

ONTARIO FINANCING AUTHORITY

OFA VIDEO UPDATE ON THE  
*2026 BUDGET*

MARCH 2026



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# 2025–26 BORROWING PROGRAM AND MEDIUM-TERM OUTLOOK

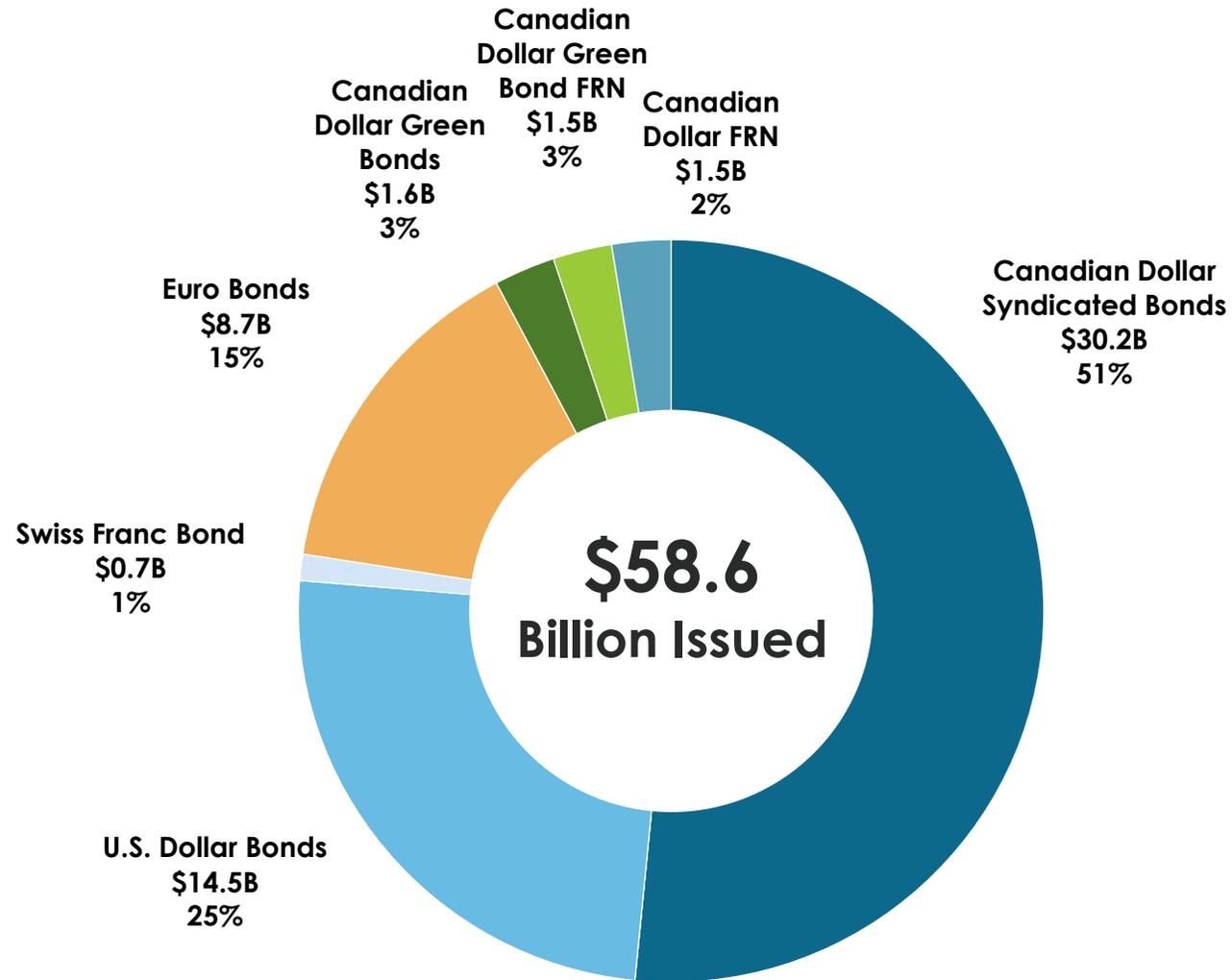
| (\$ Billions)   | 2025–26     |                         |                 | Medium-Term Outlook |             |             |
|---|-------------|-------------------------|-----------------|---------------------|-------------|-------------|
|   | 2025 Budget | Change from 2025 Budget | Interim 2025–26 | 2026–27             | 2027–28     | 2028–29     |
| Deficit/(Surplus)   | 14.6        | (2.3)                   | 12.3            | 13.8                | 6.1         | (0.6)       |
| Provincial Investment in Capital Assets                   | 23.1        | 1.3                     | 24.4            | 28.0                | 28.0        | 22.4        |
| Pre-funding for <i>Protect Ontario Account</i>            | –           | 5.0                     | 5.0             | –                   | –           | –           |
| Amortization of Capital Assets                            | (9.1)       | –                       | (9.1)           | (10.2)              | (10.5)      | (11.4)      |
| Non-Cash and Cash Timing Adjustments                      | (3.1)       | 1.0                     | (2.1)           | (2.5)               | (2.7)       | (3.5)       |
| Net Loans and Investments <sup>1</sup>                    | 1.2         | 1.1                     | 2.4             | 5.2                 | 5.6         | 4.9         |
| Debt Maturities and Redemptions                           | 33.1        | –                       | 33.1            | 26.9                | 27.5        | 30.7        |
| <b>Total Funding Requirement</b>                          | <b>59.8</b> | <b>6.1</b>              | <b>65.9</b>     | <b>61.2</b>         | <b>54.1</b> | <b>42.7</b> |
| Decrease/(Increase) in Short-Term Borrowing               | (5.0)       | (0.5)                   | (5.5)           | (6.0)               | (6.0)       | –           |
| Increase/(Decrease) in Year-End Cash and Cash Equivalents | (12.0)      | 10.2                    | (1.8)           | (8.0)               | (5.0)       | –           |
| <b>Total Long-Term Public Borrowing</b>                   | <b>42.8</b> | <b>15.8</b>             | <b>58.6</b>     | <b>47.2</b>         | <b>43.1</b> | <b>42.7</b> |

