Jigme Shingsar, RBC: Piet, Germany has been in the headlines with a renewed focus on green and KFW has been more active with green bonds. Any comment with regards to this trend?

Piet Jurging, KFW: At first talking about KFW and not about our government. Our funding program when it comes to greens, the share is around 10-15%, but KFW sets an environmental commitment ratio of >35% of our business volume. So there is way more room for green bonds, however, we opted for a straightforward framework which is easy to understand, in which we are just using the proceeds from two loan programs that are renewable energies and energy efficiency construction. Due to that impact reporting is very easy to measure, with metrics as greenhouse gas reductions, it is easy to understand and thus straightforward. As well, we could do some social bonds, however we would have more issues with impact reporting in comparison to our present framework. As you mentioned our government, they debuted inthe green bond market as well in 2020 with a twin strategy, which will make them one of the top green bond issuers in Europe.

Jigme Shingsar, RBC: Great, thanks Piet. One development we have had recently is the growth of sustainable development bonds in addition to green bonds, as ESG seems to be a big theme for the sector overall. Andrea you have been a big issuer of sustainable development bonds and I believe the whole institution has aligned itself to that, can you comment about how that program has developed and essentially now everything you do is sustainable, correct?

Andrea Dore, IBRD: The topic of green and ESG is important and very close to our heart. The World Bank issued the first green bond in 2008 that established the blueprint for the green bond market that we have today. To date, the World Bank has issued over US$14 billion in green bonds through 165 transactions in 22 currencies to support many sectors in its member countries from clean energy, eco-agriculture and water management, to reforestation. Green bonds helped focus attention on "use of proceeds", the importance of disclosure and transparency, and ultimately the assessment of ESG risk in the investment decision-making process. About three years ago, the World Bank started systematically designating the "use of proceeds" to its entire balance sheet through its sustainable development bond program and has been including this language in the bond documentation. The green bond program is a subset of the World Bank's sustainable development bond program.

Through its sustainable bond program, the World Bank started to engage with investors in Canada and globally, to raise awareness about the World Bank's Environmental and Social framework and its development mandate, that is aligned with the Sustainable Development Goals. As part of this engagement, the World Bank has been highlighting projects across a broad range of sectors that the World Bank is financing to support key development challenges. All the loans the World Bank makes to its member countries support both social and green projects and are designed intentionally for positive social and environmental impact. And every project that the World Bank finances supports its sustainable development mandate that is aligned with the Sustainable Development Goals. The World Bank has issued several CAD bonds highlighting the World Bank's work in areas such as women and children health, sustainable cities, and clean water to name few. More recently, the World Bank issued a Sustainable Development Bond for Scandinavian investors, focusing on nutrition and human capital as part of a World Food Day commemoration. Recently, the World Bank published its first impact report covering its full balance sheet.

To date, the World Bank has issued over US$14 billion in green bonds through 165 transactions in 22 currencies to support many sectors in its member countries from clean energy, eco-agriculture and water management, to reforestation.

– Andrea Dore, IBRD

Jigme Shingsar, RBC: Laura I think you picked Canada to issue your first benchmark sustainable development bond last year, and I know you've spent a lot of time to make sure your framework is in place. So do you have any comment with regards to your plans going forward?

Laura Fan, IDB: Our sustainable development bond framework was developed because like some of our peers, we believe that all of our lending promotes sustainable development. The mission of the IADB is to improve lives in Latin America and the Caribbean by reducing poverty and inequality in a sustainable, climate friendly manner. To achieve the mission, we have an Institutional Strategy focused on strategic priorities such as climate change and environmental sustainability, gender equality and diversity, social inclusion and equality, etc. Each of these strategic priorities are then mapped to the Sustainable Development Goals. We report on an annual basis how we have contributed to achieving each of the SDGs. The Bank's lending is targeted to one or multiple strategic priorities, and therefore our lending is also mapped to one or multiple SDG(s). For the IADB's lending projects, in the preparation phase, there is a climate change as well as gender and diversity specialists assigned.

We chose Canada to issue our inaugural sustainable development bond because there was extremely strong interest for such a product from domestic Canadian investors.

