

MOVING MANITOBA FORWARD

Manitoba Economic and Borrowing Program Update

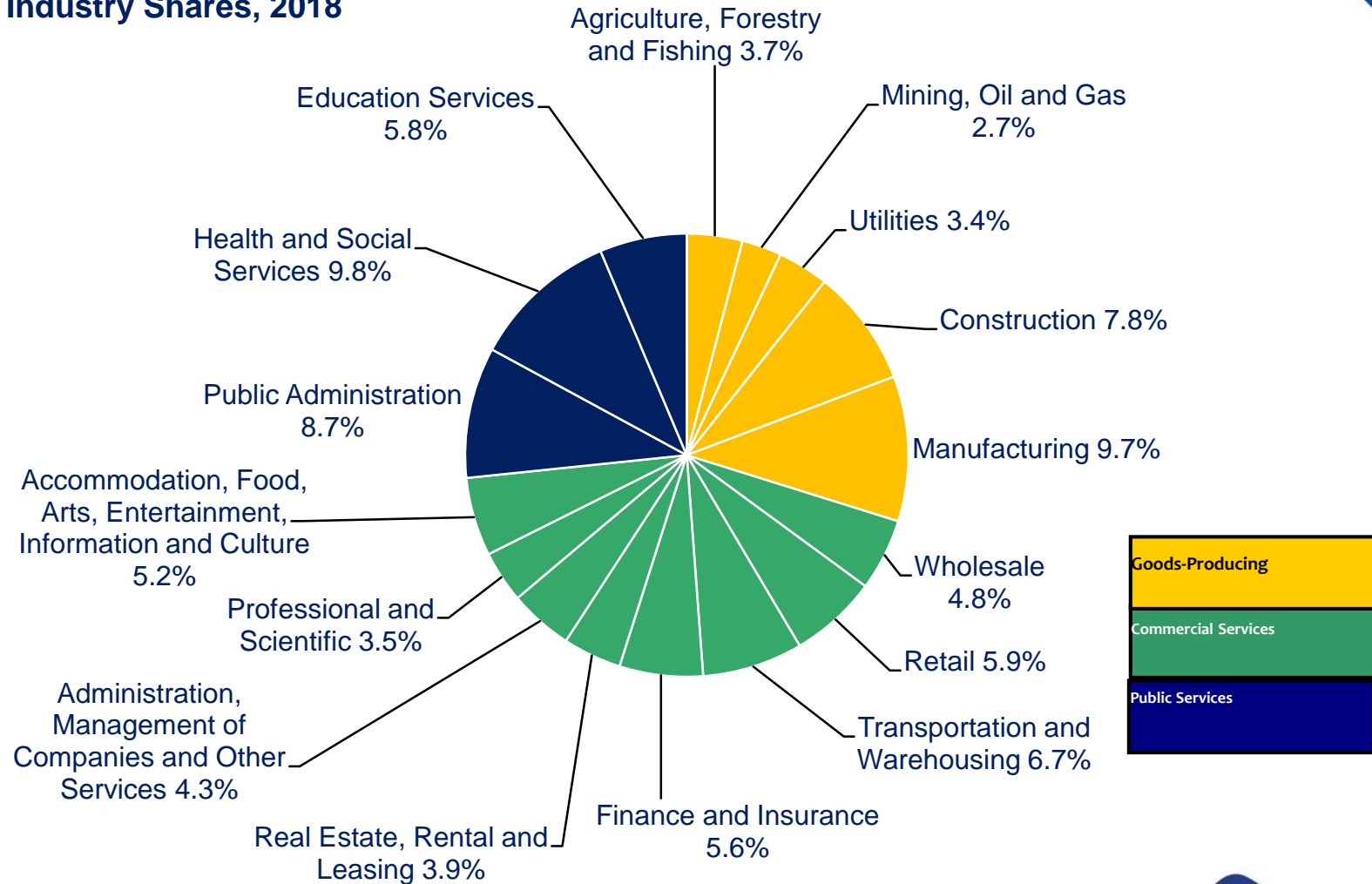
