ontario**financing**authority

financing fact sheet

May 9, 2001

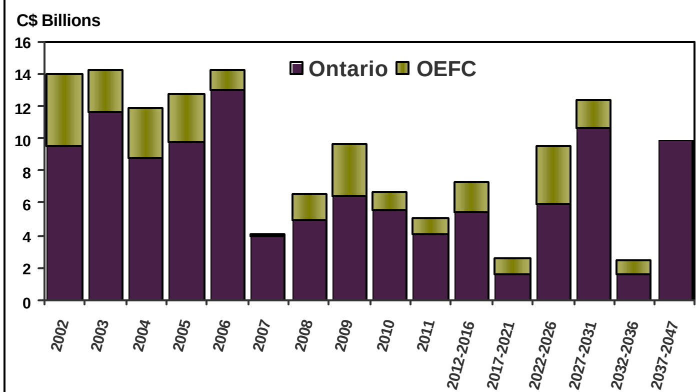
PROVINCE OF ONTARIO FINANCING REQUIREMENTS

($ Billions)	2000-01 Budget Plan	2000-01 Interim	2001-02 Budget Plan
Surplus / (Deficit)	—	3.2	0.1
Accruals and Consolidations	(5.2)	(4.6)	(2.3)
Maturities	(8.4)	(8.1)*	(9.6)
Provision for Early Redemptions	(0.5)	(1.1)	(1.0)
Other Sources / (Uses)	—	(0.3)	—
Net Repayment from / (Loans to) Agencies	—	(0.1)	—
Decrease / (Increase) in Liquid Reserves	4.5	2.0	2.6
Increase / (Decrease) in Short-term Borrowing	—	(0.1)	—
Canada Pension Plan Borrowing	1.0	0.6	1.1
Long-Term Public Borrowing	8.6	8.5	9.1
of which: Completed			0.6
Remaining			8.5

* Maturing debt is lower than the 2000 Budget Plan due to the Province exercising options on extendible bonds.

Note: Numbers may not add due to rounding.

LONG-TERM DEBT MATURITY PROFILE*



Fiscal year ending March 31,2001

* Province of Ontario debt and Ontario Electricity Financial Corporation (OEFC) debt as of March 31, 2001. Excludes Province of Ontario and OEFC short-term debt and other liabilities. Assumes issues with options will be retired at the earliest possible date.

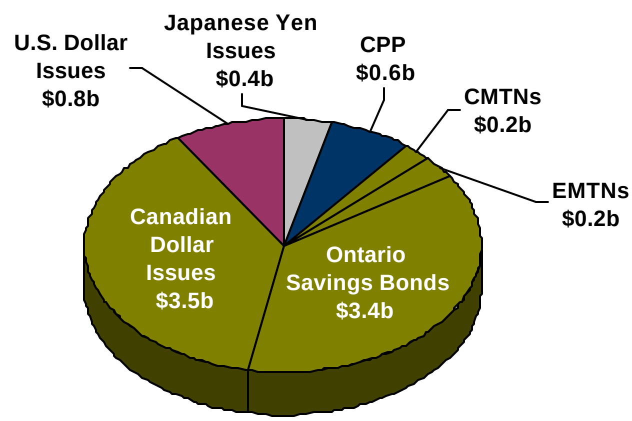
The Province borrows on OEFC's behalf. In return, the OEFC issues debt to the Province.

PROVINCIAL LONG-TERM BORROWING

- The Province's total long-term public borrowing for 2001-02 is projected at $9.1 billion. The Province will be borrowing to refinance $9.6 billion in maturing debt, $2.3 billion related to accruals and consolidations, and $1.0 billion as a provision for early bond redemptions.
- Since the end of fiscal 2000-01, the Province has completed $0.6 billion of its 2001-02 long-term public borrowing program.
- The domestic market will likely remain the key source of financing for the Province in fiscal 2001-02. The Province will continue to monitor foreign markets for cost-effective borrowing opportunities.

PROVINCIAL LONG-TERM BORROWING ISSUED IN 2000-01

C$9.1 billion issued as of March 31, 2001*



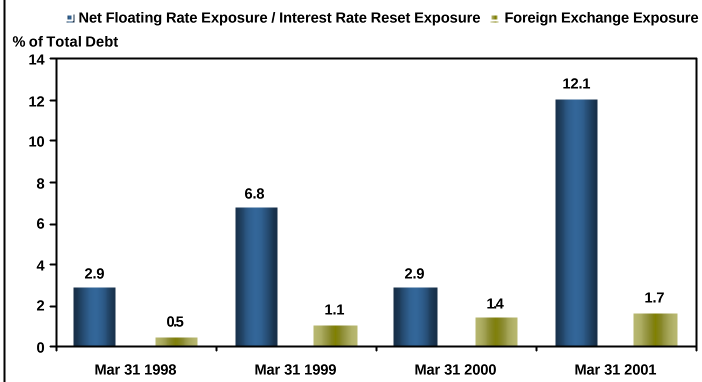
*Excludes debt buybacks

PROVINCE OF ONTARIO DEBT MANAGEMENT POLICIES

The Province adheres to prudent risk management policies to mitigate its exposure to financial market risks, while maintaining the needed flexibility in its borrowing program.

