



PROVINCE OF SASKATCHEWAN

(CANADA)

2011-12 MID-YEAR FINANCIAL UPDATE

November 28, 2011

GRF remains in surplus

(\$ Millions)	Estimated 2011-12	Forecast 2011-12	Change
Treasury Board Organizations			
GRF¹			
Revenue	\$10,794.3	\$10,951.1	\$ 156.8
Expense	10,679.3	10,926.1	246.8
Pre-transfer GRF Surplus	\$ 115.0	\$ 25.0	\$ (90.0)
Transfer to GFSF ²	(57.5)	(12.5)	45.0
Transfer from GFSF	325.0	325.0	-
Net Transfer from (to) GFSF	\$ 267.5	\$ 312.5	\$ 45.0
GRF Surplus	\$ 382.5	\$ 337.5	\$ (45.0)
TBO ³ Income (Loss)	121.1	(19.2)	(140.3)
Dividends from TBOs included in GRF Surplus	(430.0)	(455.6)	(25.6)
Surplus (Deficit) of all TBO	\$ (308.9)	\$ (474.8)	\$ (165.9)
CIC Board Organizations			
CICBO ⁴ Income (Loss)	347.9	464.6	116.7
Dividends from CICBOs included in GRF Surplus	(120.0)	(120.0)	-
Surplus (Deficit)	\$ 227.9	\$ 344.6	\$ 116.7
Not-for-Profit Insurance Organizations ⁵	135.3	(174.1)	(309.4)
Summary Surplus (Deficit)	\$ 54.3	\$ (304.3)	\$ (358.6)

1 General Revenue Fund

2 Growth and Financial Security Fund

3 Treasury Board Organizations

4 CIC Board Organizations

5 Prior to Not-for-Profit Insurance Organizations

Second highest real GDP growth in 2010

- Saskatchewan real GDP grew by 4.0 per cent in 2010, the second highest growth in Canada.
- In addition, Saskatchewan had the second highest growth in nominal GDP (+9.6 per cent), nominal GDP per capita (+8.0 per cent), personal income (+4.5 per cent) and personal disposable income (+5.2 per cent) last year.
- Saskatchewan had the third strongest growth in real GDP per capita (+2.6 per cent) and the fourth highest growth in personal income per capita (+3.1 per cent) in 2010.

Revenue is on track to exceed the 2011-12 Budget Estimate

Revenue is forecast to be \$156.8 million, or 1.5 per cent, higher than the 2011-12 Budget Estimate primarily due to:

- a \$207.0 million increase in potash revenue;
 - a \$105.6 million increase in federal transfers;
 - a \$75.3 million increase in other revenue;
 - a \$30.0 million increase in provincial sales tax;
- offset by:
- a \$151.4 million reduction in Crown land sales revenue; and,
 - a \$109.7 million reduction in Corporate Income Tax.

Expenses up 2.3 per cent, primarily for flood relief, contract settlements and capital

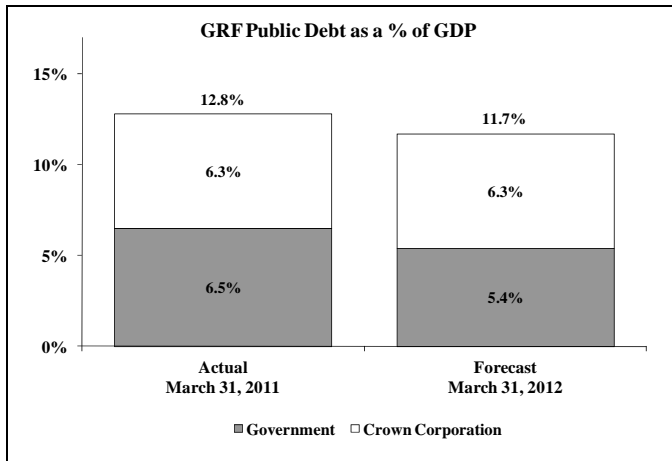
Expenses are forecast to be \$246.8 million higher than the 2011-12 Budget Estimate primarily due to:

- a \$244.4 million increase in various Ministries relating to 2011 spring and summer flooding;
 - a \$97.4 million increase due primarily to the increase in teachers' salary expense as a result of a collective bargaining agreement and increases in school capital transfers; and,
 - an \$8.4 million increase related to higher demand for student loans;
- partially offset by:
- anticipated savings in AgriStability contributions;
 - a \$17.2 million reduction in Social Services primarily due to lower caseloads and program delivery costs;
 - a \$10.0 million reduction in debt servicing costs due primarily to reduced funding requirements and lower short-term interest rates; and,
 - a \$13.2 million reduction in capital transfers in Municipal Affairs and Tourism, Parks, Culture and Sports primarily due to weather-related project delays.

