INVESTOR PRESENTATION

ONTARIO FINANCING AUTHORITY

OCTOBER 2024

Ontario

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ONTARIO OVERVIEW

- The Province of Ontario is located in an area with excellent international connectivity and close ties to the United States.
- In 2023, Ontario had a population of 15.6 million with nominal GDP estimated at just under $1.1 trillion, both representing almost 40 per cent of Canada.
- Ontario has a diverse advanced economy, with technology-led manufacturing, extensive financial and business services, and globally recognised higher education and scientific research. It has a relatively smaller primary resource sector compared to the rest of Canada.
- The province has direct taxation powers and stable growth, and is a major beneficiary in Canada of international investment and worker migration. Services account for about 77 per cent of the overall economy.

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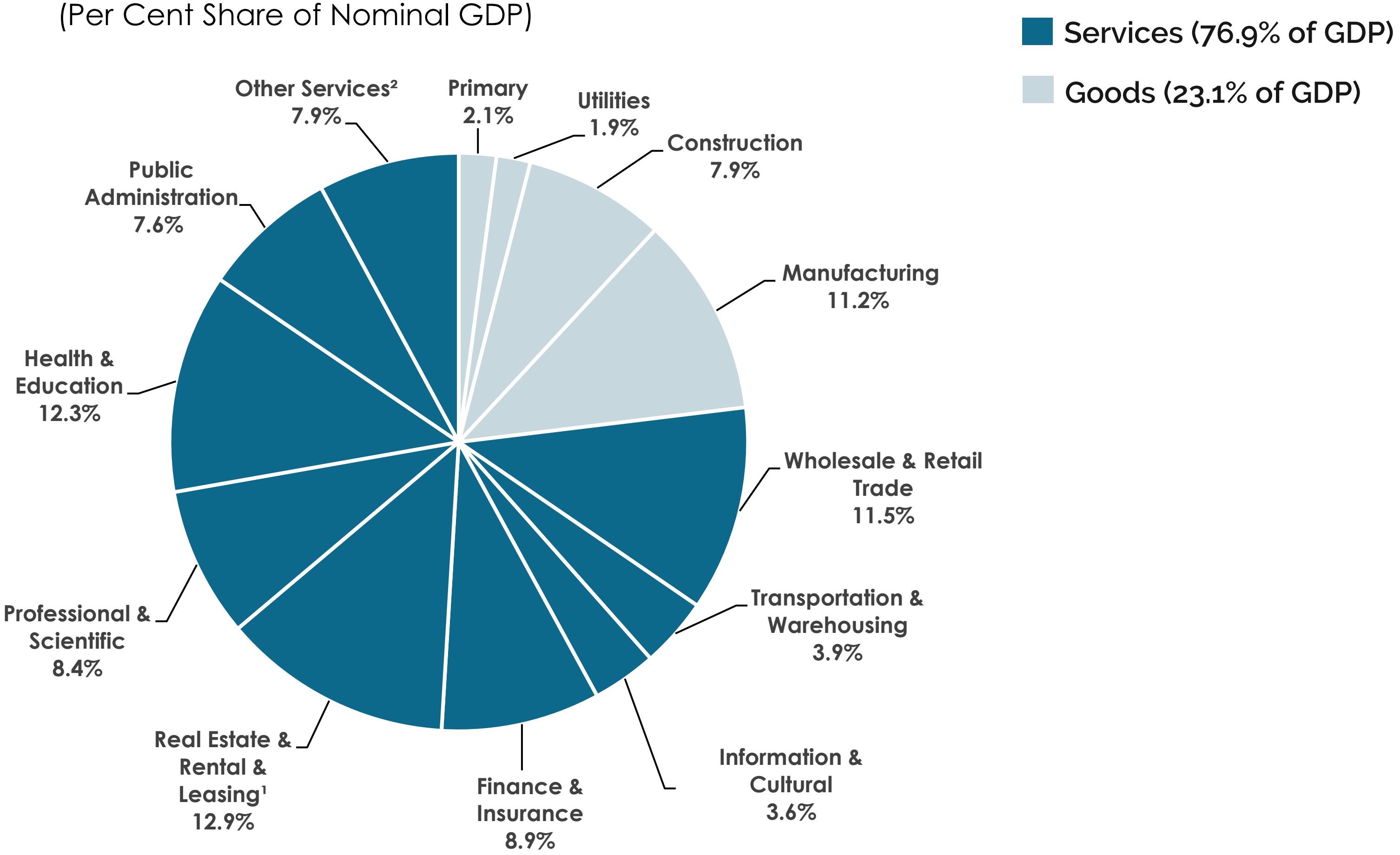
ONTARIO'S DIVERSE ECONOMY

Structure of the Ontario Economy, 2023
(Per Cent Share of Nominal GDP)



[1] Includes estimate of imputed rental income from owner occupied dwellings.
[2] Other services include: management of companies and enterprises; administrative and support, waste management and remediation services; arts, entertainment and recreation; accommodation and food services; and other services.
Source: Statistics Canada.
Note: Numbers may not add due to rounding.

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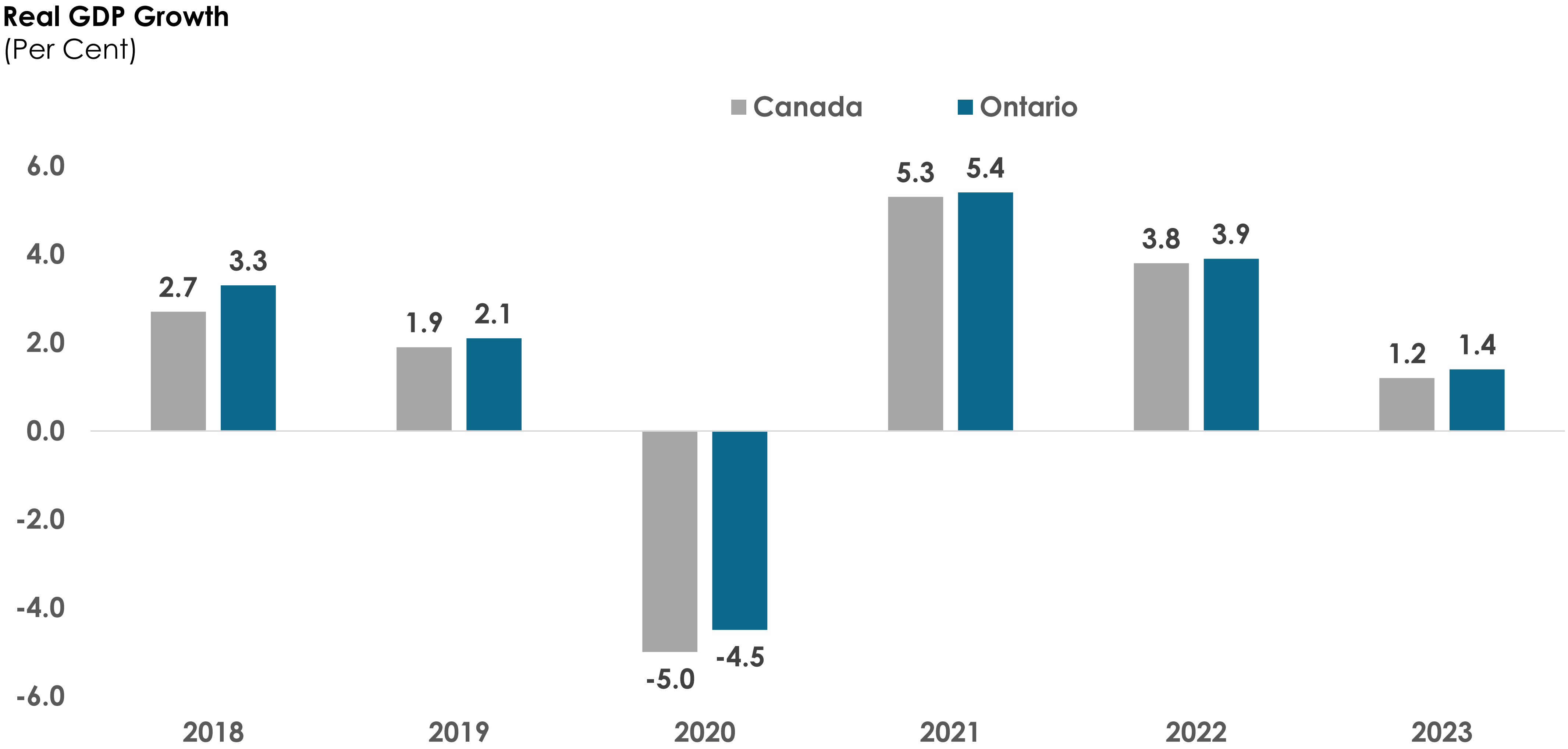
ONTARIO REAL GDP GROWTH OUTPACES CANADA



Source: Statistics Canada and Ontario Ministry of Finance.

