

## CEO's Video Update – November 5, 2021

Hi, I'm Gadi Mayman, CEO of the Ontario Financing Authority. Thank you for joining me for the next few minutes.

With the release of the *2021 Ontario Economic Outlook and Fiscal Review*, or Fall Economic Statement on November 4<sup>th</sup>, I would like to take this opportunity to update you on the Province's finances and borrowing program.

Ontario's deficit for 2021–22 is now forecast to be \$21.5 billion, a reduction of \$11.6 billion from the deficit projection of \$33.1 billion at the time of the *2021 Budget*.

The lower deficit projection in 2021–22, combined with higher cash levels this fiscal year from the lower-than-planned deficit in 2020–21, has allowed the Province to add \$6.0 billion in planned pre-borrowing for next fiscal year, while still reducing this year's long-term borrowing requirement to \$42.0 billion. This is \$12.7 billion less borrowing than planned at the time of the *2021 Budget*, and \$11.0 billion less than the forecast contained in *First Quarter Finances*.

Looking forward, the total long-term borrowing requirement is now forecast to be \$45.3 billion in 2022–23, and \$45.9 billion in 2023–24, lower by \$13.8 billion and \$9.3 billion, respectively compared to the *2021 Budget* forecast for those fiscal years.

When combined with lowering this year's short-term borrowing program by \$4.0 billion, the Province's overall borrowing needs will decline by \$39.8 billion over the three-year outlook period compared to the *2021 Budget* forecast.

As of the release of the Fall Economic Statement, \$28.8 billion, or 69 per cent, of this year's long-term public borrowing had been completed. Approximately 76 per cent of 2021–22 borrowing was in Canadian dollars through 25 syndicated issues and a Green Bond, which, at \$2.75 billion in size, was the largest Canadian dollar Green Bond issue ever launched.

The remaining \$6.9 billion, or 24 per cent of this year's long-term borrowing to date has been completed in foreign currencies, primarily in U.S. dollars and euros.

Ontario's target range for domestic borrowing remains unchanged from the *2021 Budget* forecast at 65 to 80 per cent of total borrowing completed for the 2021–22 fiscal year. This range will be further adjusted, if necessary, in response to evolving investor demand in the Canadian dollar and foreign currency debt markets.

Ontario's 2021–22 net debt-to-GDP ratio is now forecast to be 43.4 per cent, a decrease of 5.4 percentage points from the forecasted 48.8 per cent at the time of the *2021 Budget*. This was due to lower than previously projected deficits and higher nominal GDP growth. Ontario's net debt-to-GDP is now forecast to be 43.5 per cent in 2022–23, and 43.6 per cent in 2023–24, compared to the *2021 Budget* forecasts of 49.6 per cent and 50.2 per cent, respectively.

You can find further fiscal and economic information in the *2021 Ontario Economic Outlook and Fiscal Review* on the Ministry of Finance's website. You can also find updated borrowing information in our Investor Relations Presentation and Fact Sheet, posted on the OFA's website.

Thank you very much for your time.