May 2020



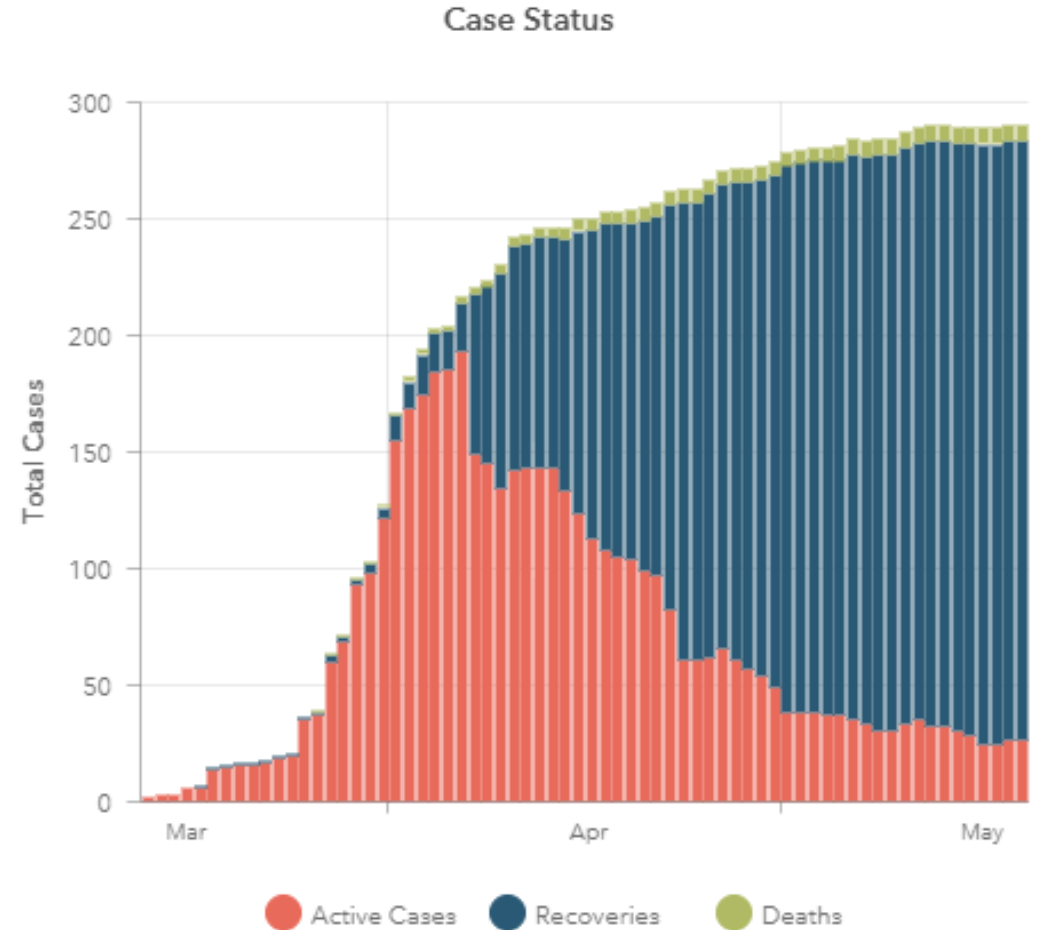
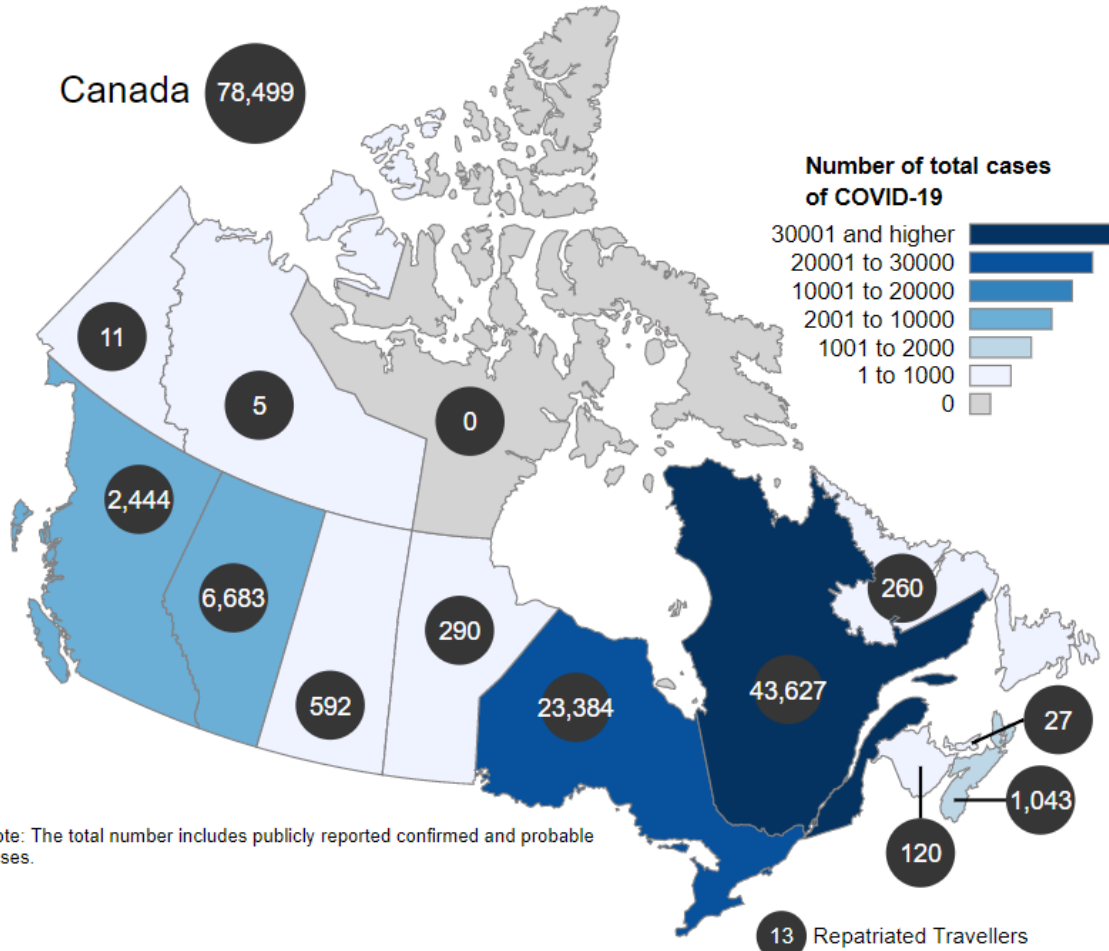
Stable Economy

