Our Investment Proposition

1. High quality credit ratings
2. Thriving and robust economy
3. Stable revenue sources and property tax base
4. Strong fiscal management
5. Commitment to regular issuance
Disclaimer

This presentation and subsequent discussion, contains certain forward-looking information, forecasts, projections, goals and strategies (the “forward-looking information”) with respect to revenues, funding, expenses, the financial condition, results of operation and business of the City of Vancouver (the “City”). This forward-looking information represents the City’s expectations or beliefs concerning future events and involves known and unknown risks and uncertainty that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Past performance cannot be relied on as a guide to future performance. This material is for information purposes only.
City of Vancouver maintains the highest quality credit ratings

S&P Global Ratings

AAA (Stable)
February 13, 2023

“stable economy and prudent financial management will support the City’s creditworthiness”

“continued strong budgetary performance will assist in maintain a manageable debt burden”

“Vancouver’s economy is strong and diversified”

“The City maintains exceptional liquidity, bolstering its financial position”

Moody’s Investors Service

Aaa (Stable)
October 03, 2023

“Exceptional liquidity and low debt burden”

“Strong and diverse economy underpins long-term strength”

“Strong governance and fiscal management, and supportive institutional framework”

“Consistent operating surpluses backed by stable revenue sources and operational flexibility”
Vancouver has a thriving and robust economy

<table>
<thead>
<tr>
<th>Metric</th>
<th>Data</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>+2.4%</td>
<td>Metro Vancouver 2022 GDP growth</td>
<td>Conference Board of Canada, May 2023</td>
</tr>
<tr>
<td>71,273</td>
<td>Net Migration to Metro Vancouver, 2022</td>
<td>Conference Board of Canada, May 2023</td>
</tr>
<tr>
<td>85,094</td>
<td># of Metro Vancouver’s business that recovered since pre-COVID</td>
<td>Vancouver Economic Commission, 2023</td>
</tr>
<tr>
<td>87%</td>
<td>Increase in green job, from 2010-2020</td>
<td>Vancouver Economic Commission, 2021</td>
</tr>
<tr>
<td>1st</td>
<td>Canadian Government to adopt City of Reconciliation Framework (2014)</td>
<td>Vancouver Economic Commission</td>
</tr>
</tbody>
</table>

2023 Operating Revenue Considerations

- Revenues increased by $99.7 million over 2022 due to re-opening of facilities and programs, property taxes, Empty Home Tax and investment income.
- The City adheres to prudent fiscal stewardship with careful financial planning that balances short-term operating needs with long-term infrastructure and amenity requirements.
- The 2023 Operating Budget is $1.97B - 12.8% increase compared to the 2022 Budget
  - Property tax rates set by Council
    - Supported by a property tax increase of 10.7%
  - Utility fees are based on
    - Full cost recovery
    - Primarily driven by Metro Vancouver
  - Fee-based revenues
    - More variable
    - Economic cycles can impact development driven revenue streams (e.g., building permits)
    - Use of services (civic theatres) and weather can impact revenue.

*Source: https://vancouver.ca/files/cov/2023-budget-final.pdf*
Increases in 2023 to 2027 operating budget to cover expenditure pressures

*Source: 2023-2027 Budget Outlook*

**Property tax** (Council approved an increase of 10.7% for 2023)

**Utility fees** increase at average 9%

**User fees** follow inflation

Increases in Operating Revenues, $M per year

<table>
<thead>
<tr>
<th>Year</th>
<th>Property tax</th>
<th>Utility fees</th>
<th>User fees</th>
</tr>
</thead>
<tbody>
<tr>
<td>2023F</td>
<td>34</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>2024F</td>
<td>114</td>
<td>32</td>
<td>3</td>
</tr>
<tr>
<td>2025F</td>
<td>108</td>
<td>33</td>
<td>3</td>
</tr>
<tr>
<td>2026F</td>
<td>99</td>
<td>40</td>
<td>3</td>
</tr>
<tr>
<td>2027F</td>
<td>98</td>
<td>46</td>
<td>3</td>
</tr>
</tbody>
</table>
City of Vancouver maintains strong liquidity

