

financing fact sheet

February 27, 2002

PROVINCE OF ONTARIO 2001-02 BORROWING REQUIREMENTS

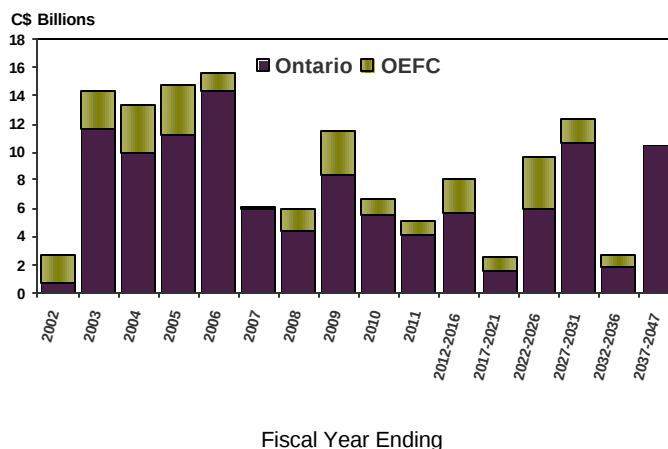
December 31, 2001

(C\$ Billions)	2001-02		
	Budget Plan	Current Outlook	Change from Budget
Surplus/ (Deficit)	0.1	0.1	—
Accruals and Consolidations	(2.3)	(3.1)	(0.8)
Maturities*	(9.6)	(9.5)	0.1
Provision for Early Redemptions	(1.0)	(1.5)	(0.5)
Other Sources / (Uses)	—	—	—
Net Repayments from/(Loans to) Agencies	—	—	—
Decrease / (Increase) in Liquid Reserves	2.6	2.6	—
Increase / (Decrease) in Short-term Borrowing	—	—	—
Canada Pension Plan Borrowing	1.1	0.2	(1.0)
Long-term Public Borrowing	9.1	11.3	2.2
of which: Completed		9.1	
Remaining		2.2	

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

Numbers may not add due to rounding.

LONG-TERM DEBT MATURITY PROFILE*



* Province of Ontario debt and Ontario Electricity Financial Corporation (OEFC) debt as of December 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.

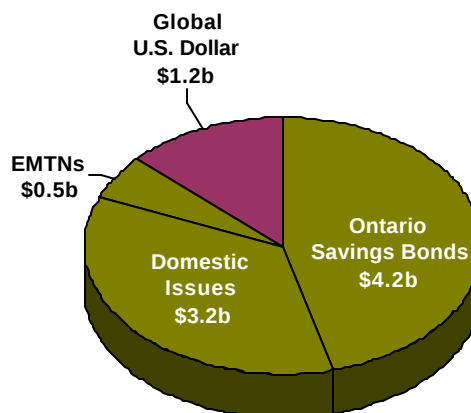
The Province borrows on OEFC's behalf. In return, the OEFC issues debt to the Province.

LONG-TERM PUBLIC BORROWING UPDATE

- ▲ The Province's total long-term public borrowing for 2001-02 is projected at \$11.3 billion. The Province will be borrowing to refinance \$9.5 billion in maturing debt, \$3.1 billion related to accruals and consolidations, and \$1.5 billion as a provision for early bond redemptions.
- ▲ As of February 27, 2002, the Province has borrowed \$11.4 billion in the long-term public capital markets. This includes \$4.2 billion issued through the 2001 Ontario Savings Bond campaign, a new record for provincial savings bond issues.
- ▲ The domestic market will 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.

LONG-TERM PUBLIC BORROWING BY INSTRUMENT

C\$9.1 billion issued as of December 31, 2001*



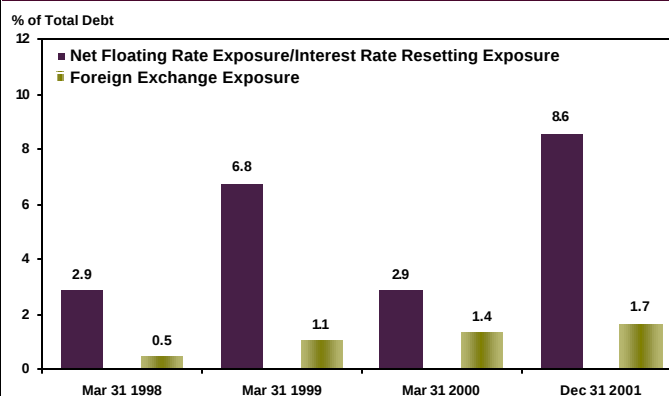
*Excludes debt buybacks. Numbers may not add due to rounding.

