Ministry of **Finance**

Debt Picture

Borrowing is undertaken in different currencies and markets, and offered in fixed and floating rate form. This diversity reflects the differing purposes and client needs for which funds are required.

Borrowing sources are diversified to cultivate strong domestic and international investor demand for British Columbia debt securities. Strong demand helps minimize financing costs for the government. A broad investor base is also important, given the increased competition for funding and the need for multiple funding sources in the face of sometimes difficult and volatile capital markets.

Most of the government's foreign currency exposure can be effectively offset through various financial instruments including currency swaps. The government also uses derivative products for hedging interest rate risks associated with the existing debt portfolio and new borrowings

British Columbia Debt Picture includes:

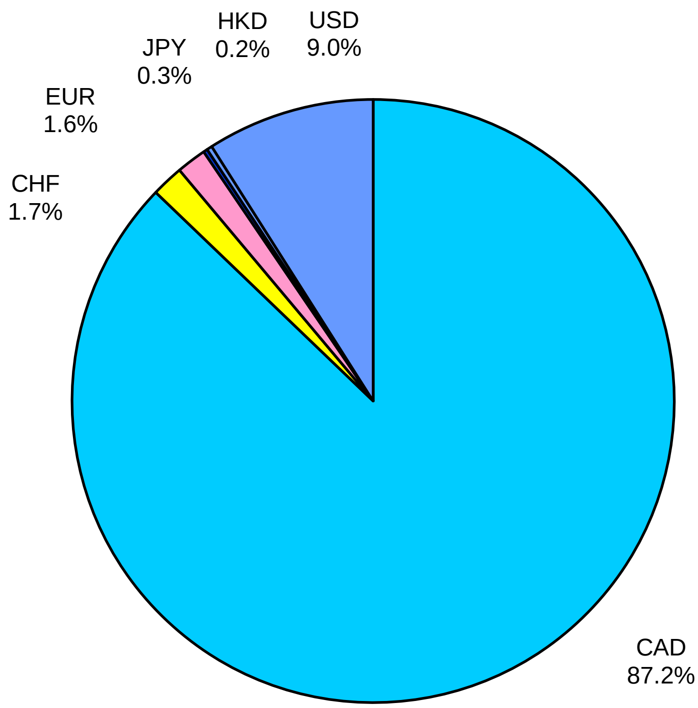
- Gross Market Debt Outstanding by Currency
- Long Term Borrowing by Term
- Long Term Borrowing by Market
- Province Direct Debt Fixed/Floating Rate Exposure
- Province Direct Debt Foreign Exchange Exposure

Net Debt Maturities

Gross Market Debt Outstanding by Source

Gross Market Debt Outstanding by Currency [1]

as at March 31, 2010



Total gross market debt outstanding is comprised of market debt outstanding for the government, its Crown corporations and agencies.

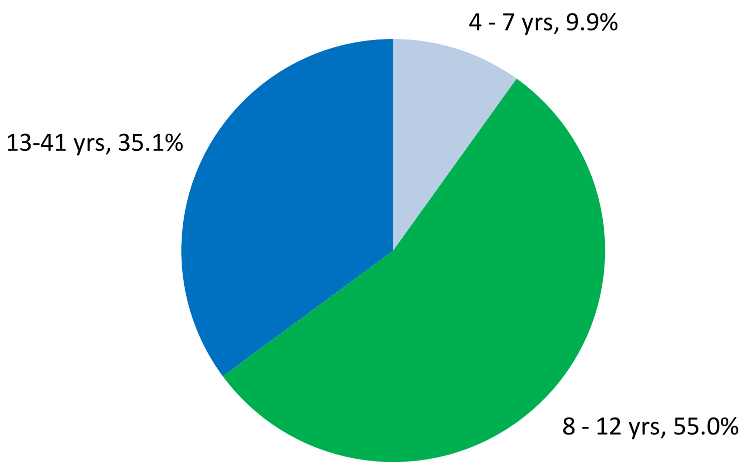
[1] *Foreign currency debt has, for the most par,t been converted into Canadian dollar obligations.*

BORROWING ACTIVITY AS OF MARCH 31, 2010

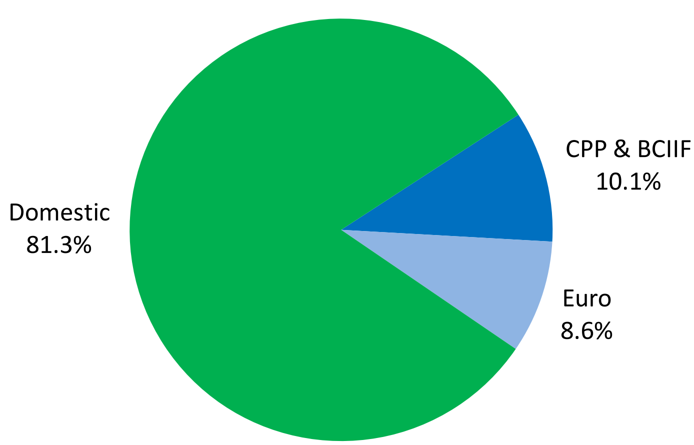
(Province Direct, Crown Corporations and Agencies)

For the period of April 1, 2009 to March 31, 2010 the province borrowed $ 345.3 million from the Canadian Pension Plan, $100 Million from the BCIIF , $3,600.0 million from domestic markets and $382.5 from European markets, totalling $4,427.9 million. The following graphs show total borrowing by term and by market completed during the 2009/10 fiscal year.

