

2026 Ontario Economic Outlook and Fiscal Review

- The government is currently projecting a deficit of \$16.9 billion in 2026–27. Over the medium term, the government projects deficits of \$12.7 billion in 2027–28 and \$6.7 billion in 2028–29. The path to balance is now projected for 2029–30.
- Ontario's real GDP is projected to rise 0.5 per cent in 2026, 1.5 per cent in 2027, 1.8 per cent in 2028, and 2.0 per cent in 2029. Ontario's nominal GDP is projected to rise 3.7 per cent in 2026, 3.8 per cent in 2027, 3.9 per cent in 2028, and 4.0 per cent in 2029.
- The net debt-to-GDP ratio is projected to be 37.4 per cent in 2026–27, compared with the forecast of 37.7 per cent in the 2026 Budget projection. The net debt-to-revenue is forecast to be 210 per cent in 2026–27, compared with the forecast of 211 per cent in the 2026 Budget. The interest-to-revenue is forecast to be 6.7 per cent in 2026–27.
- As of October 8, 2026, Ontario completed \$36.3 billion in long-term borrowing in 2026–27. The 2026–27 Borrowing Program is now forecast to be \$51.1 billion, an increase of \$3.9 billion from the 2026 Budget forecast. Ontario plans to increase short-term borrowing by \$8.0 billion in 2026–27. The province will deploy this additional capacity across Ontario's short-term borrowing programs to respond to shifting market conditions, investor demands and funding requirements.

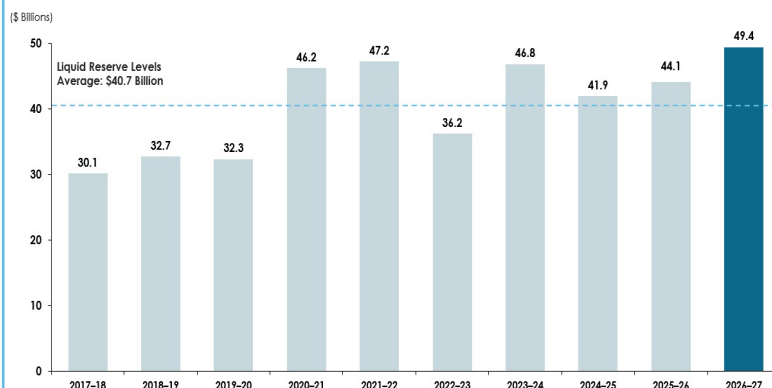
2026–27 Borrowing Program and Medium-Term Outlook

(\$ Billions)	2026 Budget	In-Year Change	Current Outlook 2026–27	Medium-Term Outlook	
				2027–28	2028–29
Deficit/(Surplus)	13.8	3.1	16.9	12.7	6.7
Provincial Investment in Capital Assets	28.0	–	28.0	28.0	22.4
Amortization of Capital Assets	(10.2)	–	(10.2)	(10.5)	(11.4)
Non-Cash and Cash Timing Adjustments	(2.5)	(0.7)	(3.2)	(4.3)	(4.8)
Net Loans and Investments	5.2	0.5	5.7	5.5	4.8
Debt Maturities/Redemptions	26.9	–	26.9	27.5	30.7
Total Funding Requirement	61.2	2.9	64.1	59.0	48.4
Decrease/(Increase) in Short-Term Borrowing	(6.0)	(2.0)	(8.0)	(6.0)	–
Increase/(Decrease) in Year-End Cash and Cash Equivalents	(8.0)	3.0	(5.0)	(5.0)	(3.0)
Total Long-Term Borrowing	47.2	3.9	51.1	48.0	45.4

