Ontario

Province of Ontario Investor Presentation

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November 6, 2025

2025 Ontario Economic Outlook and Fiscal Review

- The government is currently projecting a deficit of $13.5 billion in 2025–26 — an improvement of $1.1 billion from the outlook published in the *2025 Budget*. Over the medium term, the government projects a deficit of $7.8 billion in 2026–27 followed by a surplus of $0.2 billion in 2027–28, consistent with the path outlined in the *2025 Budget*.
- Ontario's real GDP rose by 1.4 per cent in 2024, and is projected to rise 0.8 per cent in 2025, 0.9 per cent in 2026, 1.8 per cent in 2027 and 1.9 per cent in 2028. Ontario's nominal GDP rose by 5.3 per cent in 2024, and is projected to rise 3.2 per cent in 2025, 3.0 per cent in 2026, 4.0 per cent in 2027, and 3.8 per cent in 2028.
- The net debt-to-GDP ratio is now forecast to be 37.7 per cent in 2025–26, compared with the forecast of 37.9 percent in the *2025 Budget*. The net debt-to-operating revenue is forecast to be 208 per cent in 2025–26, compared with the forecast of 211 percent in the *2025 Budget*. The net interest-to-operating revenue is forecast to be 6.4 per cent in 2025–26, compared with the forecast of 6.5 percent in the *2025 Budget*.
- The long-term borrowing requirement for 2025–26 is now forecast to be $42.5 billion, $0.3 billion lower than forecasted in the *2025–26 First Quarter Finances*. Ontario plans to increase short-term borrowing by $5.5 billion in 2025–26 and by a further $5.5 billion in 2026–27. This allows Ontario to take advantage of the steady decline in short-term interest rates relative to the long-term rates.

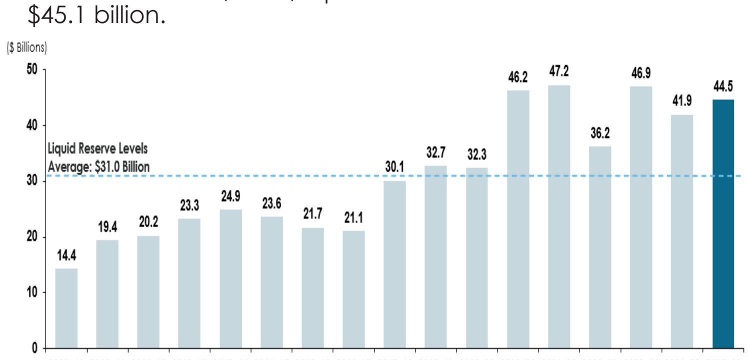
2025–26 Borrowing Program and Medium-Term Outlook

($ Billions)	*2025 Budget*	In-Year Change	Current Outlook 2025–26	Medium-Term Outlook 2026–27	Medium-Term Outlook 2027–28
Deficit/(Surplus)	14.6	(1.1)	13.5	7.8	(0.2)
Provincial Investment in Capital Assets	23.1	–	23.1	23.8	20.2
Amortization of Capital Assets	(9.1)	–	(9.1)	(9.3)	(10.1)
Non-Cash and Cash Timing Adjustments	(3.1)	–	(3.1)	(3.4)	(4.3)
Net Loans and Investments	1.2	1.3	2.5	2.4	1.4
Debt Maturities and Redemptions	33.1	–	33.1	26.9	27.5
Total Funding Requirement	**59.8**	**0.2**	**60.0**	**48.2**	**34.5**
Decrease/(Increase) in Short-Term Borrowing	(5.0)	(0.5)	(5.5)	(5.5)	–
Increase/(Decrease) in Year-End Cash and Cash Equivalents	(12.0)	–	(12.0)	(2.0)	–
Total Long-Term Public Borrowing	**42.8**	**(0.3)**	**42.5**	**40.7**	**34.5**

Note: Numbers may not add due to rounding. *Source:* Ontario Financing Authority.

