

ONTARIO 6-YEAR — \$950 MILLION GLOBAL CAD GREEN BOND

Background

- On January 31, 2019 the Province of Ontario successfully priced a \$950 million re-opening of its February 2025 Global Green Bond.
- The transaction represents the fifth Green Bond offering from the Province of Ontario, currently the largest issuer of Canadian dollar Green Bonds at \$4.0 billion.
- The global offering format and overnight marketing period allowed for the broadest possible domestic and international participation.
- Eligible projects selected to receive funding from the issue include a basket of five projects with an emphasis on Clean Transportation and Energy Efficiency and Conservation categories, and also aligning with five of the United Nations Sustainable Development Goals.
- Ontario strives to be a leader in its transparency and impact reporting efforts with the publication of its annual newsletter.

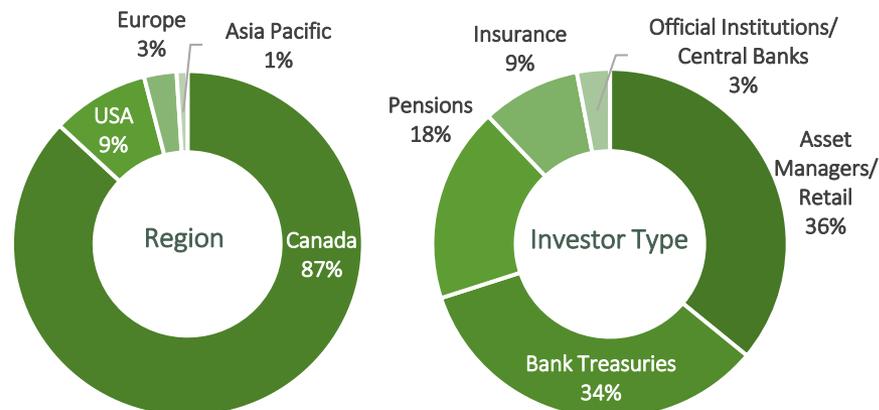
Execution Highlights

- On Monday, January 28, a mandate announcement was released at Toronto market open and an invitation to a global investor presentation was sent to market participants.
- On Wednesday, January 30, the deal was officially announced. Books were opened at a minimum size of \$500 million, with initial spread guidance set in the context of the market, which was in the area of +65 bps.
- The transaction was met with strong demand and the order book grew in excess of \$1.2 billion. The final size and spread were set at \$950 million and +62.5 bps. It is worth noting that this transaction priced 1 bp through the Ontario benchmark curve.
- 57 investors participated in the trade with interest driven by Asset Managers (36%) and Bank Treasuries (34%).
- Demand was largest from domestic Canadian investors, highlighting the increasing number of Canadian funds with socially responsible investing mandates and needs. Investors with Green mandates and/or UN PRI signatories represented over 84% of overall sales.

Transaction Summary

Issuer:	Province of Ontario
Issuer Ratings:	Aa3/AA-/AA (low)/A+ (stbl/neg/stbl/stbl)
Size:	CAD 950 Million
Coupon:	2.65%
Pricing Date:	January 31, 2019
Settlement Date:	February 7, 2019
Maturity Date:	February 5, 2025
Re-offer Spread:	+62.5 bps over the CAN 2.50% June 1, 2024
Re-offer Price:	\$101.326
Listing:	Luxembourg Stock Exchange Euro MTF and Luxembourg Green Exchange
Joint Bookrunners:	BofA Merrill Lynch, BMO Capital Markets, HSBC, RBC Capital Markets, and TD Securities

Investor Demand by Region and Investor Type



Note: Numbers may not add due to rounding.

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Ontario's Green Bond Framework

- Ontario's Green Bond Framework was developed in consultation with the Center for International Climate and Environmental Research — Oslo (CICERO) and is consistent with the Green Bond Principles.
- The Green Bond Framework sets out the types of projects that may be eligible for proceeds from Green Bonds and excludes fossil fuel and nuclear energy projects. Eligible project categories include, without limitation:



Clean Transportation



Energy Efficiency and Conservation



Clean Energy and Technology



Forestry, Agriculture and Land Management



Climate Adaptation and Resilience

Use and Management of Proceeds

- Green 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 Green 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.
- Green Bond projects are expected to be funded within one year from the date of issue.
- An assurance audit is performed by the Auditor General of Ontario verifying amounts allocated to selected projects and tracking the Green Bond proceeds.
 - This assurance audit is expected within a year of the issue date. The most recent assurance audit was completed on November 22, 2018.

Eligible Projects for Ontario's Fifth Green Bond

- A basket of five projects has been selected as eligible and is expected to receive funding from this Green Bond.
- This basket of projects allows a level of funding flexibility should some of the chosen projects experience different spending patterns than those currently forecast.

Clean Transportation Category

Eglinton Crosstown Light Rail Transit

GO Rail Expansion (formerly Regional Express Rail)

Energy Efficiency & Conservation Category

Mackenzie Vaughan Hospital

Centre for Addiction and Mental Health — Phase 1C

William Osler Health System

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No PRIIPs KID – No PRIIPs key information document (KID) has been or will be prepared as the bonds, if issued, will not be available to retail investors in the European Economic Area.

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