Metropolitan Transportation Authority

Investor Presentation

Transportation Revenue Green Bonds
Series 2016A
(Climate Bond Certified)

February 11, 2016
Disclaimer

• The information contained in this Investor Presentation has been prepared by MTA to provide, for the convenience of persons and entities which may in the future consider investing in MTA's bonds, a brief overview of MTA, its operations and capital programs and its currently outstanding credits. It is not intended to and should not be used as a basis for making any investment decisions. Any decision to invest in bonds issued under any of MTA's multiple credits should be made only on the basis of a review of the preliminary official statement and final official statement or other disclosure materials for the related bonds, which should be read in their entirety.

• Many statements contained in this Investor Presentation are forward-looking statements rather than historical facts. Such statements are based on assumptions made by and information currently available to MTA. Because the forward-looking statements are based on expectations about future events and economic performance, actual results may differ materially from those projected. The words "estimate", "projection", "plan", "forecast" or similar words are intended to identify such forward-looking statements.

• The certification of the Series 2016A as Climate Bonds by the Climate Bonds Initiative is based solely on the Climate Bonds Standard 2.0 and does not, and is not intended to, make any representation or give any assurance with respect to any other matter relating to the Series 2016A Bonds or any projects financed by the Series 2016A Bonds, including but not limited to this investor presentation or MTA.
# Financing Team

<table>
<thead>
<tr>
<th>Metropolitan Transportation Authority</th>
<th>Senior Manager</th>
</tr>
</thead>
<tbody>
<tr>
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</tr>
<tr>
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</tr>
<tr>
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</tbody>
</table>

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# Summary of Financing

*Transportation Revenue Green Bonds, Series 2016A (Climate Bond Certified)*

<table>
<thead>
<tr>
<th><strong>Par Amount</strong>*</th>
<th>$500,000,000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Tax Status</strong></td>
<td>Tax Exempt</td>
</tr>
<tr>
<td><strong>Bond Structure</strong>*</td>
<td>2016-2046 Serial Bonds&lt;br&gt;Term Bonds (Sinking Funds)</td>
</tr>
<tr>
<td><strong>Redemption</strong>*</td>
<td>Optional Redemption on and after May 15, 2026</td>
</tr>
<tr>
<td><strong>Bookrunning Senior Manager</strong>&lt;br&gt;<strong>Special Co-Senior Managers</strong></td>
<td>Ramirez &amp; Co., Inc.  &lt;br&gt; Drexel Hamilton, LLC and Stern Brothers &amp; Co.</td>
</tr>
<tr>
<td><strong>Use of Funds</strong></td>
<td>The Series 2016A Bonds are being issued to retire the Transportation Revenue Bond Anticipation Notes, Series 2015A</td>
</tr>
<tr>
<td><strong>Retail Pricing Date</strong>*</td>
<td>Wednesday, February 17, 2016</td>
</tr>
<tr>
<td><strong>Institutional Pricing Date</strong>*</td>
<td>Thursday, February 18, 2016</td>
</tr>
<tr>
<td><strong>Delivery Date</strong>*</td>
<td>Thursday, February 25, 2016</td>
</tr>
<tr>
<td><strong>Source of Payment</strong></td>
<td>Gross lien on transportation revenues from Transit and Commuter System operations, MTA Bus operations, MTA Bridges and Tunnels operating surplus, subsidies from governmental entities and certain other sources.</td>
</tr>
</tbody>
</table>

*Preliminary, subject to change
State and City Redemption not less than twenty years from issuance at 105% of face value
MTA’s Inaugural Green Bonds – Climate Bond Certified*

First Climate Bond Certification in the U.S.

- Certified under the Climate Bond Initiative’s (CBI) Climate Bond – Low Carbon Transport Standard
  - CBI’s Climate Bond Standards adhere to the Green Bond Principles and set out to convert them into a set of requirements and actions that can be assessed, assured and certified in a robust and repeatable way**

- Voluntary, independent verification (by Sustainalytics) to demonstrate the bonds meet international standards for
  - Climate integrity
  - Management of proceeds
  - Transparency and annual reporting
  - Verification letter available on MTA investor website

- $11.3 billion spent of 2010-2014 capital projects have been evaluated and conform to the CBI’s Low Carbon Transport Standard

- MTA expects to continue issuing additional certified Climate Bonds

*The terms “Climate Bond Certified” and “green bonds” are neither defined in, nor related to the Transportation Resolution, and their use herein is for identification purposes only and is not intended to provide or imply that a holder of the Series 2016A Bonds is entitled to any additional security other than as provided in the Transportation Resolution; MTA has no continuing legal obligation to maintain the Climate Bond Certification on of the Series 2016A Bonds