Liquidity

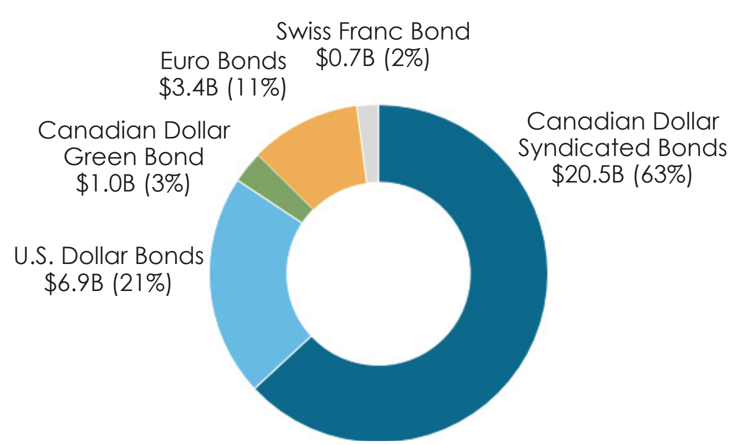
- Ontario balances the objective of minimizing the cost of holding liquid reserves against the need to always have enough cash on hand to pay its bills, invest in capital assets, refinance maturing debt and pay interest.
- As of October 31, 2025, liquid reserve levels were $45.1 billion.



*As of September 29, 2025.
Source: Ontario Financing Authority.

2025–26 Borrowing Program

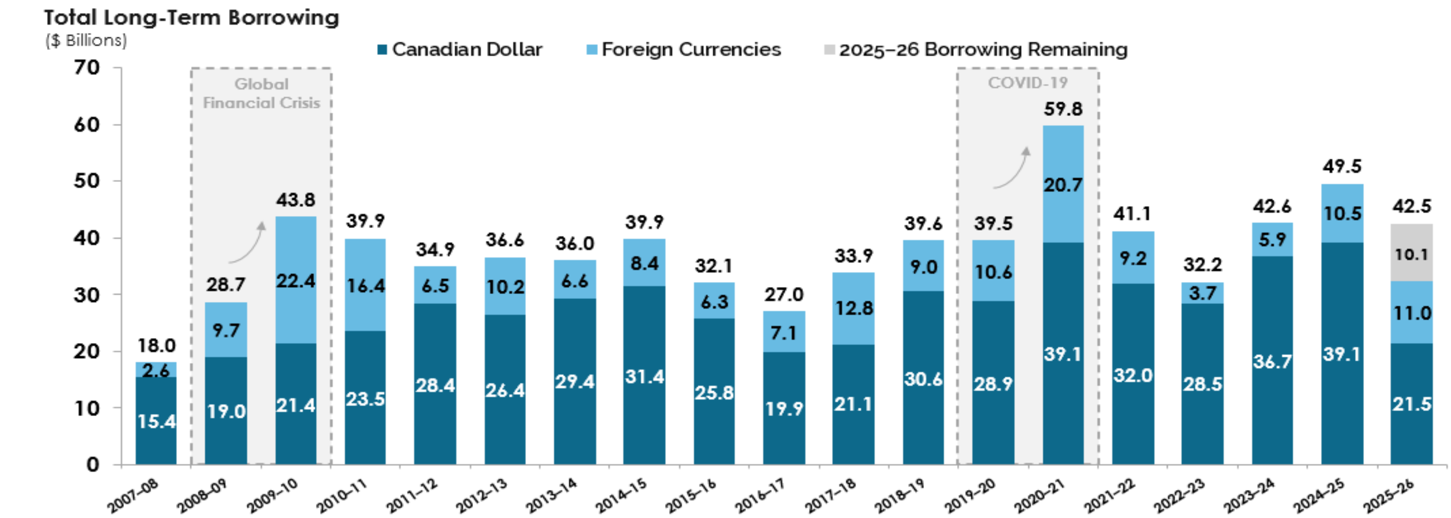
As of November 6, 2025, borrowing completed totalled $32.4 billion.



