Ontario

OntarioFinancingAuthority
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Canada's Economic Engine

- Large and diversified economy with 76% services-based and 24% goods-based
- Averages 37% of Canada's GDP and 39% of population
- 57% of Canada's IT firms are based in Ontario
- Over 60% of new immigrants settle in Ontario

Open Ontario - 5 Year Plan

- Develop Ontario's expertise in clean-water technology and make it a leader in the Green Economy
- Invest in postsecondary education
- Open Northern Ontario to investment and job creation
- Invest in Ontario through the tax plan for jobs and growth

We offer:

- innovative business environment
- competitive business costs
- highly skilled and educated workforce
- low-risk investment climate
- stable financial environment

ONTARIO: A Hub for Global Business

"Canada ranks #1 in the G7 as the best place to invest and do business through to 2012"

Source: *The Economist Intelligence Unit's* global business rankings forecast.

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Ontario Attributes

- Total area: 1,076,395 km^2
- GDP: $567 Billion (2009)
- Capital: Toronto (5th largest city by population in North America)
- Population: 13.1 million representing over 100 ethnic cultures - Canada's most populous province
- Industrial and financial capital of Canada
- Close proximity to U.S. - Canada's biggest trading partner - plus strong trade partnerships with Europe and Asia

Clean Water Technologies

- Global demand for water is expected to increase rapidly and the market opportunity for clean water and wastewater technologies is enormous
- Ontario is well positioned to become a global leader in the water and wastewater sector
- Protecting Ontario's water resources is critical to the development of a strong and green economy
- Ontario's wide-ranging water strategy will promote new business and employment opportunities in the water sector through supporting the commercialization of water and wastewater technologies

Environment of Innovation

- World-leading companies from every sector leverage Ontario's research & development advantage to develop breakthrough technologies
- The creative industries in Ontario collectively form the third-largest cluster in North America, after California and New York
- Ontario's *Green Energy Act* will support the growth of clean, renewable energy sources
- Ontario is achieving early success in the green economy by attracting a $7 billion proposed investment by Samsung et al - the single-largest investment in renewable energy in provincial history

Ontario

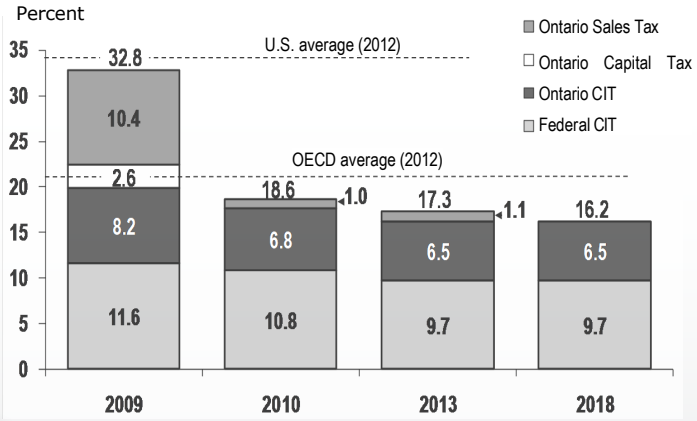
> "The Budget measures will have a profound impact on the willingness of business to invest in Ontario. The much lower tax burden on capital in the province will affect not only its competitiveness but also that of Canada as a whole."
>
> Jack Mintz, Palmer Chair in Public Policy
> University of Calgary

World-class Education

- 62% of Ontario's population has a post-secondary education - higher than any OECD member country
- 2010 Budget introduced initiatives that will see 20,000 new spaces added to colleges and universities to help raise the postsecondary attainment rate to 70%
- The province boasts 20 universities and 24 colleges including first-class business schools Rotman, Ivey and Schulich that rank among the best in the world Source: Financial Times (UK) Global MBA rankings for 2010

Enhancing Ontario's Competitiveness

- Cutting Ontario's marginal effective tax rate (METR) in half by 2018 helps make Ontario one of the most attractive places to invest



Sources: Ontario Ministry of Finance and Finance Canada

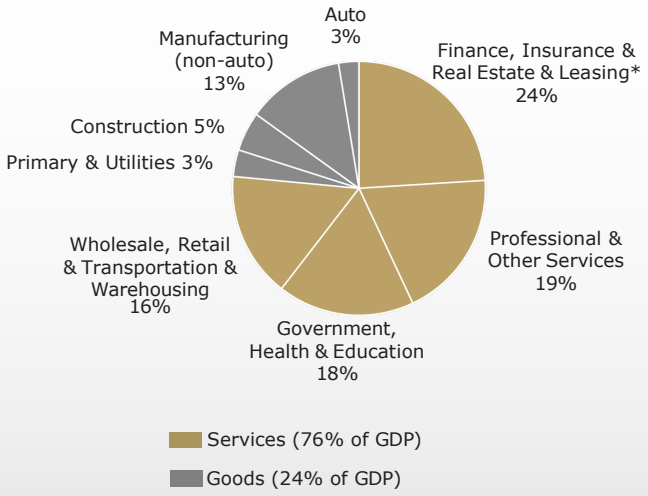
Note: *Includes the Ontario Corporate Income Tax (CIT) rate cuts and Harmonized Sales Tax announced in the 2009 Budget, the phase-out of Ontario's Capital Tax by July 1, 2010, and the reduction in the general federal CIT rate to 15 per cent by 2012.