– Laura Fan, IDB

For each project there is an environmental and social strategy as well as an environmental and social assessment. In that respect we've developed a framework that takes into consideration our mission, institutional strategy, and results based indicators for the achievement of the SDGs. We have spotlighted certain SDGS, e.g., SDG #3 (Good Health and Well-Being), SDG #11 (Sustainable Cities and Communities), as well as SDG #13 (Climate Action). We chose Canada to issue our inaugural sustainable development bond because there was extremely strong interest for such a product from domestic Canadian investors, and when the framework was finalized, there was an issuance opportunity, so we jumped in.

Jigme Shingsar, RBC: Going back to our investors as we have heard about green bonds which have been around longer and some other themes, but more recently the sustainable development bonds, a slightly different structure but ultimately still very ESG and SRI focused. Do you see both of those categories as interchangeable for your purposes or in terms of your mandates internally?

Andy Kochar, AGF: We welcome the arrival of a broader sustainable development bond market, purely because if you look at the green bond market it has done a very good job over the past 15 years and we have now good research out there that shows the value proposition that these bonds bring in terms of reducing carbon emissions. But we never really had a framework that would be going above and beyond green bonds, when we talk about investing in either green or sustainable securities. Issuers especially SSA issuers are at the forefront of bringing the sustainability initiatives and making them more formalized, as this is the one thing that investors broadly find a challenge with. My discussions with many of my peers on the street suggest that investors struggle with the sheer volume of money coming in the sustainability space (globally, including Canada), and how should we come up with a framework to link these proceeds with the desired outcome they are being raised for.

The question is not the purpose of this issuance (development goals are clearly indicated), but how can they help the investor understand and take that framework to their client and let them know of the impact of this investment and what you are getting in return as an investment.

– Andy Kochar, AGF

There is a big scope for green bonds and we see that in different parts of the market. SSAs are at the forefront because they are ahead of the curve, we've seen deals (i.e. World Bank) come from these issuers for the past 10 years and they are the benchmarks that a lot of local issuers use for best practices. The question is not the purpose of this issuance (development goals are clearly indicated), but how can they help the investor understand and take that framework to their client and let them know off the impact of this investment and what you are getting in return as an investment. Green is easier to answer as a question, i.e. the use of proceeds, reporting projects for new financings/refinancing's, matching the life of the project with the issuances etc. All of this becomes a little challenging with sustainability because there are so many goals, and eventually all of these tie to the one goal of reducing income inequality. It's a hard goal to achieve, but all these different sustainable development goals lead to that common goal of reducing income inequality. The more reporting and hashing out of the framework comes from the SSAs to make those points, I think the investor base will get that much more comfortable to invest in these sustainable development bonds. Otherwise, I really look forward to the time and I don't think we are there yet when the valuation of these securities reflects those goals. We aren't there right now, a lot of investors use green and sustainable bonds interchangeably, but there will be a time where the valuation of these securities will reflect these goals.

Jigme Shingsar, RBC: Alain any comment, I know there isn't a dedicated green portfolio right now, but we do have corporate needs that are following a lot of the sustainable development goals. How do you view the development of sustainable development bonds?

Alain Hage, RBC: Yes, they are distinct but, at the moment, from our standpoint we don't separate ESG into different categories (green vs sustainable). How we view and invest in green or sustainable bonds, comes from an enterprise philosophy. SSAs are at the forefront of impact assessments, and that's something we want to look into and clarify further from our end. In the future, we hope to implement better reporting to management on each deal, in terms of the impacts and the type of projects our investments are being directed towards. Currently, we aren't there yet, but we are working on it. This could potentially increase our participation into the ESG market as we get more specific investment mandates into this sector.

Alex Caridia, RBC: With what you were saying Andy, most of what we are seeing in Canada at the moment is green, and I think we saw a big jump in volumes about three years ago, we jumped from $2 billion or so a year to ~$6 billion, which we've been consistent at over the last three years. Canada is a little behind other regions, Europe in particular, when it comes to issuance volumes but also looking at green vs sustainable bonds. We are starting to see the emergence of domestic issuers looking at social bonds, for example the City of Toronto issued the first social bond relatively recently, and I know there are some others in the pipeline. I also know some larger issuers domestically are talking about putting different types of programs in place so I think it will be an interesting market for issuers and in terms of investors base it is also very topical. Any conversation we have with investors the topic comes up. Hopefully we will see Canada move in line with some other regions around the globe. At the moment looking at secondary markets, green issues tend to trade quite a lot through non-green issues and I think partially that is due to liquidity because obviously there is less green supply, but hopefully we will see that reflected in the primary issuance spreads over time as well.

