

## 2025 Budget

- Ontario's 2024–25 deficit is projected to be \$6.0 billion — an improvement of \$3.8 billion from the outlook published in the 2024 Budget and \$0.6 billion from the 2024 Ontario Economic Outlook and Fiscal Review. This reflects updated economic and revenue information and investments in health care, education and other critical services. Over the medium-term, the government is projecting deficits of \$14.6 billion in 2025–26 and \$7.8 billion in 2026–27, followed by a surplus of \$0.2 billion in 2027–28.
- Ontario's real GDP rose by 1.5 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 5.2 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 now forecast to be 36.3 per cent in 2024–25, 37.9 per cent in 2025–26, 38.9 per cent in 2026–27 and 38.6 per cent in 2027–28. The net debt-to-operating revenue (formerly net debt-to-revenue) is forecast to be 195 per cent in 2024–25, 211 per cent in 2025–26, 215 per cent in 2026–27 and 212 per cent in 2027–28. The net interest-to-operating revenue (formerly interest on debt-to-revenue) is forecast to be 5.8 per cent in 2024–25, 6.5 per cent in 2025–26, 6.7 per cent in 2026–27, and 6.8 per cent in 2027–28.
- Ontario has completed long-term borrowing for 2024–25 of \$49.5 billion. This is \$11.3 billion higher than anticipated in the 2024 Budget or \$12.0 billion higher than the 2024 Ontario Economic Outlook and Fiscal Review. The increase in borrowing was a decision to take advantage of market access. Following the release of the 2025 Ontario Budget, 2025–26 borrowing completed to date, totals \$5.0 billion.

## 2024–25 Borrowing Program and Medium-Term Outlook

(\$ Billions)			Current Outlook	Medium-Term Outlook		
	2024 Budget	In-Year Change	Interim <sup>1</sup> 2024–25	2025–26	2026–27	2027–28
Deficit/(Surplus)	9.8	(3.8)	6.0	14.6	7.8	(0.2)
Provincial Investment in Capital Assets	17.7	(0.5)	17.2	23.1	23.7	20.1
Amortization of Capital Assets <sup>2</sup>	(8.4)	(0.2)	(8.6)	(9.1)	(9.3)	(10.1)
Non-Cash and Cash Timing Adjustments	(2.6)	6.2	3.6	(3.1)	(3.4)	(4.3)
Net Loans and Investments	(0.3)	0.8	0.5	1.2	(0.1)	–
Debt Maturities and Redemptions	28.0	–	28.0	33.1	26.9	27.5
<b>Total Funding Requirement</b>	<b>44.2</b>	<b>2.5</b>	<b>46.7</b>	<b>59.8</b>	<b>45.6</b>	<b>33.0</b>
Decrease/(Increase) in Short-Term Borrowing	(5.0)	–	(5.0)	(5.0)	(2.5)	–
Increase/(Decrease) in Year-End Cash and Cash Equivalents <sup>3</sup>	(1.0)	8.8	7.8	(12.0)	(2.0)	–
<b>Total Long-Term Public Borrowing</b>	<b>38.2</b>	<b>11.3</b>	<b>49.5</b>	<b>42.8</b>	<b>41.1</b>	<b>33.0</b>

<sup>1</sup> Interim represents the 2025 Budget projection for the 2024–25 fiscal year.

<sup>2</sup> Starting in the 2025 Budget, Amortization of Capital Assets will be reflected in a separate line in this table to reflect the increasing impact of the capital plan on the borrowing program.

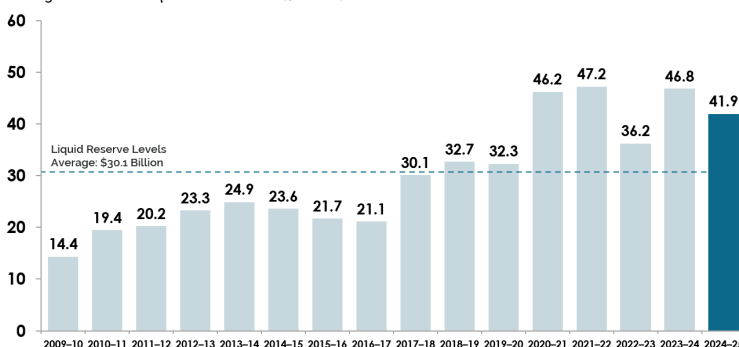
<sup>3</sup> Starting in 2024–25, pre-borrowing will be reflected as part of the increase in year-end cash and cash equivalents.