Note: Numbers may not add due to rounding.

Long-Term Borrowing

- Ontario has completed $32.4 billion or 76 per cent of its $42.5 billion 2025–26 long term borrowing program. Approximately $21.5 billion or 66 per cent was completed in Canadian dollars. This percentage is within Ontario's new guidance for domestic borrowing of 65 to 80 per cent for the 2025–26 fiscal year, which was adjusted from the 70 to 85 per cent target range in the *2025 Budget*. The remaining $11.0 billion or 34 per cent completed in U.S. dollars, euros, and Swiss francs.
- Due to the extension of the term of debt in recent years, the impact on interest on debt in the short term and medium term has been lessened. Ontario has issued $158 billion of bonds, or almost one third of total debt, with maturities of 30 years or longer since 2010–11. This includes $8.7 billion so far in 2025–26.



	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
Foreign	14%	34%	51%	41%	19%	28%	18%	21%	19%	26%	38%	23%	27%	35%	22%	12%	14%	21%	34%
Domestic	86%	66%	49%	59%	81%	72%	82%	79%	81%	74%	62%	77%	73%	65%	78%	88%	86%	79%	66%
Weighted-Average Term	12.1	8.6	8.1	12.8	13.0	12.4	13.6	14.1	14.2	13.9	12.1	12.9	14.5	12.0	14.5	15.0	15.2	14.1	14.7

Note: Numbers may not add due to rounding.
As of November 6, 2025.

Canadian Dollar Issuance

- Ontario accounted for 67.4 per cent of Canadian provincial bond trading in 2024. As of December 31, 2024, Ontario accounted for 12.9 per cent of the FTSE Universe Bond Index, 12.2 per cent of the FTSE Mid Bond Index, and 22.1 per cent of the FTSE Long Bond Index.
- Regular issuance of 5-year, 7-year, 10-year and 30-year issues, which are re-opened to achieve benchmark size (25 issues so far in 2025–26).

Canadian Dollar Benchmark Bonds (As of November 6, 2025)

Term	Ontario		Canada	
5 yr (old)	4.00% March 8, 2029	$2.75B	4.00% March 1, 2029	$27.00B
5 yr (new)	2.95% September 8, 2030	$3.50B	2.75% September 1, 2030	$42.00B
7 yr	2.15% June 2, 2031	$8.85B	1.50% June 1, 2031	$42.00B
10 yr (old)	3.60% June 2, 2035	$7.25B	3.25% December 1, 2034	$30.00B
10 yr (new)	3.95% December 2, 2035	$5.50B	3.25% June 1, 2035	$39.00B
Long (old)	4.60% December 2, 2055	$12.25B	1.75% December 1, 2053	$32.00B
Long (new)	4.45% December 2, 2056	$6.15B	2.75% December 1, 2055	$28.75B

Foreign Issuance

- Foreign currency borrowing helps diversify Ontario's investor base. Dependent on market conditions, the Province borrows in U.S. dollars, euros, British pound sterling, Australian dollars, Swiss francs, and other currencies.

USD Issues

Term	Coupon and Issue Date	Amount
5 year	3.90% August 27, 2025	U.S. $ 3.00B
10 year	4.85% June 3, 2025	U.S. $ 2.00B
5 year	4.70% January 8, 2025	U.S. $ 3.00B

Other Currencies

Term	Coupon and Issue Date	Amount
10 year	1.02% July 8, 2025	CHF 0.39B
10 year	3.25% June 25, 2025	€ 2.00B
10 year	5.35% April 29, 2024	AUD 1.50B

Green Bonds

- On August 28, 2025, Ontario issued a $1.0 billion Green Bond. This was the first Green Bond issued in 2025–26, nineteenth Green Bond overall, and Ontario's fifth Green Bond issued under the *Ontario Sustainable Bond Framework*.
- Ontario remains the largest issuer of Canadian dollar Green Bonds, totalling $22.5 billion with $17.75 billion outstanding. A total of 29 projects have received or will receive funding from Ontario's nineteen Green Bond issues.
- Ontario plans to continue its leadership in the Canadian dollar Green Bond market and, subject to market conditions, will issue multiple Green Bonds each fiscal year.