*Source: City of Vancouver Annual Financial Reports*
City of Vancouver keeps debt at manageable levels

Debt Servicing as % of Operating Revenue

Source: 2023-2026 Capital Plan
Consistent and established debenture program

\textit{Issuance Amount, \$M}

- Debt financing only for capital infrastructure, cannot be used for operational deficits
- City Council establishes limits for public utilities and Electorate approves other borrowing limits
- 100% funded from Operating Budget
- Repayment of the City’s debentures are funded by the City of Vancouver’s ability to levy taxes & fees.
- As at Dec 31, 2022,
  - Gross external outstanding debentures $1,014M
  - Less: Sinking fund reserves $402M
  - Net long-term debt $612M

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Single framework that gives flexibility to issue Green Bonds, Social Bonds or Sustainability Bonds depending on the eligible green and social capital projects that the City is seeking financing.

Second Party Opinion
provided by Sustainalytics

Credible, impactful and aligns with Green Bond Principles 2018, Social Bond Principles 2020, and Sustainability Bond Guidelines 2018, as administered by ICMA

Eligible categories will lead to positive environmental or social impacts and advance the UN Sustainable Development Goals, specifically SDGs 6, 7, 10, 11, 12, 13, and 15.

IR website
vancouver.ca/investors
2023 Sustainability Bond

Deal Structure

• The City’s 2nd Sustainability Bond issue
• $100 million in Canadian Dollars
• 10-year bullet maturity
• Book build process for issuance with exempt list coverage between the Senior Lead and Co-Leads
• Encourage participation from sustainable and conventional investors, preference can be given to the sustainable investors
• Emphasis on secondary market making by including participation of 7 dealers in the City’s underwriting syndicate
  • RBC Capital Markets acting as Senior Lead
  • National Bank Financial and TD Securities as Co-Leads

Key Features

Same financial and legal characteristics of other Vancouver bonds

Sustainability Bond ranks equally with all other bonds issued by Vancouver

Bond proceeds will be used for eligible green and social capital projects under the City’s Sustainability Bond Framework

Annual disclosures on projects and related metrics to be provided
<table>
<thead>
<tr>
<th>Project</th>
<th>Eligible Categories as per Vancouver Sustainability Bond Framework</th>
<th>2019-2022 Plebiscite Debt Category per Council Approval</th>
<th>Amount to be allocated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sewers main renewal &amp; upgrades</td>
<td>J. Access to affordable basic infrastructure – Sewers (Social) F. Sustainable Water and Wastewater Management (Green)</td>
<td>Sewers</td>
<td>$50,215,676</td>
</tr>
<tr>
<td>Fire Hall #9 renewal &amp; expansion</td>
<td>J. Access to affordable basic infrastructure – public safety services (Social) C. Green Buildings (Green)</td>
<td>Replacement of existing civic facilities</td>
<td>$40,955,000</td>
</tr>
<tr>
<td>Neighbourhood Energy Utility (NEU) System Expansion</td>
<td>A. Renewable Energy (Green)</td>
<td>Neighbourhood Energy Utility</td>
<td>$8,829,324</td>
</tr>
<tr>
<td><strong>TOTAL:</strong></td>
<td></td>
<td></td>
<td><strong>$100,000,000</strong></td>
</tr>
</tbody>
</table>
Selected Capital Projects
Project Description – Separating sewage from rainwater

- The City is working toward the Province of BC's environmental goal to eliminate sewage overflows by 2050. As the City replaces combined sewer systems with separated sewer systems, properties will also need to have separated sewer systems.

- By separating sanitary main which collects discharge from residential and commercial buildings to Iona Wastewater Treatment Plant and storm main which collects from rain, this will mitigate the risk of untreated combined sewer overflow and localized flooding through increased capacity during heavy rainfall seasons.

- The process will also replace aging pipes and increase capacity to accommodate future population growth, urban development growth, and potential climate change impacts.

- There are two sewer separation programs running concurrently.