- Manitoba is the most stable provincial economy in Canada, with a diversified base where strong growth in one sector can offset challenges in others.
- Manitoba posted the second strongest provincial growth rate over the past decade, averaging 2.0% compared to 1.7% real GDP growth in Canada overall (2008-2018).
- Manitoba has the most stable and resilient labour market in Canada.
 - Absorbing near record numbers of new working age population, while maintaining among the lowest unemployment rates in Canada.

GDP by Industry Shares, 2018



COVID-19 in Manitoba

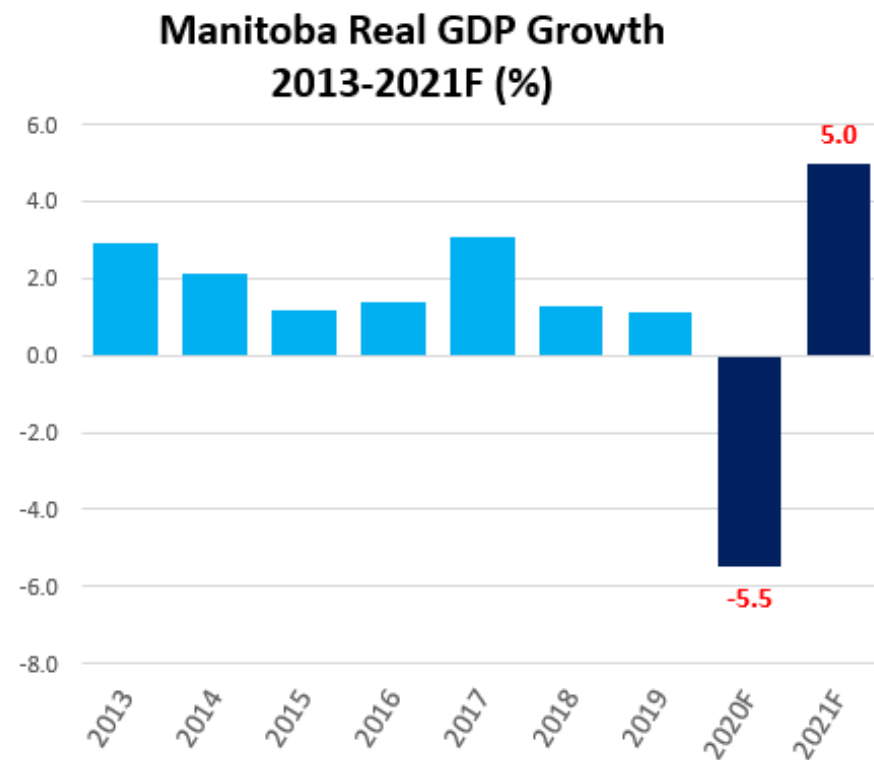


COVID-19: Impact on Manitoba's Forecasts

	2020B	2020F	2021B	2021F
Real Gross Domestic Product	1.3	-5.5	1.5	5.0
Nominal Gross Domestic Product	3.3	-4.5	3.4	6.3
Consumer Price Index	1.9	1.0	1.9	1.9
Employment	0.5	-2.9	0.8	2.9
Unemployment Rate (%)	5.5	8.5	5.5	6.9