Features:

- Carry the full faith and credit of the Province of Ontario.
- Rank pari passu with Ontario's other bonds, 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.
- Since 2015, Ontario has published an annual Green Bond Newsletter with its tenth newsletter released in December 2024.

Assurances:

- The *Ontario Sustainable Bond Framework* was developed in consultation with Sustainalytics and adheres to the International Capital Market Association (ICMA) Green Bond Principles, the ICMA Social Bond Principles and the ICMA Sustainability Bond Guidelines.
- An assurance audit is performed by the Office of the Auditor General of Ontario verifying amounts allocated to selected projects and tracking the amount of Green Bond proceeds.

Fiscal Outlook

- Ontario's 2025–26 deficit is projected to be $13.5 billion — an improvement of $1.1 billion from the outlook published in the *2025 Budget*. This reflects stronger taxation revenue and broader public sector revenue, as well as a top-up to the Contingency Fund.
- Over the medium-term, the government is projecting deficits of $7.8 billion in 2026–27 followed by a surplus of $0.2 billion in 2027–28, consistent with the path outlined in the *2025 Budget*.
- Total revenue is projected to increase from $226.2 billion in 2024–25 to $240.0 billion in 2027–28, while total program expense is projected to increase from $212.1 billion to $220.1 billion over the same period.
- Ontario incorporates prudence in the form of a reserve to protect the fiscal outlook against unforeseen adverse changes in the Province's revenue and expense, including those resulting from changes in Ontario's economic performance. The reserve has been set at $2.0 billion in each year of the medium term: 2025–26, 2026–27, and 2027–28 — unchanged from the *2025 Budget*.

Fiscal Plan ($ Billions)	Actuals									Current Outlook	Medium-Term Outlook	
	2016–17	2017–18	2018–19	2019–20	2020–21	2021–22	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28
Revenue	**141.3**	**151.3**	**154.8**	**157.1**	**165.7**	**185.8**	**194.4**	**209.0**	**226.2**	**223.1**	**229.6**	**240.0**
Expense												
Programs	131.4	142.5	148.7	152.3	169.0	170.5	186.4	195.2	212.1	218.4	218.5	220.1
Interest and other Debt Servicing Charges	12.3	12.5	13.3	13.5	13.1	13.3	13.9	14.5	15.1	16.2	16.9	17.7
Total Expense	**143.7**	**155.0**	**162.1**	**165.7**	**182.0**	**183.8**	**200.3**	**209.7**	**227.3**	**234.6**	**235.3**	**237.8**
Reserve	–	–	–	–	–	–	–	–	–	2.0	2.0	2.0
Surplus/(Deficit)	**(2.4)**	**(3.7)**	**(7.3)**	**(8.6)**	**(16.3)**	**2.0**	**(5.9)**	**(0.7)**	**(1.1)**	**(13.5)**	**(7.8)**	**0.2**

Note: Numbers may not add due to rounding.
Sources: Ontario Treasury Board Secretariat and Ontario Ministry of Finance.

Interest and other Debt Servicing Charges (IOD)

- Interest and Other Debt Servicing Charges in 2025–26 is projected to be $16.2 billion, $16.9 billion in 2026–27 and $17.7 billion in 2027–28.
- As outlined in the *2024 Ontario Economic Outlook and Fiscal Review*, Ontario is now reporting interest and investment income separately as a revenue item. As a result of this change, IOD will be presented higher as it will be on a gross basis with interest and investment income no longer netted against it. This presentation change is fiscally neutral.