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 May 14, 2025, liquid reserve levels were \$48.8 billion.

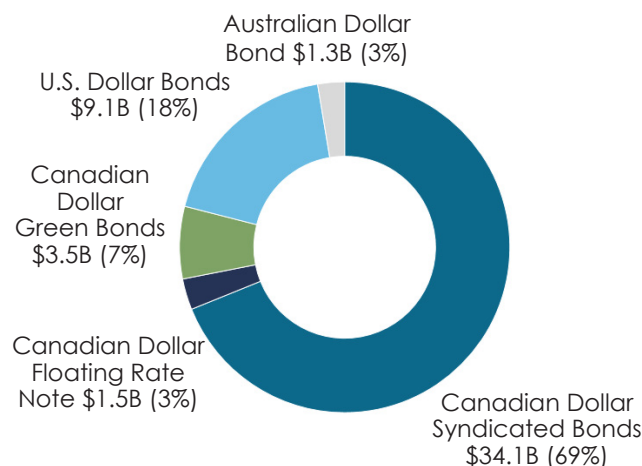
Average Unrestricted Liquid Reserve Levels (\$ Billions)



Source: Ontario Financing Authority.

## 2024–25 Borrowing Program

As of March 31, 2025, borrowing completed totalled \$49.5 billion.

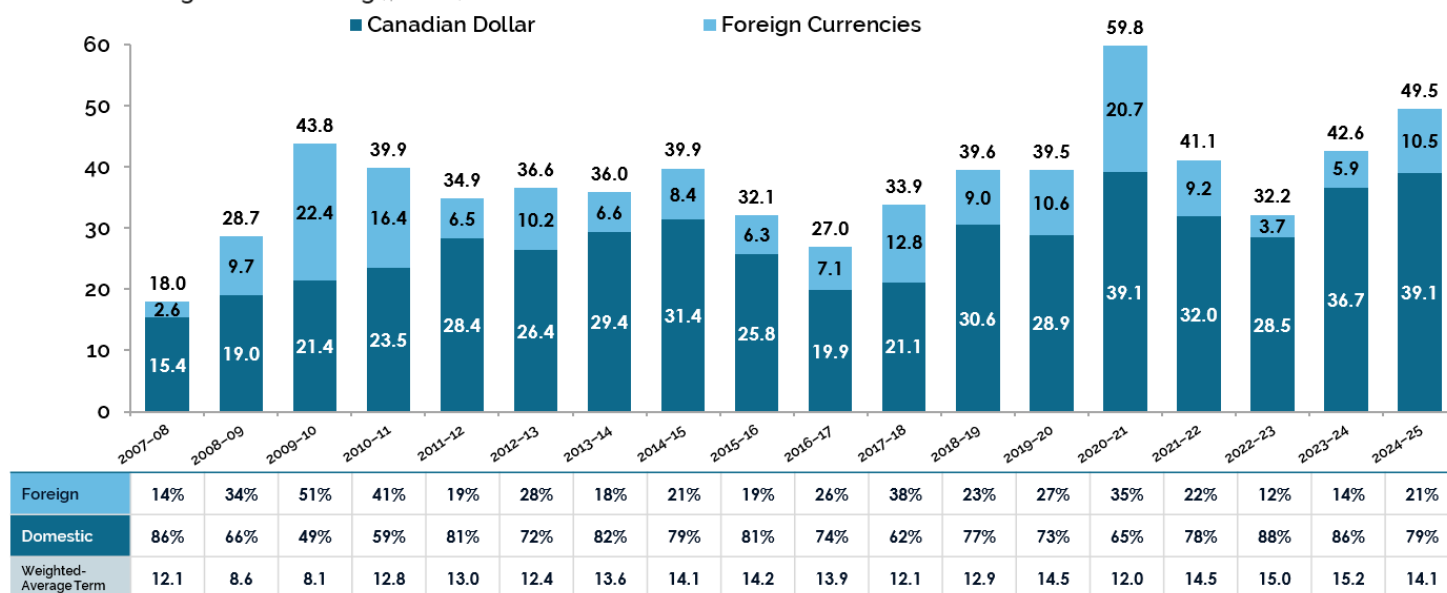


Note: Numbers may not add due to rounding.