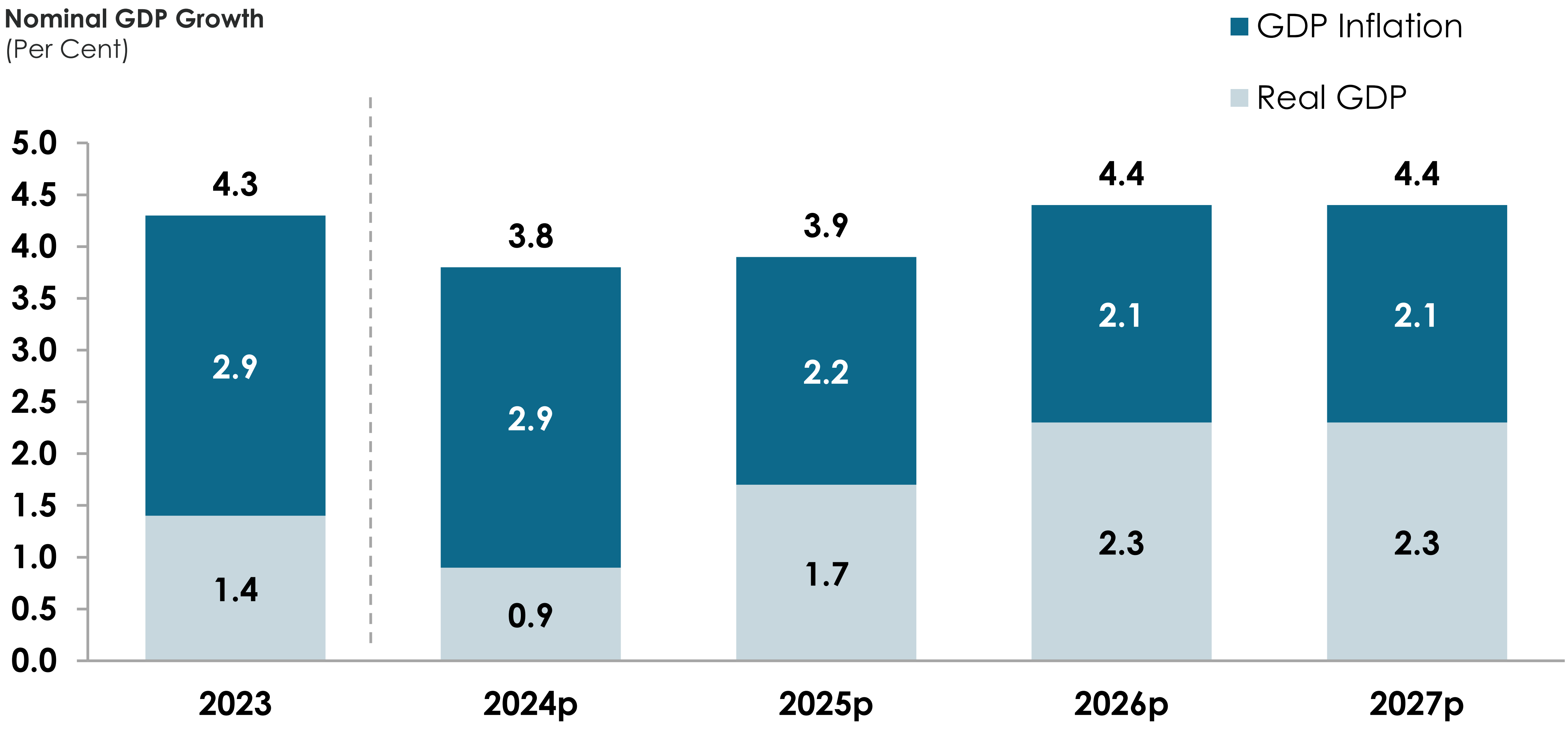
ONTARIO'S ECONOMIC OUTLOOK

- 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.

Economic Summary (Per Cent)	**2023**	**2024p**	**2025p**	**2026p**	**2027p**
Real GDP Growth	1.4	0.9	1.7	2.3	2.3
Nominal GDP Growth	4.3	3.8	3.9	4.4	4.4
Employment Growth	2.4	1.4	1.5	1.4	1.2
CPI Inflation	3.8	2.5	2.1	2.0	2.0

p = Ontario Ministry of Finance planning projection based on external sources as of September 19, 2024.
Sources: Statistics Canada and Ontario Ministry of Finance.

ONTARIO GDP GROWTH PROJECTED TO RISE



p = Ontario Ministry of Finance planning projection based on external sources as of September 19, 2024.
Sources: Statistics Canada and Ontario Ministry of Finance.

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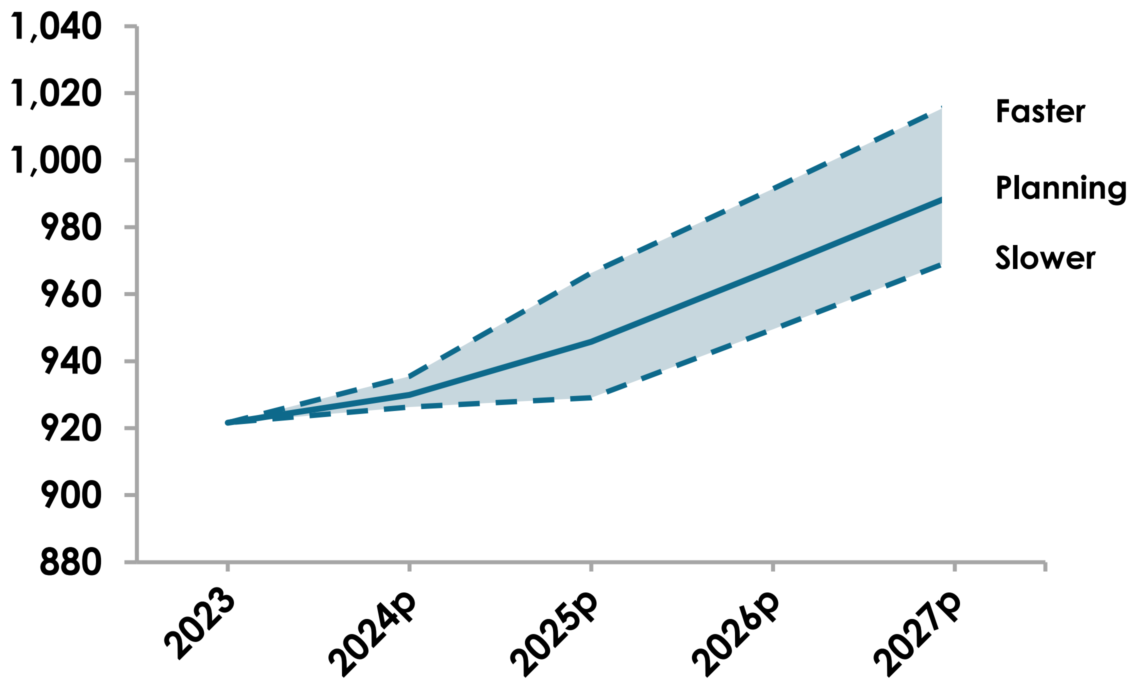
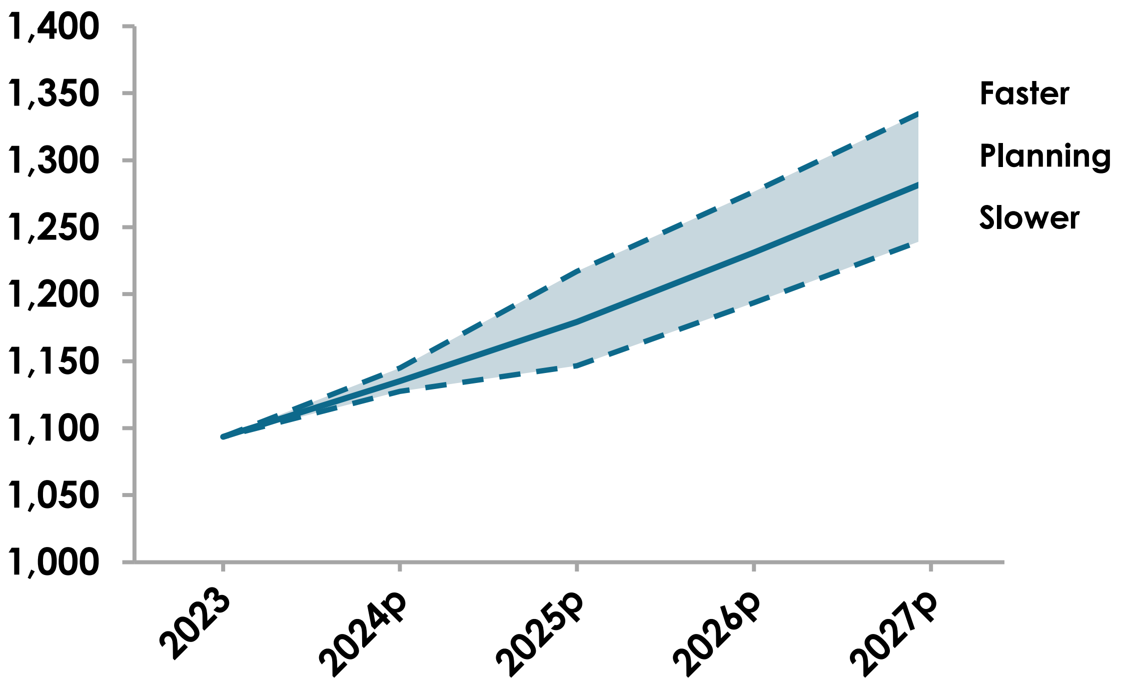
ONTARIO GDP SCENARIO FORECASTS

Real GDP
($2017 Billions)



Nominal GDP
($ Billions)



Real GDP Growth Scenarios (Per Cent)	2024p	2025p	2026p	2027p
Faster Growth Scenarios	1.5	3.3	2.6	2.6
Planning Projection	**0.9**	**1.7**	**2.3**	**2.3**
Slower Growth Scenarios	0.5	0.3	2.2	2.2

Nominal GDP Growth Scenarios (Per Cent)	2024p	2025p	2026p	2027p
Faster Growth Scenarios	4.7	6.3	4.9	4.9
Planning Projection	**3.8**	**3.9**	**4.4**	**4.4**
Slower Growth Scenarios	3.1	1.7	4.1	4.1

p = Ontario Ministry of Finance planning projection based on external sources as of September 19, 2024 and alternative scenarios.
Source: Ontario Ministry of Finance.

