

# Province of Alberta Update

BMO Government Finance  
Conference Virtual Series

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# Fiscal Position

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- **Budget 2020 finalized prior to Oil price crash, pandemic impacts**
  - Spending plan still reflective of Government's priorities
  - Program spending and funding authority fully authorized by legislature
- **Revenue impacts of Global Oil Price Collapse are significant**
  - Royalty regime acts as a “shock absorber” to industry at low price levels
  - Personal and Corporate income tax also affected as shutdown continues
- **Pandemic Support**
  - Provincially mainly offered by way of deferrals
  - \$500 million increased budget for Health
- **Update expected in summer 2020**
  - Focus remains on bringing operational spending in line with other large provinces
  - Forecasts will be adjusted

# Borrowing Requirements (Budget 2020)

	2019-20 Forecast	2020-21 Estimate	2021-22 Target	2022-23 Target
Government	\$9,565	\$12,098	\$9,660	\$8,184
Provincial Corporations	\$355	\$2,616	\$1,633	\$2,434
Government Business Enterprises	\$672	\$1,077	\$620	\$625
Decrease in Short term		\$1,500		
<b>Total Borrowing Requirements</b>	<b>\$10,592</b>	<b>\$17,140</b>	<b>\$11,913</b>	<b>\$11,243</b>

# Issues to Date (C\$ millions)

Issues by type	
Public Benchmarks (CAD, EUR, CHF)	\$3,081
Carve-outs (CAD)	\$3,758
Private Placements (AUD, CAD, EUR)	\$1,280
Total	\$8,119

## Carve-outs

- Large order protocol suspended to allow for carve-outs placed without public float.
- Desire is to return to normal carve-out parameters of no more than 50% per tranche

## Private Placements

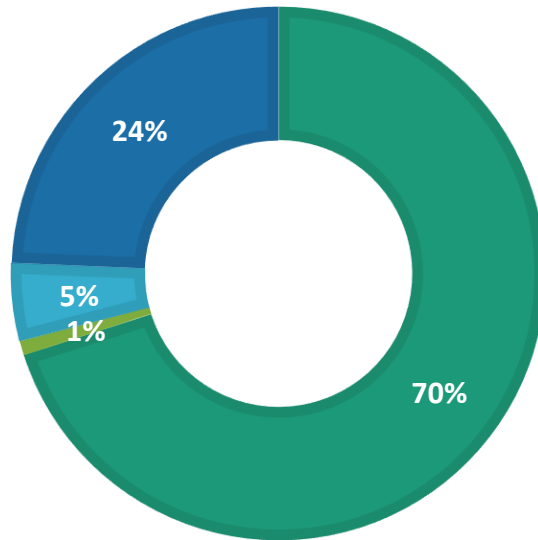
- Foreign currency and Canadian ultra-long issues
- No plans for PP or MTN issuance in CAD  $\leq$  30 yrs.

# Borrowing to Date 2020-21

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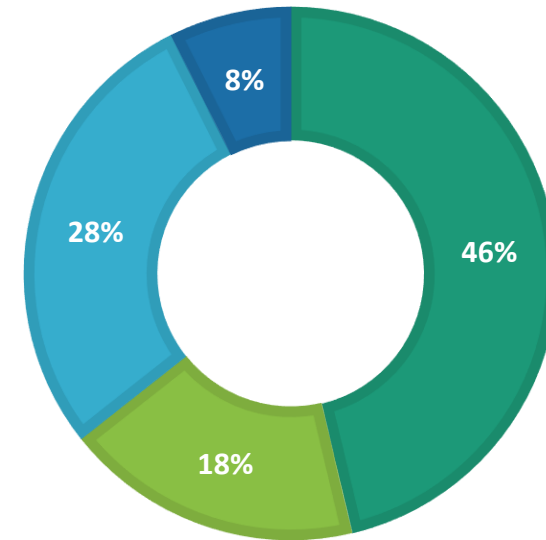
## CURRENCY