Andy Kochar, AGF: In the Canadian economy and the Canadian geography, we don't have a lot of green projects, which is why we look outside of Canada for this exposure, and this is where the SSAs play a very critical role in our market to bring that funding need that we can actually lend to. I think that is something that should always be considered by issuers because we aren't a very green economy. Secondly, sustainable development bonds going beyond green bonds, allow active managers to be even more active. With the big broadening of green bonds in the last 10 years, investors were happy about getting that exposure through ETFs, but an active manager gets the opportunity to become even more active to show the impact and the work they are doing for the clients portfolio when the market gets broadened out, and I think sustainable development bonds gives us that opportunity.

Aldo Romani, EIB: I would want to avoid the distinction between green and sustainable, in the sense that green means environmental, and then you have social objectives that all pertain to sustainability as it is taking shape internationally. There are two areas that need to be highlighted, one is the area of the clear link between the proceeds and the destination of the funds. The essential features of bonds that have established these links have been debated in the context of the principles, which in the course of time have extended their attention to social objectives by the social bond principles and the sustainability bond guidelines. So this is the framework with regards to the link between the proceeds and the destination of the funds, which does not have anything to do with the distinction between green and sustainable.

The other area which has been addressed by the EU Taxonomy is adding value as it is making things more comparable is for the fair competition in the markets, because you can't have fair competition and efficiency in the markets if everyone defines green and sustainable the way they want, and in this regard I realize I wasn't particularly to the point when I was speaking about the EIB. The EIB has made a very clear statement last week to say that it will align the classification of all its green activities with the framework entered into force by the Taxonomy regulation. And secondly, we have publically stated in our frameworks that the EIB intends to align with EU green bond standard and any social standard that would be retained by the EU in the future, trying to provide more clarity, transparency, and reliability to investors. With the certification of an external auditor that certifies our bonds and designation of the funds with reasonable assurance, and not with limited assurance as prevailing practice in the market. Thank you very much and sorry for this last minute intervention.

EIB intends to align with EU green bond standard and any social standard that would be retained by the EU in the future, trying to provide more clarity, transparency, and reliability to investors.

– Aldo Romani, EIB

Jigme Shingsar, RBC: Why don't we wrap it up here. Once again on the behalf of RBC and the global SSA team, thank you very much to all our panelists for joining, it has been a great conversation. Thank you again for your time.

SELECT RBC-LED TRANSACTIONS IN 2020

Green Bonds and Sustainable Finance

Issuer	Amount	Description	Ratings	Role	Date
European Investment Bank Group	C$500,000,000	1.90% due 2025	AAA / Aaa / AAA	Joint Bookrunner	January 2020
Québec	C$500,000,000	1.85% Green Bond due 2027	AA(L) / Aa2 / AA-	Joint Bookrunner	February 2020
Ottawa	C$300,000,000	2.50% Green Bond due 2051	- / Aaa / AA	Joint Bookrunner	May 2020
Toronto	C$100,000,000	1.60% Social Bond due 2030	AA / Aa1 / AA	Joint Bookrunner	June 2020
Ontario	C$1,500,000,000	1.85% Green Bond due 2027	AA(L) / Aa3 / A+	Joint Bookrunner	October 2020
Toronto	C$130,000,000	2.60% Green Bond due 2039	AA / Aa1 / AA	Lead	December 2020

Maple Offerings

Issuer	Amount	Description	Ratings	Role	Date
The World Bank (IBRD • IDA | World Bank Group)	C$1,500,000,000	1.90% due 2025	AAA / Aaa / AAA	Joint Bookrunner	January 2020
IDB Inter-American Development Bank	C$600,000,000	0.75% due 2025	- / Aaa / AAA	Joint Bookrunner	August 2020
European Investment Bank Group	C$600,000,000	1.75% due 2024	AAA / Aaa / AAA	Joint Bookrunner	September 2020