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

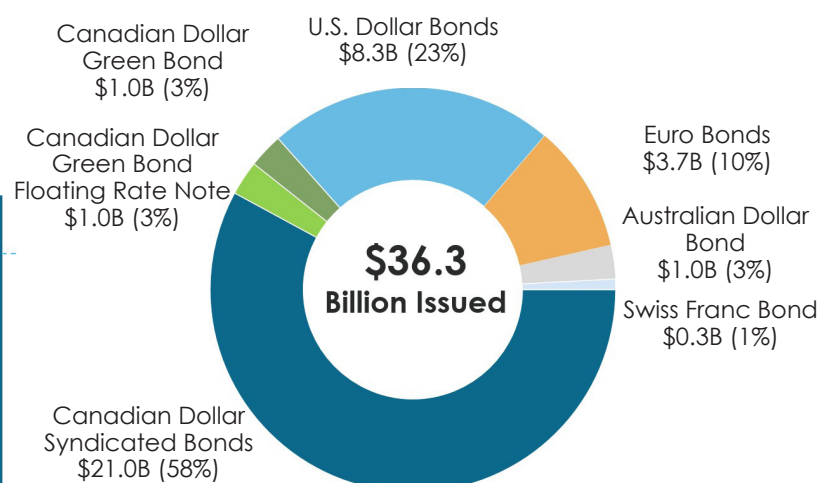
Liquidity

- Ontario aims to maintain an optimal level of liquid reserves that balance carrying costs with the need to meet financial obligations in a timely manner and respond effectively to periods of economic stress or market disruption.
- As of September 30, 2026, liquid reserve levels were \$49.4 billion.



As of September 30, 2026.
Source: Ontario Financing Authority.

2026–27 Borrowing Program



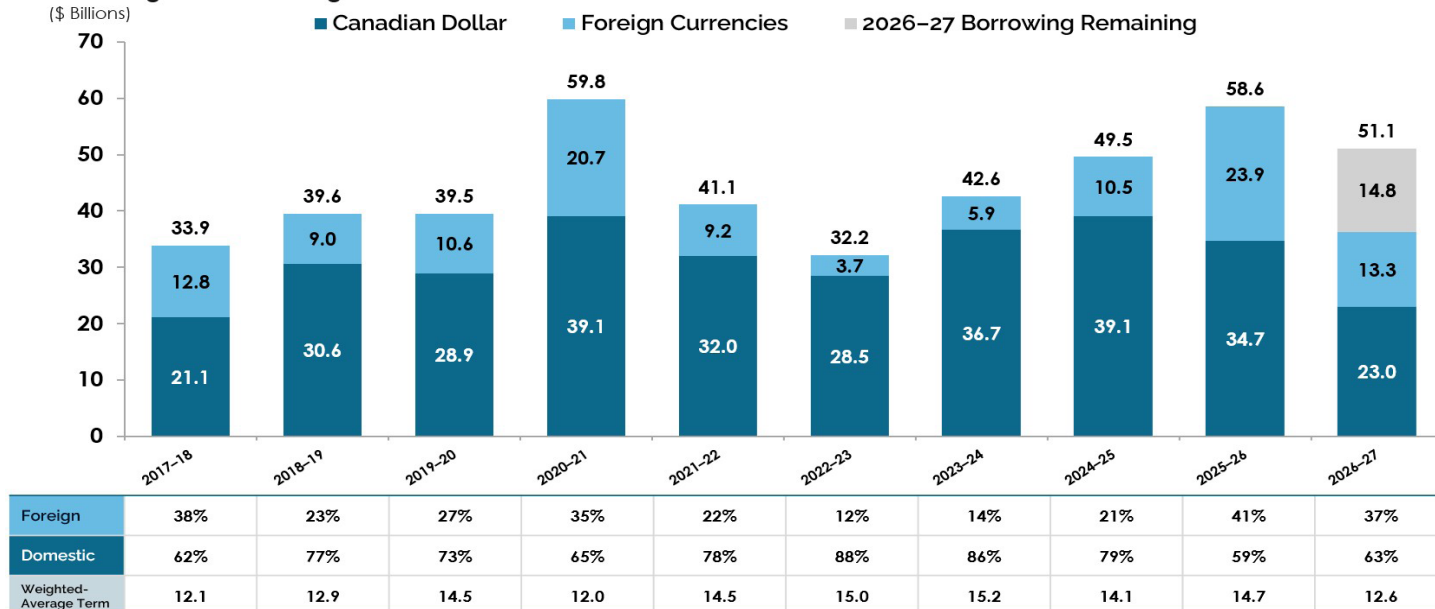
Note: Numbers may not add due to rounding.
As of October 29, 2026.