Updated: May 12, 2020

Based on survey of nine economic forecasters used by Manitoba Finance



COVID-19: Impact on Fiscal Policy: Current Estimates

IMPACT ON REVENUE AND EXPENDITURE

Low impact is (\$1,033) million
Low revenue and low expenditure

Medium impact is (\$2,592) million
Medium revenue and medium expenditure

High impact is (\$4,784) million
High revenue and high expenditure

IMPACT ON NET INCOME

Low impact is (\$1,253) million
Low revenue and low expenditure added to base net income of \$(220) million

Medium impact is (\$2,812) million
Medium revenue and medium expenditure added to base net income of \$(220) million

High impact is (\$5,004) million
High revenue and high expenditures added to base net income of \$(220) million

		Economic Growth Impact*		
		Lower economic growth results in lower government revenues		
		Low (\$M)	Medium (\$M)	High (\$M)
		(533)	(1,592)	(2,784)
Health and Other Expenditures	Low (\$M)	(1,033)	(2,092)	(3,284)
	(500)			
	Medium (\$M)	(1,533)	(2,592)	(3,784)
	(1,000)			
	High (\$M)	(2,533)	(3,592)	(4,784)
	(2,000)			

		Net Income Under Various Scenarios For 2020/21		
		Lower economic growth results in lower government revenues		
		Low (\$M)	Medium (\$M)	High (\$M)
May 12 2020*		(753)	(1,812)	(3,004)
Health and Other Expenditures	Low (\$M)	(1,253)	(2,312)	(3,504)
	(500)			
	Medium (\$M)	(1,753)	(2,812)	(4,004)
	(1,000)			
	High (\$M)	(2,753)	(3,812)	(5,004)
	(2,000)			

* Low assumes nominal GDP growth that is 2.6% lower than Budget 2020 forecast

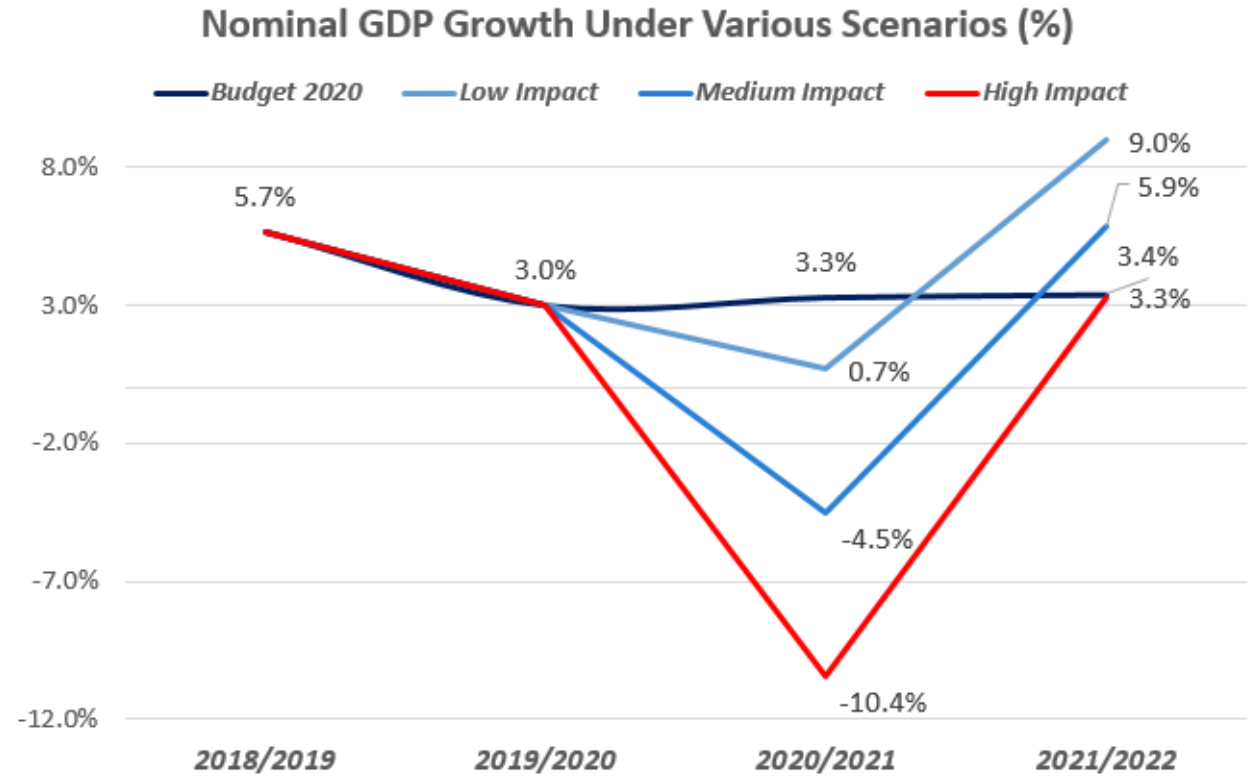
Medium assumes nominal GDP growth that is 7.8% lower than Budget 2020 forecast

