

2024–25 Q1 Video Script

On August 13, Ontario released its *2024–25 First Quarter Finances*. I would like to take this opportunity to provide you with a quick update on the Province's finances, and the borrowing program and strategy.

Let's start with Ontario's fiscal position. Ontario's deficit for fiscal 2024–25 is projected to be \$9.8 billion, unchanged from the forecast in the *2024 Budget*.

Interest on debt expense is projected to be \$13.9 billion, also unchanged from the forecast in the *2024 Budget*. Ontario's forecast cost of borrowing has remained at 4.0 per cent.

Now, I'd like to turn to the Borrowing Program.

Ontario's long-term borrowing for 2024–25 is projected to be \$37.5 billion.

As of the release of our Q1 Finances, we had completed \$22.3 billion, or just under 60 percent of our long-term borrowing requirement for this fiscal year, with an average term of 17.2 years.

Approximately \$18.9 billion, or 85 per cent, was completed in Canadian dollars. Ontario's target range for domestic borrowing remains 75 to 90 per cent for the 2024–25 fiscal year. So far this fiscal year, we have launched 19 domestic syndicated issues, and a Green Bond.

Ontario has now issued 16 Green Bonds totalling \$19.25 billion since 2014–15, with \$17.2 billion outstanding. Green Bonds remain a core component of Ontario's borrowing program, and the province remains the largest issuer of Canadian dollar Green Bonds.

Turning for a moment to international markets, the province has issued \$3.4 billion, or 15 per cent of borrowing to date, through a U.S. dollar issue and an Australian dollar issue.

Looking ahead, our next financial update will be released in September when Public Accounts, the province's audited financial statements for fiscal 2023–24, will be published. Following that, further updates to this year's and the medium-term's fiscal plan, Ontario's economy and our borrowing program will be included in the Fall Economic Statement, which will be released before November 15th.

Now to our strategy. As we continue through the summer, our borrowing strategy will take advantage of the currently advanced pace of our borrowing program, which will allow us to be selective in how and when we issue new bonds. We will continue to focus on the domestic market, but expect to return to our core international markets when demand for benchmark-sized Ontario bonds lines up with cost-effective opportunities to hedge the proceeds of these bonds back to Canadian dollars.

We will also continue to monitor the changing shape of the yield curve to determine where it is most effective to issue, but our overriding objective will continue to be to issue bonds in terms and sizes that match with investor demand.

You can find further fiscal and economic information about the *First Quarter Finances* on the Ministry of Finance's website. You can also find updated borrowing information in our Investor Relations Fact Sheet, posted on the OFA website.

Thank you very much for your time.