**The Green Bonds Principles were launched by a consortium of investment banks in January 2014, and are hosted by the International Capital Markets Association
MTA’s Transportation Network Benefits the Environment

Supporting public transportation is a powerful and effective action to reduce greenhouse gases

- An average MTA trip saves over 10 pounds of greenhouse gas emissions
- Total system usage prevents 17 million metric tons of greenhouse gas emissions annually, which is three times the entire annual greenhouse gas emission of San Francisco
- MTA’s network outperforms single occupancy vehicles...even including indirect emissions

<table>
<thead>
<tr>
<th></th>
<th>Direct Emissions</th>
<th>Indirect Emissions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single Occupancy Vehicle*</td>
<td>0.91</td>
<td></td>
</tr>
<tr>
<td>Bus</td>
<td>0.12</td>
<td>0.56</td>
</tr>
<tr>
<td>Commuter Rail</td>
<td>0.07</td>
<td>0.27</td>
</tr>
<tr>
<td>Subway</td>
<td>0.03</td>
<td>0.12</td>
</tr>
</tbody>
</table>

*Single Occupancy Vehicle emissions calculated using the average fuel economy from U.S. Department of Transportation and U.S. Department of Energy reports
Transportation Revenue Bonds – Pledge of Revenues

*TRB bondholders benefit from a gross pledge of diverse revenues and a comprehensive planning process*

- Transportation Revenue Green Bonds, Series 2016A (Climate Bond Certified) are Transportation Revenue bonds – same pledged revenues and governed by the Transportation Resolution
- **Unique credit strength** – a combination of ability, willingness, and requirement to increase fares, along with statutory availability of surplus TBTA tolls
  - Providing 54% of pledged revenues AND 46% of pledged revenues derived from state and local support and taxes
- Current 5-Year financial planning process constrains the amount of debt supported by pledged revenues available to any future Capital Plans, resulting in **significant bondholder coverage**
  - Financial Plans are designed so MTA meets its requirement to pass a balanced budget

*Based on Final Proposed Budget as adopted by the MTA Board on December 16, 2015, and reflected in November Financial Plan 2016 – 2019
Numbers may not add due to rounding
Transportation Revenue Bonds – Flow of Funds

Flow of funds provides robust debt service coverage

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount (in $ millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Transit and Commuter Operating Revenue and Other Operating Income</td>
<td>$6,423</td>
</tr>
<tr>
<td>TBTA Surplus</td>
<td>$634</td>
</tr>
<tr>
<td>DTF Excess</td>
<td>$189</td>
</tr>
<tr>
<td>MMTOA Receipts Excess</td>
<td>$1,600</td>
</tr>
<tr>
<td>State and Local Operating Subsidies</td>
<td>$875</td>
</tr>
<tr>
<td>Payroll Mobility Tax and Aid Trust Account Receipts</td>
<td>$1,960</td>
</tr>
<tr>
<td>Real Estate Tax (Urban and MRT Excess)</td>
<td>$858</td>
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<tr>
<td>Station Maintenance and Service Reimbursements and Other Non-Operating Income</td>
<td>$532</td>
</tr>
</tbody>
</table>

Pledged Revenues $13,069

8.1x Total Debt Service Coverage

4.4x Farebox/Toll/Operating Revenue

3.7x State/Local Subsidies and Other

TRB Debt Service $1,605

Available for Operating Expenses $11,464

*Final Proposed Budget as adopted by the MTA Board on December 16, 2015, and reflected in November Financial Plan 2016 – 2019
Numbers may not add due to rounding
MTA Transportation Revenue Credit - Debt Overview

$21.9 billion outstanding, as of 2/8/2016

**Fixed Rate**
- $18,055
- 82.3%

**Bond Anticipation Notes (BANs)**
- $1,200
- 5.5%

**Synthetic Fixed Rate**
- $1,160
- 5.3%

**Variable Rate**
- $1,513
- 6.9%

*Includes Series 2015A BANs, about to be retired in the Transportation Revenue Green Bonds, Series 2016A (Climate Bond Certified) transaction*
Annual Debt Service on Outstanding Transportation Revenue Bonds

*Debt issues structured primarily with level debt service over thirty years*
MTA’s Essential Transportation Network