High assumes nominal GDP growth that is 13.7% lower than Budget 2020 forecast

COVID-19: Impact on Highly Uncertain

- We are hopeful that Manitoba will have a “V” shaped rebound, leading to full recovery in 2021/22.
- Further re-opening of our economy will drive fiscal impacts.
- Will there be subsequent outbreaks? Will consumer demand in MB and globally return to pre-COVID levels, and how will the economy be restructured? How soon will there be effective vaccines?
- This is not a structural fiscal issue -- this is akin to a natural disaster.

Many possible paths for the economic recovery



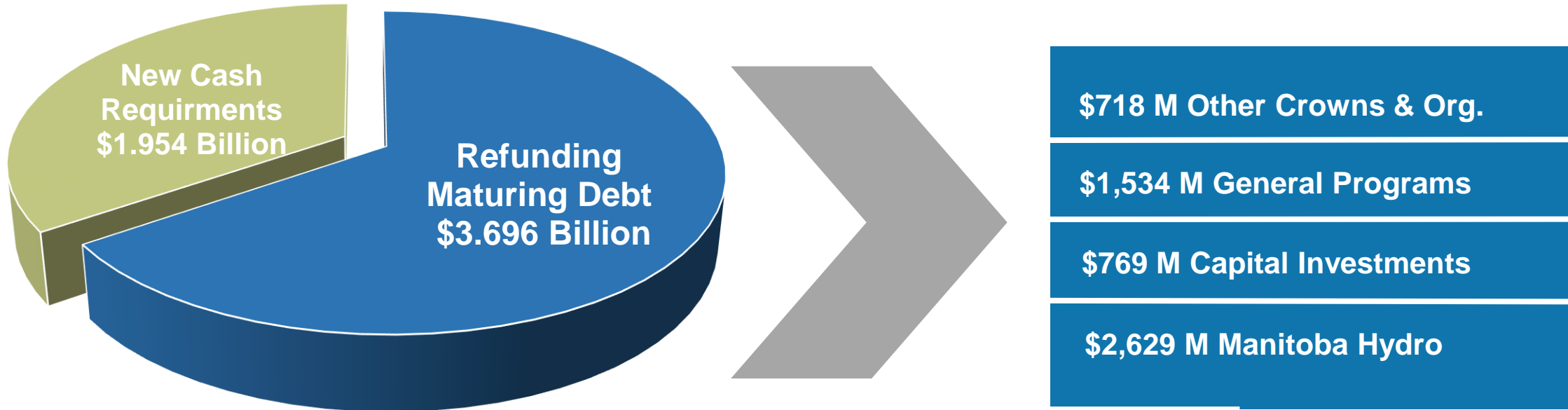
Manitoba Measures to Fight COVID-19

Manitoba Protection Plan

- Extended tax filing deadlines for PST Retail Sales Tax to June 22, 2020
- Not charging interest or penalties for Manitoba Hydro, Centra Gas, Workers Compensation Board and Manitoba Public Insurance (MPI)
- Relax policy renewals and collections at MPI
- Not disconnecting customers of Manitoba Hydro/Centra Gas
- No interest on MBLL receivables from restaurants, bars, wine stores
- Not charging interest on education property taxes
- Removal of \$75M in annual PST from residential and business properties effective July 1
- New call centre to help businesses, non-profits and charities to connect with support programs;
- Workers Compensation Board is returning \$37M surplus to employers, including \$6.2M to health-care sector
- \$120M **Manitoba Gap Protection Program** for small businesses
- \$120M **Summer Student Recovery Plan**
- \$45M **Manitoba Seniors Economic Recovery Assistance**
- \$150M **Hero Pay Program**