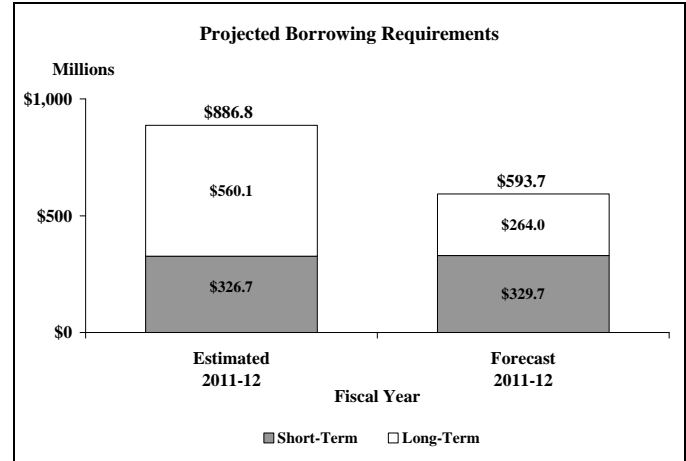
Nominal GDP growth of 11.2 per cent and real GDP growth of 3.1 per cent forecast for 2011

Economic Indicators (Per Cent Change unless Noted Otherwise)	Year-to-Date Change 2011	January through
Volume of Oil Production	-0.5	August
Value of Oil Sales	12.7	August
Oil Wells Drilled	31.7	October
Volume of Potash Production	25.2	September
Value of Potash Sales	29.1	September
Employment Growth (000s)	1.6	October
Unemployment Rate (%)	5.0	October
Value of Manufacturing Sales	14.1	September
International Exports	21.4	September
Retail Sales	7.7	September
Wholesale Trade	22.1	September
New Vehicle Sales	5.9	September
Value of Building Permits	27.9	September
Housing Starts	28.8	September

Government debt continues to decline as a percentage of the economy



All borrowing requirements for Crown corporations



Government debt declines; Crown debt increases for capital expenditures

Flooding and extreme weather in 2011 increases expenses

Debt of the Province as at March 31
(\$ Millions)

	March 31, Mid-Year		
	2011	Forecast	Change
Government			
Gross Debt	\$ 6,111.6	\$ 5,877.3	\$ (234.3)
Sinking Funds	(1,976.4)	(2,067.1)	(90.7)
Government Public Debt	\$ 4,135.2	\$ 3,810.2	\$ (325.0)
Crown Corporation			
Gross Debt	\$ 4,438.3	\$ 5,015.6	\$ 577.3
Sinking Funds	(455.4)	(529.1)	(73.7)
Crown Corporation Public Debt	\$ 3,982.9	\$ 4,486.5	\$ 503.6
Public Debt	\$ 8,118.1	\$ 8,296.7	\$ 178.6
Other Debt*	229.5	239.4	9.9
Summary Statement of Debt	\$ 8,347.6	\$ 8,536.1	\$ 188.5
Summary Statement of Guaranteed Debt			
	\$ 29.1	\$ 28.9	\$ (0.2)

- a \$60.0 million increase from budget due to claims under the Provincial Disaster Assistance Program, offset by \$51.0 million in federal cost sharing;
- a \$49.0 million increase for emergency repairs to highways, offset by \$41.1 million in federal cost sharing;
- a \$33.9 million increase for flood mitigation and prevention work undertaken by the Saskatchewan Watershed Authority, offset by \$17.0 million in federal cost sharing;
- a \$3.5 million increase in the Saskatchewan Feed and Forage Program; and,
- a \$98.0 million increase for the provincial contribution to the Canada-Saskatchewan Excess Moisture Program partially offset by savings in AgriStability contributions due to estimated improvements in farm incomes.

* Some Crown corporations and other organizations have obligations to other entities. The General Revenue Fund is not responsible for this other debt.

For additional copies or information please contact:
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Credit Ratings of the Province

Standard & Poor's	AAA
Moody's Investors Service	Aa1
Dominion Bond Rating Service	AA