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FISCAL OUTLOOK

Fiscal Summary ($ Billions)	Actual	Medium-Term Outlook		
	2023–24	2024–25	2025–26	2026–27
Revenue	**205.9**	**212.6**	**220.8**	**230.7**
Expense				
Programs	195.2	205.5	206.8	213.3
Interest on Debt	11.4	12.7	14.0	14.5
Total Expense	**206.6**	**218.3**	**220.8**	**227.8**
Surplus/(Deficit) Before Reserve	**(0.6)**	**(5.6)**	**(0.0)**	**2.9**
Reserve	–	1.0	1.5	2.0
Surplus/(Deficit)	**(0.6)**	**(6.6)**	**(1.5)**	**0.9**

Note: Numbers may not add due to rounding. Current and medium-term outlook primarily reflect information available as of September 30, 2024.
Sources: Ontario Treasury Board Secretariat and Ontario Ministry of Finance.

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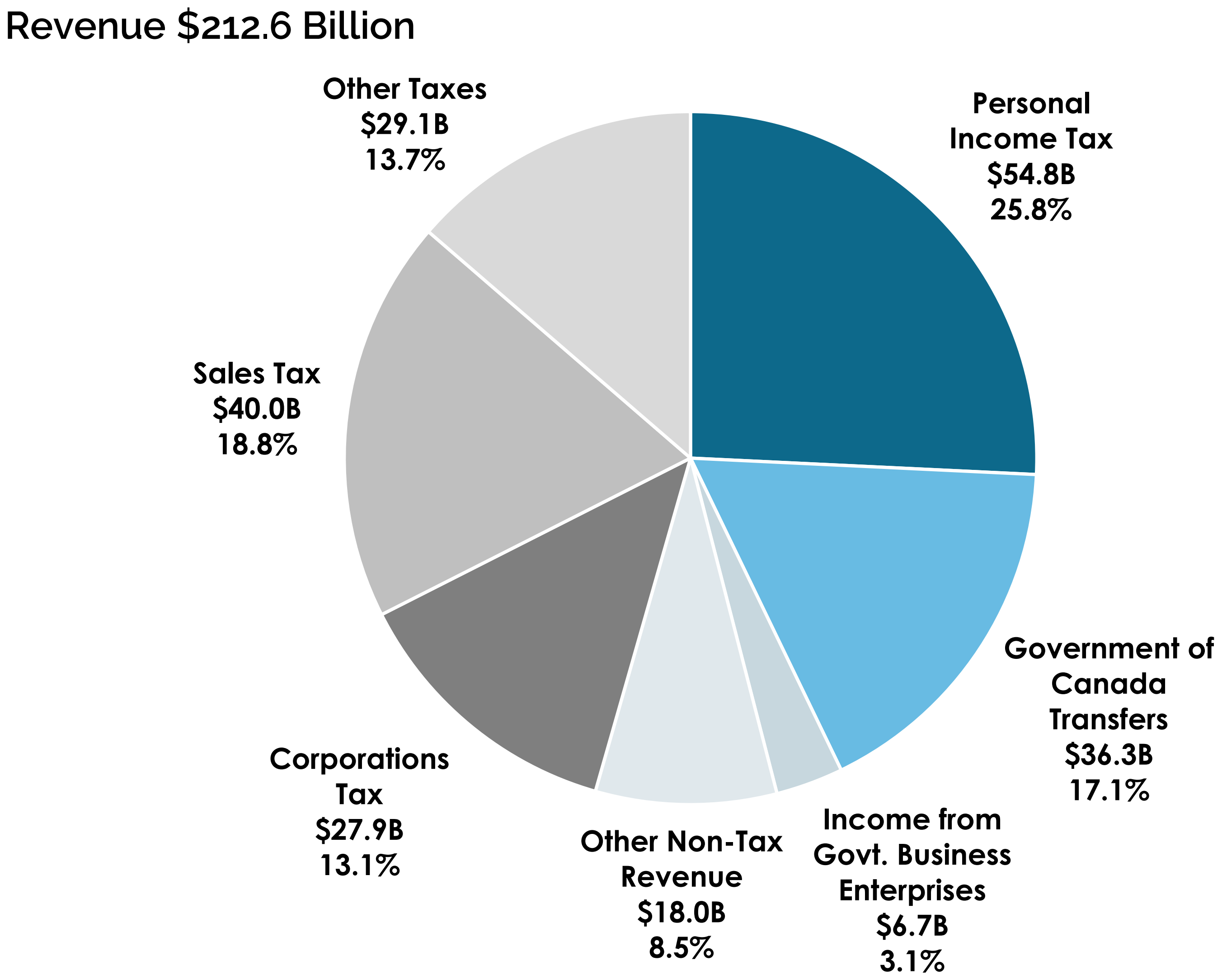
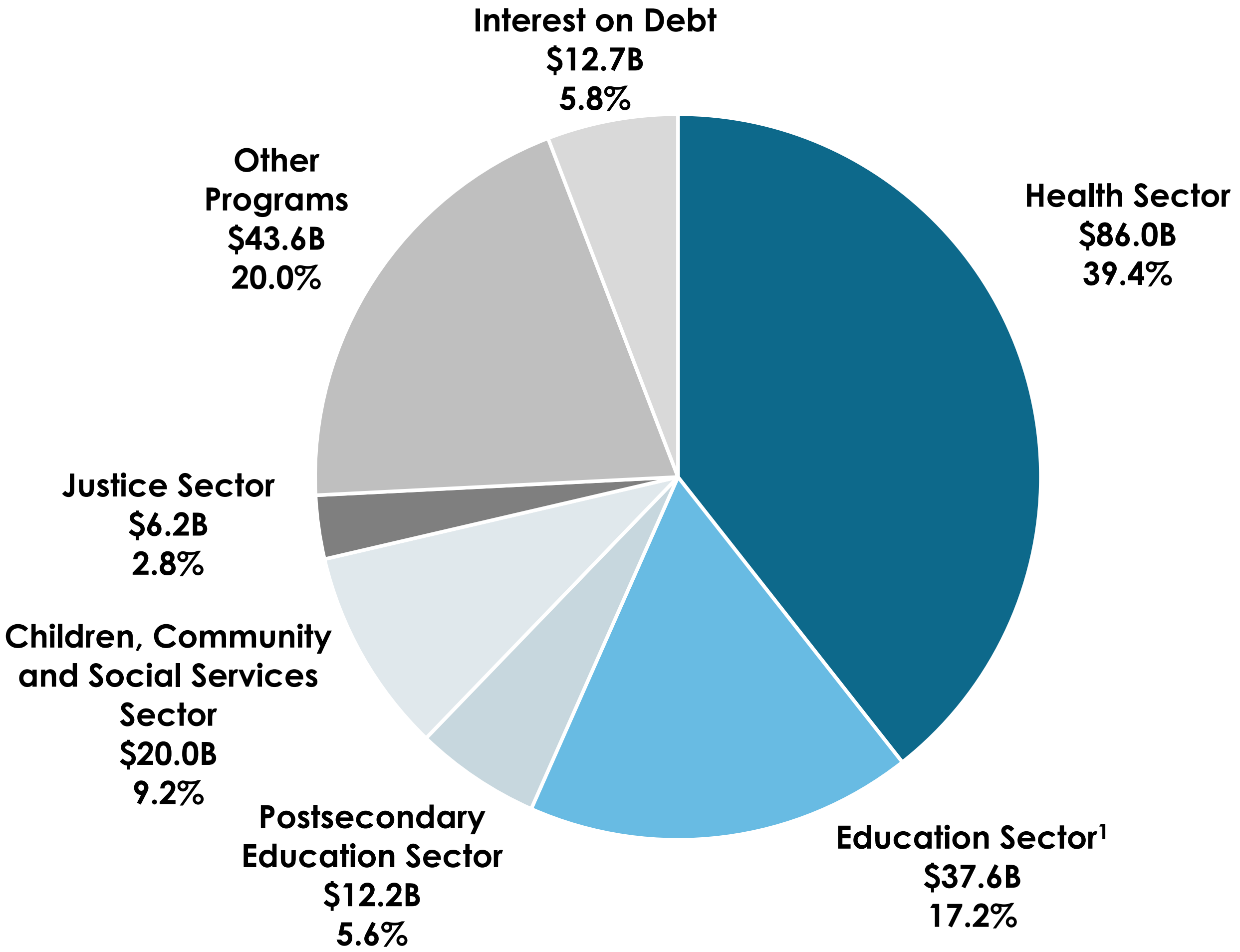
COMPOSITION OF TOTAL REVENUE 2024–25



Note: Numbers may not add due to rounding.
Source: Ontario Ministry of Finance.

COMPOSITION OF TOTAL EXPENSE 2024–25

Total Expense $218.3 Billion



[1] Education excludes Teachers' Pension Plan. Teachers' Pension Plan expense is included in Other Programs.

Note: Numbers may not add due to rounding.

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

ONTARIO'S BORROWING OUTLOOK

($ Billions)	*2024 Budget*	In-Year Change	Current Outlook	Medium-Term Outlook	
			2024–25	2025–26	2026–27
Deficit/(Surplus)	9.8	(3.2)	6.6	1.5	(0.9)
Investment in Capital Assets	17.7	-	17.7	20.9	20.6
Non-Cash and Cash Timing Adjustments	(11.0)	-	(11.0)	(12.0)	(13.9)
Net Loans and Investments	(0.3)	1.1	0.8	(0.2)	–
Debt Maturities and Redemptions	28.0	–	28.0	33.1	26.9
Total Funding Requirement	**44.2**	**(2.1)**	**42.2**	**43.3**	**32.6**
Decrease/(Increase) in Short-Term Borrowing	(5.0)	–	(5.0)	–	–
Increase/(Decrease) in Year-End Cash and Cash Equivalents[1]	(1.0)	1.3	0.3	(8.3)	–
Total Long-Term Public Borrowing	**38.2**	**(0.7)**	**37.5**	**35.0**	**32.6**

[1] Starting in 2024–25, pre-borrowing will be reflected as part of the increase in year-end cash and cash equivalents.
Note: Numbers may not add due to rounding.
Source: Ontario Financing Authority.