The screenshot shows the top section of the COVID-19 website. At the top, it says "COVID-19 NOVEL CORONAVIRUS". Below that is a "COVID-19 Screening Tool - Experiencing symptoms?" section with a "Take a self-assessment" button. A text box provides contact information for Health Links-Info Santé: 204-788-8200 or 1-888-315-9257 (toll-free). Below this is a search bar with the text "Search for information on COVID-19" and a "SEARCH" button. The main content area is a grid of nine tiles, each with an icon and a title: 1. "COVID-19 Updates" with a virus icon and text "Current situation, cases, news and test data in Manitoba". 2. "Information and Support for Manitobans" with a family icon and text "Information for individuals, communities, schools, daycares". 3. "Information and Support for Business" with a business icon and text "Information and financial support for businesses". 4. "State of Emergency / Public Health Orders" with a government building icon and text "Manitoba government declared a province-wide state of emergency". 5. "About COVID-19" with a person coughing icon and text "Symptoms, spread and treatment for coronavirus (COVID-19)". 6. "Flight/Event Exposure Information" with an airplane icon and text "Flights or events with confirmed cases". 7. "Prepare and Prevent" with a social distancing icon and text "Social distancing - reducing risks of infection from COVID-19". 8. "Community Screening Locations" with a person at a desk icon and text "Individuals who are directed by Health Links-Info Santé to be tested for COVID-19". 9. "Resources, Factsheets and Links" with a document icon and text "Latest resources, factsheets and access links".

