April 21, 2016

Re: Your request for access to information under Part II of the Access to Information and Protection of Privacy Act [Our File #: FIN-14-2016]

On February 26, 2016, the Department of Finance received the following request for access to information:

“All correspondence and reports in any format, both written and electronic, related to the issuing of long term debt covering the period from December 1, 2015 to present.”

This request was further clarified on March 23, 2016 to include: key messages, information regarding our ability to borrow, and the challenges in issuing long term debt; and to exclude news releases and the Fall Update. Specifically, the clarification provided directed our search towards records that focused on long term debt strategies, in addition to information and briefing notes provided to the Minister and any KMs developed about long term borrowing.

Your request for access to this information has been granted in part and is provided in the attached. Please note that the third party’s time limit to appeal the release of its information to the Office of the Information and Privacy Commissioner and/or the Trial Division has elapsed. As such, in follow-up to the partial release provided to you on April 1, 2016, the entire responsive package is provided in the attached.

Furthermore, some of the information responsive to your request that is not third party information has been severed as follows:

- Pages 16-19 have been removed pursuant to Sections 27.(1)(a) and 27.(2)(a) of the Access to Information and Protection of Privacy Act, 2015.
- Some of the remaining information has been severed pursuant to Section 29.(1)(a), of the Access to Information and Protection of Privacy Act, 2015.

The above redactions are in keeping with the following sections of the Access to Information and Protection of Privacy Act, 2015:
Cabinet confidences

27. (1) In this section, "cabinet record" means
   (a) advice, recommendations or policy considerations submitted or prepared for submission to
   the Cabinet;

   (2) The head of a public body shall refuse to disclose to an applicant
   (a) a cabinet record;

Policy advice or recommendations

29. (1) The head of a public body may refuse to disclose to an applicant information that would reveal
   (a) advice, proposals, recommendations, analyses or policy options developed by or for a
   public body or minister.

Please be advised that you may ask the Information and Privacy Commissioner to review the processing
of your access request, as set out in section 42 of the Access to Information and Protection of Privacy
Act (the Act). A request to the Commissioner must be made in writing within 15 business days of the
date of this letter or within a longer period that may be allowed by the Commissioner.

The address and contact information of the Information and Privacy Commissioner is as follows:

   Office of the Information and Privacy Commissioner
   2 Canada Drive
   P. O. Box 13004, Stn. A
   St. John’s, NL A1B 3V8

   Telephone: (709) 729-6309
   Toll-Free: 1-877-729-6309
   Facsimile: (709) 729-6500

You may also appeal directly to the Supreme Court Trial Division within 15 business days after you
receive the decision of the public body, pursuant to section 52 of the Act.

Please be advised that responsive records will be published following a 72 hour period after the
response is sent electronically to you or five business days in the case where records are mailed to you.
It is the goal to have the responsive records posted to the Office of Public Engagement's website within
one business day following the applicable period of time. Please note that requests for personal
information will not be posted online.

If you have any further questions, please feel free to contact the undersigned by telephone at 709-729-
2082, or by email at bethbartlett@gov.nl.ca.

Sincerely,

Beth Bartlett
ATIPP Coordinator

Attachment
Fyi, just pulled the trigger on a three year issue, term sheet attached. $235 million, 1.125% coupon, 3 years maturing Jan 30/19. Net proceeds $234,753,250 to settle Jan 15/16.

Paul Myrden
Director, Debt Management
Department of Finance

Tel. 709 729-6848
Fax 709 729-2070

From: Kevin Martin (Scotiabank GBM) [mailto:kevin.martin@scotiabank.com]
Sent: Friday, January 08, 2016 4:25 PM
To: Myrden, Paul; Lawlor, Tom
Subject: 3-year MTN Final Term Sheet.doc

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Province of Newfoundland and Labrador Debenture Issue (Medium Term Note) Final Term Sheet

