

2025–26 First Quarter Finances

- As of the 2025–26 First Quarter Finances, Ontario's 2025–26 deficit is projected to be \$14.6 billion, unchanged from the outlook published in the 2025 Ontario Budget.
- Ontario's real GDP rose by 1.4 per cent in 2024, and is projected to rise 0.8 per cent in 2025, 1.0 per cent in 2026 and 1.9 per cent in both 2027 and 2028. Ontario's nominal GDP rose by 5.3 per cent in 2024, and is projected to rise 3.1 per cent in 2025, 3.0 per cent in 2026, and 4.0 per cent in both 2027 and 2028.
- The net debt-to-GDP ratio is projected to be 37.9 per cent in 2025–26, consistent with the forecast in the 2025 Budget. The net debt-to-operating revenue (formerly net debt-to-revenue) is forecast to be 211 per cent in 2025–26. The net interest-to-operating revenue (formerly interest on debt-to-revenue) is forecast to be 6.5 per cent in 2025–26.
- To date, Ontario completed \$21.1 billion in long-term borrowing in 2025–26. Total long-term public borrowing is forecast to be \$42.8 billion.

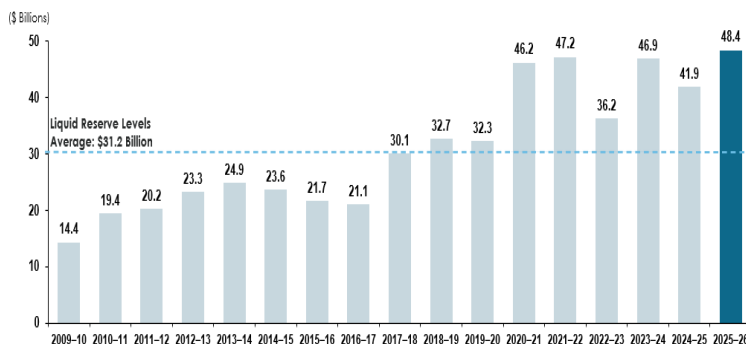
2025–26 Borrowing Program

(\$ Billions)	2025–26		
	2025 Budget	Change from 2025 Budget	Current Outlook
Deficit/(Surplus)	14.6	–	14.6
Provincial Investment in Capital Assets	23.1	–	23.1
Amortization of Capital Assets	(9.1)	–	(9.1)
Non-Cash and Cash Timing Adjustments	(3.1)	–	(3.1)
Net Loans and Investments	1.2	–	1.2
Debt Maturities and Redemptions	33.1	–	33.1
Total Funding Requirement	59.8	–	59.8
Decrease/(Increase) in Short-Term Borrowing	(5.0)	–	(5.0)
Increase/(Decrease) in Year-End Cash and Cash Equivalents	(12.0)	–	(12.0)
Total Long-Term Public Borrowing	42.8	–	42.8

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

Liquidity

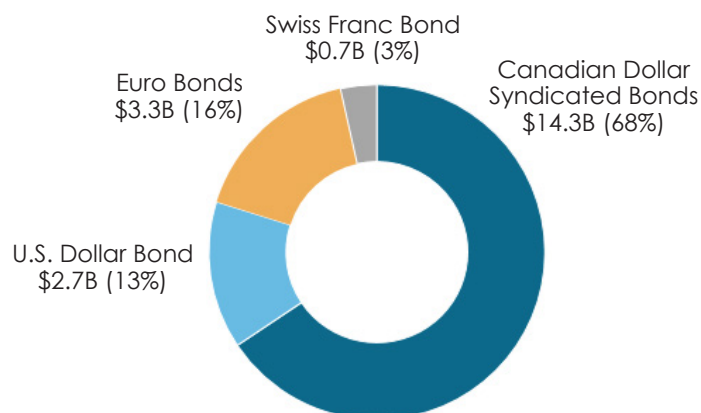
- Ontario balances the objective of minimizing the cost of holding liquid reserves against the need to always have enough cash on hand to pay its bills, invest in capital assets, refinance maturing debt and pay interest.
- As of August 11, 2025, liquid reserve levels were \$47.5 billion.