Long-Term Borrowing

- Ontario had completed \$36.3 billion of its \$51.1 billion 2026–27 long term borrowing program. Approximately \$23.0 billion or 63.5 per cent was completed in Canadian dollars, with the remaining \$13.3 billion or 36.5 per cent completed primarily in U.S. dollars, euros, Australian dollars, and Swiss francs. This percentage is within Ontario's new guidance for domestic borrowing of 60 to 80 per cent for 2026–27, which was adjusted from the 65 to 80 percent target range in the 2026 Budget.
- 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. Since 2010–11, Ontario has issued over \$167.1 billion of 30-year or longer bonds, representing almost one third of total debt outstanding. This includes \$6.3 billion issued in 2026–27.

Total Long-Term Borrowing

(\$ Billions)



Note: Numbers may not add due to rounding.
As of October 29, 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, 10-year and 30-year issues, which are re-opened to achieve benchmark size (23 issues so far in 2026–27).

Canadian Dollar Benchmark Bonds (As of October 29, 2026)

Term	Ontario		Canada	
5 yr (old)	2.95% September 8, 2030	\$3.50B	2.75% September 1, 2030	\$42.00B
5 yr (new)	3.00% September 8, 2031	\$4.25B	2.75% March 1, 2031	\$42.00B
7 yr	3.65% June 2, 2033	\$12.95B	2.75% June 1, 2033	\$19.00B
10 yr (old)	3.90% June 2, 2036	\$10.25B	3.25% December 1, 2035	\$42.00B
10 yr (new)	3.85% December 2, 2036	\$7.00B	3.25% June 1, 2036	\$41.00B
Long (old)	4.60% December 2, 2055	\$12.25B	2.75% December 1, 2055	\$28.75B
Long (new)	4.45% December 2, 2056	\$13.75B	3.50% December 1, 2057	\$35.00B

Foreign Issuance

- Foreign currency borrowing helps diversify Ontario's investor base and strengthens the province's ability to access short-term liquidity across multiple markets. Dependent on market conditions, the Province borrows in U.S. dollars, euros, British pound sterling, Australian dollars, Swiss francs, and other currencies.
- In 2025–26, for the first time, Ontario issued euro denominated 30-year bond, raising \$0.6 billion at lower cost than issuing in Canada after being hedged back to Canadian dollars.

USD Issues

Term	Coupon and Issue Date	Amount
10 year	4.85% May 21, 2026	US\$ 3.00B
5 year	4.05% April 9, 2026	US\$ 3.00B
3 year	3.80% January 21, 2026	US\$ 3.50B

Other Currencies

Term	Coupon and Issue Date	Amount
10 year	3.45% July 7, 2026	€ 2.00B
10 year	5.45% June 12, 2026	AUD\$ 1.00B
10 year	3.15% February 26, 2026	€ 3.00B

Ontario Bond Frameworks

- Ontario is a leader in issuing Canadian dollar labelled bonds and plans to issue multiple labelled bonds each fiscal year. Ontario's Sustainable Bond Framework allows the province to issue Green Bonds, Social Bonds and Sustainability Bonds.
- Ontario remains the largest and most frequent issuer of Canadian dollar Green bonds, totalling \$26.5 billion since 2014–15 with \$21.85 billion outstanding. A total of 29 projects have received or will receive funding from Ontario's 23 Green Bond issues.
- On August 20, 2026, the Province issued a dual-tranche offering comprised of a new \$1.0 billion 10-year Green Bond, and a new \$1.0 billion 6-year Canadian dollar Green Bond Floating Rate Note (FRN).
- To further scale investment and ensure transparency for investors, the province is developing a Security and Resilience Bond Framework that would establish a clear approach for financing eligible defence, security and resilience initiatives and support the Ontario Defence Industrial Strategy.

Fiscal Outlook

- The government is projecting deficits of \$16.9 billion in the current fiscal year, \$12.7 billion in the next fiscal year and \$6.7 billion in 2028–29. Evolving economic and fiscal pressures are expected to moderate the pace of fiscal improvement with a return to balance projected in 2029–30 in the extended outlook.
- The 2026–27 total revenue outlook is \$232.6 billion, \$2.0 billion higher than projected in the 2026 *Budget*. While total revenue is projected to grow over the outlook, revenue totals are lower than the 2026 *Budget* forecast due to lower-than-expected taxation revenue.
- Program expense is projected to increase over the outlook primarily due to increased contingencies and sustained investments in key public services. This remains consistent with the program expense outlook projected in the 2026 *Budget*.
- The reserve has been increased due to extraordinary circumstances arising from economic and geopolitical uncertainty, as well as the impact of proposed federal tax measures.