J. Access to Affordable Basic Infrastructure - Sewers (Social)

Status:
• 57.4% of mainline sewer is separated and approx. 60% ±4% property connections is separated (per 2022 Service Plan)
• 4.6km of pipe replaced in 2022 from 6.9 km in 2021

Environmental & Social benefits:
• Eliminate combined sewer overflow
• Prevent flooding by increasing capacity
• Allow storm water to be used as a resource
• Length of pipe replaced and separated
Project Description

- Approximately $41M is allocated to Fire Hall #9 in Grandview Woodland neighbourhood located at 1805 Victoria Drive in Vancouver.
- A two-bay Fire Hall built in 1959 and an adjacent training square currently occupy the site. This 63-year-old building is currently assessed to be in poor/critical condition and to be nearing the end of its useful life. The adjacent training square allows for expansion of the hall. The existing facility was identified as high-risk in a Rapid Visual Seismic Screening through the City’s Seismic program.
- Project objective is to replace the aging Fire Hall #9 and expand Vancouver Fire and Rescue Services (VFRS), as well as to support operational synergies and improve City-wide coverage with the co-location of VFRS Headquarters, Fire Investigations, and VFRS DOC (Department Operation Centre) in one post-disaster building.
- The project is targeted to be completed in 2027.

J. Access to Affordable Basic Infrastructure – Public Safety Services (Social)

Expected Benefits:
- Number of households covered under fire and rescue (available upon completion of project)
- The new facility will be designed for resiliency and durability and is expected to have a life span of 80 years or more

C. Green Buildings (Green)

Expected Benefits:
- Reduce GHG emissions
- Achieve Passive House Certification and LEED™ Gold Certification
- Target “capture and clean” of the first 48mm of rainfall during a 24-hour period
- Target Risk Hansen Foundation Accessibility Certification – Gold (RHFAC Gold)
Project Description – NEU Distribution System Expansion

- Buildings accounted for 55% of the City’s GHG emissions in 2021, with emissions from space heating and domestic hot water being the primary source of those emissions. The NEU generates low carbon thermal energy at the False Creek Energy Centre, which is used to supply heat and domestic hot water to buildings connected to the NEU.

- The low carbon thermal energy is distributed in the form of hot water through a hot water distribution piping network.

- This program will see the installation of ~1.8 km of NEU distribution piping, expanding the NEU’s low carbon thermal energy supply into the False Creek Flats and Mount Pleasant areas of the City of Vancouver where significant new development is planned.

Expected benefits:

- Achieve significant GHG reductions and meet its low-carbon energy content target of 70% without the use of RNG.
In Nov 2020, Council approved the Climate Emergency Action Plan (CEAP)

THE WORLD IS ON TRACK FOR 3-4°C WARMING by the end of the century. To avoid catastrophic climate change, the United Nation’s Intergovernmental Panel on Climate Change warns that we must limit warming to 1.5°C. This means slashing carbon pollution globally by 45% below 2010 levels by 2030, and reaching net zero by 2050.

VANCOUVER HAS SET BOLD TARGETS to cut carbon pollution in half by 2030, and to be carbon neutral before 2050. This means cutting our carbon pollution faster than ever before.

2007 -12% 2022

Vancouver GHG Emissions (Community)

2030 Target -50%

Information on CEAP – vancouver.ca/climateemergency

CEAP Summary:

CEAP Annual Report:
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**MORE INFORMATION**

**Investors Relations** including **Sustainability Bond Framework**

- Climate Emergency Action Plan  
- Climate Change Adaptation Plan  
- 2019-2022 Capital Plan Recalibration (Sep 16 22, 2020)  
- 2023 Debenture Council Report (July 2023)  
- 2024 – 2028 Budget Outlook (June 27, 2020)  
- 2023 Budget and 5 year Plan  
- Vancouver Charter

**vancouver.ca/investors**

- vancouver.ca/climateemergency  
- vancouver.ca/climateadaptation  
- council.vancouver.ca/20200916/documents/cfsc1presentation.pdf  
- council.vancouver.ca/20230712/documents/cfsc5.pdf  
- council.vancouver.ca/20230627/documents/r1.pdf  
- vancouver.ca/files/cov/2023-budget-final.pdf  
- www.bclaws.ca/civix/document/id/complete/statreg/vanch_00