<table>
<thead>
<tr>
<th>Issuer:</th>
<th>Province of Newfoundland and Labrador</th>
</tr>
</thead>
<tbody>
<tr>
<td>Issuer Ratings:</td>
<td>Moody's: Aa2  S&amp;P: A+  DBRS: A</td>
</tr>
<tr>
<td>Principal Amount:</td>
<td>CAD $235,000,000.00</td>
</tr>
<tr>
<td>Trade Date:</td>
<td>January 8, 2016</td>
</tr>
<tr>
<td>Settlement Date:</td>
<td>January 15, 2016</td>
</tr>
<tr>
<td>Maturity Date:</td>
<td>January 30, 2019</td>
</tr>
<tr>
<td>Interest Rate:</td>
<td>1.125%</td>
</tr>
<tr>
<td>Spread over Benchmark:</td>
<td>69.0 bps</td>
</tr>
<tr>
<td>Benchmark Canada:</td>
<td>Canada 1.25% Sep 1, 2018 P: 102.12 Y:0.44%</td>
</tr>
<tr>
<td>Re-offer Yield to Maturity:</td>
<td>1.13%</td>
</tr>
<tr>
<td>Re-offer Price:</td>
<td>$99.985</td>
</tr>
<tr>
<td>Commission:</td>
<td>$0.09</td>
</tr>
<tr>
<td>All-in Price:</td>
<td>$99.895</td>
</tr>
<tr>
<td>All-in Yield to Maturity:</td>
<td>1.16%</td>
</tr>
<tr>
<td>Net Proceeds:</td>
<td>$234,753,250.00</td>
</tr>
<tr>
<td>First Coupon Period:</td>
<td>January 15, 2016 to July 30, 2016 (long first coupon)</td>
</tr>
<tr>
<td>Coupon Payment Dates:</td>
<td>Semi-annually, on January 30 and July 30</td>
</tr>
<tr>
<td>Redemption:</td>
<td>Not redeemable prior to maturity.</td>
</tr>
<tr>
<td>Days:</td>
<td>Toronto Business Days</td>
</tr>
<tr>
<td>Day Count Convention:</td>
<td>Actual/365 fixed, following, adjusted</td>
</tr>
<tr>
<td>Status:</td>
<td>The Bonds will be a direct, unconditional and unsecured obligation of Province of Newfoundland and Labrador. The Bonds and all other unsecured and unsubordinated indebtedness of Province of Newfoundland and Labrador will rank equally.</td>
</tr>
<tr>
<td>Documentation:</td>
<td>Settlement to be in CDS; Book Based only. Minimum Denomination of $1,000.00.</td>
</tr>
<tr>
<td>CUSIP:</td>
<td>•</td>
</tr>
<tr>
<td>Sole Agent:</td>
<td>Scotiabank</td>
</tr>
</tbody>
</table>
Paul Myrden
Director, Debt Management
Department of Finance

Tel. 709 729-6848
Fax 709 729-2070

From: Kevin Martin (Scotiabank GBM) [mailto:kevin.martin@scotiabank.com]
Sent: Wednesday, January 20, 2016 12:47 PM
To: Myrden, Paul
Subject: Extendible FRN Updated Term Sheet

Paul,

I'd like to propose a longer dated extendible FRN for the Province which should allow you to extend this financing out 7 years. Below is the updated cost of financing for the Province going out 7 years.

<table>
<thead>
<tr>
<th>Year</th>
<th>Current Cost of Financing</th>
<th>Proposed Step-Up Schedule</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Rate</td>
<td>Spread vs. CDOR</td>
</tr>
<tr>
<td>1-year</td>
<td>0.68%</td>
<td>2</td>
</tr>
<tr>
<td>2-year</td>
<td>0.83%</td>
<td>20</td>
</tr>
<tr>
<td>3-year</td>
<td>1.09%</td>
<td>40</td>
</tr>
<tr>
<td>4-year</td>
<td>1.30%</td>
<td>55</td>
</tr>
<tr>
<td>5-year</td>
<td>1.55%</td>
<td>70</td>
</tr>
<tr>
<td>6-year</td>
<td>1.80%</td>
<td>80</td>
</tr>
<tr>
<td>7-year</td>
<td>2.02%</td>
<td>90</td>
</tr>
<tr>
<td>Avg.</td>
<td>51.0</td>
<td>41.4</td>
</tr>
</tbody>
</table>

The grey column is the Province's current cost of financing (an average of CDOR +51 bps). The red column is the proposed coupon step-up schedule for the FRN (an average of 41 bps). This would represent a savings of almost 10 bps on the structure. 10 seven year basis points on $100 million is worth $650,000 savings.

