



PROVINCE OF SASKATCHEWAN

(CANADA)

2012-13 MID-YEAR FINANCIAL UPDATE

November 27, 2012

GRF remains in surplus

Summary Statement of Surplus (Deficit)

(\$ Millions)

	Estimated 2012-13	Forecast 2012-13	Change
Treasury Board Organizations			
General Revenue Fund (GRF)			
Revenue	\$11,290.9	\$11,239.9	\$ (51.0)
Expense	11,195.9	11,227.5	31.6
Pre-Transfer Surplus	\$ 95.0	\$ 12.4	\$ (82.6)
Net Transfer from (to) GFSF ¹	(47.5)	43.8	91.3
GRF Surplus	\$ 47.5	\$ 56.2	\$ 8.7
Other TBO ² Net (Loss) net of dividends to GRF*	(313.0)	(600.6)	(287.6)
(Deficit) Surplus of all TBO	\$ (265.5)	\$ (544.4)	\$ (278.9)
CIC Board Organizations			
CIC BO ³ Net Income (Loss) net of dividends to GRF	193.5	348.4	154.9
(Deficit) Surplus ⁴	\$ (72.0)	\$ (196.0)	\$ (124.0)
Surplus of Not-for-Profit			
Insurance Organizations	86.8	218.5	131.7
Summary (Deficit) Surplus	\$ 14.8	\$ 22.5	\$ 7.7

¹ Growth and Financial Security Fund

² Treasury Board Organizations

³ CIC Board Organizations

⁴ Prior to Not-for-Profit Insurance Organizations

* Includes accrual adjustment for pensions

Revenue declined marginally from the 2012-13 Budget Estimate

Revenue is forecast to be \$51.0 million lower than the 2012-13 Budget Estimate primarily due to:

- a \$239.8 million decrease in potash revenue;
- a \$164.6 million decrease in oil revenue; and,
- a \$126.9 million decrease in Crown land sales; offset by
- a \$211.3 million increase in tax revenues;
- a \$123.0 million increase in the resource surcharge;
- a \$95.1 million increase in federal transfers;
- a \$47.7 million increase in Crown transfers and other revenue; and,
- a \$3.2 million increase in other resource revenues.

Expenses on target with the 2012-13 Budget Estimate

Expenses are forecast to increase by \$31.6 million from the 2012-13 Budget Estimate due to:

- a \$92.8 million increase in expenses primarily due to a \$70.0 million increase due to claims under the Provincial Disaster Assistance Program and a \$5.0 million contribution to building a stadium in Regina.

Partially offsetting the expense increases are expense management savings of \$61.2 million.

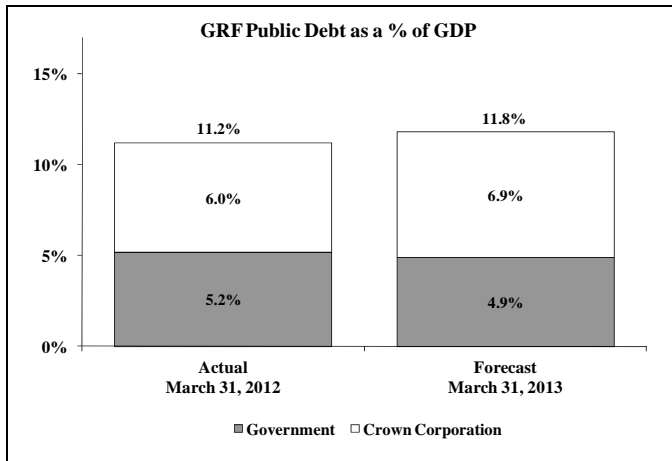
Second highest real GDP growth in 2012 (private forecast average)

- Saskatchewan's population reached 1,079,958 as of July 1, 2012, an increase of 22,154 from July 1, 2011.
- 10,300 jobs created in the first ten months of 2012.
- The highest growth in new housing starts, value of building permits, investment in new housing construction and investment in non-residential building construction.
- The second highest growth in employment, average weekly earnings, manufacturing sales, international exports and retail sales.
- The third highest growth in new vehicles sales.
- The second lowest unemployment rate.

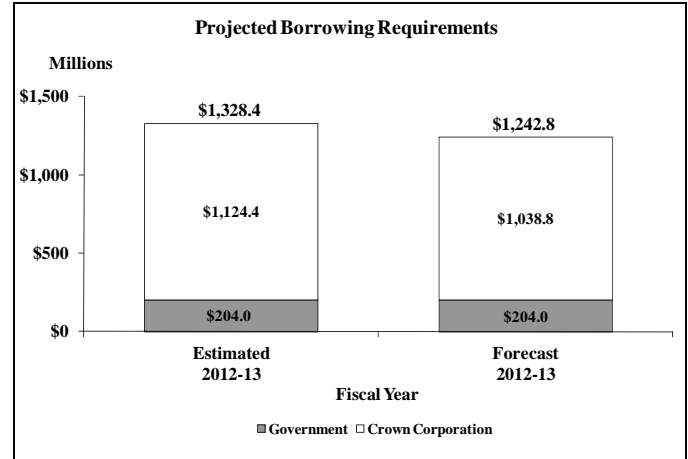
Nominal GDP growth of 5.8 per cent and real GDP growth of 3.1 per cent forecast for 2012

Economic Indicators (Per Cent Change unless Noted Otherwise)	Year-to-Date Change 2012	January through
Employment Growth (000s)	10.3	October
Unemployment Rate (%)	4.8	October
Consumer Price Index	1.8	September
Value of Manufacturing Sales	12.8	September
International Exports	10.0	September
Retail Sales	7.4	September
Wholesale Trade	6.8	September
New Vehicle Sales	12.4	September
Value of Building Permits	27.3	September
Housing Starts	39.8	September

Government debt continues to decline as a percentage of the economy



Borrowing requirements for Crown corporations decline slightly



Government debt unchanged; Crown debt increases for capital expenditures

2012-13 Non-Renewable Resource Forecast Assumptions

Debt of the Province as at March 31

(\$ Millions)

	March 31, Mid-Year		
	2012	Forecast	Change
Government			
Gross Debt	\$ 5,906.9	\$ 5,004.1	\$ (902.8)
Sinking Funds	(2,099.3)	(1,196.5)	902.8
Government Public Debt	\$ 3,807.6	\$ 3,807.6	\$ 0.0
Crown Corporation			
Gross Debt	\$ 5,003.9	\$ 5,992.7	\$ 988.8
Sinking Funds	(541.8)	(604.9)	(63.1)
Crown Corporation Public Debt	\$ 4,462.1	\$ 5,387.8	\$ 925.7
Public Debt	\$ 8,269.7	\$ 9,195.4	\$ 925.7
Other Debt*	232.4	358.8	126.4
Summary Statement of Debt	\$ 8,502.1	\$ 9,554.2	\$ 1,052.1
Summary Statement of Guaranteed Debt	\$ 28.4	\$ 32.4	\$ 4.0

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

	Budget	Mid-Year
WTI Oil Price (US\$ per barrel)	100.50	93.27
Light-Heavy Differential (% of WTI)	15.0	17.8
Well-head Oil Price (C\$ per barrel)	82.45	72.63
Oil Production (million bbls)	176.9	173.4
Potash Average Price (C\$ per K ₂ O tonne)	761	722
Potash Average Price (US\$ per KCl tonne)	464	443
Potash Sales (million K ₂ O tonnes)	10.2	9.6
Exchange Rate (US cents)	100.00	100.59

Credit Ratings of the Province

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

* positive outlook

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