

OFA Video Update – November 6, 2025

Hello, thank you for joining us for the next few minutes.

With the release of the *2025 Ontario Economic Outlook and Fiscal Review*, or Fall Statement as we like to call it, we would like to take this opportunity to update you on the Province's finances and borrowing program.

Let's start with Ontario's fiscal position. Ontario's deficit this fiscal year is projected to be \$13.5 billion — an improvement of \$1.1 billion from what was published in the *2025 Budget*, primarily due to stronger taxation and broader public sector revenues. The projections for the next two fiscal years are consistent with what was outlined in the Budget and the Province is on track to a path to balance by 2027–28.

Ontario's survey of private-sector forecasts shows that while the Province's economy is forecast to continue growing, it is expected to be at a moderate pace this year and the next as trade tensions and tariffs weigh on the outlook.

Now let's turn to the borrowing program.

Compared to the *2025 Budget*, our long-term borrowing forecast for this fiscal year has decreased slightly to \$42.5 billion.

This is primarily due to the lower than forecasted deficit, but also because we have plans to increase short-term borrowing by \$5.5 billion this fiscal year and next fiscal year as well. This allows us to take advantage of the steady decline in short-term interest rates relative to long-term rates. Furthermore, as part of our strategy to diversify the Province's short-term investor base, we have re-established the U.S. Commercial Paper Program and recently increased our authorized limit from \$15 billion to \$22.5 billion.

As of the release of the Fall Statement we have already completed 76 per cent or, \$32.4 billion, of this year's borrowing. We have been fortunate with favourable and cost effective conditions both home and away.

Of the amount borrowed to date, approximately two thirds was completed in Canadian dollars through 25 syndicated issues and one Green Bond. This is within the Province's new guidance for domestic borrowing of 65 to 80 per cent for this fiscal year, which was adjusted from the 70 to 85 per cent target range in the *2025 Budget*. We will continue to monitor and adjust this range, in response to evolving investor demand and conditions in global debt markets.

The one third raised outside of Canada was raised in a combination of U.S. dollars, euros and Swiss franc maturities. We have had and continue to see very strong interest across a variety of markets and will seek a broad distribution for Ontario issues.

With the release of the Fall Statement, we expect to return to the market as soon as possible.

Finally, I'd like to turn to the Province's Debt Burden Reduction Strategy.

The government remains committed to reducing Ontario's debt burden. It has maintained the targets that were set up in the *2023 Budget* and continues to make progress towards achieving them.

The debt-to-GDP and interest-to-revenue ratios remain better than the government's targets now and through the medium-term outlook.

The debt-to-revenue ratio continues to be the most challenging target to achieve, but forecasts have improved when compared to the *2025 Budget*. Ontario has demonstrated its ability to bring this ratio below its 200 per cent target by achieving this consecutively in the last two fiscal years. While the current economic environment will temporarily raise the level of this ratio, the government remains committed to, and has proven it has the capability to, re-attain this target.

You can find further fiscal and economic information on the Fall Statement 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 newly updated website.

Thank you very much for your time.