See attached for the updated Term Sheet. I've revised the commission schedule to reflect a flat $0.03 fee per year.

As mentioned, we have firm demand for $200 million from 1 investor right now and I'm pretty sure I could grow that to $300-500 million if we talk to a few more money market buyers.

Kevin
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Province of Newfoundland and Labrador
Step-Up Extendible Floating Rate Note
Indicative Term Sheet

Issuer: Province of Newfoundland & Labrador
Issuer Ratings: Moody’s: Aa2  S&P: A+  DBRS: A
Principal Amount: Minimum CAD $200,000,000.00
Price: CAD$100.00
Trade Date: January •, 2016
Settlement Date: January •, 2016
Initial Maturity Date: January •, 2017
Extended Maturity Dates: January •, 2018; January •, 2019; January •, 2020; January •, 2021; January •, 2022; January •, 2023
Interest Rate:
3 month CDOR + 0 bps for year 1, then
3 month CDOR +15 bps for year 2, then
3 month CDOR +35 bps for year 3, then
3 month CDOR +45 bps for year 4, then
3 month CDOR +50 bps for year 5, then
3 month CDOR +60 bps for year 6, then
3 month CDOR +90 bps for year 7, then

The above noted increase in spread is subject to Extension Election by the note holder.

Extension Election Notice: The holder of the notes must provide the Issuer and the CDS Clearing and Depository Services Inc. ("CDS") written notice of its intention to exercise the Extension Election not less than 10 business days prior to the Extension Election Date.

Extension Election Dates: January •, 2017; January •, 2018; January •, 2019; January •, 2020; January •, 2021; January •, 2022; January •, 2023

Extension Election: The holder of the Notes may elect to extend the Maturity Date of the Notes by a period of 12 months on each Extension Election Date. The Notes for which such election is exercised will be represented by a substitute Note issued on the Extension Election Date. The substitute Note so issued will have a separate CUSIP number and its maturity date will be the applicable Extended Maturity Date.

First Coupon Period: January •, 2016 to April •, 2016 (full first coupon)
Interest Reset Dates: Quarterly on the • of each January, April, July and October with the next re-set on April •, 2016, subject to Following Business Day Convention.

Coupon Payment Dates: Quarterly on the • of each January, April, July and October with the next payment on April •, 2016, subject to Following Business Day Convention.

Rate Setting: Average 3 month Bankers’ Acceptance rate, rounded to the nearest 0.00001% (with 0.000005% rounded up), of quotes shown on Reuters page “CDOR” as of 10:00AM, Toronto time, on each Interest Reset Date.

Days: Toronto Business Days

Day Count Convention: Actual/365 fixed, following, adjusted

Status: The Bonds will be a direct, unconditional and unsecured obligation of the Province of Newfoundland and Labrador. The Bonds and all other unsecured and unsubordinated indebtedness of the Province of Newfoundland and Labrador will rank equally.

Documentation: Settlement to be in CDS; Book Based only. Minimum Denomination of $1,000.00.

