



Province of Ontario 6-year - \$800 Million Global CAD Green Bond

Background

- On January 26, 2017 the Province of Ontario successfully priced a C\$800 million re-opening of its January 2023 Global Green Bond.
- The transaction represents the third and largest ever Green Bond offering from the Province of Ontario, the only Government issuer of a Green Bond in the Canadian market.
- The global offering format and overnight marketing period allowed for the broadest possible international placement.
- 12 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).

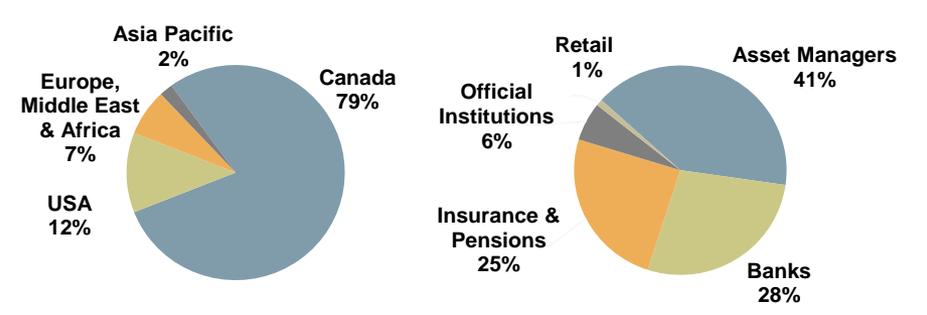
Execution Highlights

- On Monday, January 23rd, a mandate announcement was released at Toronto market open and an invitation to a global investor conference call was sent to market participants.
- On Wednesday, January 25th, the deal was officially announced. Books were opened at a minimum size of \$500 million, with initial guidance set in the context of the market, which was in the area of +75bps vs CAN 2.75% June 1, 2022.
- Reflecting the strong order book, the final size and spread was set at C\$800 million and +74.5 bps respectively.
- Over 50 investors participated in the trade with interest driven by Asset Managers (41%), with strong demand from Banks, Insurance Companies and Pensions.
- Demand was largest from domestic Canadian investors highlighting the increasing number of Canadian funds with social investing mandates and needs.
- Investors with Green mandates and/or UN PRI signatories represented over 78% of overall sales.

Transaction Summary

Issuer:	Province of Ontario
Issuer Ratings:	Moody's: Aa2; Fitch: AA-; DBRS: AA (low); S&P: A+
Size:	CAD 800 Million
Coupon:	1.95%
Pricing Date:	January 26, 2017
Settlement date:	February 2, 2017
Maturity date:	January 27, 2023
Re-offer spread:	+74.5 bps over CAN 2.75% June 1, 2022
Re-offer price:	\$99.412
Listing:	Luxembourg Stock Exchange Euro MTF Market
Joint Bookrunners:	BofAML, HSBC, RBC, TD

Investor Demand by Region and Investor Type



Note: Numbers may not add due to rounding.



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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.
- 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 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.
- So long as the bonds are outstanding and the designated accounts have a positive balance, amounts are deducted from these accounts 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 Third Green Bond

- A basket of projects, including the 12 projects below have been selected as eligible and are expected to receive funding from this Green Bond.
- This basket approach allows a level of funding flexibility, should some of the chosen projects experience different spending patterns than those currently forecast.

Clean Transportation Category	Indicative Funding Allocation (\$ Millions)
Regional Express Rail	400
Eglinton Crosstown Light Rail Transit (LRT)	300
vivaNext Bus Rapid Transit	50
Finch West LRT	10
Hamilton LRT	3
Hurontario LRT	6
Energy Efficiency & Conservation Category	
ErinoakKids Centre for Treatment and Development	163
St. Joseph's Healthcare – West 5 th	8
St. Joseph's Healthcare – London and St. Thomas	8
Waypoint Centre for Mental Health	3
Centre for Addiction and Mental Health – Queen Street	2
Woodstock General Hospital	5
Total	958