Source: Ontario Financing Authority.

2025–26 Borrowing Program

As of August 12, 2025, borrowing completed totalled \$21.1 billion.



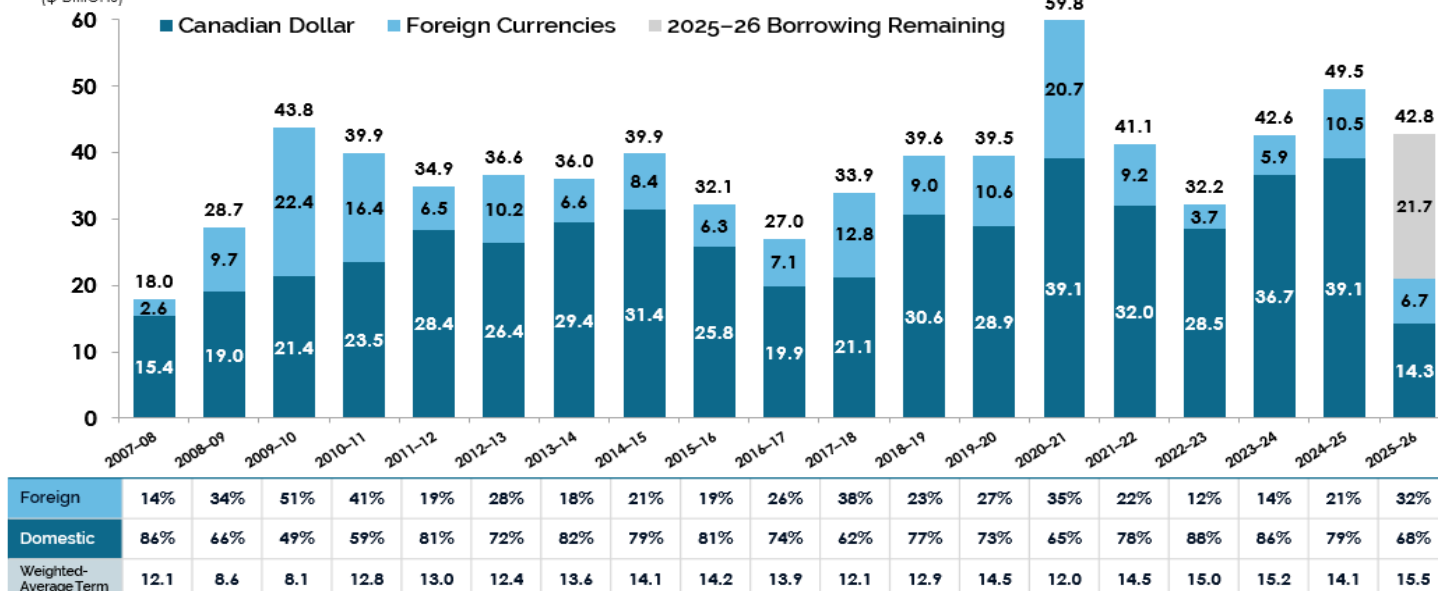
Note: Numbers may not add due to rounding.

Long-Term Borrowing

- Ontario had completed \$21.1 billion or 49.2 per cent of its \$42.8 billion 2025–26 long term borrowing program. Approximately \$14.3 billion or 68.0 per cent was completed in Canadian dollars, with the remaining \$6.7 billion or 32.0 per cent completed primarily in U.S. dollars and euros.
- 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 \$156 billion of bonds, or almost one third of total debt, with maturities of 30 years or longer since 2010–11. This includes \$12.7 billion in 2024–25 and \$5.9 billion so far in 2025–26.

Total Long-Term Borrowing

(\$ Billions)



Note: Numbers may not add due to rounding.
As of August 12, 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 (17 issues so far in 2025–26).

