



Province of Ontario 7 year - \$750 Million Global CAD Green Bond

Background

- On January 22, 2016 the Province of Ontario successfully priced its second Global Canadian Dollar (CAD) Green Bond.
- Global offering format used to leverage and facilitate international investor interest with strong trading liquidity supported by Ontario's Canadian dollar syndicate.
- Eight projects have been selected as eligible and are expected to receive funding from this Green Bond, with an emphasis on clean transportation and energy efficiency and conservation (see next page for more details).
- Ontario's Green Bond Framework has been developed in consultation with the Center for International Climate and Environmental Research Oslo (CICERO).

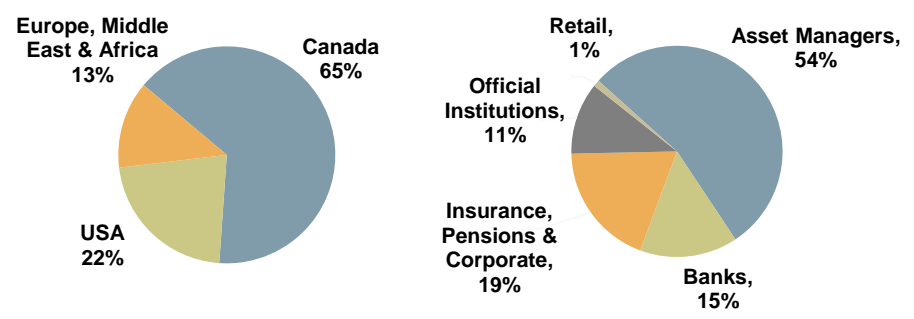
Execution Highlights

- On Thursday January 14th, a mandate announcement was released at Toronto market open and an invitation to a global investor conference call was sent to market participants. The global offering format and overnight marketing period allowed for the broadest possible international placement.
- On Thursday, January 21st, the deal was officially announced and books were opened with initial guidance set in the context of the Ontario C\$ domestic curve, which was in the area of +107bps vs CAN 2.75% June 1, 2022. Interest built steadily throughout the day on Thursday with order books approaching C\$750 million at the Toronto close.
- Books were kept open overnight for Asian and European accounts and by the time books officially closed at 2:30pm London / 9:30am Toronto, the total book size was in excess of C\$775 million. With the strong performance of risk assets globally, pricing tightened 4.0bps to +103bps vs CAN 2.75% June 1, 2022, in line with the Ontario C\$ domestic curve.
- Altogether 52 investors participated in the trade with interest being driven by Asset Managers (54%), with strong demand from Insurance companies as well. Investors with Green mandates and/or UN PRI signatories represented 70% of overall sales. Ontario added three new investors and expanded its Canadian dollar investor base by seven names.

Transaction summary

Issuer:	Province of Ontario
Issuer Ratings:	S&P: A+; Moody's: Aa2 (N); Fitch: AA-; DBRS: AA (low)
Size:	CAD 750 Million
Coupon:	1.95%
Pricing Date:	January 22, 2016
Settlement date:	January 29, 2016
Maturity date:	January 27, 2023
Re-offer spread:	+103 bps over CAN 2.75% June 1, 2022
Re-offer price:	\$99.792
Listing:	Luxembourg Stock Exchange Euro MTF Market
Joint Bookrunners:	BofAML, BMO, HSBC, RBC, TD

Investor Demand by Region and Investor Type





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Ontario's Green Bonds

- Carry the full faith and credit of the Province of Ontario.
- Rank pari passu with Ontario's other bonds and are payable without any preference or priority.
- Help finance transit and other environmentally friendly projects across the Province.
- Are direct unsecured obligations of the Province of Ontario and investors do not assume any specific risk related to the funded projects.
- Ontario is the first and only Canadian province to issue Green Bonds, and is leading the way to establish and develop a Canadian dollar Green Bond market.

Use of Proceeds and Green Bond Framework

- Green Bond proceeds are paid into the Consolidated Revenue Fund of Ontario and are not held in a segregated account.
- An amount equal to the net proceeds of the bonds is recorded in a designated account in the Province of Ontario's financial records. This designated account is used to track the use of and allocation of funds to eligible projects.
- So long as the bonds are outstanding and the designated account has a positive balance, amounts are deducted from this account as funds are allocated to eligible projects.
- Without limitation, eligible projects may include projects in the following five categories identified in the Province of Ontario's Green Bond Framework, excluding fossil fuel and nuclear energy projects:
 - Clean transportation;
 - Energy efficiency and conservation;
 - Clean energy and technology;
 - Forestry, agriculture and land management; and
 - Climate adaptation and resilience.

Eligible Projects for Ontario's Second Green Bond

- A basket of projects, including the eight projects below have been selected to receive funding from this Green Bond.
- This basket of projects allows a level of flexibility of funding, should some of the chosen projects experience different spending patterns than those currently anticipated.

Clean Transportation Category	Forecasted Funding (\$ Millions)
Eglinton Crosstown Light Rail Transit	402
vivaNext Bus Rapid Transit	100
Regional Express Rail	200
Energy Efficiency & Conservation Category	
Sheridan College	68
St Joseph's HH – West 5 th	14
St Joseph's HC – London and St. Thomas	5
Waypoint Centre for Mental Health	2
CAMH – Phase 1B	2