Fee Schedule: $0.03 per $100.00 payable January •, 2016 on the total amount issued

$0.03 per $100.00 payable January •, 2017; January •, 2018; January •, 2019; January •, 2020; January •, 2021; January •, 2022; January •, 2023 on the total amount outstanding

<table>
<thead>
<tr>
<th>CUSIP</th>
<th>Issue Date</th>
<th>Maturity</th>
<th>Interest Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>•</td>
<td>Jan •, 2016</td>
<td>Jan •, 2017</td>
<td>3-mo CDOR +0</td>
</tr>
<tr>
<td>•</td>
<td>Jan •, 2017</td>
<td>Jan •, 2018</td>
<td>3-mo CDOR +15</td>
</tr>
<tr>
<td>•</td>
<td>Jan •, 2018</td>
<td>Jan •, 2019</td>
<td>3-mo CDOR +35</td>
</tr>
<tr>
<td>•</td>
<td>Jan •, 2019</td>
<td>Jan •, 2020</td>
<td>3-mo CDOR +45</td>
</tr>
<tr>
<td>•</td>
<td>Jan •, 2020</td>
<td>Jan •, 2021</td>
<td>3-mo CDOR +50</td>
</tr>
<tr>
<td>•</td>
<td>Jan •, 2021</td>
<td>Jan •, 2022</td>
<td>3-mo CDOR +60</td>
</tr>
<tr>
<td>•</td>
<td>Jan •, 2022</td>
<td>Jan •, 2023</td>
<td>3-mo CDOR +80</td>
</tr>
</tbody>
</table>

Sole Agent: Scotiabank
Provincial borrowing requirements can be met in a number of ways including but not limited to line of credit drawdowns, treasury bill issuance or capital markets term debt issuance. Borrowing terms can be as short as a few days or as long as 30 years. The Province utilizes a suite of financial advisors who provide ongoing advice and assistance on borrowing opportunities.

Paul Myrden  
Director, Debt Management  
Department of Finance  

Tel. 709 729-6848  
Fax 709 729-2070
The other increase was in October 2015. That one was also $1 billion from the previous $1.5 billion to $2.5 billion.

Craig

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Brewer, Donna
Sent: Tuesday, February 23, 2016 9:10 AM
To: Tulk, Jennifer; Martin, Craig
Subject: Re: Last two issues

K at the risk of confusing / complicating. The 1 billion increase was on top of a 1 billion increase (can't recall when but expect it was last fall? Craig).

Otherwise K.

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Tulk, Jennifer
Sent: Tuesday, February 23, 2016 9:02 AM
To: Martin, Craig
Cc: Brewer, Donna
Subject: RE: Last two issues

Revised msgs

**Key messages:**

- At our mid-year update, the province indicated that the revised required borrowing for 2015-16 would be $2.4 billion.

- To date, the province has borrowed about 38 per cent of the required borrowing for this year through the bond market.

- Under the previous administration's watch, from April 2015 to December 2015, they only managed to get one successful market issue.

- In just 72 days, this government has been able to secure two market issues, totally $535 million.
  - $235 million issue for a term of 3 years (interest rate of 1.125%) – Jan. 15
  - $300 million issue for a term of 31 years (interest rate of 3.30%) – Feb. 11

- This success is in spite of the tremendous challenges that have been facing this province and many other provinces as well, in the long-term bond market. These challenges include:
• A sharp fall in oil prices and the resultant impact on Provincial finances
• The uncertainty leading up to the November 30th election
• Negative credit rating agency actions
• The further changing fiscal situation in the province outlined at mid-year

• While it is clear that this government’s commitment to action to deal with the fiscal situation is allowing Newfoundland and Labrador to secure some long-term borrowing in the market domestically, there are still significant challenges facing the province, making long-term borrowing difficult.

• The previous administration should have known that borrowing would be an issue in the domestic market, the signs were there, but they chose not to act and not to have a plan.

• As a result, this government is looking at increased borrowing requirements in 2016-17 and will have to look at global markets due to the challenges in the domestic market.

Secondary messages:
• To ensure the borrowing targets are met and public programming continued, the short-term loan limit of the province increased in December 2015 to $3.5 billion. This was an increase of $1 billion from the current limit.

• This does not mean the province is increasing the planned borrowing announced through the mid-year update. This is only a cash management decision that allows the province to borrow more from the short-term market, rather than the long-term market.