## Long-Term Borrowing

- Ontario borrowed \$49.5 billion in fiscal 2024–25. Approximately 79 per cent of 2024–25 long-term borrowing was completed in Canadian dollars, through 36 syndicated issues, one floating rate note and three green bonds. The remaining 21 percent was completed in foreign currencies, in U.S. dollars and Australian dollars.
- 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 \$151 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 \$1.4 billion so far in 2025–26.

Total Long-Term Borrowing (\$ Billions)



Note: Numbers may not add due to rounding.  
As of March 31, 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 (36 syndicated issues in 2024–25).

### Canadian Dollar Benchmark Bonds (As of May 15, 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	\$2.50B	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)	3.80% December 2, 2034	\$7.50B	3.25% December 1, 2034	\$30.00B
10 yr (new)	3.60% June 2, 2035	\$5.25B	3.25% December 1, 2034	\$30.00B
Long (old)	4.15% December 2, 2054	\$12.00B	1.75% December 1, 2053	\$32.00B
Long (new)	4.60% December 2, 2055	\$11.25B	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
5 year	4.70% January 8, 2025	US\$ 3.00B
5 year	3.70% September 10, 2024	US\$ 2.00B
10 year	5.05% April 16, 2024	US\$ 1.50B

### Other Currencies

Term	Coupon and Issue Date	Amount
10 year	5.35% April 29, 2024	AUD\$ 1.50B
10 year	3.10% January 24, 2024	€ 1.25B
4 year	2.25% May 17, 2022	£ 0.50B

# 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 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 2024–25 deficit is projected to be \$6.0 billion — an improvement of \$3.8 billion from the outlook published in the 2024 *Budget* and \$0.6 billion from the 2024 *Ontario Economic Outlook and Fiscal Review*. This reflects updated economic and revenue information and investments in health care, education and other critical services. Over the medium-term, the government is projecting deficits of \$14.6 billion in 2025–26 and \$7.8 billion in 2026–27, followed by a surplus of \$0.2 billion in 2027–28.
- Total revenue is projected to increase from \$221.6 billion in 2024–25 to \$237.9 billion in 2027–28, while total program expense is projected to increase from \$212.4 billion to \$217.9 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.

Fiscal Plan (\$ Billions)	Actuals								Interim	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	221.6	219.9	227.9	237.9
Expense												
Programs	131.4	142.5	148.7	152.3	169.0	170.5	186.4	195.2	212.4	216.3	216.7	217.9
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	17.0	17.8
Total Expense	143.7	155.0	162.1	165.7	182.0	183.8	200.3	209.7	227.6	232.5	233.7	235.7
Reserve	–	–	–	–	–	–	–	–	–	2.0	2.0	2.0
Surplus/(Deficit)	(2.4)	(3.7)	(7.3)	(8.6)	(16.3)	2.0	(5.9)	(0.6)	(6.0)	(14.6)	(7.8)	0.2

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)

- Ontario is forecast to pay \$15.2 billion in interest costs in 2024–25, \$16.2 billion in 2025–26, \$17.0 billion in 2026–27, and \$17.8 billion in 2027–28.
- 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. For transition purposes, the table below compares the IOD forecast on a net and gross basis.

## Comparison of IOD Expense Forecast

(\$ Billions)	2024–25	2025–26	2026–27
Gross IOD			
2025 Budget	15.2	16.2	17.0
2024 Budget	16.5	16.7	17.0
Net IOD			
2025 Budget	12.7	14.2	15.2
2024 Budget	13.9	14.7	15.2

Source: Ontario Financing Authority.

## Risk Management

	Exposure <sup>1</sup>	Policy Limit
Foreign Exchange	0.14%	3.0%
Net Interest Rate Resetting	3.7%	35.0%

<sup>1</sup> Of outstanding debt, as of April 30, 2025.