Canadian Dollar Benchmark Bonds (As of August 12, 2025)

Term	Ontario		Canada	
5 yr (old)	4.00% March 8, 2029	\$2.75B	3.50% September 1, 2029	\$30.00B
5 yr (new)	2.95% September 8, 2030	\$3.50B	2.75% March 1, 2030	\$33.00B
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	\$2.00B	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	\$3.45B	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 and other currencies. 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
10 year	4.85% June 3, 2025	US\$ 2.00B
5 year	4.70% January 8, 2025	US\$ 3.00B
5 year	3.70% September 10, 2024	US\$ 2.00B

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 January 30, 2025, Ontario issued a \$1.25 billion Green Bond. This was the third Green Bond issued in 2024–25, eighteenth Green Bond overall, and Ontario's fourth Green Bond issued under the Sustainable Bond Framework. This Green Bond, marked the first time Ontario has issued more than two Green Bonds in a fiscal year. Most notably, the \$1.0 billion Green Bond that was issued on October 2, 2024 was the first ever 30-year Green Bond by a province. This provides additional maturity flexibility in the domestic Green Bond market.
- Ontario remains the largest issuer of Canadian dollar Green Bonds, totalling \$21.5 billion with \$16.75 billion outstanding. A total of 29 projects have received or will receive funding from Ontario's eighteen 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 Sustainability 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 *First Quarter Finances*, the province's 2025–26 deficit is projected to be \$14.6 billion, consistent with the outlook published in the 2025 *Ontario Budget*.
- Total revenues and program expenses in the 2025–26 *First Quarter Finances* are projected to be \$219.9 billion and \$216.3 billion, respectively, unchanged from the outlook in the 2025 *Ontario Budget*.
- 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 2025–26.

Fiscal Plan (\$ Billions)	Actuals								Interim	Current Outlook
	2016–17	2017–18	2018–19	2019–20	2020–21	2021–22	2022–23	2023–24	2024–25	2025–26
Revenue	141.3	151.3	154.8	157.1	165.7	185.8	194.4	209.0	221.6	219.9
Expense										
Programs	131.4	142.5	148.7	152.3	169.0	170.5	186.4	195.2	212.4	216.3
Interest and other Debt Servicing Charges	12.3	12.5	13.3	13.5	13.1	13.3	13.9	14.5	15.2	16.2
Total Expense	143.7	155.0	162.1	165.7	182.0	183.8	200.3	209.7	227.6	232.5
Reserve	–	–	–	–	–	–	–	–	–	2.0
Surplus/(Deficit)	(2.4)	(3.7)	(7.3)	(8.6)	(16.3)	2.0	(5.9)	(0.6)	(6.0)	(14.6)

Notes: 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 remain unchanged at \$16.2 billion, as forecasted in the 2025 *Budget*.
- As first 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 now be on a gross basis with interest and investment income no longer netted against it. While this results in IOD being presented higher, this change is fiscally and economically neutral.

Risk Management

	Exposure ¹	Policy Limit
Foreign Exchange	0.14%	3.0%
Net Interest Rate Resetting	6.3%	35.0%

¹ Of outstanding debt, as of July 31, 2025.

Debt Burden Reduction Strategy

(Per Cent)	Targets	2024 Budget 2024–25 Forecast	2025 Budget 2024–25 Forecast	2024 Budget 2025–26 Forecast	2025–26 Current Outlook
Net-Debt-to-GDP	<40.0	39.2	36.3	39.5	37.9
Net Debt-to-Operating Revenue	<200	214	195	211	211
Net Interest-to-Operating Revenue	<7.5	6.8	5.8	6.8	6.5

Credit Ratings (Long-Term/Short-Term)