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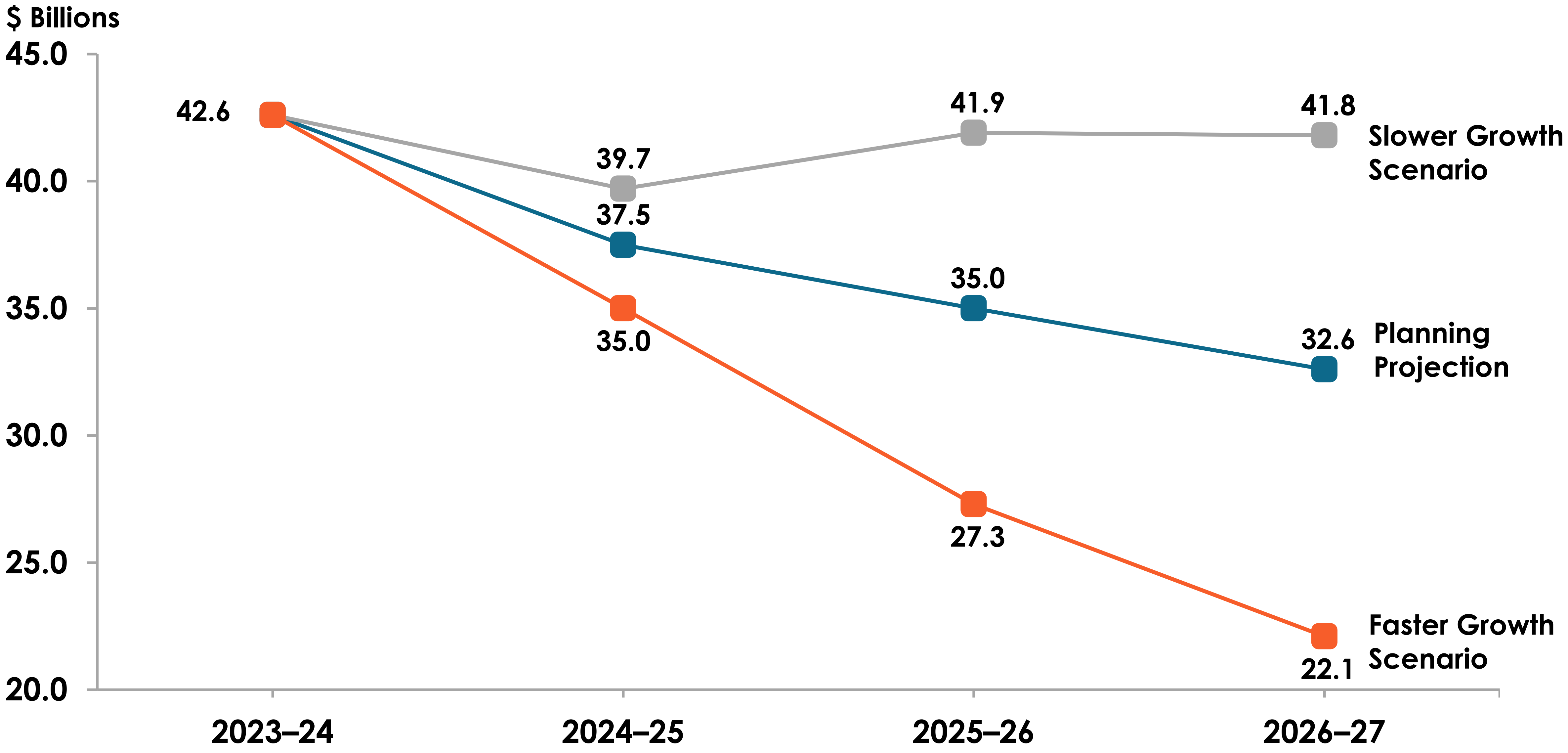
BORROWING OUTLOOK SCENARIOS FOR LONG-TERM BORROWING



Sources: Ontario Financing Authority and Ontario Ministry of Finance.

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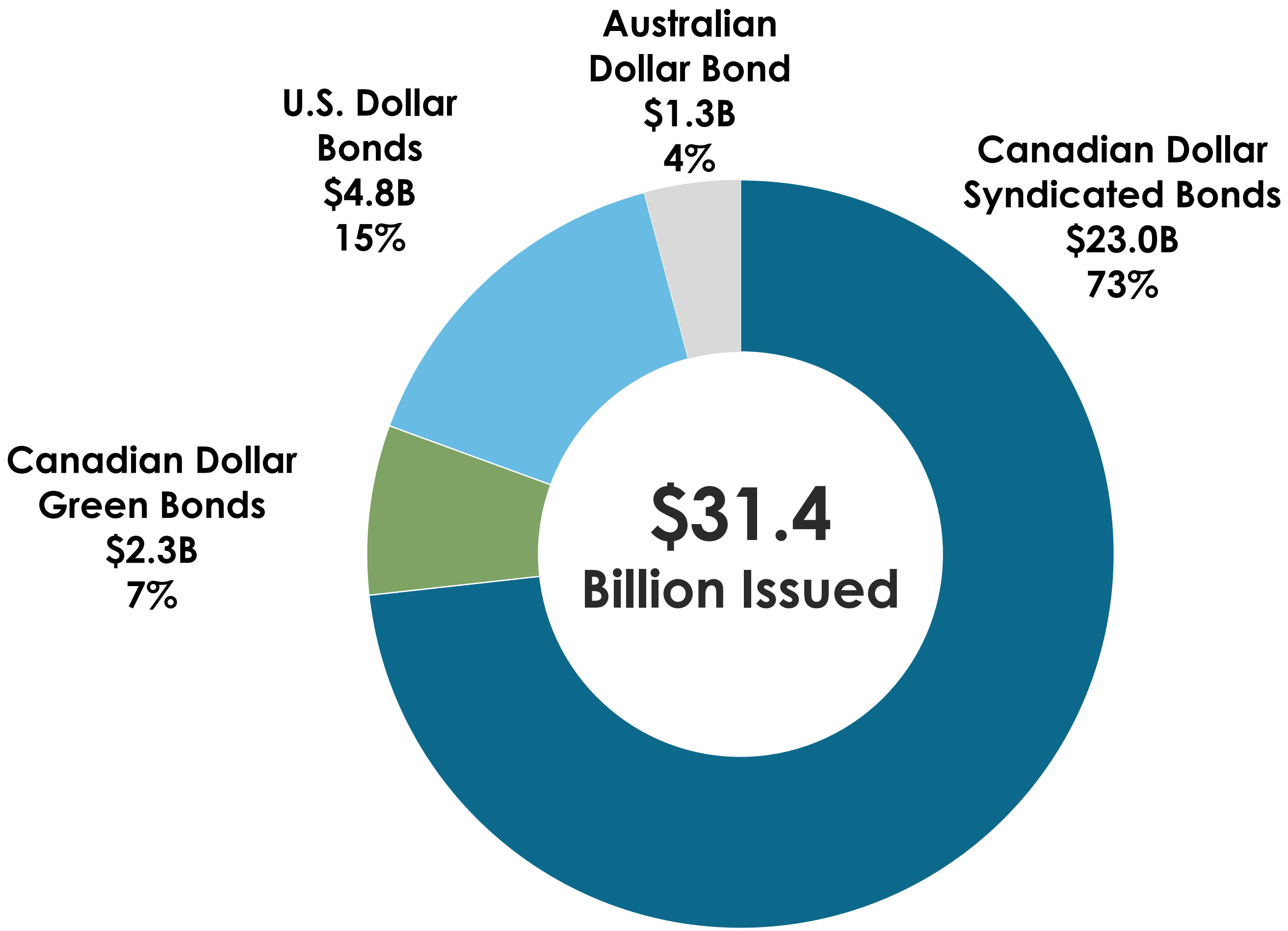
2024–25 BORROWING PROGRAM



Canadian Dollar $25.3B 80%	Foreign Currencies $6.1B 20%

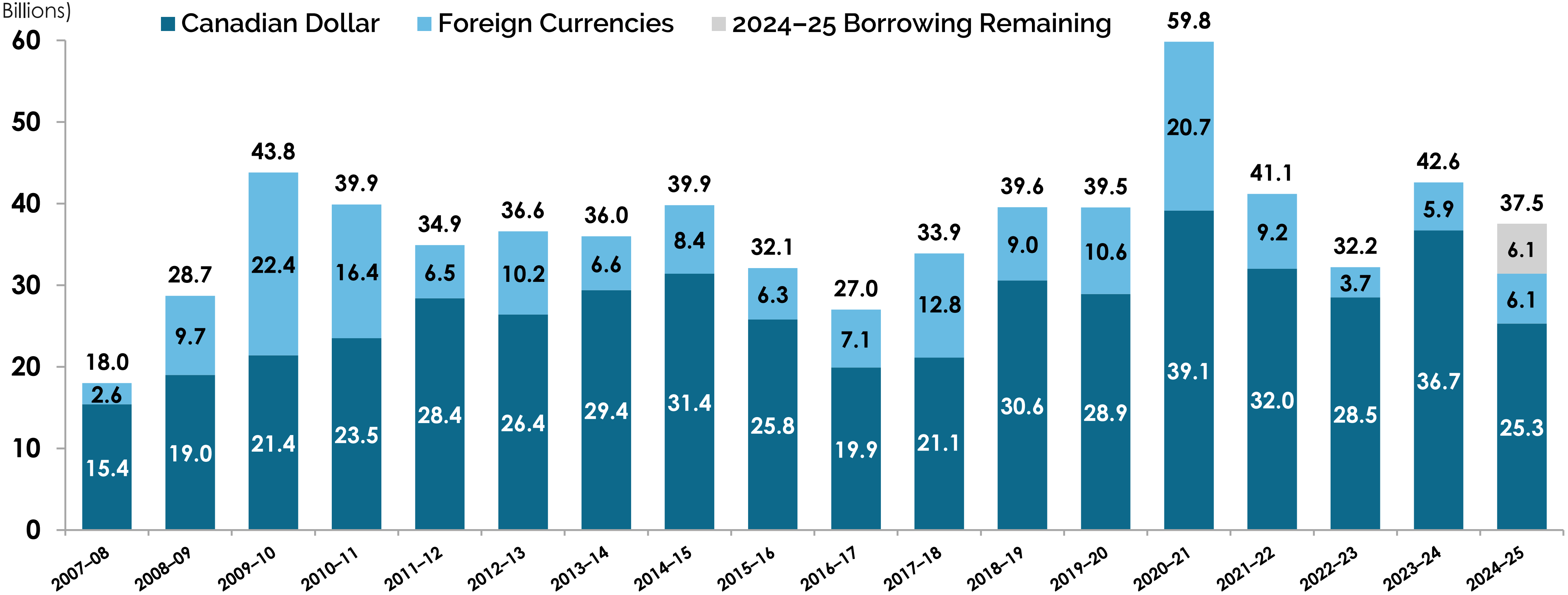
Note: As of October 15, 2024. Numbers may not add due to rounding.