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.

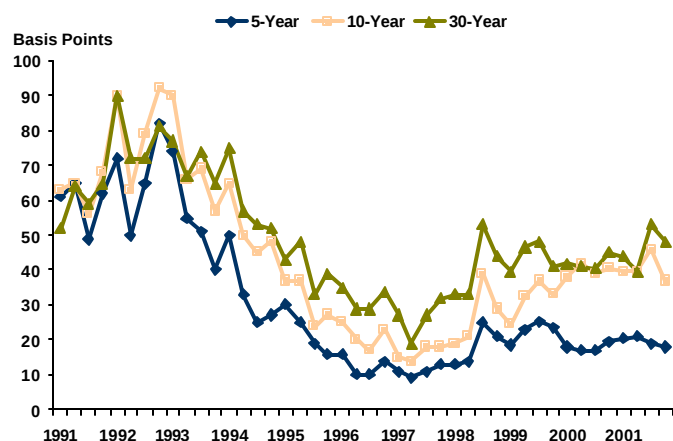
- ▲ The Province's exposure to unhedged foreign currencies is limited to 5 per cent of debt. As of December 31, 2001, the Province's foreign exchange exposure was 1.7 per cent of debt.
- ▲ The Province's maximum interest rate resetting exposure is limited to 25 per cent of debt. As of December 31, 2001, interest rate resetting risk (net of liquid reserves) was 8.6 per cent of debt.
- ▲ The Province will continue to seek the most cost-effective borrowing opportunities and a maturity profile which recognizes the 25 per cent limit on interest rate resetting exposure.
- ▲ The minimum credit rating of a counterparty for a new swap transaction is AA- and R-1 (mid) for money market instruments. Approximately 80 per cent of the Province's approved counterparties are rated AA- or better.
- ▲ 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 RESETTling 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 resetting 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 commitment to preserving budgetary surpluses; the rapid decline in the Province's tax-supported debt and the anticipated resumption of strong economic performance over the medium term."

Moody's: Aa3 Positive Outlook

"Since taking office in mid-1995, the Conservative government has pursued a program of deficit reduction, tax reduction and spending restraint. A trend of steadily improving fiscal performance has now produced a second year of budget surplus."

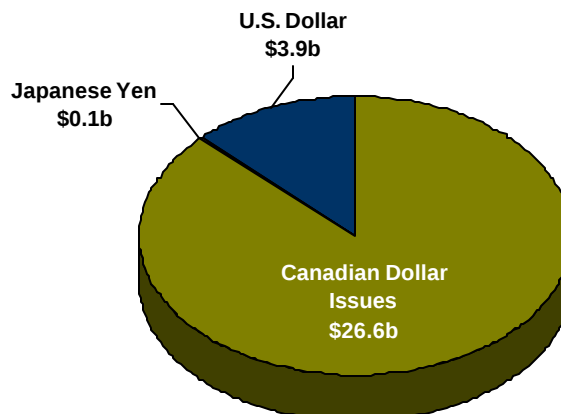
Dominion Bond Rating Service: AA

"The rating upgrade (July 2001) results from continued improvements in the Province's financial profile, as reflected in: (1) the elimination of the Province's deficit and the surplus projected for 2001-02; (2) better control over indebtedness; and (3) low and declining tax burdens. Ontario residents and businesses enjoy substantially lower tax burdens than a decade ago."

ONTARIO ELECTRICITY FINANCIAL CORPORATION (OEEFC)

- ▲ The Ontario Financing Authority, on behalf of Ontario Electricity Financial Corporation, 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 OEEFC's long-term public borrowing program is projected at \$3.4 billion. As of December 31, 2001, the OEEFC has completed \$1.8 billion of its 2001-02 long-term public borrowing program. The remainder of OEEFC's borrowing will be funded using short-term debt following the decision to privatize Hydro One Inc.
- ▲ The public debt that was issued by the former Ontario Hydro remains the obligation of OEEFC and continues to be fully guaranteed by the Province of Ontario.

OEEFC DEBT OUTSTANDING BY CURRENCY*



*As of March 31, 2001