Credit Ratings (Long-Term/Short-Term)

Moody's Investor Service	Aa3 / P-1
Fitch	AA- / F1+
Morningstar DBRS	AA / R-1 (high)
S&P Global Ratings	AA- / A-1+

Risk Management

	Exposure[1]	Policy Limit
Foreign Exchange	0.14%	3.0%
Net Interest Rate Resetting	5.2%	35.0%

[1] Of outstanding debt, interim as of October 31, 2025.

Debt Burden Reduction Strategy

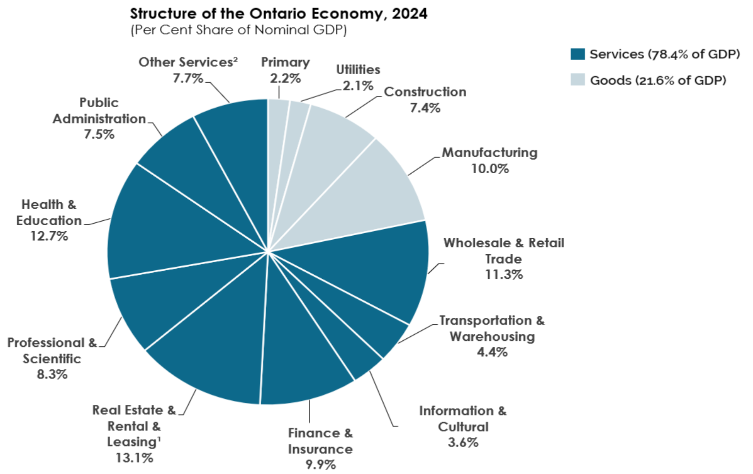
(Per Cent)	Targets	*2025 Budget* 2025–26 Forecast	*2025 FES*[1] 2025–26 Forecast
Net-Debt-to-GDP	<40.0	37.9	37.7
Net Debt-to-Operating Revenue	<200	211	208
Net Interest-to-Operating Revenue	<7.5	6.5	6.4

[1] *2025 FES* is defined as the *2025 Ontario Economic Outlook and Fiscal Review*.

Ontario's Economic Update

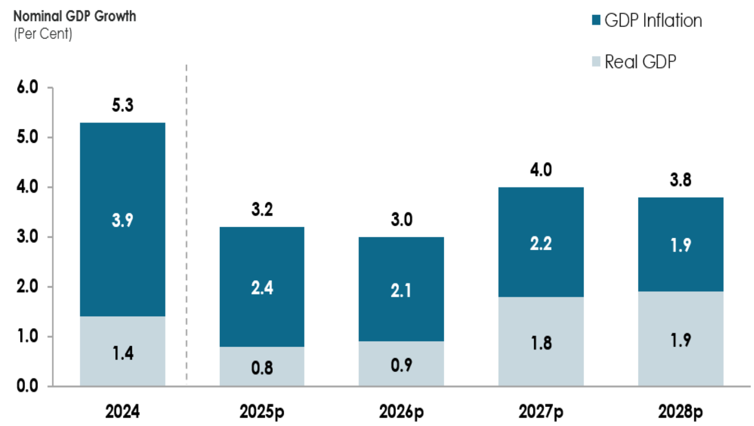
- Ontario's economy proved to be resilient in 2024, continuing to grow and add jobs as inflationary pressures eased throughout the year. Employment in Ontario increased by 140,000 in 2024.
- In the *2025 Ontario Economic Outlook and Fiscal Review*, Ontario's real GDP rose by 1.4 per cent in 2024, and is projected to rise 0.8 per cent in 2025, 0.9 per cent in 2026, 1.8 per cent in 2027 and 1.9 per cent 2028. Ontario's nominal GDP rose by 5.3 per cent in 2024, and is projected to rise 3.2 per cent in 2025, 3.0 per cent in 2026, and 4.0 per cent in 2027 and 3.8 per cent in 2028. For the purposes of prudent fiscal planning, these projections were set slightly below the average of private-sector forecasts.
- Due to heightened uncertainty around U.S. trade policies, the Ministry of Finance has developed scenarios to assess the potential impact from tariffs on Ontario's economy over the projection period. As significant risks remain regarding the scale, scope and timing of U.S. trade policies these alternative scenarios should not be considered the best case or the worst case. Rather, they illustrate a broader range of possible alternative outcomes.