Best-in-class Financial Sector

- Toronto is the third-largest financial centre in North America based on employment, after New York and Chicago
- Home to head offices of five largest banks
- Home to Canada's national stock exchange - TSX Group
- Canada was the only G7 country where banks did not receive a government bail-out; soundest banking system in the world according to World Economic Forum report

Diverse Economy – 2009

- Ontario is home to more than half of Canada's high-tech firms including BlackBerry-maker Research In Motion, Celestica and Open Text
- One of the largest concentrations of bio-technology firms in North America
- Ontario's diverse economy helps protect it from cyclical downturns in any single industry or sector



* Includes an estimate of the imputed rental income on owner-occupied dwellings
Note: Numbers may not add due to rounding
Sources: Statistics Canada, April 2010

Economic Update – Q4 2009

- Ontario real GDP increased by 1.6% in the fourth quarter of 2009, the second consecutive quarterly gain
- Private-sector forecasters expect Ontario growth of 3.5% for 2010 and 3.0% for 2011
- Canadian real GDP growth was 1.5% in the first quarter of 2010. Private-sector forecasters expect Canada growth of 3.4% in 2010 and 3.1% in 2011. The Bank of Canada is projecting growth to rebound to 3.7% in 2010
- Canada real GDP by industry increased 0.6% in March, the seventh consecutive monthly advance
- Canadian employment increased by 109,000 net jobs in April. The national unemployment rate edged down to 8.1%

Stable, Liquid Government Credit

- Liquid bond issues
- Well-defined yield curve out to 30-years
- Strongly supported in the secondary market
- Diversified and broadly syndicated transactions
- Canadian benchmark issuer

> Canadian provinces are similar to Eurozone sovereigns, in that they control every aspect of their fiscal policies, receive transfers from a central entity but do not have control over monetary policy.
>
> Moody's Investor Services

Visit www.ofina.on.ca and subscribe to our email alert service to receive the latest Province of Ontario updates:

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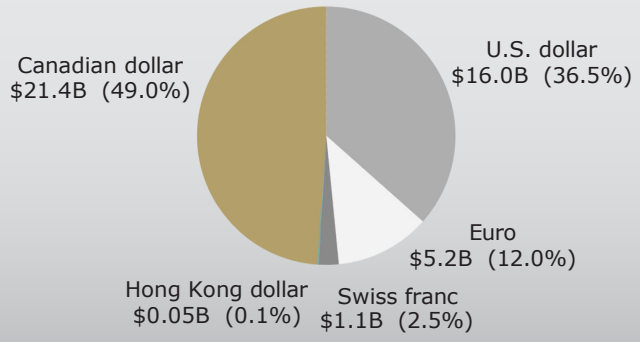
- OFA Bulletin
- Webcasts
- Borrowing Program
- IR Presentations
- Other events

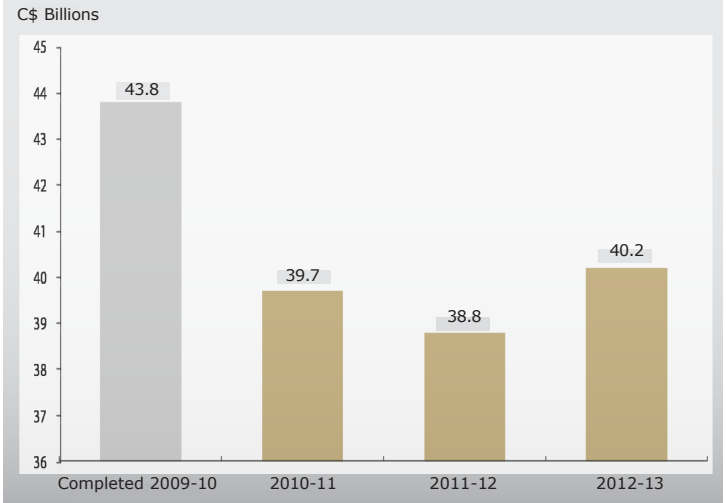
Diverse Borrowing Program

C$43.8 billion issued in 2009-10



Note: Numbers may not add due to rounding.

Medium-Term Borrowing Outlook



Credit Ratings (Long / Short)

- S&P rates Ontario AA- / A-1+
- Moody's rates Ontario Aa1 / P-1
- Ontario's debt has a zero risk-weighting in Canada, U.S., Australia, Singapore, U.K., France, Germany, Italy, Luxembourg, Belgium, Norway, Finland, Denmark and Ireland

The Ontario Financing Authority is an agency of the Province of Ontario responsible for provincial borrowing and debt management activities.

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