• The Province has not had an issue raising short-term money in the Treasury Bill market. The challenges have been with respect to long-term Bond markets. The advantage of long-term borrowing is not lower interest rates, in fact short-term borrowing has much lower rates.

  o Think of it in terms of your own mortgage - A long-term fixed rate mortgage is going to have higher rates than a short-term variable rate mortgage. The long-term mortgage gives you stability on what your payments will be and protects you if interest rates rise over the term of the loan.
Please see below with my suggested edits.

Also, there appears to be a message in the media that long-term borrowing rates are "lower" than short term. This is incorrect. The short-term rates are considerably lower. It's similar to a mortgage. A long-term fixed rate mortgage is going to have higher rates than a short-term variable rate mortgage. The long-term mortgage gives you stability on what your payments will be and protects you if interest rates rise over the term of the loan.

On another message, we may want to note that the Province has not had an issue raising short-term money in the Treasury Bill market. The challenges have been with respect to long-term Bond markets. The issue with having too much in the short-term market is it raises your exposure to risk similar to the short-term variable vs long-term fixed rate mortgage.

There are limits to how much short term cash you could raise and would want to raise. Checking on our current T-Bill rate.

Craig

---

**Department of Finance**  
**Borrowing Program**  
*February 22, 2016*

**Summary:**  
The Province's borrowing program has come under scrutiny as of late, with questions being raised as to the Province's ability to borrow money both long and short term.

**Key messages:**  
- At our mid-year update, the province indicated that the revised required borrowing for 2015-16 would be $2.4 billion.

- To date, the province has borrowed about 38 37.5 per cent of the required borrowing for this year through the bond market.

- Some of the contributing factors contributing to the challenges in the long term markets include rapidly changing borrowing conditions in the bond market and global market conditions, the uncertainty in the market caused by the provincial election, and the further changing fiscal situation in the province outlined at mid-year.

- In spite of these challenges, this government has had two recent successful issues: 
  - $400 million issue for a term of 31 years (interest rate of 3.30%)
  - January 15, 2016 - $235 million issue for a term of 3 years (interest rate of 1.125%)
  - February 11, 2016 - $300 million issue for a term of 31 years (interest rate of 3.30%)
These issues show that this government's plan to act is countering the uncertainty in the market.

Secondary messages:
- To ensure the borrowing targets are met and public programming continued, the short-term loan limit of the province was increased in December 2015 to $3.5 billion. This was an increase of $1 billion from the previous current limit.
- This does not mean the province is increasing the planned borrowing announced through the mid-year update. This is only a cash management decision that allows the province to borrow more from the short-term market, rather than the long-term market.

From: Tulk, Jennifer  
Sent: Tuesday, February 23, 2016 8:24 AM  
To: Martin, Craig  
Cc: Brewer, Donna  
Subject: RE: Last two issues  

Thanks Craig...here are the KMs

Department of Finance  
Borrowing Program  
February 22, 2016  

Summary:  
The Province's borrowing program has come under scrutiny as of late, with questions being raised as to the Province's ability to borrow money both long and short term.

Key messages:  
- At our mid-year update, the province indicated that the revised required borrowing for 2015-16 would be $2.4 billion.
- To date, the province has borrowed 37.5 per cent of the required borrowing for this year through the bond market.
- Some of the contributing factors include rapidly changing borrowing conditions in the bond market and global market conditions, the uncertainty in the market caused by the provincial election, and the further changing fiscal situation in the province outlined at mid-year.
- In spite of these challenges, this government has had three successful market issues recently.
  - $400 million issue for a term of 31 years (interest rate of 3.30%)  
  - $235 million issue for a term of 3 years (interest rate of 1.125%)  
  - $300 million issue for a term of 31 years (interest rate of 3.30%)
These issues show that this government’s plan to act is countering the uncertainty in the market.

Secondary messages:
• To ensure the borrowing targets are met and public programming continued, the short-term loan limit of the province increased to $3.5 billion. This is an increase of $1 billion from the current limit.
• This does not mean the province is increasing the planned borrowing announced through the mid-year update. This is only a cash management decision that allows the province to borrow more from the short-term market, rather than the long-term market.