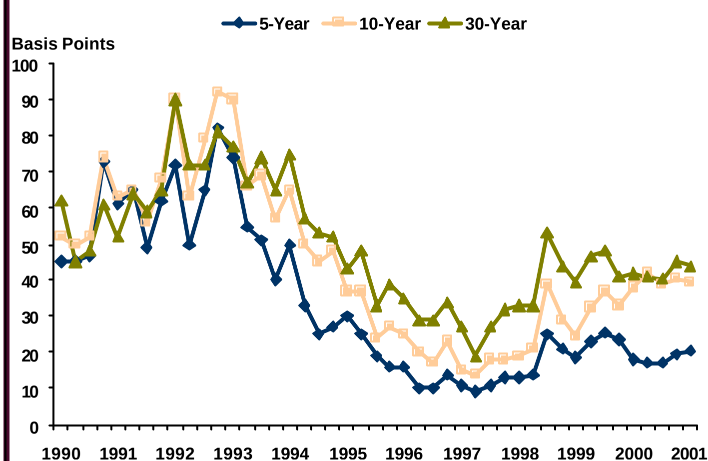
- The Province's exposure to unhedged foreign currencies is limited to 5 per cent of debt. As of March 31, 2001, the Province's foreign exchange exposure was 1.7 per cent of debt.
- The Province's maximum interest rate reset exposure is limited to 25 per cent of debt. As of March 31, 2001, interest rate resetting risk (net of liquid reserves) was 12.1 per cent of debt.
- The minimum credit rating of a non-government counterparty for long-term transactions is A- and for liquid reserve investments is R-1 (mid). Approximately 80 per cent of the Province's approved counterparties are rated AA- or better.
- New issue term selection is sensitive to the Province's maturity schedule.
- Liquid reserves are maintained at levels sufficient to ensure the Government can meet its short-term financial obligations.

PROVINCE OF ONTARIO FOREIGN EXCHANGE AND INTEREST RATE RESET EXPOSURES



Prior to April 1, 2000, net floating rate exposure was the indicator for floating rate exposure. Effective April 1, 2000, the measure of floating rate exposure was redefined as interest rate reset exposure and includes fixed-rate debt maturing within the following 12 month period.

PROVINCE OF ONTARIO CREDIT SPREAD HISTORY OVER GOVERNMENT OF CANADA BONDS*



*Source: PCBond

PROVINCE OF ONTARIO CREDIT RATINGS

Standard & Poor's: AA

Ontario's rating reflects "the province's exceptionally strong economic performance, with very robust employment and investment in the past several years, and the expectation of of continued positive economic growth...."

Moody's: Aa3 Positive Outlook

"A trend of of improving fiscal performance is beginning to produce budget surpluses and offers the promise of debt reduction over the medium term."

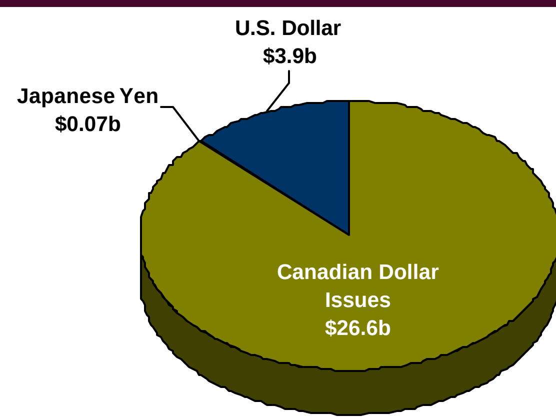
Dominion Bond Rating Service: AA (low) Positive Outlook

"The Province has significantly improved the business climate in Ontario over the past five years".... The corporate tax cuts announced in this year's budget should further enhance the Province's competitiveness."

ONTARIO ELECTRICITY FINANCIAL CORPORATION (OEFC)

- The Ontario Financing Authority, on behalf of Ontario Electricity Financial Corporation (OEFC), provides the required debt and cash management, banking and accounting services to service and retire the debt of the former Ontario Hydro.
- For 2001-02, the OEFC's long-term borrowing program is projected at $3.6 billion, reflecting $4.4 billion in maturing debt, partially offset by a projected cash surplus of about $0.8 billion. The OEFC has already completed nearly $0.4 billion of its 2001-02 long-term public borrowing program.
- The public debt that was issued by the former Ontario Hydro remains the obligation of OEFC and continues to be fully guaranteed by the Province of Ontario.

OEFC DEBT OUTSTANDING BY CURRENCY*



*As of March 31, 2001

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