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financing fact sheet

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Province of Ontario Borrowing Program

March 31, 2002	2001-02		2002-03
($ Billions)	Budget Plan	Interim	Budget Plan
Surplus	0.1	0.1	—
Adjustments for:			
Non-Cash Items Included in Surplus	(2.3)	(1.7)	(2.9)
Amortization of Tangible Capital Assets*	—	—	0.7
Acquistions of Tangible Capital Assets*	—	—	(1.4)
Maturities of Debt**	(9.6)	(9.5)	(11.7)
Early Redemptions of Debt	(1.0)	(1.6)	(1.2)
Canada Pension Plan Borrowing	1.1	—	0.7
Decrease/(Increase) in Cash and Cash Equivalents	2.6	0.4	3.0
Increase /(Decrease) in Short-Term Borrowing	—	0.2	—
Other Sources/(Uses) of Cash***	—	(0.1)	—
Long-Term Public Borrowing Requirement	9.1	12.3	12.7
Completed			2.3
Remaining			10.4

Note: Numbers may not add due to rounding.

* Starting in 2002-03, major tangible capital assets owned by the Province (land, buildings and transportation infrastructure) are accounted for on a full accrual accounting basis. Other tangible capital assets will continue to be booked as expenditure in the year of acquisition.

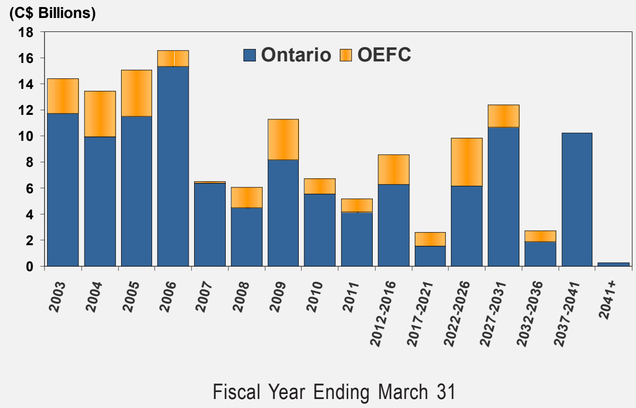
** Maturities of debt are lower than the 2001-02 Budget Plan due to the Province exercising its options on extendible bonds.

*** Includes net repayment from, or loans to, agencies and an increase or decrease in deposits with the Province of Ontario Savings Office.

Long-Term Public Borrowing Update

- The Province's total long-term public borrowing for 2002-03 is projected at $12.7 billion, of which $11.7 billion is to refinance maturing debt, $1.2 billion is a provision for early redemptions of debt, $2.9 billion is related to adjustments for non-cash items included in the surplus, and $1.4 billion is related to acquisitions of tangible capital assets. These requirements are partially offset by a decrease in cash of $3.0 billion and the amortization of tangible capital assets of $0.7 billion.
- Up to $0.7 billion may be borrowed from the Canada Pension Plan, if it is cost-effective.
- To date, the Province has completed $2.3 billion of the 2002-03 borrowing program.

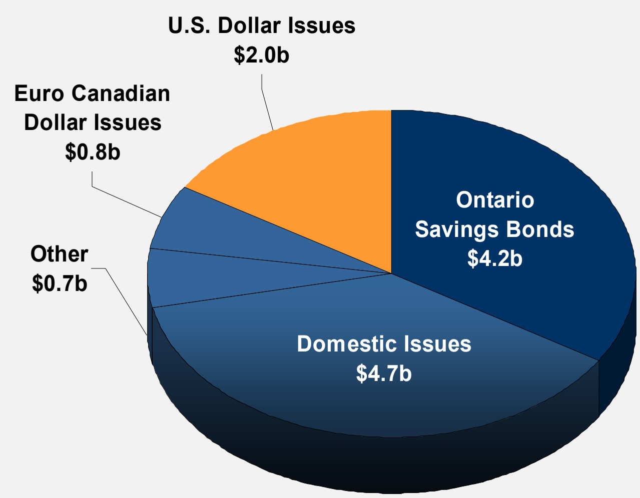
Long-Term Debt Maturity Profile*



* Province of Ontario debt and Ontario Electricity Financial Corporation (OEFC) debt as of March 31, 2002. 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 By Instrument

C$12.3 billion issued as of March 31, 2002*



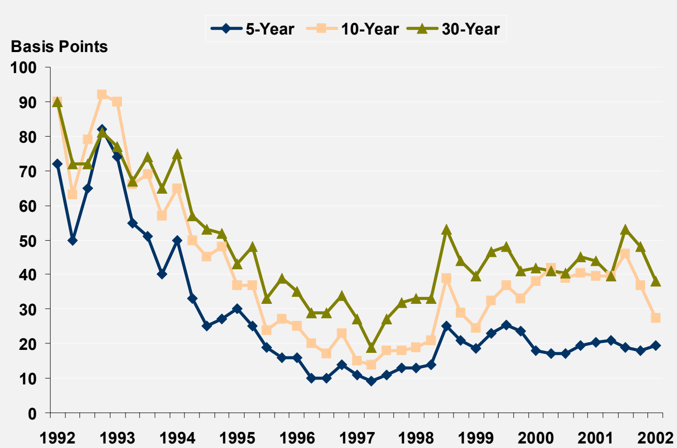
*Excludes debt buybacks. Numbers may not add due to rounding.

Province of Ontario Debt Management Policies

The Province manages its debt by adhering to prudent risk management policies to mitigate its exposures to financial risks, while maintaining the needed flexibility in its borrowing and debt management programs.

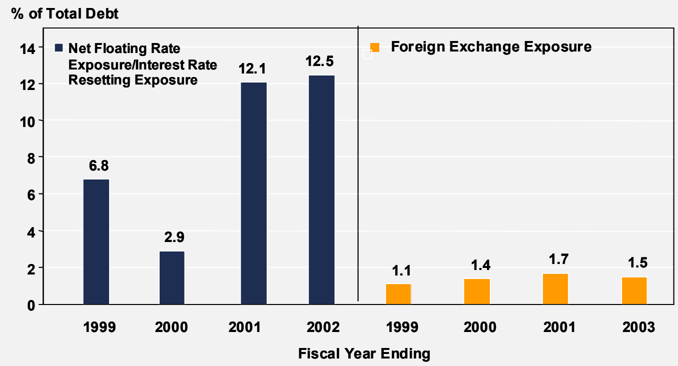
- The Province's exposure to unhedged foreign currencies is limited to five per cent of outstanding debt. As of March 31, 2002, the Province's foreign exchange exposure was 1.5 per cent of outstanding debt.
- The Province's maximum interest rate resetting exposure is limited to 25 per cent of outstanding debt. As of March 31, 2002, interest rate resetting risk (net of liquid reserves) was 12.5 per cent of outstanding 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 investments. 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 Credit Spread History Over Government of Canada Bonds*



*Source: PCBond

Province of Ontario Foreign Exchange and Interest Rate Resetting 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 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 (OEFC)

- 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 Province met OEFC's borrowing requirements of $3.4 billion by issuing $1.8 billion in long-term debt and $1.6 billion in short-term debt.
- OEFC's debt maturities for 2002-03 are $2.7 billion.
- 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.

For more information, please contact the Investor Relations Unit, Ontario Financing Authority, One Dundas Street West, Suite 1400, Toronto, Ontario, M7A 1Y7, Canada. Telephone: (416) 325-0918 / Fax: (416) 204-7946 / Email: investor@ofina.on.ca.