

ISSUE DETAILS

Issuer:	Province de Québec
Ratings:	Aa2/A+/AA- (Stable/Positive/Stable)
Size:	CAD 500 million
Launch Date:	February 24, 2017
Issue Date:	March 3, 2017
Maturity Date:	March 3, 2022
Coupon:	1.65%
Yield:	1.672%
Price:	\$99.895
Re-offer Spread:	+57bps
Benchmark:	CAN 0.50% March 1, 2022
Exchanges:	Luxembourg Green Exchange (LGX) - Euro MTF Market
Leads:	HSBC, RBC Capital Markets and TD Securities
Senior co-lead and Green structuring agent:	SEB



EXECUTION

- On Tuesday, February 21st, 2017, a mandate announcement was released at the market open and an invitation to a global investor conference call was sent to market participants. The global investor call on that day had over 70 participants and highlighted Québec's Green Bond Framework, eligible green bond projects and specific use of proceeds for the contemplated transaction.
- On Wednesday, Québec followed up on various investors' questions.
- On Thursday, the transaction was officially announced.
- On Friday, February 24th, 2017, the transaction was officially launched and priced. At the time of the pricing, the order book was of over C\$1.1bn.

HIGHLIGHTS

- On February 24th, 2017, Québec issued its first ever Green Bond, and became the 2nd Government to issue a Green Bond in the Canadian market.
- The proceeds of the issue will be used to finance environmentally-friendly projects in accordance with Québec's Green Bond framework.
 - That framework received the highest rating from the Center for International Climate and Environmental Research-Oslo (CICERO), a dark green shading.
- More specifically, Québec has identified four public transit projects designated as meeting the selection criteria and will be eligible for funding as part of the current green bond issue, with a focus on the acquisition of new AZUR métro cars:

PROJECT NAME	CATEGORY	POTENTIAL FUNDING ALLOCATION (%)
New AZUR métro cars	Public transit	[60-100]
Réno-Systèmes	Public transit	[0-10]
Réno-Infrastructures	Public transit	[0-10]
Hybrid bus purchase	Public transit	[0-20]

- The issue received strong interest from investors with Green mandates or United Nations Principles for Responsible Investment (UN PRI) signatories, who represented over 90% of overall sales.
- The issue was offered to domestic and international investors through a global offering format. That way Québec was able to achieve wide primary market distribution with over 60 investors, of which Canada 60%, USA 28%, Europe 8%, and Asia 4%. By investor type, Asset Managers 56%, Pension Funds 17%, Banks 11%, Insurance 11%, and Others 5% participating in the issue.
- As noted, this is Québec's inaugural Green Bond. Québec plans to become a regular issuer in this space in the coming years, and is expected to help further develop and foster improved liquidity in the Canadian Green Bond market.

Distribution by:

