

## 2025–26 Third Quarter Finances

- The 2025–26 Third Quarter Finances project a 2025–26 deficit of \$13.4 billion—an improvement of \$0.1 billion compared to the 2025 Ontario Economic Outlook and Fiscal Review. The 2025 Budget, published in May 2025, projected a deficit of \$14.6 billion.
- Ontario's real GDP increased 0.5 per cent in the third quarter of 2025, following a 0.7 per cent decline in the second quarter. Ontario's real GDP rose by an estimated 1.2 per cent in 2025, which is higher than projected at the time of the 2025 Ontario Economic Outlook and Fiscal Review, while the private-sector average projection for real GDP growth in 2026 has increased slightly to 1.1 per cent.
- The net debt-to-GDP ratio is projected to be 36.9 per cent in 2025–26, 1.0 percentage point lower than the 37.9 per cent forecast in the 2025 Budget and 0.8 percentage points lower than the 37.7 per cent forecast in the 2025 Ontario Economic Outlook and Fiscal Review.
- Ontario has completed \$50.9 billion of long-term borrowing for the 2025–26 fiscal year and has begun pre-borrowing for next fiscal year.

## 2025–26 Borrowing Program

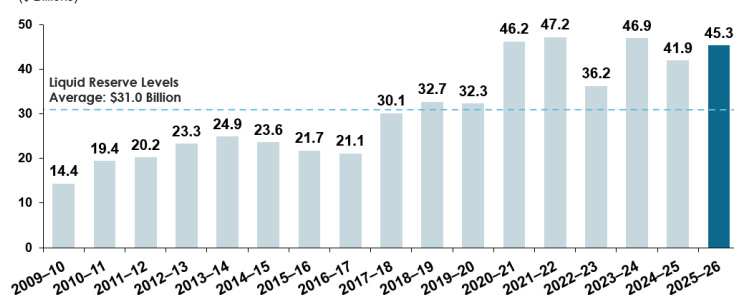
(\$ Billions)	2025–26				
	2025 Budget	2025 FES <sup>1</sup>	Current Outlook	Change from 2025 Budget	Change from 2025 FES
Deficit/(Surplus)	14.6	13.5	13.4	(1.2)	(0.1)
Provincial Investment in Capital Assets	23.1	23.1	24.3	1.2	1.2
Amortization of Capital Assets	(9.1)	(9.1)	(9.1)	–	–
Non-Cash and Cash Timing Adjustments	(3.1)	(3.1)	(2.1)	1.0	1.0
Net Loans and Investments	1.2	2.5	2.4	1.2	(0.1)
Debt Maturities and Redemptions	33.1	33.1	33.1	–	–
<b>Total Funding Requirement</b>	<b>59.8</b>	<b>60.0</b>	<b>62.0</b>	<b>2.2</b>	<b>2.0</b>
Decrease/(Increase) in Short-Term Borrowing	(5.0)	(5.5)	(5.5)	(0.5)	–
Increase/(Decrease) in Year-End Cash and Cash Equivalents	(12.0)	(12.0)	(5.6)	6.4	6.4
<b>Total Long-Term Public Borrowing</b>	<b>42.8</b>	<b>42.5</b>	<b>50.9</b>	<b>8.1</b>	<b>8.4</b>

<sup>1</sup>2025 FES is defined as the 2025 Ontario Economic Outlook and Fiscal Review.  
 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 February 6, 2026, liquid reserve levels were \$33.6 billion.

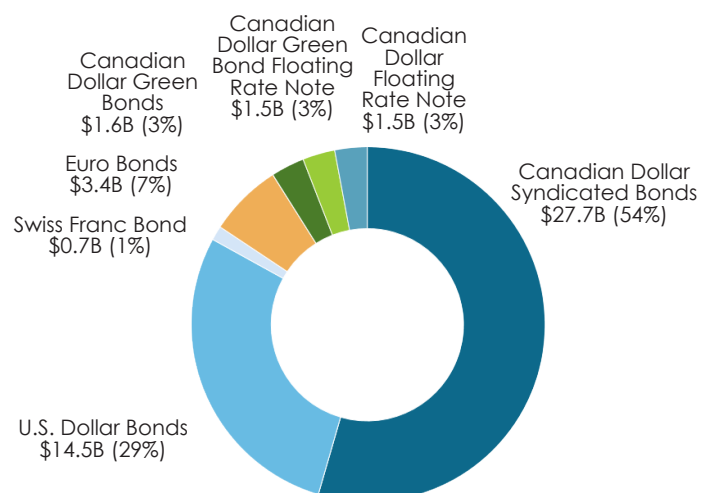
Average Unrestricted Liquid Reserve Levels  
 (\$ Billions)



Source: Ontario Financing Authority.

## 2025–26 Borrowing Program

As of February 6, 2026, borrowing completed totalled \$50.9 billion.



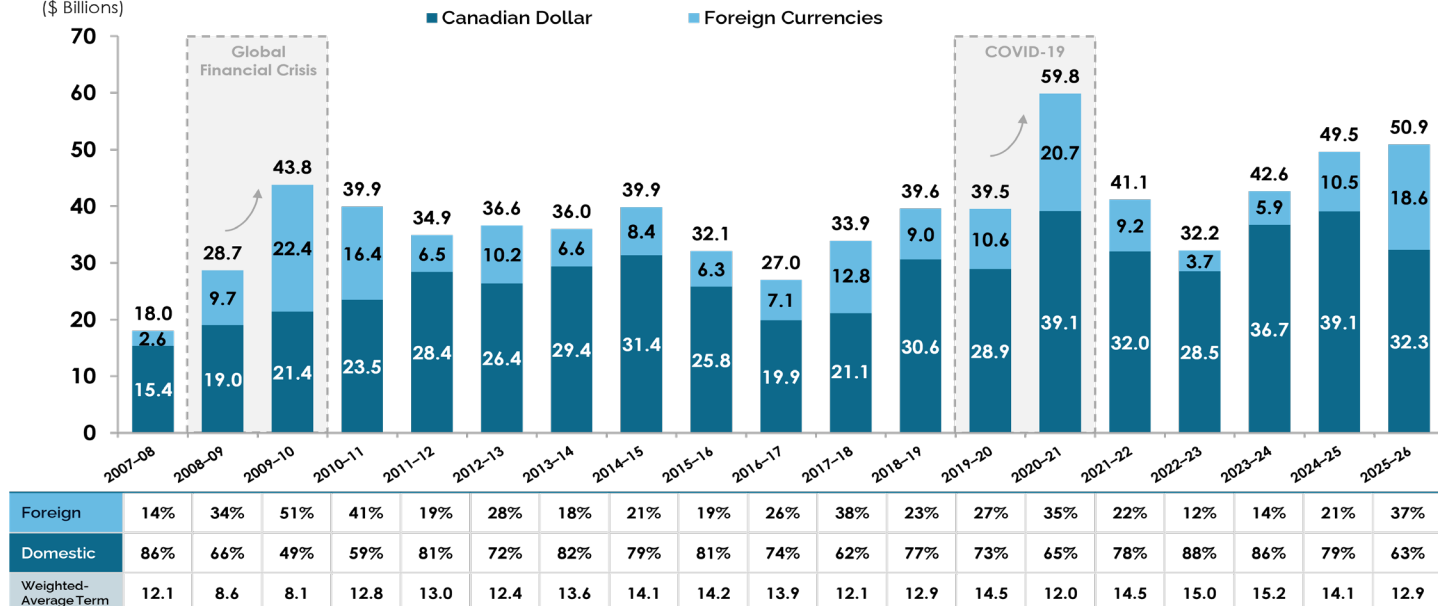
Note: Numbers may not add due to rounding.

## Long-Term Borrowing

- Ontario has completed \$50.9 billion of long-term borrowing for the 2025–26 fiscal year and has begun pre-borrowing for the next fiscal year. Approximately \$32.3 billion or 63 per cent was completed in Canadian dollars through 33 syndicated issues, one floating rate note, two Green Bonds, and one Green bond floating rate note. This percentage is just under the 65 to 80 per cent guidance for domestic borrowing. The remaining \$18.6 billion or 37 per cent was 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 \$160 billion of bonds, or almost one third of total debt outstanding, with maturities of 30 years or longer since 2010–11. This includes \$10.7 billion so far in 2025–26.

### Total Long-Term Borrowing

(\$ Billions)



Note: Numbers may not add due to rounding.  
As of February 6, 2026.

## Canadian Dollar Issuance

- Ontario accounted for 74.7 per cent of Canadian provincial bond trading in 2025. As of December 31, 2025, Ontario accounted for 12.1 per cent of the FTSE Universe Bond Index, 11.9 per cent of the FTSE Mid Bond Index, and 20.8 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 (33 issues so far in 2025–26).

### Canadian Dollar Benchmark Bonds (As of February 6, 2026)

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)	3.95% December 2, 2035	\$7.75B	3.25% June 1, 2035	\$39.00B
10 yr (new)	3.90% June 2, 2036	\$3.50B	3.25% December 1, 2035	\$42.00B
Long (old)	4.60% December 2, 2055	\$12.25B	1.75% December 1, 2053	\$32.00B
Long (new)	4.45% December 2, 2056	\$7.65B	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
3 year	3.80% January 21, 2026	U.S. \$ 3.50B
10 year	4.45% November 13, 2025	U.S. \$ 2.00B
5 year	3.90% August 27, 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 November 17, 2025, for the first time ever, the Province issued a dual-tranche Green Bond. This is comprised of a \$600 million re-opening of Ontario's 30-year Green Bond, and a new 5-year Canadian dollar Green Bond Floating Rate Note (FRN) for \$1.5 billion.
- Ontario remains the largest issuer of Canadian dollar Green Bonds, totalling \$24.6 billion with \$19.85 billion outstanding. A total of 29 projects, including the recently opened Eglinton Crowsstown LRT, have received or will receive funding from Ontario's 21 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 eleventh newsletter released in December 2025.

### 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

- As of the 2025–26 *Third Quarter Finances*, Ontario's 2025–26 deficit is now projected to be \$13.4 billion—an improvement of \$0.1 billion from the outlook published in the 2025 *Ontario Economic Outlook and Fiscal Review*. The 2025 *Budget*, published in May 2025, projected a deficit of \$14.6 billion.
- The outlook for revenue in 2025–26 is projected to be \$223.7 billion, an increase of \$3.8 billion compared to the 2025 *Budget* and \$0.6 billion higher than the projection in the 2025 *Ontario Economic Outlook and Fiscal Review*. Increases in revenues since the 2025 *Ontario Economic Outlook and Fiscal Review* mainly reflect stronger than expected revenues from Government Business Enterprises and transfers from the Government of Canada.
- Program expense in 2025–26 is projected to be \$219.9 billion, \$3.6 billion higher than forecasted in the 2025 *Budget* and \$1.5 billion higher than the 2025 *Ontario Economic Outlook and Fiscal Review*. New commitments since the 2025 *Ontario Economic Outlook and Fiscal Review* primarily relate to investments to support the Ontario Student Assistance Program, hospital funding, emergency firefighting and evacuation services, road safety, and agreements with First Nation communities to unlock the Ring of Fire.
- Ontario's fiscal plan 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 2025 *Budget* included a \$2.0 billion reserve in 2025–26, which has been reduced to \$1.0 billion with the release of the 2025–26 *Third Quarter Finances*. The remaining reserve can be used to safeguard against any events and uncertainty that may arise or can be eliminated if not needed as part of year-end projections.

Fiscal Plan (\$ Billions)	Actuals									Current Outlook
	2016–17	2017–18	2018–19	2019–20	2020–21	2021–22	2022–23	2023–24	2024–25	2025–26
<b>Revenue</b>	141.3	151.3	154.8	157.1	165.7	185.8	194.4	209.0	226.2	223.7
<b>Expense</b>										
Programs	131.4	142.5	148.7	152.3	169.0	170.5	186.4	195.2	212.1	219.9
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
<b>Total Expense</b>	143.7	155.0	162.1	165.7	182.0	183.8	200.3	209.7	227.3	236.1
Reserve	—	—	—	—	—	—	—	—	—	1.0
<b>Surplus/(Deficit)</b>	(2.4)	(3.7)	(7.3)	(8.6)	(16.3)	2.0	(5.9)	(0.7)	(1.1)	(13.4)

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, consistent with the forecasts presented in the 2025 *Budget* and the 2025 *Ontario Economic Outlook and Fiscal Review*.

### Risk Management

	Exposure <sup>1</sup>	Policy Limit
<b>Foreign Exchange</b>	0.14%	3.0%
<b>Net Interest Rate Resetting</b>	7.8%	35.0%

<sup>1</sup> Of outstanding debt, interim as of January 31, 2026.

### Credit Ratings (Long-Term/Short-Term)

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

### Debt Burden Reduction Strategy

(Per Cent)	Targets	2025 FES <sup>1</sup> 2025–26 Forecast	2025–26 Current Outlook
<b>Net-Debt-to-GDP</b>	<40.0	37.7	36.9
<b>Net Debt-to-Operating Revenue</b>	<200	208	207
<b>Net Interest-to-Operating Revenue</b>	<7.5	6.4	6.4

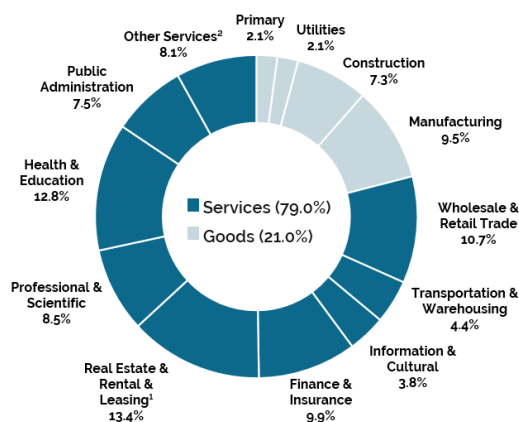
<sup>1</sup> 2025 FES is defined as the 2025 *Ontario Economic Outlook and Fiscal Review*.

## Ontario's Economic Update

- In the third quarter of 2025, Ontario's real gross domestic product (GDP) increased 0.5 per cent, following a 0.7 per cent decrease in the second quarter of 2025. Growth in the third quarter was supported by gains in residential investment and net trade, as exports edged up and imports declined.
- Ontario's real GDP rose by an estimated 1.2 per cent in 2025, which is higher than was expected at the time of the *2025 Ontario Economic Outlook and Fiscal Review*. Private-sector forecasters, on average, project Ontario's real GDP to rise by 1.1 percent in 2026, slightly higher than the private-sector average of 1.0 per cent at the time of the *2025 Ontario Economic Outlook and Fiscal Review*.
- 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

Structure of the Ontario Economy, 2024  
(Per Cent Share of Nominal GDP)



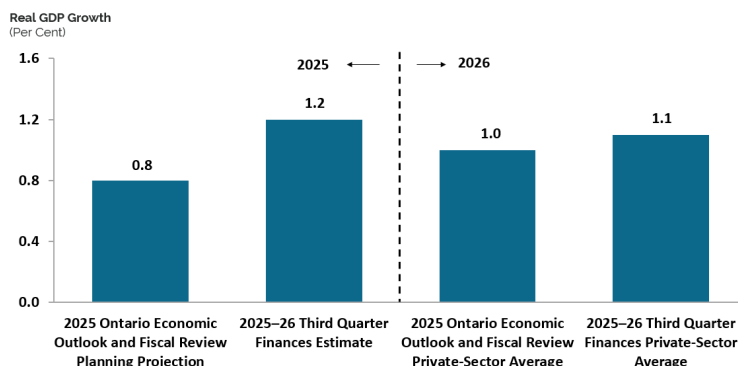
<sup>1</sup> Includes estimate of imputed rental income from owner occupied dwellings.

<sup>2</sup> 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.

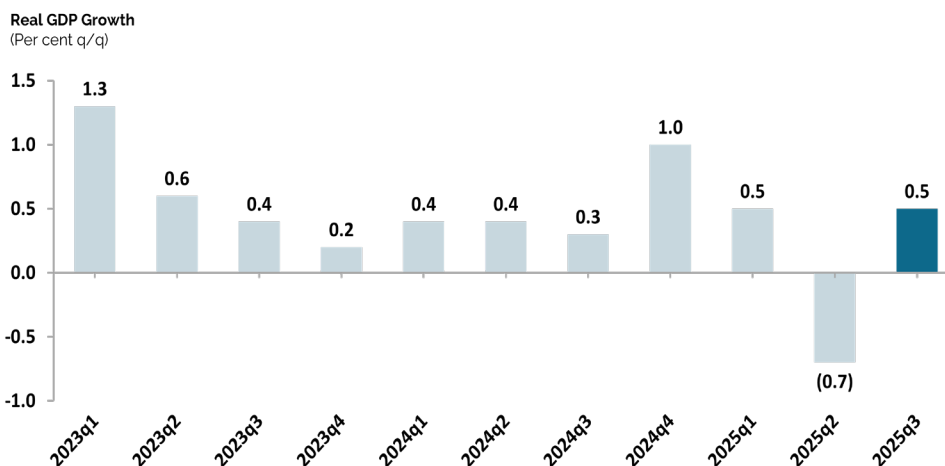
Source: Statistics Canada.

### Since Fall Ontario Growth Outlook Revised Higher



Source: Ontario Ministry of Finance, based on information available as of January 16, 2026.

### Ontario GDP Declined in Q2, Rebounded in Q3



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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