From: Martin, Craig
Sent: Tuesday, February 23, 2016 8:13 AM
To: Tulk, Jennifer
Cc: Brewer, Donna
Subject: FW: Last two issues

Jennifer,

Here are the details on the issuance. The third issuance on February 11, 2016 should have a Maturing date of October 17, 2046.

Craig

From: Lawlor, Tom
Sent: Tuesday, February 23, 2016 8:12 AM
To: Martin, Craig
Cc: Myrden, Paul
Subject: RE: Last two issues

Craig,

To date, we have completed three capital market borrowings in 2015-16:

July 24, 2015
Series 6X
$400 Million
Interest rate of 3.30%
Term of 31 Years
Maturing October 17, 2046

January 15, 2016
Series 6Y
$235 Million
Interest rate of 1.125%
Term of 3 Years
Maturing January 30, 2019

**February 11, 2016**
Series 6X Re-Opening
$300 Million
Interest rate of 3.30%
Term of 31 Years
Maturing October 17, 2016

Regards,
Tom

---

**From: Martin, Craig**
**Sent: Monday, February 22, 2016 4:43 PM**
**To: Myrden, Paul; Lawlor, Tom**
**Subject: Last two issues**

Paul or Tom,

Can you please send me the details of the last two Bond issues.

Thanks

Craig

Sent from my BlackBerry 10 smartphone on the Bell network.
From: Peterdy, Les <Les.Peterdy@tdsecurities.com>
Sent: Tuesday, February 23, 2016 9:03 AM
To: Paul Myrden
Cc: Castle, Steven; Peterdy, Les; Thom, Trevor; Thompson, Susan; Doan, Vy
Subject: Province of Newfoundland and Labrador - TD Market Colour Feb 23

Paul:

TD is supportive of Province of Newfoundland issuance, as early as this morning. We are oversold our allotment. We have interest for ~30mm bonds vis a vis our 18mm allotment. As mentioned, your 10yr roll is on screen at 60/52. I believe the correct level is in the area of +55bps. If your books are strong, a tighter spread is warranted.

Global credit tone is okay this morning on some mixed indicators: Euro Stoxx -0.7% and Dow futures -16pts but on the other hand Gilts/Bunds/UST’s are all lower and credit indexes tighter. Oil is currently 30 cents lower after a strong rally yesterday (>$.1). Overnight, we saw weak data in the form of the German IFO and weak earnings out of Standard Charter (British Bank, first annual loss since 1989) and BHP Billiton (dividend cut). On this side of the pond, both BMO and National Bank came out with 1Q earnings that were small better than consensus.

We are opening Ontario spreads 1/2bp tighter this morning (+110.5bps in 2026’s and +117bps in 2046’s). Please see below for indicative Province of Newfoundland and Labrador pricing.

Also, please see below for potential traffic and economic data that could create volatility in the issuance window.

Regards,

Les

Data Today
CAD Bank 1Q earnings out today
BMO – adjusted EPS at $1.75 beats expectations of $1.72 (up 14%); CET1 ratio at 10.1%; quarterly NI of 1.068bn (up 7%); ROE of 10.9% (vs. 11.8% previous)
National Bank – adjusted EPS at $1.17 beats expectations of $1.15; CET1 ratio at 9.7%;
Other reporting dates: RBC Feb 24; CIBC/TD Feb 25; SCO March 1
9am – US Case Shiller house prices
10am – US Consumer Confidence, US Richmond Fed Index, US Existing Home Sales
11:30am – Canada Finance Minister testifies to House of Commons Finance Committee
1pm – UST 26bn 2yr auction

NF Bond Pricing
GoC2.25/J25's: 109.40 / 1.176%
ONT25 spread: +107.5bps (3bps for 25's/26's is consistent and stable)
NF/ONT spread: +55bps
T+5 settlement
Headline spread: 162.5bps vs. GoC25's
NF reoffered at 95.393 / 2.801%
NF all-in at 95.339 / 2.877%