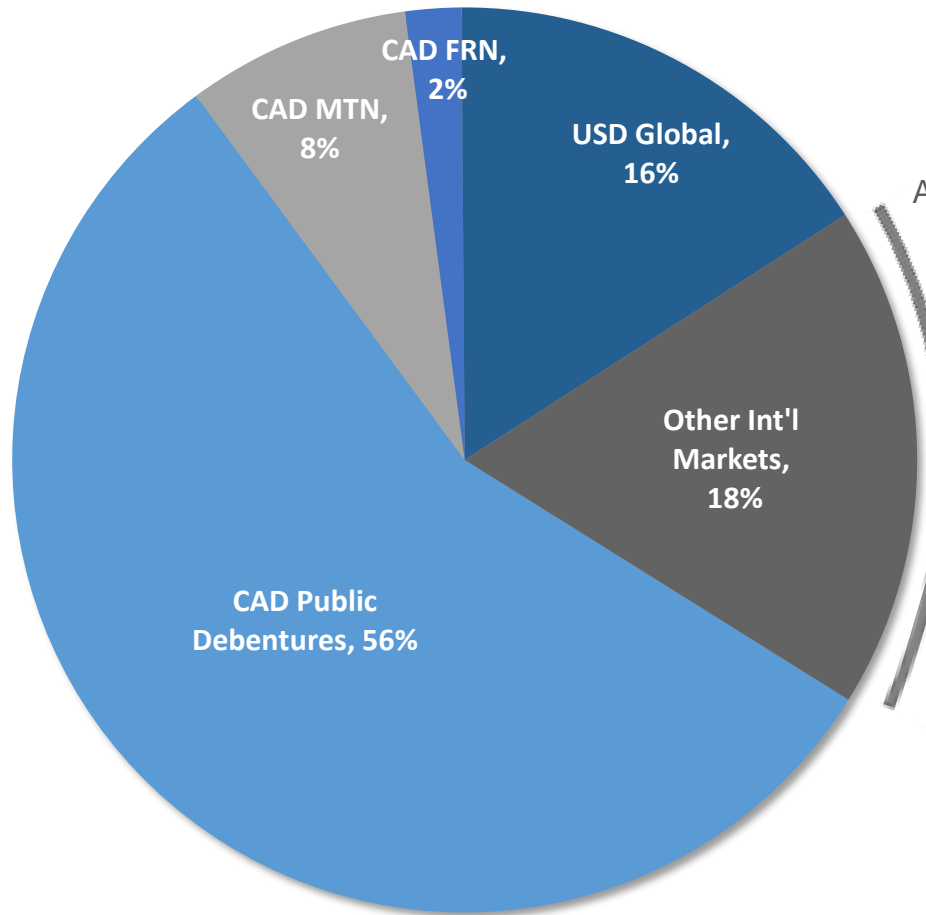
Borrowing Requirements



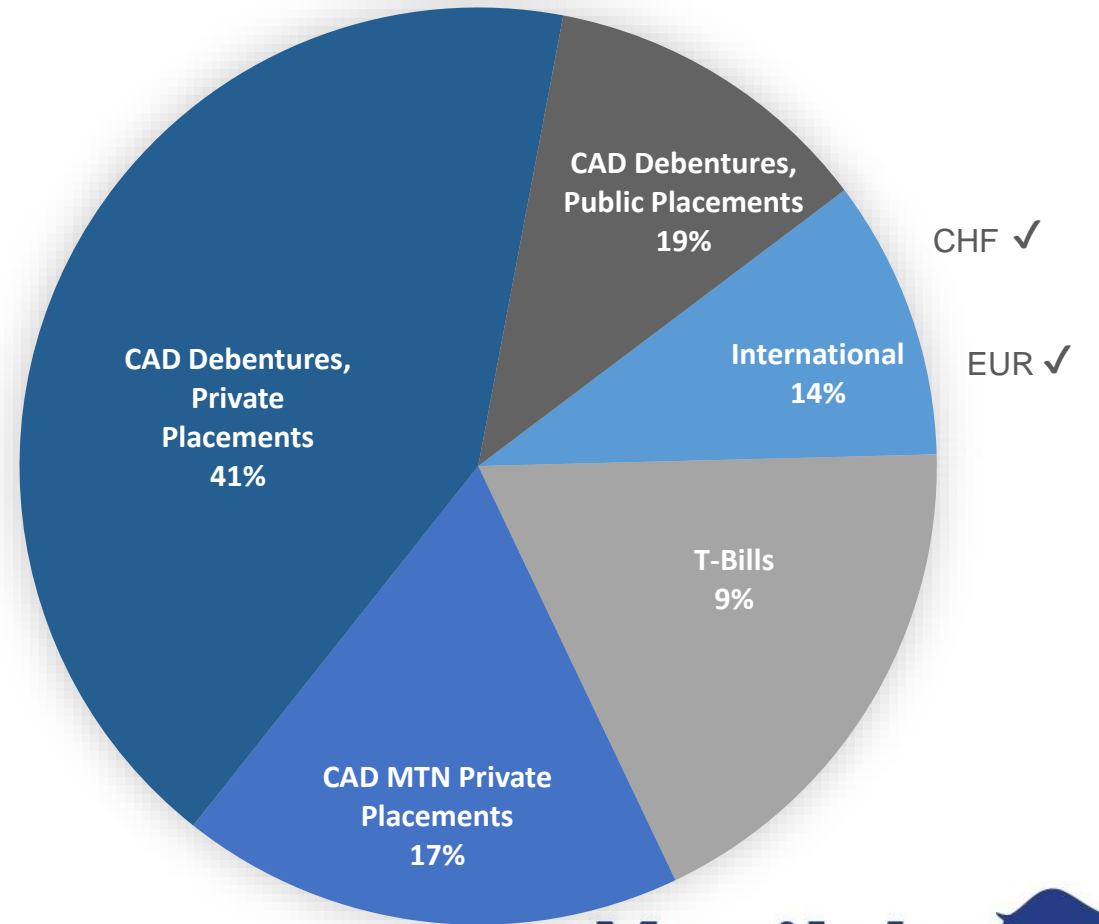
- ✓ Budget 2020 was tabled on March 19, 2020.
- ✓ Expected borrowing requirements were C\$5.65 billion. **Revised requirements are \$9.60 billion.**
- ✓ Planned funding through both domestic and international capital markets.
- ✓ To date, we have funded \$5.1 billion, 53.2% of our needs for fiscal 2020/21.

Funding Sources

Last 5 Years Avg.