Fiscal Plan (\$ Billions)	Actuals										Current Outlook	Medium-Term Outlook	Extended Outlook
	2017–18	2018–19	2019–20	2020–21	2021–22	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30
Revenue	151.3	154.8	157.1	165.7	185.8	194.4	209.0	224.9	223.3	232.6	238.2	247.9	257.8
Expense													
Total Base Programs	142.5	148.7	152.3	169.0	170.5	186.4	195.2	210.9	220.9	226.1	228.4	230.3	232.8
Contingency Fund Top-Up										3.8			
Total Programs	142.5	148.7	152.3	169.0	170.5	186.4	195.2	210.9	220.9	229.9	228.4	230.3	232.8
Interest and other Debt Servicing Charges	12.5	13.3	13.5	13.1	13.3	13.9	14.5	15.1	15.5	17.4	18.9	20.4	21.1
Total Expense	155.0	162.1	165.7	182.0	183.8	200.3	209.7	226.0	236.3	247.3	247.3	250.8	253.8
Reserve	–	–	–	–	–	–	–	–	–	2.2	3.6	3.8	3.8
Surplus/(Deficit)	(3.7)	(7.3)	(8.6)	(16.3)	2.0	(5.9)	(0.7)	(1.1)	(13.0)	(16.9)	(12.7)	(6.7)	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)

- Interest and Other Debt Servicing Charges in 2026–27 is projected to be at \$17.4 billion, \$0.2 billion higher compared to the 2026 *Budget* forecast.

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+

Risk Management

	Exposure ¹	Policy Limit
Foreign Exchange	0.13%	3.0%
Net Interest Rate Resetting	8.6%	35.0%

¹ Of outstanding debt, as of September 29, 2026.

Debt Burden Reduction Strategy

(Per Cent)	Targets	2026 Budget 2026–27 Forecast	2026 FES 2026–27 Forecast
Net-Debt-to-GDP	<40.0	37.7	37.4
Net Debt-to-Revenue	<200	211	210
Interest-to-Revenue	<7.5	6.7	6.7

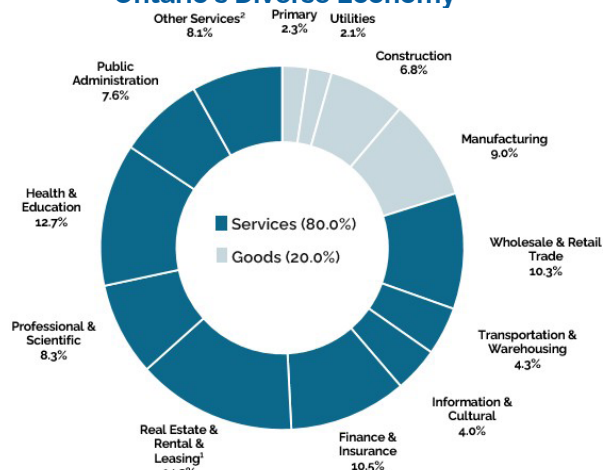
Note: 2026 FES in the table is defined as the 2026 Ontario Economic Outlook and Fiscal Review.

Source: Ontario Financing Authority.

Ontario's Economic Update

- Ontario's economy has shown resilience so far in 2026 but continues to be impacted by heightened economic uncertainty amid ongoing U.S. trade and tariff tensions and geopolitical conflicts.
- In the *2026 Ontario Economic Outlook and Fiscal Review*, Ontario's real GDP is projected to rise 0.5 per cent in 2026, 1.5 per cent in 2027, 1.8 per cent in 2028, and 2.0 per cent in 2029. Ontario's nominal GDP is projected to rise 3.7 per cent in 2026, 3.8 per cent in 2027, 3.9 per cent in 2028, and 4.0 per cent in 2029. For the purposes of prudent fiscal planning, these projections were set slightly below the average of private-sector forecasts.
- The Ministry of Finance continues to develop scenarios to assess the potential impact of U.S. trade policy on Ontario's economy over the projection period. Since the *2026 Budget*, additional trade barriers have been announced and implemented between the United States and Canada, with significant uncertainty remaining regarding future trade policy development. These alternative scenarios should not be considered the best case or the worst case. Rather, they illustrate a broader range of possible outcomes.

Ontario's Diverse Economy



¹ Includes estimate of imputed rental income from owner occupied dwellings.