■ CAD ■ AUD ■ CHF ■ EURO

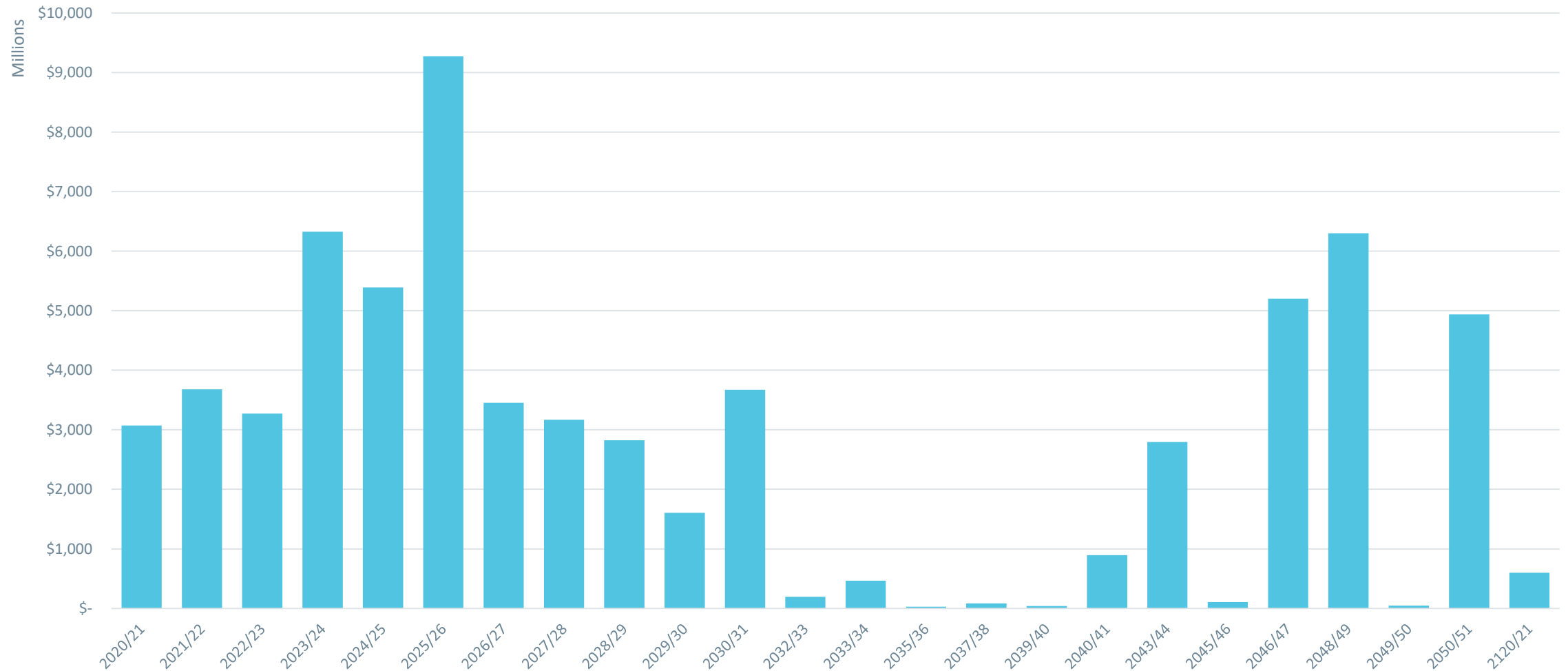


## TERM TO MATURITY

■ < 5 yrs ■ 5-10 yrs ■ 30 ■ 100



# Maturity Profile



# Borrowing Platforms

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## Term Debt

- Domestic C\$ Platform for benchmark and MTN issuance
- Australian Medium Term Note program
- Global US\$ Bonds (SEC Registered)
- Global Multi-Currency Medium Term Note
  - (Rule 144A/Reg. S)(3)

## Short Term

- Domestic C\$ (short-term) Promissory Note
- Domestic T-Bill Program (new!)
- US\$ Commercial Paper program

# Liquidity (C\$ millions)

<b>Short-term Borrowing</b>		
Short-term Promissory Note	O/N -364 days	No Limit
Domestic T-Bill Program	O/N – 364 days	No Limit
USCP Program	O/N – 270 days	US\$12 billion
<b>Cash Reserves</b>		
Dedicated Cash Reserve	\$4,000	Canada T-Bills, non-Alberta provies
3 months Cash Requirements	\$9,900	GoC, Provies, BA's



# Rating Agencies

Credit Agency	Province of Alberta Long-term Rating	Province of Alberta Short-term Rating
Moody's December 9, 2019	Aa2 (outlook stable)	P-1 (outlook stable)
Standard and Poor's February 15, 2019	A+ (outlook stable)	A-1+ (outlook stable)
Fitch April 4, 2019	AA (outlook stable)	F1+ (outlook stable)
DBRS March 19, 2020	AA (low) (negative trend)	R-1 (mid) (stable trend)

# Contact

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## Websites:

Investor Relations: [investor.alberta.ca](https://investor.alberta.ca)

COVID-19 Updates: <https://www.alberta.ca/coronavirus-info-for-albertans.aspx>

## Contact

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