## Debt Burden Reduction Strategy

(Per Cent)	Targets	2024 Budget 2024–25 Forecast	2025 Budget 2024–25 Forecast	2024 Budget 2025–26 Forecast	2025 Budget 2025–26 Forecast
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)

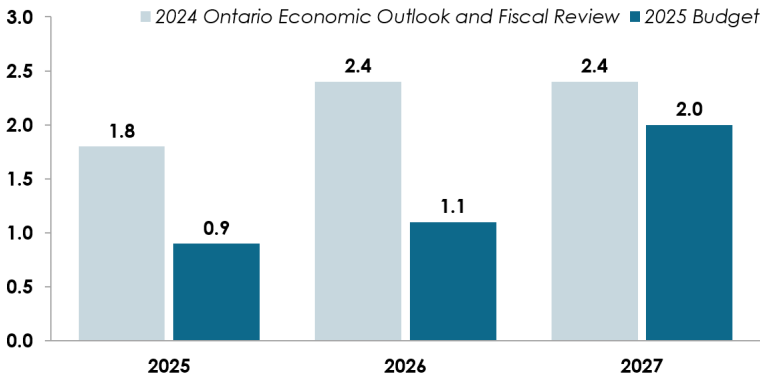
Moody's Investor Service	Aa3 / P-1
Fitch	AA- / F1+
Morningstar DBRS	AA / R-1 (high)
S&P Global Ratings	AA- / A-1+

## 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 has continued to grow, increasing by 140,000 in 2024.
- In the 2025 Ontario Budget, Ontario's real GDP rose by 1.5 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 5.2 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. 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

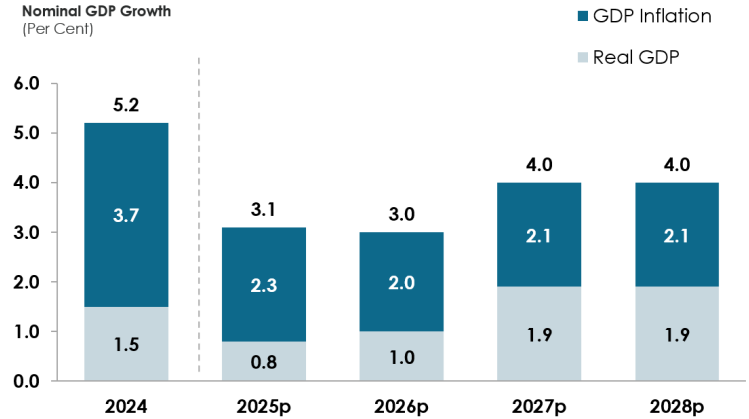
Private-Sector Average Forecast of Real GDP Growth (Per Cent)



Sources: Ontario Ministry of Finance Survey of Forecasters (September 19, 2024 and April 3, 2025).

### Ontario GDP Growth Projected to rise

Nominal GDP Growth (Per Cent)

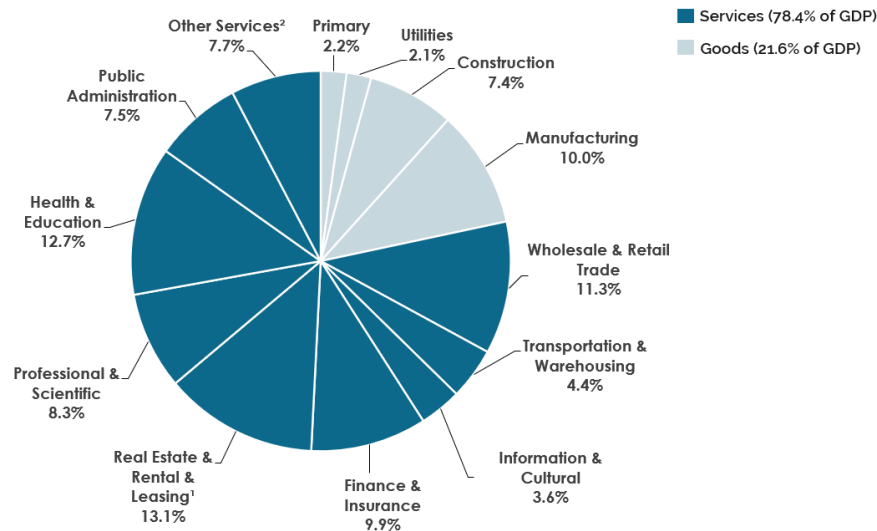


p: Ontario Ministry of Finance planning projection based on external sources as of April 3, 2025.

Sources: Statistics Canada and Ontario Ministry of Finance.

### Ontario's Diverse Economy

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



<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.

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

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