<sup>1</sup> The increase in Net Loans and Investments primarily reflects higher projected loan disbursements associated with Ontario Student Assistance Program (OSAP) policy changes effective in the 2026–27 academic year.

Note: Numbers may not add due to rounding.

Source: Ontario Financing Authority.

# 2025-26 BORROWING PROGRAM



Canadian Dollar  
\$34.8B  
59%

Foreign Currencies  
\$23.9B  
41%

# PROTECT ONTARIO ACCOUNT – INVESTMENT FUND



The Province is establishing the **Protect Ontario Account Investment Fund**, a fund in which the Province **will invest up to \$4 billion**, and partner with an investment manager capable of delivering on investments that advance Ontario's strategic policy goals.

- The fund will leverage the provincial seed commitment to attract other partners, such as Ontario-based pensions and other major investors, to multiply the total fund size and encourage domestic investment in Ontario.
- The fund will focus on developing “new economy” and enabling industries such as artificial intelligence, defence, advanced manufacturing, life sciences, and research and development in the critical minerals sector.
- The goal is to improve economic resilience, create jobs, enhance competitiveness and support sustainable growth across the province.

# FISCAL OUTLOOK

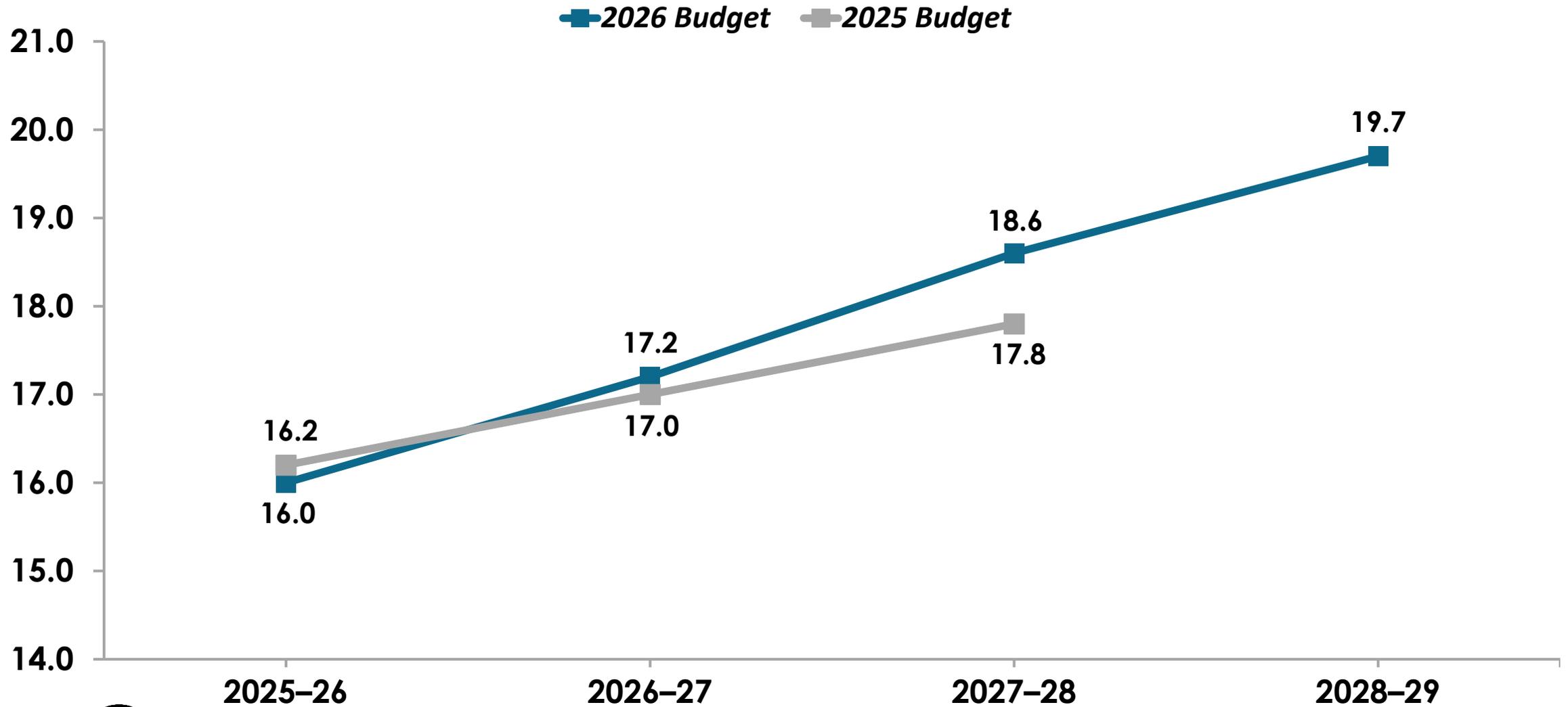