DOMESTIC AND INTERNATIONAL BORROWING

As of October 15, 2024

Total Long-Term Borrowing

($ Billions)



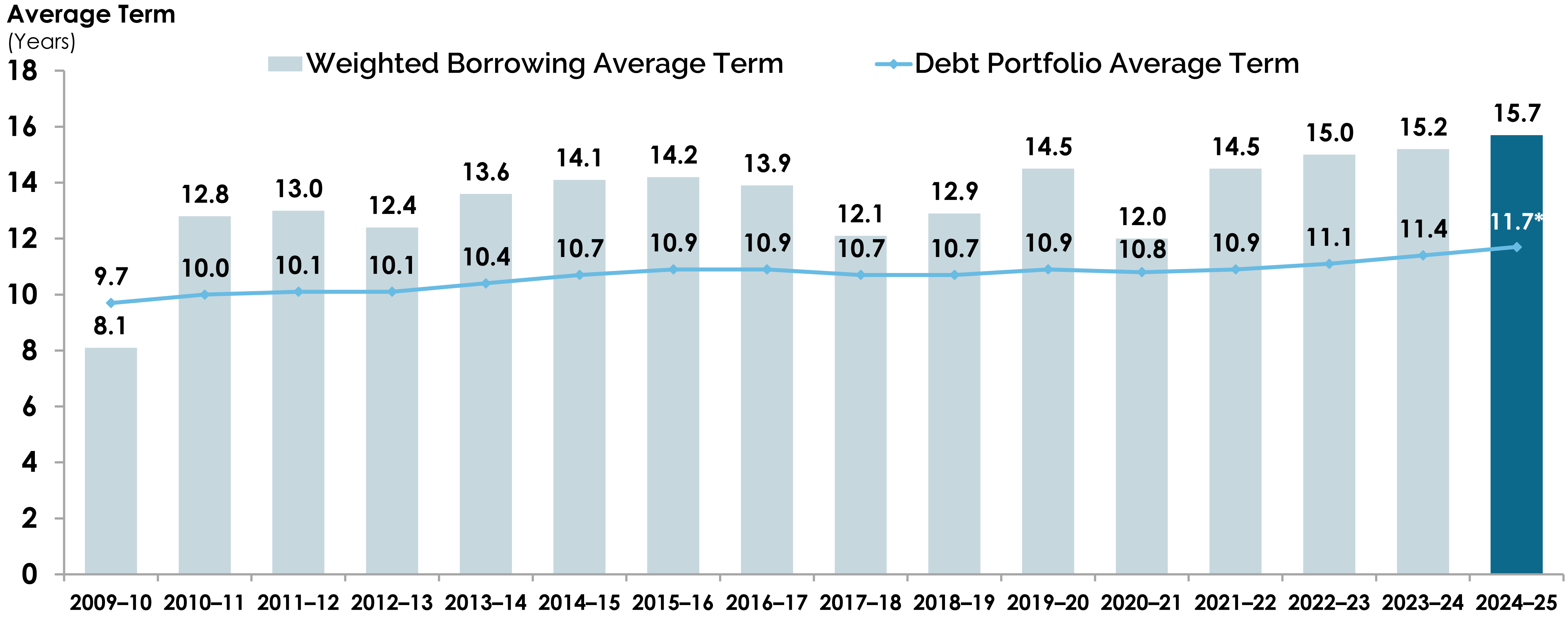
	2007–08	2008–09	2009–10	2010–11	2011–12	2012–13	2013–14	2014–15	2015–16	2016–17	2017–18	2018–19	2019–20	2020–21	2021–22	2022–23	2023–24	2024–25
Foreign	14%	34%	51%	41%	19%	28%	18%	21%	19%	26%	38%	23%	27%	35%	22%	12%	14%	20%
Domestic	86%	66%	49%	59%	81%	72%	82%	79%	81%	74%	62%	77%	73%	65%	78%	88%	86%	80%
Weighted-Average Term	12.1	8.6	8.1	12.8	13.0	12.4	13.6	14.1	14.2	13.9	12.1	12.9	14.5	12.0	14.5	15.0	15.2	15.7

Note: Numbers may not add due to rounding.
Source: Ontario Financing Authority.

WEIGHTED-AVERAGE TERM OF BORROWINGS

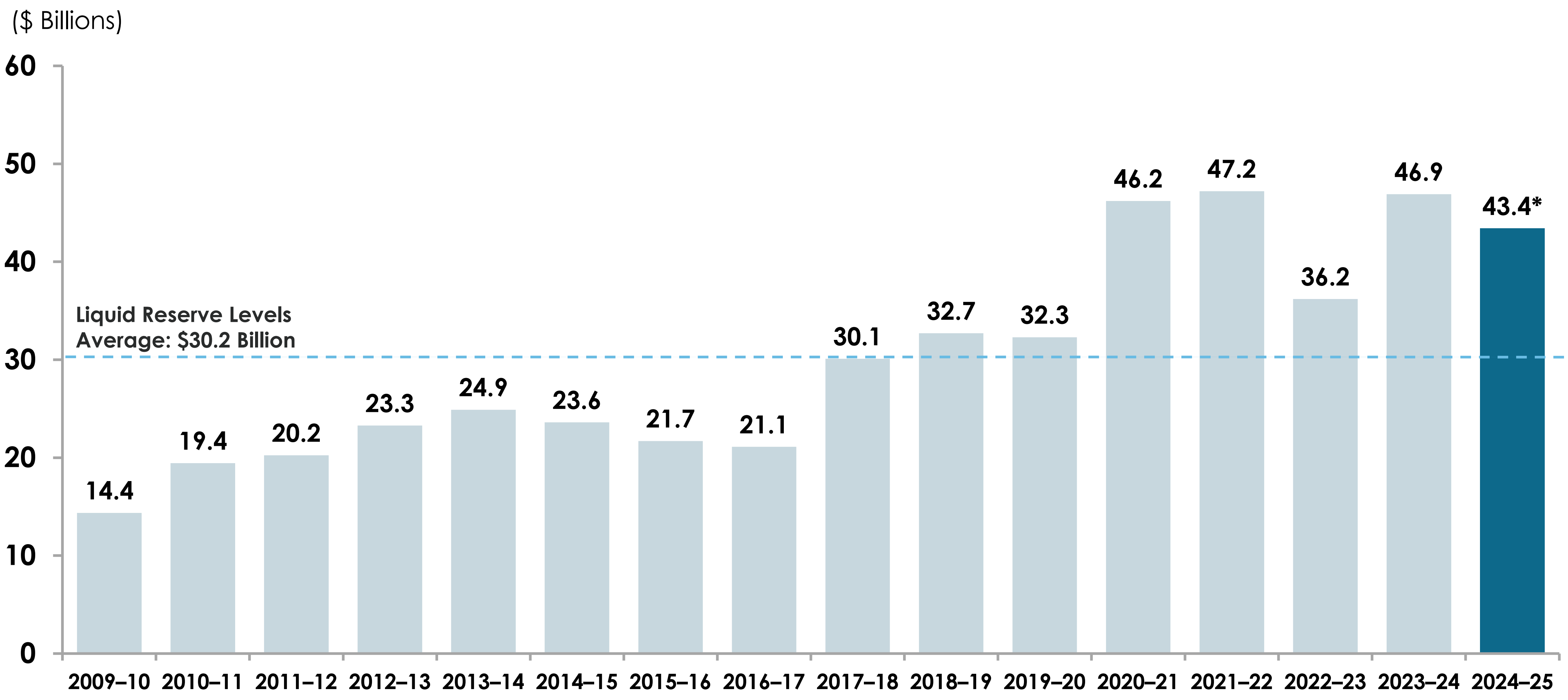
- Since fiscal 2010–11, Ontario has issued $147 billion of bonds 30 years or longer to lock in low interest rates.

As of October 15, 2024



*As of September 30, 2024.
Source: Ontario Financing Authority.

AVERAGE UNRESTRICTED LIQUID RESERVE LEVELS



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*As of September 30, 2024.

DOMESTIC BORROWING PROGRAM

- Ontario bonds accounted for 69.4 per cent of Canadian provincial bond trading in 2023.[1]
- Ontario accounted for 13.6 per cent of the FTSE Universe Bond Index, 13.5 per cent of the FTSE TMX Mid Bond Index and 21.9 per cent of the FTSE TMX Long Bond Index.[2]
- Large and diverse domestic underwriting syndicate of 11 dealers make active markets in Ontario bonds.
- Regular issuance of 5-year, 7-year, 10-year and 30-year issues, which are re-opened to achieve benchmark size.
- Large Order Procedure (carve-outs) to accommodate large investors (9 issues totalling $4.05 billion in 2023–24, and 3 issues totaling $1.5 billion in 2024–25, so far).

Canadian dollar Benchmark Bonds
(As of October 29, 2024)

Term	Ontario		Canada	
5 yr (old)	3.40% September 8, 2028	$2.00B	4.00% March 1, 2029	$27.00B
5 yr (new)	4.00% March 8, 2029	$2.75B	3.50% September 1, 2029	$30.00B
7 yr	2.15% June 2, 2031	$8.85B	1.50% June 1, 2031	$42.00B
10 yr (old)	4.15% June 2, 2034	$12.25B	3.25% December 1, 2033	$21.00B
10 yr (new)	3.80% December 2, 2034	$3.25B	3.00% June 1, 2034	$34.00B
Long (old)	4.15% December 2, 2054	$12.00B	1.75% December 1, 2053	$32.00B
Long (new)	4.60% December 2, 2055	$7.20B	2.75% December 1, 2055	$26.75B

[1] Investment Industry Regulatory Organization of Canada (IIROC) Market Trade Reporting System - Provincial Bond Total Trading.
[2] PC Bond, as of December 31, 2023.

INTERNATIONAL BORROWING PROGRAM

- Ontario accesses foreign markets to diversify its borrowing program and expand its investor base.
- The province borrows in U.S. dollars, Euros, British Pound Sterling, Australian dollars, Swiss francs, and other currencies.
- Ontario views the U.S. dollar and Euro markets as strategic currencies.

Selected Foreign Benchmark Bonds

Term	Issue Date and Coupon	Amount
5 year	3.70% September 10, 2024	US$ 2.00B
10 year	5.35% April 29, 2024	AUD$ 1.50B
10 year	5.05% April 16, 2024	US$ 1.50B
10 year	3.10% January 24, 2024	€ 1.25B
5 year	4.20% January 10, 2024	US$ 3.00B
5 year	3.10% May 12, 2022	US$ 2.25B

AS OF March 31, 2024

TOTAL DEBT OUTSTANDING = $429.5B

$371.7 Billion Canadian Dollars

$32.6 Billion US Dollars

$18.9 Billion Euros

$3.8 Billion Pound Sterling

$1.5 Billion Australian Dollars

$1.0 Billion Swiss Francs

ONTARIO'S GREEN BONDS

- Ontario is currently the largest issuer of Canadian dollar Green Bonds:

2014–15	2015–16	2016–17	2017–18	2018–19	2019–20	2020–21	2021–22	2022–23	2023–24	2024-25	
$0.5 Billion	$0.75 Billion	$0.8 Billion	$1.0 Billion	$0.95 Billion	$1.25 Billion	$2.75 Billion	$4.5 Billion	$2.5 Billion	$3.0 Billion	$2.25 Billion	$20.25 Billion

- Green Bonds serve as an important tool to help Ontario finance public transit initiatives, extreme weather-resistant infrastructure, and energy efficiency and conservation projects.

Ontario's Sustainable Bond Framework

- In January 2024, Ontario released its Sustainable Bond Framework, replacing its Green Bond Framework from 2014.
- The new Framework allows for a broader range of potential bond offerings in the future, and includes 10 Green categories, and 5 social categories.
- On October 2, 2024, the Province of Ontario issued a new $1.0 billion Green Bond maturing October 7, 2054. This marks the largest 30-year Green Bond issue in the Canadian dollar market and the first ever 30-year Green Bond by a Province.

2024 Sustainable Bond Framework Green Categories

- Clean Transportation
- Green Buildings
- Energy Efficiency
- Pollution Prevention and Control
- Clean Energy
- Environmentally Sustainable Management of Living Natural Resources and Land Use
- Terrestrial and Aquatic Biodiversity
- Climate Change Adaptation
- Sustainable Water and Wastewater Management
- Circular Economy, Adapted Products, Production, Technologies and Processes

Note: Numbers may not add due to rounding.
Source: Ontario Financing Authority.

ONTARIO'S GREEN BONDS

Overall Allocation By Framework Category

Total $20.25 Billion

Clean Transportation* — **84%** of funds

Energy Efficiency* — **14%** of funds

Climate Change Adaptation* — **2%** of funds

29 Projects

9 Projects

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
11 SUSTAINABLE CITIES AND COMMUNITIES
13 CLIMATE ACTION

19 Projects

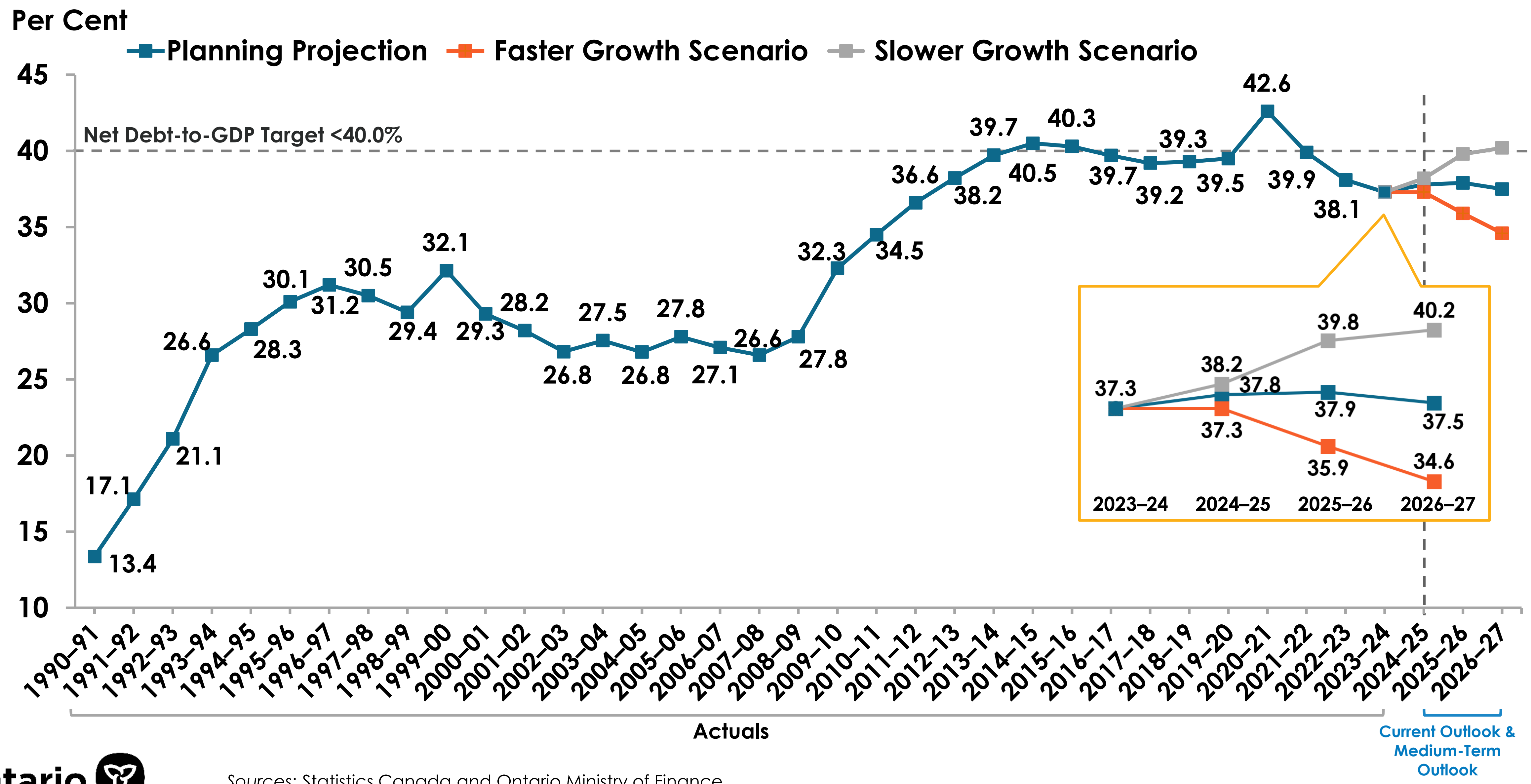
7 AFFORDABLE AND CLEAN ENERGY
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION

1 Project

11 SUSTAINABLE CITIES AND COMMUNITIES
13 CLIMATE ACTION
15 LIFE ON LAND

*Data includes bonds issued under the 2014 *Green Bond Framework*, categories have been updated to align with those in the new 2024 *Ontario Sustainable Bond Framework*.
Note: Numbers may not add due to rounding.
Source: Ontario Financing Authority.