Government Issuance Traffic
MFABC (Aaa/AAA) – 515mm new 19-Apr-2021 issue, ONT+23bps
Province of Quebec (Aa2/A+/AH) – 500mm either 10yrs or longs, they have books for both terms
Province of Alberta (Aaan/AA+/AAAn) – 500mm reopening of the 3.30% 1-Dec-2046's (currently 500mm outstanding), area of ONT+16.5bps

Les Peterdy, CFA
TD Securities
Debt Capital Markets - Government Finance
222 Bay Street
Ernst & Young Tower, 7th Floor
Toronto ON Canada M5K 1A2
t: 416 983-2841
f: 416 983-4154
c: 647 202-5680
les.peterdy@tdsecurities.com

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Meeting Note  
Department of Finance  
Meeting with Mr. Frank McKenna, TD Securities  
Thursday, February 11, 2016 at 12:30 pm  
Premier’s Boardroom

Attendees:  
Mr. Frank McKenna, Deputy Chair of TD Bank Group  
Mr. Alan Jette, EVP, Treasury and Balance Sheet  
Mr. Rudy Sankovic, VP, Investor Relations

Purpose of Meeting:

- This meeting has been scheduled to discuss Capital Market and Treasury Management issues and opportunities.

Background:

- Budget 2015 identified a $2 billion borrowing requirement for 2015-16. The December 2015 Fiscal Update indicated a revised borrowing requirement of $2.4 billion, an increase of $400 million from budget largely driven by lower than budgeted oil prices and royalties. The update also forecasted significant borrowing requirements for the 2016/17 and on fiscal years.

- At February 9, 2016 the Province has completed $935 million of its $2.4 billion borrowing requirement (approximately 39%), of which $535 million has been achieved in the last three weeks. The remainder of the Province’s current cashflow borrowings has been achieved through the sale of short term Treasury Bills (T-Bills).

- The Province’s short term borrowing strategy has relied primarily on Treasury Bill issuance supplemented by an operating line of credit with the Province’s primary banker, RBC, in the amount of $200 million. The short term borrowing limit prior to October 2015 was $1.5 billion. Due to the inability to access capital through the bond market, the Province has increased this limit by $2 billion since October 2015.

- The reason for this is largely related to poor capital market conditions. Since early summer, capital market activity has seen long periods of very slow activity punctuated by occasional brief periods of improved receptivity during which many provincial issuers come to the market en masse.

- While reasons for this are complex, some possible explanations include the deterioration of the economic picture internationally, uncertainty about future changes in interest rates, extremely choppy stock market behavior and investors who seem reluctant to make commitments to longer term provincial issuance.

- In addition to the economic backdrop, there are also factors specific to the Province that may also be affecting our access to capital markets. These would include falling oil prices and uncertainty about the Province’s fiscal future given the serious deterioration in revenues.
Analysis:

Section 29.(1)(a)

- At February 9, 2016, the Province has $1.465 billion of its 2015/16 borrowing requirement outstanding. In addition, the Fall update forecasted borrowing requirements of $3.7 billion for the 2016/17 fiscal year.

- Given this significant borrowing requirement, the current market conditions and the fact that prior to March 2015 the Province had not borrowed in the capital markets for over seven (7) years, the Minister and officials with the Department of Finance engaged in discussions with its Banking Syndicate members over the last four weeks on how it should approach the capital market. Section 29.(1)(a)

- As part of its ongoing discussions on how to position itself to achieve the significant borrowings, this meeting has been scheduled with Mr. McKenna and two other parties from TD Securities to discuss Capital Market and Treasury Management issues.

Prepared/Approved by: C. Martin / D. Brewer
Ministerial Approval: Received Hon. Cathy Bennett

February 9, 2016
Frank McKenna was appointed Deputy Chair of TD Bank Group on May 1, 2006. He is responsible for supporting the Bank in its customer acquisition strategy, particularly in the area of Wholesale and Commercial Banking.