Long Term Borrowing by Term



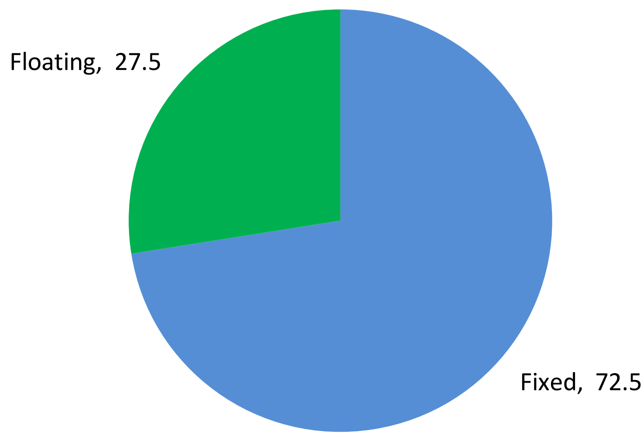
Long Term Borrowing by Market



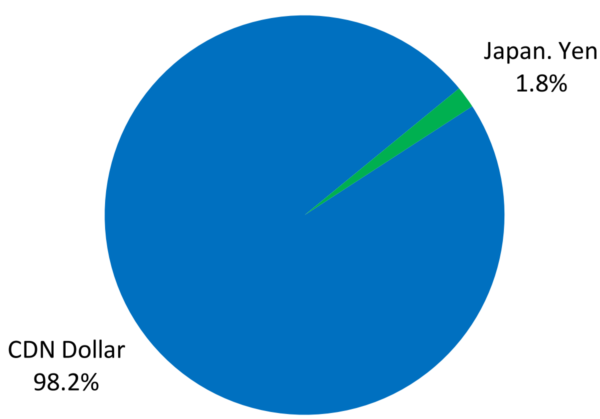
PROVINCE DIRECT DEBT[1] PROFILE AS OF March 31, 2010

The following graphs show the effect of new issues and any related hedging activities on the provincial government direct debt fixed/floating and foreign exchange exposure ratios. These ratios are calculated as a percentage of net debt which is defined as debt net of sinking funds and other accounting adjustments.

<u>Fixed/Floating[2] Rate Exposure</u>



<u>Foreign Exchange Exposure</u>



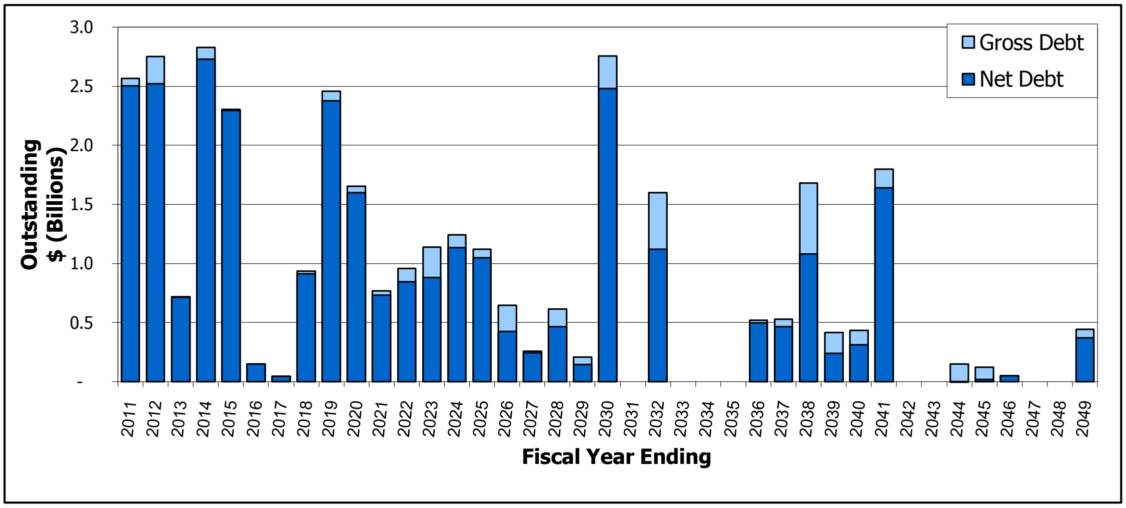
1 Provincial Government Direct Debt includes debt for operating and capital financing purposes.

2 Floating Debt includes all debt maturing within the next 12 months, short term debt outstanding and fixed rate issues that have been converted into floating rate instruments for the provincial direct debt.