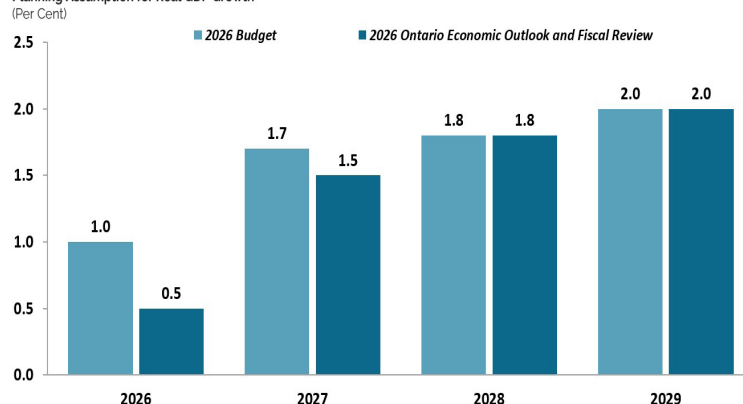
² Other services include: management of companies and enterprises; administrative and support, waste management and remediation services; arts, entertainment and recreation; accommodation and food services; and other services.

Note: Numbers may not add due to rounding.

Source: Statistics Canada and Ontario Ministry of Finance.

Real GDP Outlook Compared to 2026 Budget

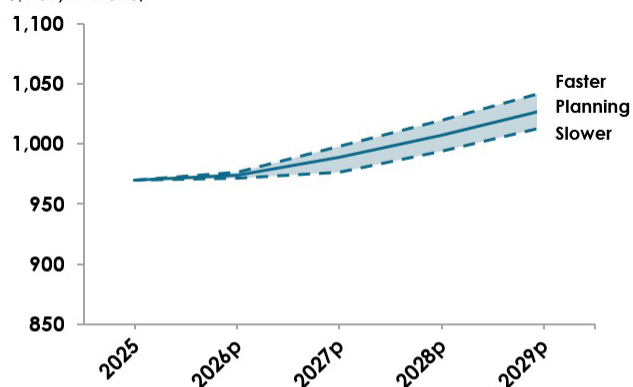
Planning Assumption for Real GDP Growth (Per Cent)



Sources: Ontario Ministry of Finance Survey of Forecasters (January 16, 2026 and September 11, 2026).

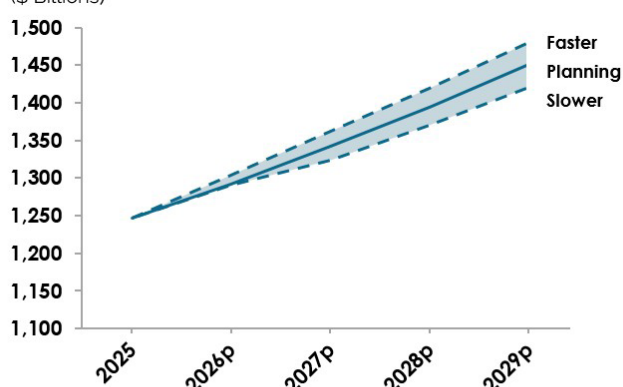
2026 Ontario Economic Outlook and Fiscal Review Real GDP Scenario Forecasts

(\$2017 Billions)



2026 Ontario Economic Outlook and Fiscal Review Nominal GDP Scenario Forecasts

(\$ Billions)



Real GDP Growth Scenarios (Per Cent)	2026p	2027p	2028p	2029p
Faster Growth Scenarios	0.8	2.2	2.1	2.3
Planning Projection	0.5	1.5	1.8	2.0
Slower Growth Scenarios	0.2	0.5	1.8	2.0

Nominal GDP Growth Scenarios (Per Cent)	2026p	2027p	2028p	2029p
Faster Growth Scenarios	4.6	4.5	4.2	4.3
Planning Projection	3.7	3.8	3.9	4.0
Slower Growth Scenarios	3.5	2.6	3.5	3.7

e = estimate.

p = Ontario Ministry of Finance planning projection based on external sources as of September 11, 2026 and alternative scenarios.

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

Contact Us

Investor Relations

Ontario Financing Authority

One Dundas Street West, Suite 1200

Toronto, Ontario, M7A 1Y7, Canada

www.ofina.on.ca

investor@ofina.on.ca

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