*Primary mass transportation provider in the NYC Region*

- MTA is the **primary** mass transportation provider in the NYC metropolitan area, covering over 5,000 square miles serving a population of over 15.1 million
- MTA’s Network includes New York City Transit, MaBSTOA, MTA Bus Company, Staten Island Railway, Long Island Rail Road, Metro-North Railroad and Triborough Bridge and Tunnel Authority
- **Daily** ridership averages nearly 8.8 million
- Route/Track miles and stations
  - 950 commuter rail miles
  - 2,816 bus route miles
  - 2,069 subway track route miles
  - 737 stations (491 Subway, 124 LIRR, 122 Metro-North)
Transit and Commuter Rail Ridership Reflect Long-Term Growth

Decades of growth and increased demand

MTA Network Annual Ridership Totals

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Ridership</th>
<th>Subway</th>
<th>Bus</th>
<th>Other Transit</th>
<th>LIRR</th>
<th>Metro-North</th>
</tr>
</thead>
<tbody>
<tr>
<td>1990</td>
<td>1,738.3</td>
<td>1,028.3</td>
<td>541.6</td>
<td>73.5</td>
<td>35.5</td>
<td></td>
</tr>
<tr>
<td>2000</td>
<td>2,266.0</td>
<td>1,381.1</td>
<td>691.8</td>
<td>151.0</td>
<td>36.5</td>
<td></td>
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<tr>
<td>2010</td>
<td>2,628.6</td>
<td>1,604.2</td>
<td>696.9</td>
<td>164.8</td>
<td>81.6</td>
<td></td>
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<tr>
<td>2014</td>
<td>2,727.7</td>
<td>1,751.2</td>
<td>667.0</td>
<td>84.7</td>
<td>85.9</td>
<td></td>
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Notes:
1. Numbers may not total due to rounding
2. “Other Transit” includes LI Bus (service ended in 2011), MTA Bus (service began in 2006), Staten Island Railway, and Paratransit (service began in 1993)
3. Ridership levels exclude B&T crossings
30+ Year Record of Fiscal Stability and System Resiliency

Sound financial operations and management initiatives successfully mitigate stress events and downturns

- Management and governance structure, policies and procedures have supported stable financial operations through stress scenarios
  - Early 1990’s and 2000’s recessions
  - September 11 Terrorist Attack
  - Global Financial Crisis of 2008
  - Superstorm Sandy and other weather-related events
  - Labor Actions (e.g. TWU Local 100 strike, December 2005)

- Liquidity and conservative fiscal approach protects financial operations
  - General reserve funded annually equal to 1% of cash budget
  - $350 million RBC line of credit for O&M (untapped, fully available)
  - Insurance provides business interruption coverage

- On-going and innovative initiatives enhance MTA’s fiscal stability and flexibility
  - Cost cutting/efficiency improvements
  - Fuel hedging for budget stability
  - Independent, disciplined and transparent fare and toll increases
  - Supplemental capital markets reinsurance program through MetroCat Re Ltd
Capital investments of over $100 billion make MTA’s network a world-class system

Reliability, service, and safety improved dramatically since 1982

**Reliability:** increased distance between failures, since 1982:
- ↑ 1,250% on the subway
- ↑ 1,000% on LIRR
- ↑ 500% on Metro-North

**Fewer service delays:** decreased since 1982:
- ↓ 94% on the subway
- ↓ 48% on LIRR
- ↓ 85% on Metro-North

**Customer safety:** major felonies decreased, since 1982:
- ↓ 88% on the subway
# 2016 Remaining Financing Quarterly Calendar

**MTA is an active Issuer in the municipal market**

<table>
<thead>
<tr>
<th>Purpose</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Money BANs(^{(1)})</td>
<td>$700</td>
<td>$700</td>
<td>$700</td>
<td>$700</td>
<td>$2,800</td>
</tr>
<tr>
<td>Bonds Retiring</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Outstanding BANs</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>500</td>
<td>500</td>
<td>652</td>
<td>700</td>
<td>2,352</td>
</tr>
<tr>
<td>Remarketing(^{(2)})</td>
<td>150</td>
<td>50</td>
<td>-</td>
<td>213</td>
<td>413</td>
</tr>
<tr>
<td>Refunding</td>
<td>700</td>
<td>-</td>
<td>-</td>
<td>542</td>
<td>1,242</td>
</tr>
<tr>
<td>Total</td>
<td>$2,050</td>
<td>$1,250</td>
<td>$1,352</td>
<td>$2,155</td>
<td>$6,807</td>
</tr>
</tbody>
</table>

All information in the 2016 Financing Quarterly Calendar is preliminary and subject to change

Notes:
1. New money issuance for approved Capital Programs, including the 2015-2019 Capital Program; new money obligations may be issued as bonds or BANs
2. FRNs and VRDBs with mandatory put dates or liquidity facility expiration dates in 2016
3. Numbers may not total due to rounding
MTA Investor Contact
Available as a direct resource for any questions

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