Post-Budget

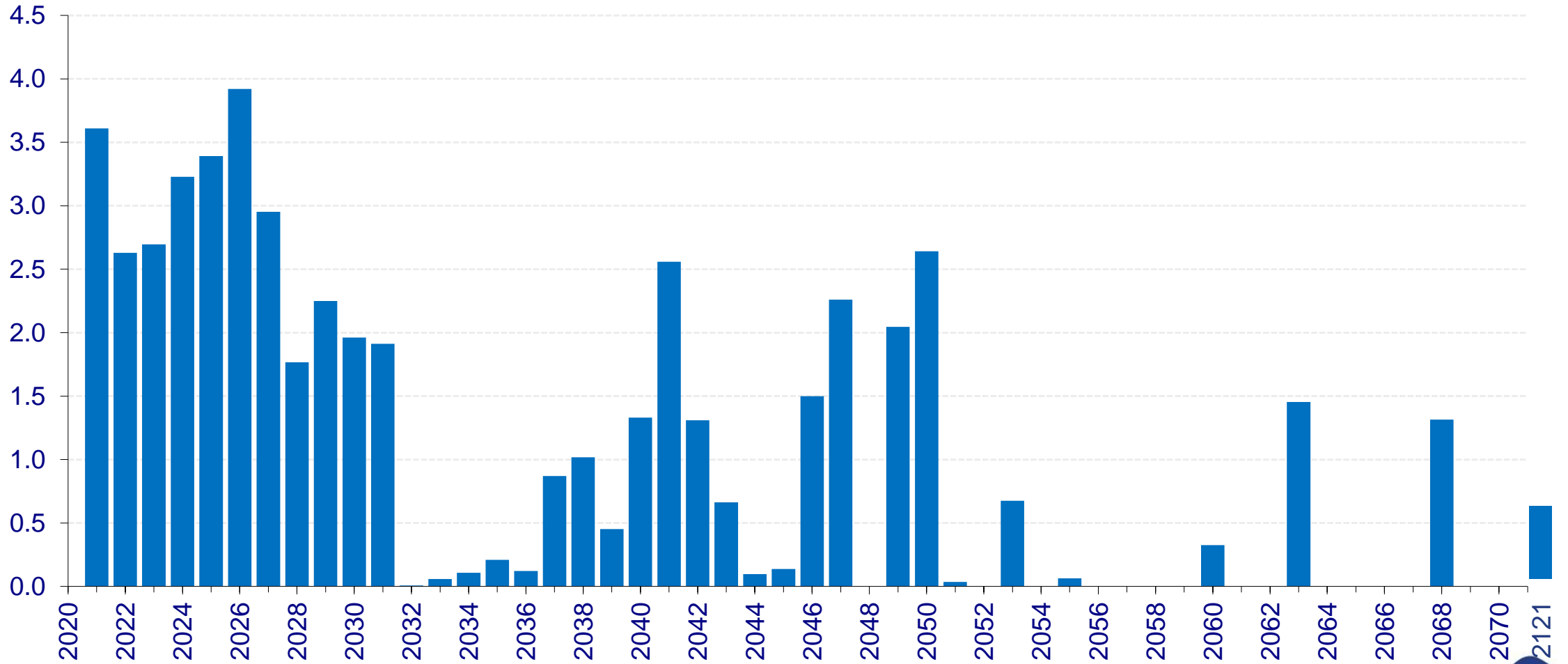


- AUD ✓
- CHF ✓
- EUR ✓
- GBP ✓
- HKD ✓
- JPY ✓
- NZD ✓
- SEK ✓

- CHF ✓
- EUR ✓

Debt Maturity Profile

(C\$ Billion)



As of April 28, 2020. Excludes short-term debt and other liabilities, and the incremental impact of future financing. Net of sinking fund maturities.



Cash Reserves		
Provincial Cash Balance	Canada T-Bills, Repo's, Provincial Paper & BA's	2,371,000,000
Rainy Day Fund	CANHOU's & Provincial FRN's	800,000,000
		\$3,171,000,000

Sinking Fund	Provincial Bonds	\$1,100,000,000
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	Authorized Issuance Amount	Outstanding Amount	Available Amount
Treasury Bills	3,900,000,000	2,730,000,000	1,170,000,000
Promissory Notes	1,000,000,000	75,000,000	925,000,000
Revolving Credit Facility	504,000,000	-	504,000,000
	\$5,404,000,000	\$2,805,000,000	\$2,599,000,000

* forecasted May 31, 2020 balance

Credit Ratings

Rating Agency	Rating	Outlook	As of Date
S&P	A+	Stable	May 2020
Moody's	Aa2	Stable	November 2019
DBRS	A (High)	Stable	May 2020

S&P Global Ratings – May 15, 2020 - revised its outlook on the Province of Manitoba to stable from positive.

Moody's – August 8, 2019 - affirmed rating with stable outlook

DBRS – May 28, 2020 – confirms rating with stable trend

Contact Information

Websites:

Manitoba COVID-19 Updates: <https://manitoba.ca/covid19/updates/index.html#cases>

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