NET DEBT-TO-GDP



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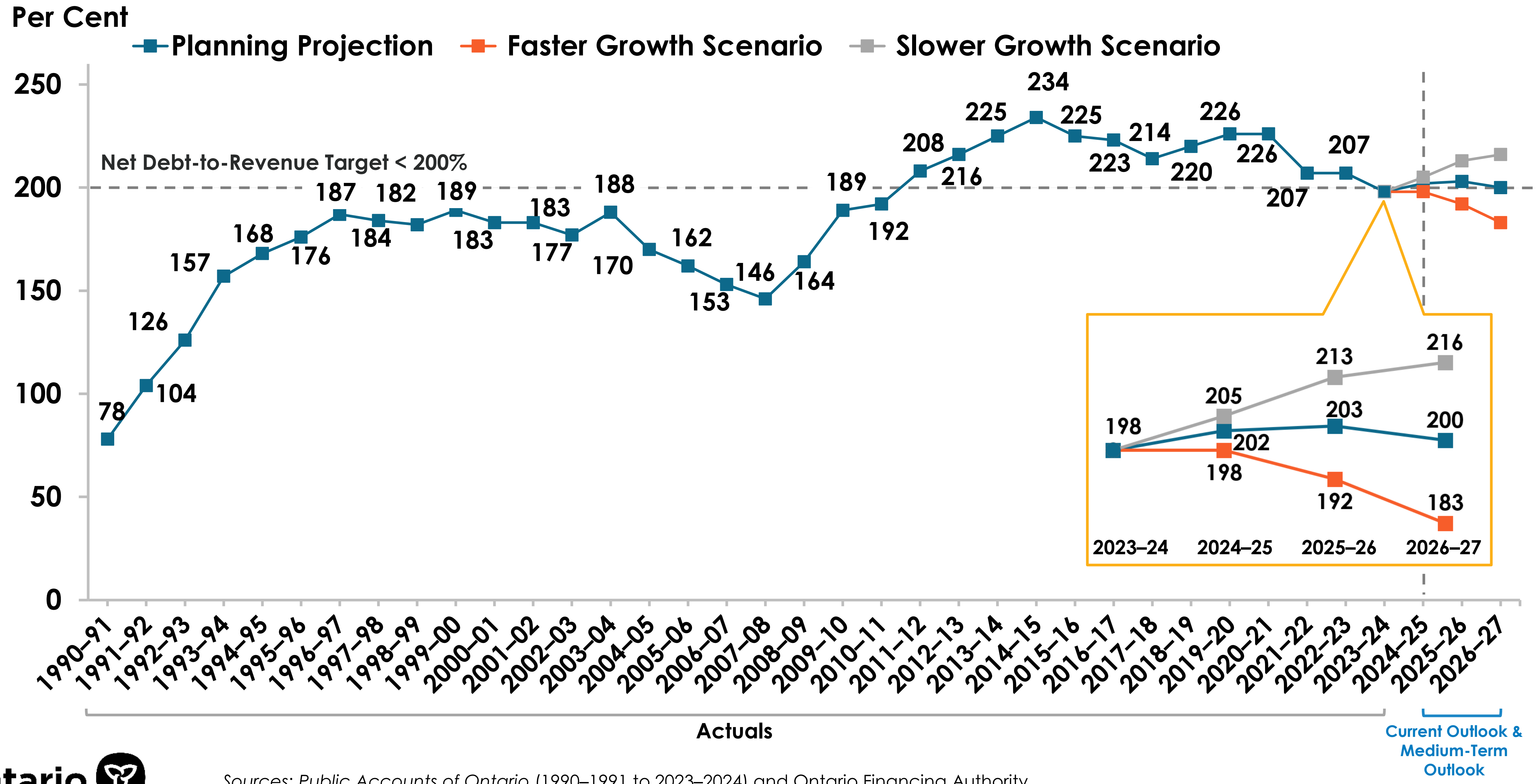
Sources: Statistics Canada and Ontario Ministry of Finance.

NET DEBT-TO-REVENUE



Sources: Public Accounts of Ontario (1990–1991 to 2023–2024) and Ontario Financing Authority.

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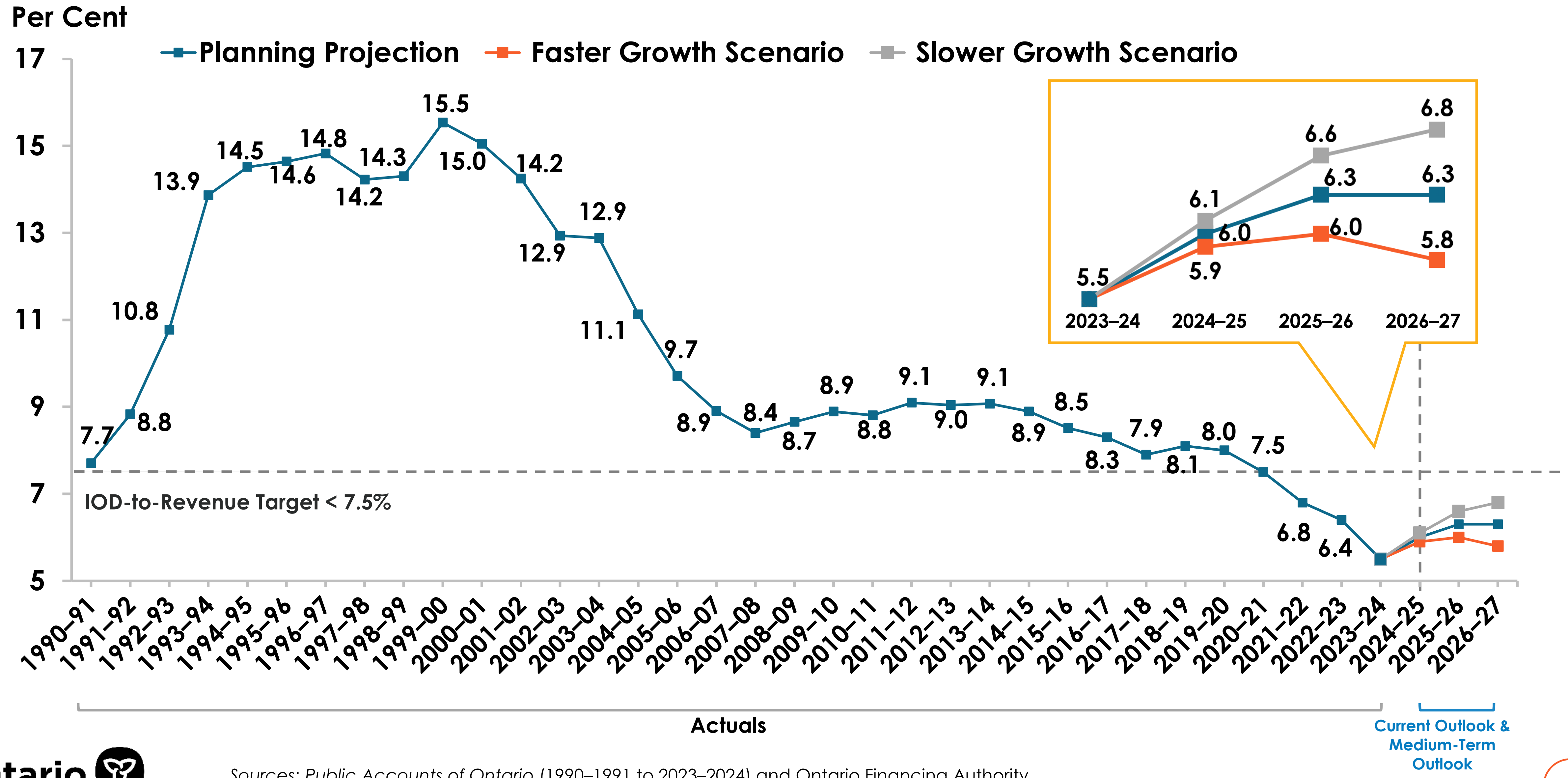
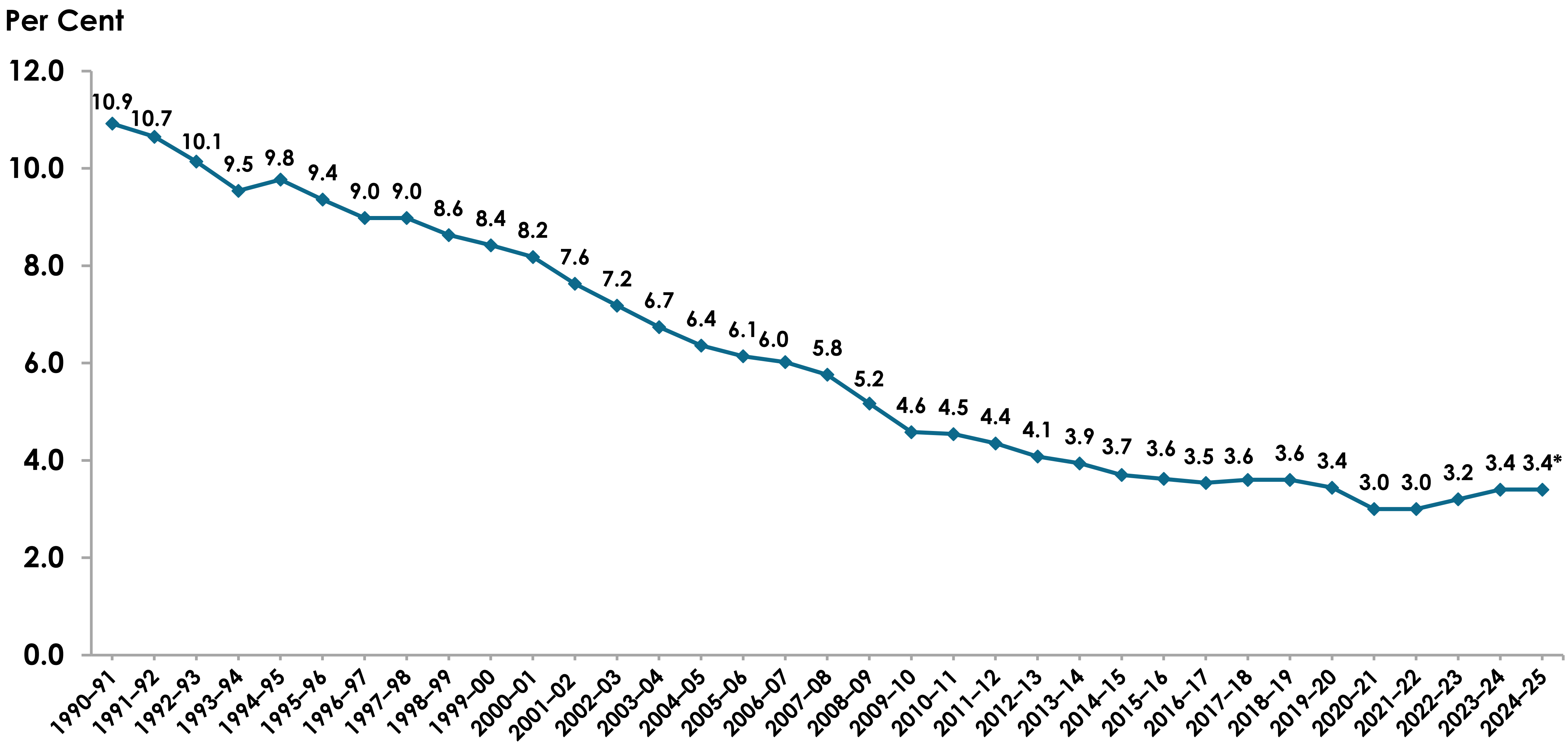
IOD-TO-REVENUE



Sources: Public Accounts of Ontario (1990–1991 to 2023–2024) and Ontario Financing Authority.