| Fiscal Summary<br>(\$ Billions)                  | Actual       | Interim       | Medium-Term Outlook |              |              |
|--|--------------|---------------|---------------------|--------------|--------------|
|  | 2024–25      | 2025–26       | 2026–27             | 2027–28      | 2028–29      |
| <b>Revenue</b>                                   | <b>226.2</b> | <b>226.6</b>  | <b>231.9</b>        | <b>243.4</b> | <b>254.1</b> |
| <b>Expense</b>                                   |              |               |                     |              |              |
| Programs   | 212.1        | 222.4         | 227.0               | 229.0        | 231.3        |
| <b>Interest and Other Debt Servicing Charges</b> | 15.1         | 16.0          | 17.2                | 18.6         | 19.7         |
| <b>Total Expense</b>                             | <b>227.3</b> | <b>238.4</b>  | <b>244.2</b>        | <b>247.5</b> | <b>251.1</b> |
| <b>Surplus/(Deficit) Before Reserve</b>          | <b>(1.1)</b> | <b>(11.8)</b> | <b>(12.3)</b>       | <b>(4.1)</b> | <b>3.1</b>   |
| Reserve  | –            | 0.5           | 1.5                 | 2.0          | 2.5          |
| <b>Surplus/(Deficit)</b>                         | <b>(1.1)</b> | <b>(12.3)</b> | <b>(13.8)</b>       | <b>(6.1)</b> | <b>0.6</b>   |

Note: Numbers may not add due to rounding.