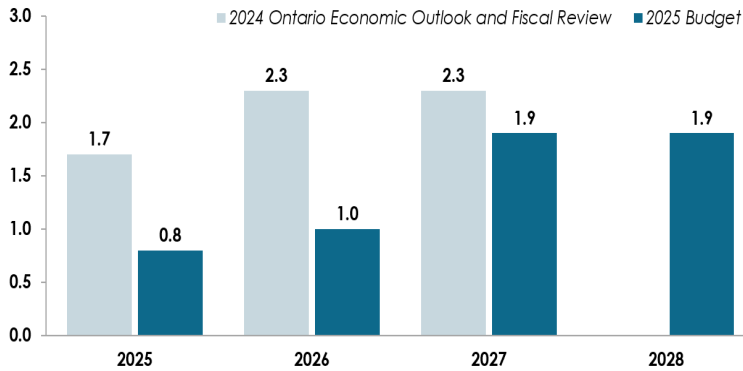
Moody's Investor Service	Aa3 / P-1
Fitch	AA- / F1+
Morningstar DBRS	AA / R-1 (high)
S&P Global Ratings	AA- / A-1+

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 Budget*, Ontario's real GDP is projected to rise 0.8 per cent in 2025, 1.0 per cent in 2026 and 1.9 per cent in both 2027 and 2028. Ontario's nominal GDP is projected to rise 3.1 per cent in 2025, 3.0 per cent in 2026, and 4.0 per cent in both 2027 and 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.

Tariffs Weighing on Real GDP Outlook

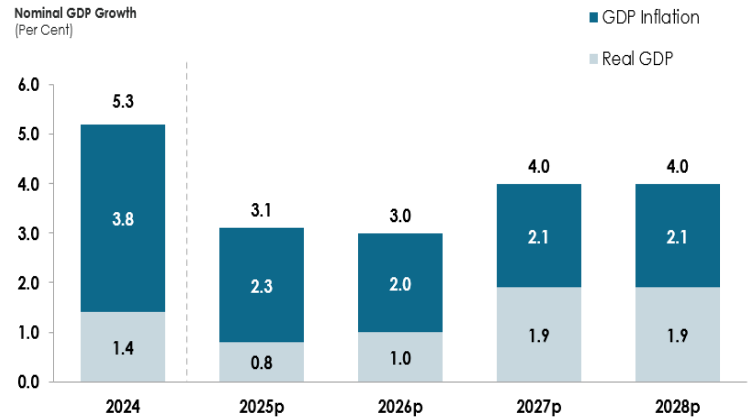
Real GDP Growth Planning Projection
(Per Cent)



Sources: Ontario Ministry of Finance.

Ontario GDP Growth Projected to rise

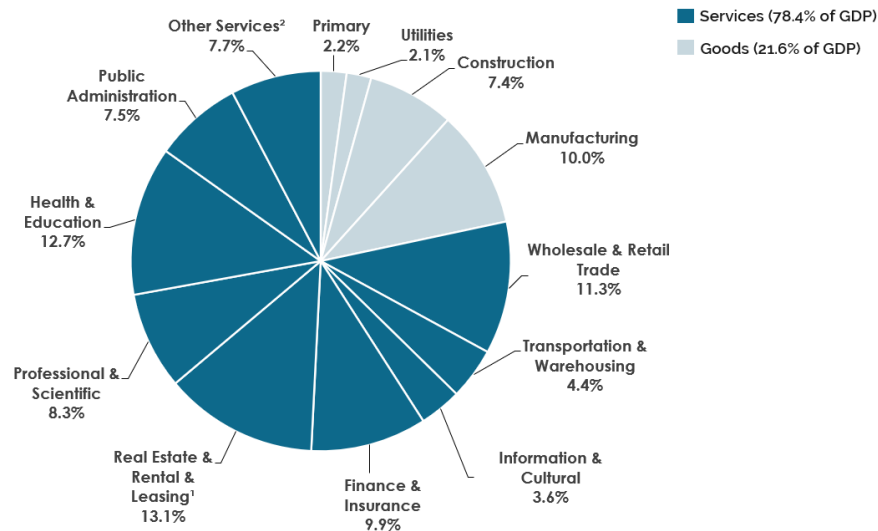
Nominal GDP Growth
(Per Cent)



p: Ontario Ministry of Finance planning projection based on external sources as of April 3, 2025.
Sources: Statistics Canada and Ontario Ministry of Finance.

Ontario's Diverse Economy

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



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.

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

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