NET DEBT MATURITIES AS OF MARCH 31, 2010

The following graph shows the total gross and net debt outstanding for the province direct, Crown corporations and agencies. It does not include financial guarantees made by the province, nor short-term debt of the province.

NOTE: The Province defines net debt as debt net of sinking funds and other accounting adjustments.

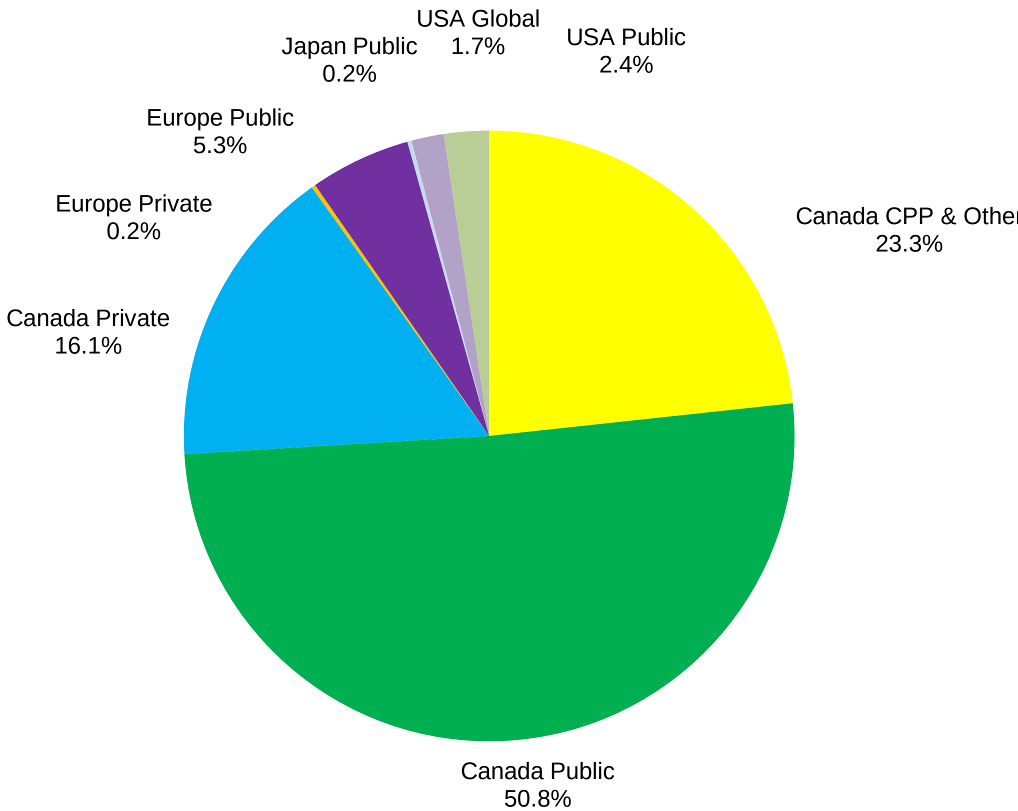


SCHEDULE OF MATURITIES
($ Millions)

Fiscal Yr. Ending	Gross Debt	Net Debt
2011	2,566.9	2,501.9
2012	2,753.3	2,521.6
2013	716.7	713.5
2014	2,829.2	2,730.2
2015	2,305.8	2,293.3
2016	150.0	150.0
2017	45.0	45.0
2018	936.4	915.6
2019	2,458.6	2,378.2
2020	1,653.2	1,598.4
2021	769.0	733.9
2022	959.9	846.5
2023	1,138.8	882.7
2024	1,244.1	1,135.8
2025	1,119.0	1,051.1
2026	648.1	427.4
2027	257.8	246.4
2028	615.2	464.4
2029	210.0	146.9
2030	2,757.5	2,478.9
2031	-	-
2032	1,600.0	1,122.0
2033	-	-
2034	-	-
2035	-	-
2036	521.5	500.0
2037	530.2	464.1
2038	1,680.8	1,080.7
2039	415.8	240.8
2040	433.1	313.1
2041	1,800.0	1,642.0
2042	-	-
2043	-	-
2044	150.0	0.1
2045	120.0	20.1
2046	50.0	50.0
2047	-	-
2048	-	-
2049	442.0	370.0
2050	20.0	0.0
	33,897.8	30,064.6

Total Market Debt Outstanding by Source

March 31, 2010



Diversifying funding sources to reduce debt costs

Borrowing sources are diversified to cultivate strong domestic and international investor demand for British Columbia debt securities. Strong demand helps minimize financing costs for the government. A broad investor base is also important, given the increased competition for funding and the need for multiple funding sources in the face of sometimes difficult and volatile capital markets.

British Columbia borrows from a variety of sources, including public financial markets in Canada, the United States, Europe and Asia; the Canada Pension Plan Investment Fund (CPP); private institutional lenders; and provincial trusteed funds.