From: "Knight, Colin" <Colin.Knight@vancouver.ca>
To: "Sim, K"
"Zhou, Lenny"
"van Dyk, Donny"
Date: 10/19/2026 2:20:28 PM
Subject: FW: FSC Memo to Mayor and CFS Chair - 2026 $175M Bond Issuance
Attachments: FSC Memo to Mayor and CFS Chair - 2026 Bond Issuance.pdf

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Dear Mayor and Chair of the Finance and Services Committee,

The attached memo is provided for information and includes an update on an upcoming City of Vancouver $175 million bond issuance, approved by Council on July 15, 2026.

Should you have any questions please contact Colin Knight at 604.873.7610 or Colin.Knight@vancouver.ca.

Thank you,

Colin Knight

(He/Him/His)

General Manager, Finance and Supply Chain

Colin.Knight@Vancouver.ca

604-873-7610

I am grateful to live and work on the territories of the xʷməθkʷəy̓əm (Musqueam), Sḵwx̱wú7mesh (Squamish), and səlilwətaɬ (Tsleil-Waututh) Peoples.

CITY OF VANCOUVER | Finance and Supply Chain Management

CITY OF VANCOUVER

FINANCE AND SUPPLY CHAIN MANAGEMENT
Office of the General Manager

# MEMORANDUM

October 19, 2026

TO: Mayor Ken Sim
Councillor Lenny Zhou – Chair of City Finance & Services Committee
Donny van Dyk – City Manager

CC: Ileen Peng – City Treasurer

FROM: Colin Knight – General Manager, Finance and Supply Chain Management

SUBJECT: 2026 City of Vancouver $175 million Bond

RTS # NA

**This memo is for information only, and no further action is required.**

On July 15, 2026, Council authorized the Director of Finance to proceed with the issuance of up to $175 million of City of Vancouver debenture (RTS# 18490), including the authority to set the interest rate, pricing, and other terms and conditions of the bond.

This memo serves to advise that, subject to market conditions, the City plans to launch a $175 million issue as early as October 21, 2026.

Market Conditions:

- Capital market conditions continue to be influenced by persistent inflationary pressures, expectations that central banks may maintain higher interest rates for longer, and an increased supply of bonds in the market. As a result, Government of Canada bond yields have increased during 2026, particularly for longer-term maturities.
- Investor demand for high-quality municipal debentures remains strong. Current primary market conditions are favourable for a 10-year issuance, supported by strong market liquidity, broad investor demand, and more competitive borrowing costs relative to 20- to 30-year debt terms.
- The City continues to maintain the highest credit ratings among Canadian municipalities, with Aaa (Stable) from Moody's Investors Service and AAA (Stable) from S&P Global Ratings. These ratings support investor confidence and positions the City's debenture as attractive investments for both domestic and international investors.

Issue Structure & Pricing:

- The City intends to issue up to $175 million in 10-year bond (maturing in 2036) to finance eligible capital projects.
- The current 10-year yield on Government of Canada bond is in the range of 3.94%.
- The all-in cost for the new 10-year debenture is estimated at 4.55% to 4.60%

Debenture Syndicate:

- The debenture will be sold through a syndicate of brokers, who will assume responsibility for the sale and the associated risks.
- BMO Capital Markets has been appointed as Senior Lead, with CIBC World Markets Inc. and National Bank Financial Inc. acting as Co-Leads for the City's debenture issuance.
- Below is the summary of economic allocation to syndicate members based on the recent syndicate review.

| **Table 1: 2026 Debenture Syndicate Bank Appointments and Economic Allocation** | | |
|---|---|---|
| Lead Group | BMO Capital Markets as Senior Lead (26%) | **26%** |
| | CIBC World Markets Inc (20%) and National Bank Financial Inc (20%) as Co-Leads | **40%** |
| Co-Managers | RBC Capital Markets (12%) and Toronto-Dominion Bank (12%) and<br>Scotia Capital Inc. (8%) as Co-Managers | **32%** |
| Banking Group | Casgrain & Company Limited (2%) | **2%** |
| | Total | **100%** |

In summary, the Director of Finance will proceed with the launch of a City of Vancouver debenture issue of up to $175 million as early as October 21, 2026, subject to market conditions. Upon completion, we will provide details on the final interest rate, pricing, and other terms and conditions of the debenture, and bring forward a by-law authorizing such borrowing to Council for adoption on October 27, 2026.

Colin Knight
Director of Finance
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