EFFECTIVE INTEREST RATE (WEIGHTED AVERAGE) ON TOTAL DEBT



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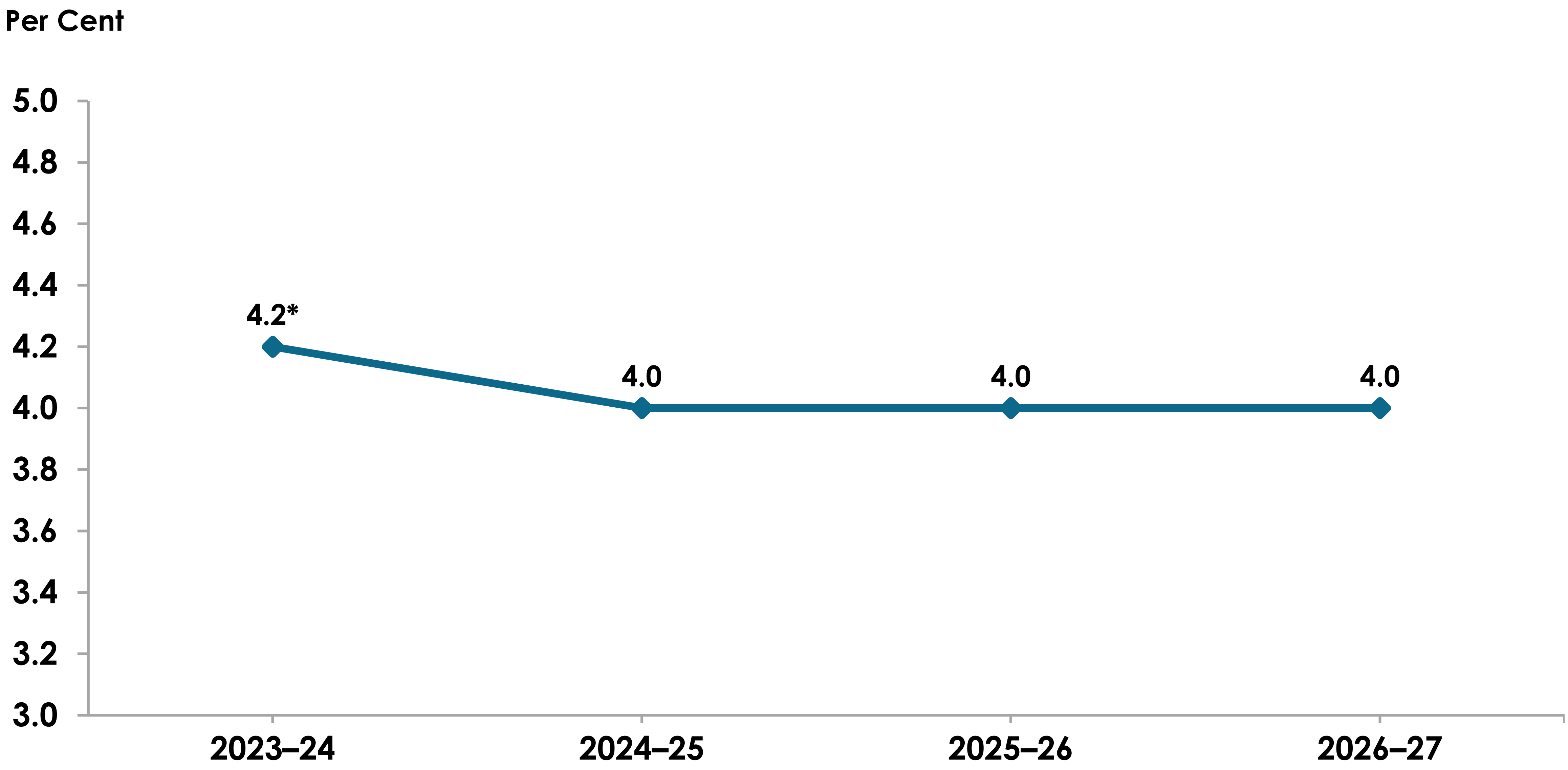
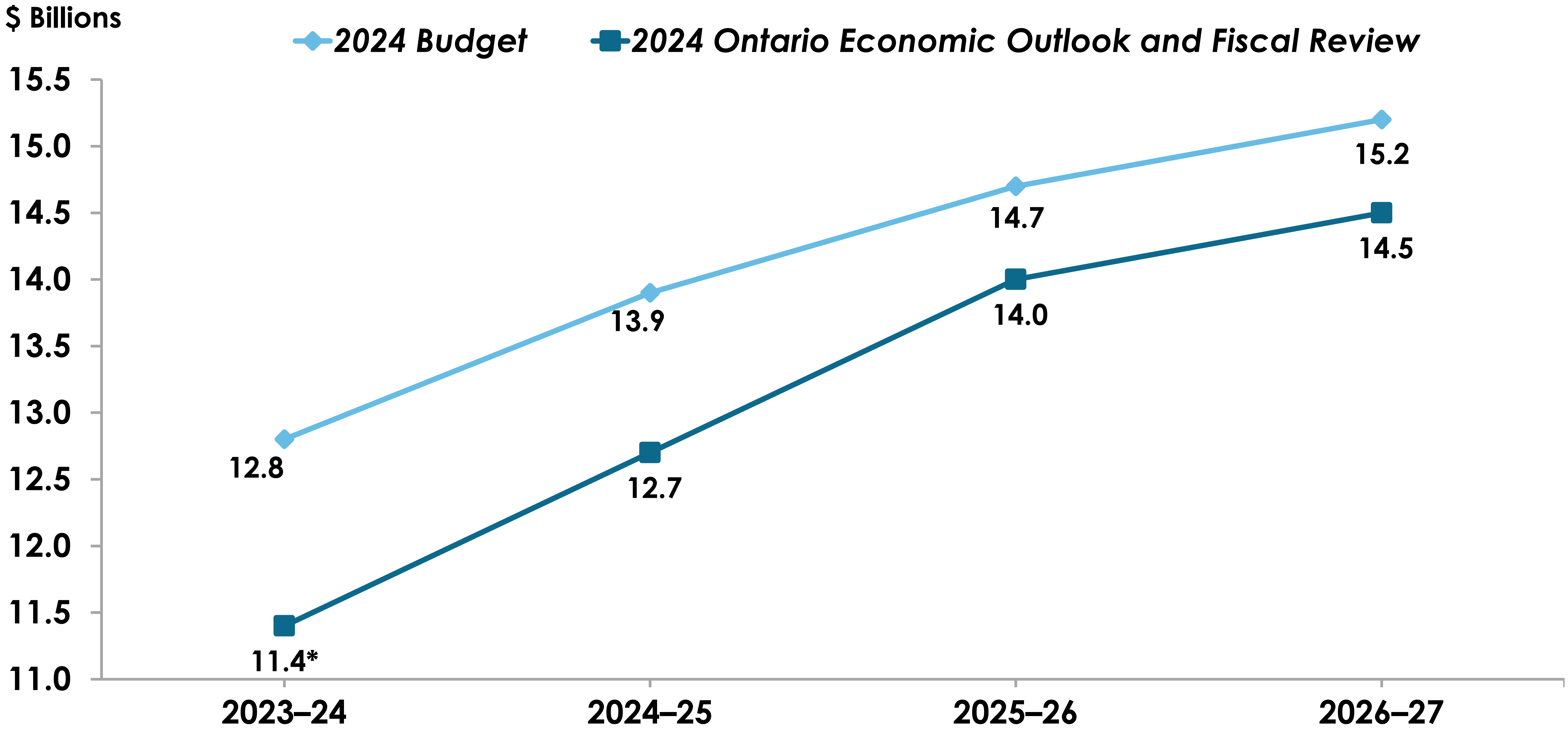
*As of September 30, 2024.
Sources: Public Accounts of Ontario (1990–1991 to 2023–2024) and Ontario Financing Authority.

AVERAGE ANNUAL ONTARIO BORROWING RATES



*Public Accounts of Ontario 2023–2024.
Source: Ontario Financing Authority.

INTEREST ON DEBT EXPENSE LOWER THAN *2024 BUDGET* FORECAST



**Public Accounts of Ontario 2023–2024.*
Source: Ontario Financing Authority.

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CREDIT RATINGS

Rating Agencies	Long-term Rating	Short-term Rating	Outlook
Moody's	Aa3	P-1	Positive
FitchRatings	AA-	F1+	Stable
MORNINGSTAR DBRS	AA	R-1 (high)	Stable
STANDARD &POOR'S	A+	A-1	Positive

Ontario

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