Frank has held numerous leadership positions in both the public and private sector. For a decade (1987–1997) he was Premier of New Brunswick, having earned three consecutive majority governments, including the historic victory in 1987 of all 58 seats in the legislature. The McKenna government significantly improved the province’s standard of living and quality of life. Among its accomplishments, it balanced budgets, pioneered e-government services, attracted innovative industry clusters and improved educational outcomes. Frank also played a central role on the national stage, where among other initiatives, became a lead advocate for the Canada-US Free Trade Agreement.

Prime Minister Martin nominated Frank as Canadian Ambassador to the United States of America in 2005, where he was charged to navigate contentious bilateral issues related to trade and security. In 2006, Frank resigned this position upon change of national government.

In the private sector, Frank is in wide demand as a corporate director. Currently he is the Chairman of Brookfield Asset Management and is on the board of Canadian Natural Resources. He has also been Chairman of the Board of CanWest Global and served on the Boards of Noranda, Shoppers Drug Mart and General Motors.

Frank is a graduate of St. Francis Xavier University as well as Queen’s University, where he completed his post-graduate degree in political science and the University of New Brunswick Law School. He was appointed to the Order of Canada in 2008 and is the recipient of eight honorary doctorates.

Frank and his wife Julie have three grown children and seven grandchildren.
Biography

Alan Jette
Executive Vice President, Treasury and Balance Sheet Management
TD Bank Group

Mr. Alan J. Jette serves as an Executive Vice President of Treasury and Balance Sheet Management of The Toronto-Dominion Bank and served as its Senior Vice President of Treasury and Balance Sheet Management. Mr. Jette served as Senior Vice President of Treasury and Risk Management of Development Finance Corporation of Ceylon (Canada Trustco Mortgage Co). He served as Senior Vice President of Treasury and Risk Management of CT Financial Services Inc.

Alan entered the mortgage business on the lender side more than 25 years ago. He rose to become one Canada's most accomplished in the fields of balance sheet and interest rate risk management.

Alan founded two firms specializing in asset/liability management and later joined FirstLine Trust where his experience enabled FirstLine to lead the securitization market for the following 10 years, until the company was sold to CIBC in 1995. During this time he worked extensively with CMHC to create the Canada Mortgage Bond (CMB) in Canada, and later the mortgage backed securities (MBS) Program.

Alan went on to join Ed Clark at TD Canada Trust in the 1990s, and continues to serve as Executive Vice President, Treasury and Balance Sheet Management of TD Bank Group.

In his nomination for the Mortgage Hall of Fame, one commenter wrote of Alan: "Without the CMHC MBS program, many lenders would have perished in 2008. Instead, most thrived and have brought a very effective mortgage market for Canadians. ... [he] is a behind-the-scenes hero for the mortgage industry." Fellow Hall of Famer Ivan Wahl has called Jette the industry's "most talented Treasury professional for 30 years."

Alan will put a bookend on his storied career in 2016 when he is set to retire.
Biography

Rudy Sankovic,
Senior Vice President of Investor Relations
TD Bank Group

Mr. Rudy J. Sankovic serves as the Senior Vice President of Investor Relations at The Toronto-Dominion Bank and served as its Senior Vice President of Finance - Wealth Management. Mr. Sankovic serves as Chief Financial Officer of TD Funds in Fund Complex. He serves as Senior Vice President of TD Wealth Management and TD Bank Financial Group. He served as Chief Financial Officer at Canada Trust Income Investments. He serves as Director of TD Funds in Fund Complex.

He spent the first seven years of his childhood in Red Lake, Ontario, a gold-mining town where his parents moved after emigrating from Yugoslavia. From there he moved to Toronto, and whether the motivation was getting a commerce degree from the University of Toronto or working as a chartered accountant at Deloitte & Touche. Toronto has been his home ever since.

Prior to joining TD in 2004, Sankovic ventured into the investment world at Merrill Lynch and then served as Senior Vice President and CFO of the personal and commercial banking division of Royal Bank of Canada. He then moved to TD Wealth Management, where CFO Colleen Johnson recommended IR as a future career path.

With three children ages 17, 22, and 34, Sankovic and his wife are facing an empty nest. Sankovic hopes that the next years will afford opportunities to travel for pleasure.