Saskatchewan

The Province of Saskatchewan issues inaugural EUR 1.25 billion 10-year Benchmark
Press Release – 30th April 2024

Bond Summary Terms

Issuer:	The Province of Saskatchewan
Issuer rating:	Aa1/AA/AA (Moody's/S&P/Fitch) (All Stable)
Format:	Eurobond, Reg S
Amount:	EUR 1.25 billion
Pricing date:	30th April 2024
Settlement date:	8th May 2024
Maturity:	8th May 2034
Coupon:	3.30% (annual)
Re-offer Price:	99.640%
Re-offer Yield:	3.343% (annual)
Re-offer Spread:	MS +49bps (DBR 2.200% 02/15/2034 + 76.6bps)
Listing:	London Stock Exchange's International Securities Market
Joint Lead Managers:	Barclays, Deutsche Bank, JP Morgan, TD Securities
ISIN:	XS2816664879

Deal Highlights

- On Tuesday, 30th April 2024, The Province of Saskatchewan, rated Aa1/AA/AA (Moody's/S&P/Fitch), priced a new EUR 1.25 billion 10-year note due on 8th May 2034 via Barclays, Deutsche Bank, JP Morgan and TD Securities.
- The transaction, marking the Province's inaugural EUR benchmark, priced at a spread of Mid Swaps +49bps, equivalent to +76.6bps over the on-the-run 10-year Bund and saw a price tightening move of 3bps during bookbuilding.
- The final orderbook for the inaugural EUR issuance attracted over EUR 6.9 billion in demand (incl. 200 million JLM interest) from over 100 investors across a broad range of geographies and investor types.

Execution Details

- On Monday, 29th April 2024, 1:00 AM CST / 8:00 AM UKT, The Province of Saskatchewan (ticker: SCDA) announced investor calls ahead of a potential EUR 10-year fixed rate benchmark transaction.
- Following a day of investor marketing calls, books for the 10-year EUR benchmark were opened to the market on Tuesday, 30th April 2024, shortly after 1:00 AM CST / 8:00 AM UKT, with guidance released at Mid Swaps + 52 bps area.

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- ❖ The transaction received strong reception from the outset from different investor types and across regions, allowing Saskatchewan to set the spread at Mid Swaps + 49bps, alongside the first order book update. This message was released shortly after 3:15 AM CST / 10:15 AM UKT when books stood over EUR 4.5 billion (incl. EUR 200 million JLM interest)

- ❖ Momentum continued with high-quality demand from across the investor spectrum. The transaction was launched shortly after 5:00 AM CST / 12:00 PM UKT, and the deal-size was set at EUR 1.25 billion, with books closing in excess of EUR 6.9 billion (incl. EUR 200 million JLM interest) and involvement of over 100 different investors.

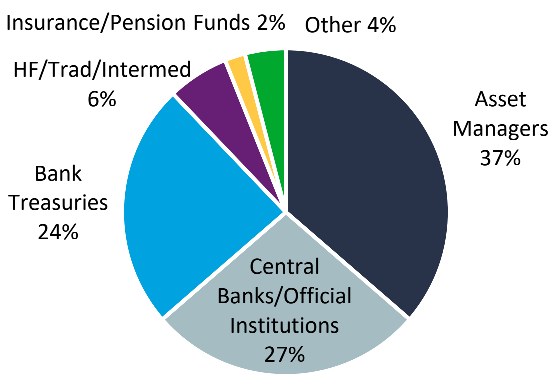
- ❖ The bond was officially priced at 8:10 AM CST / 3:10 PM UKT, with a coupon of 3.30%, a reoffer price of 99.640% and a reoffer yield of 3.343%.

The order book was diversified across investor types with particularly strong interest from Asset Managers who were allocated 37%. Geographically, European investors took the lion share, with 83% of total allocations, followed by Asian investors at 10% of the allocations.

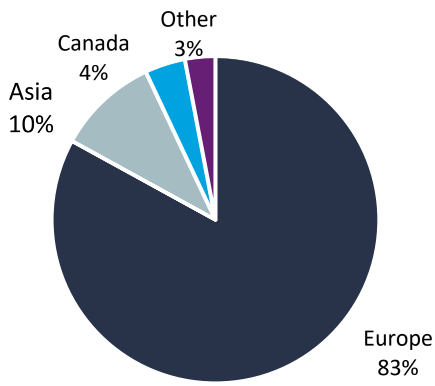
The transaction marks a key milestone for the Province as it represents the first ever public EUR benchmark for Saskatchewan, after its successful return to the public USD market in 2022.

<u>Investor Distribution:</u>

By Investor Type



By Geography



Joint Lead Manager Quotes

Alex Paterson, Managing Director, Head of SSA DCM at Barclays, said: “A huge congratulations to the Province of Saskatchewan for achieving an exceptional result with its inaugural EUR benchmark. By leveraging a strong rating and robust economic outlook, the Province achieved one of the largest orderbooks to date for an inaugural EUR issuance by a Canadian public sector issuer. Barclays is honoured to have been able to support this transaction.”

Katrin Wehle, Managing Director, Head of SSA DCM Origination at Deutsche Bank, said: “The Province of Saskatchewan’s inaugural Euro transaction was a resounding success. The EUR 10-year bond was met with exceptional investor demand from a variety of regions and investor types globally – a testament to the interesting story and rarity value Saskatchewan offers as an issuer. Following some European investor marketing, the Province moved quickly to take advantage of a clear execution window ahead of a holiday-heavy May. A 5.2x oversubscribed orderbook alongside a 3bps price tightening move from guidance to the final spread underscores the great outcome of the EUR 1.25 billion inaugural transaction. DB is proud to have been part of Saskatchewan’s first outing in the Euro market.”

Keith Price, Head of Frequent Borrower Group at J.P. Morgan, said: “Congratulations to the Saskatchewan Treasury team for successfully establishing the Province’s presence in the public EUR market for the first time, with an impressive EUR 6.9bn+ orderbook comprising over 100 investors for its inaugural EUR 1.25bn 10-year benchmark. The breadth and quality of investor demand, which allowed for a 3bp tightening from initial guidance, also confirms the Province’s ability to quickly access the international debt markets for large size and in a cost-effective manner. J.P. Morgan is very pleased to have partnered with Saskatchewan on this landmark transaction.”

Steven Castle, Managing Director, Government Finance at TD Securities, said: "Many congratulations to the Saskatchewan team on a very successful inaugural EUR benchmark offering. The EUR offering continues the Province's desire to diversify their funding stream and investor base globally and we are exceptionally pleased with the breadth and quality of the orderbook that enabled the Province to achieve an EUR1.25BN print. TD Securities was delighted to have been involved in both the marketing and execution of this transaction. A fantastic trade all around."

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