Sources: Ontario Treasury Board Secretariat and Ontario Ministry of Finance.

# COMPARISON OF INTEREST ON DEBT SERVICING CHARGES FORECAST

Per Cent



# 2026 BUDGET PLANNING ASSUMPTIONS

- The Ministry of Finance's GDP planning projections are set slightly below the average of private-sector forecasts for the purposes of prudent fiscal planning.

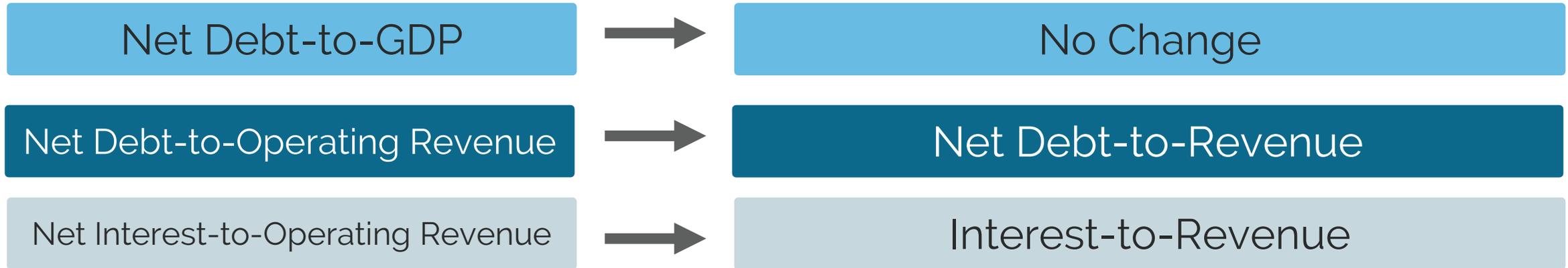
| <b>Economic Summary</b><br>(Per Cent) | <b>2024</b> | <b>2025</b> | <b>2026p</b> | <b>2027p</b> | <b>2028p</b> | <b>2029p</b> |
|---------------------------------------|-------------|-------------|--------------|--------------|--------------|--------------|
| Real GDP Growth                       | 1.6         | 1.2e        | 1.0          | 1.7          | 1.8          | 2.0          |
| Nominal GDP Growth                    | 5.1         | 4.2e        | 3.2          | 3.9          | 3.7          | 3.9          |
| Employment Growth                     | 1.7         | 1.0         | 0.5          | 0.7          | 0.8          | 1.1          |
| CPI Inflation                         | 2.4         | 1.9         | 2.1          | 2.0          | 2.0          | 2.0          |

e = estimate.

p = Ontario Ministry of Finance planning projection based on external sources as of January 16, 2026.

Sources: Statistics Canada and Ontario Ministry of Finance.

# DEBT BURDEN REDUCTION STRATEGY



## Progress on Relevant Debt Sustainability Measures

|                            | <i>Targets</i> | 2025-26 Forecast   |                    | 2026-27 Forecast   |                    |
|----------------------------|----------------|--------------------|--------------------|--------------------|--------------------|
|                            |                | <i>2025 Budget</i> | <i>2026 Budget</i> | <i>2025 Budget</i> | <i>2026 Budget</i> |
| (Per cent)                 |                |                    |                    |                    |                    |
| <b>Net Debt-to-GDP</b>     | <40.0          | 37.9               | 36.8               | 38.9               | 37.7               |
| <b>Net Debt-to-Revenue</b> | <200           | 211                | 204                | 215                | 211                |
| <b>Interest-to-Revenue</b> | <7.5           | 6.5                | 6.3                | 6.7                | 6.7                |