Ontario's Diverse Economy



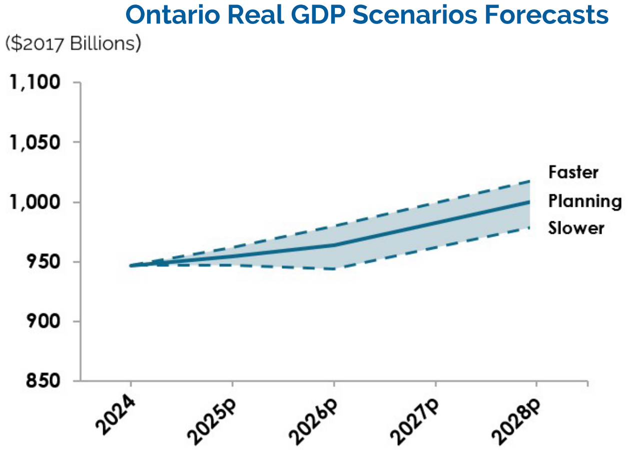
[1] Includes estimate of imputed rental income from owner occupied dwellings.
[2] Other services include: management of companies and enterprises; administrative and support waste management and remediation services; arts, entertainment and recreation; accommodation and food services; and other services.
Note: Numbers may not add due to rounding.
Source: Statistics Canada.

Ontario Nominal GDP Growth Projected to Moderate



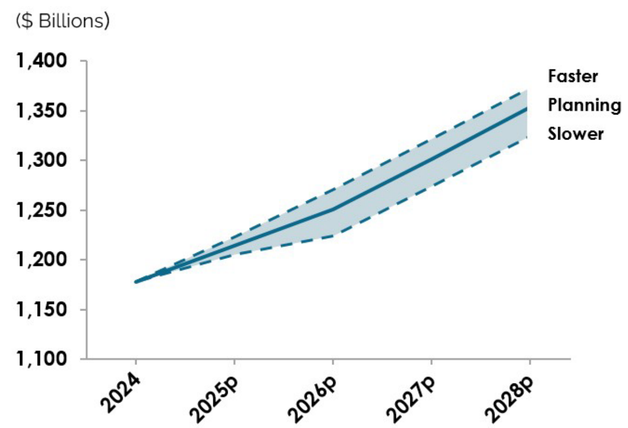
p: Ontario Ministry of Finance planning projection based on external sources as of September 12, 2025.
Sources: Statistics Canada and Ontario Ministry of Finance.

Ontario Real GDP Scenarios Forecasts



Real GDP Growth Scenarios (Per Cent)	2025p	2026p	2027p	2028p
Faster Growth Scenarios	1.4	1.9	2.1	2.2
Planning Projection	**0.8**	**0.9**	**1.8**	**1.9**
Slower Growth Scenarios	0.5	(0.3)	1.7	1.8

Ontario Nominal GDP Scenarios Forecasts



Nominal GDP Growth Scenarios (Per Cent)	2025p	2026p	2027p	2028p
Faster Growth Scenarios	4.1	4.8	4.5	4.3
Planning Projection	**3.2**	**3.0**	**4.0**	**3.8**
Slower Growth Scenarios	2.6	1.0	3.7	3.5

p = Ontario Ministry of Finance planning projection based on external sources as of September 12, 2025 and alternative scenarios.
Source: Ontario Ministry of Finance.

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

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