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# SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

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## FORM 18-K

For Foreign Governments and Political Subdivisions Thereof

ANNUAL REPORT

of

**PROVINCE OF BRITISH COLUMBIA**

(Canada)

(Name of Registrant)

Date of end of fiscal year to which this annual report relates: March 31, 2006

**SECURITIES REGISTERED\***

(As of the close of the fiscal year)

<u>Title of issue</u>	<u>Amounts as to which registration is effective</u>	<u>Names of exchanges on which registered</u>
N/A	N/A	N/A

Names and addresses of persons authorized to receive notices and communications from the Securities and Exchange Commission:

Honourable Pamela Wallin  
Robert Noble  
David Murchison  
Canadian Consulate General  
1251 Avenue of Americas  
New York, New York 10020

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*Copies to*

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620 Superior Street  
P.O. Box 9423, Stn Prov Govt  
Victoria, British Columbia,  
Canada V8W 9V1

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\* The Registrant is filing this annual report on a voluntary basis

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**PROVINCE OF BRITISH COLUMBIA**

**The information set forth below is to be furnished:**

1. *In respect of each issue of securities of the registrant registered, a brief statement as to:*
  - (a) *The general effect of any material modifications, not previously reported, of the rights of the holders of such securities.*  
None.
  - (b) *The title and the material provisions of any law, decree or administrative action, not previously reported, by reason of which the security is not being serviced in accordance with the terms thereof.*  
None.
  - (c) *The circumstances of any other failure, not previously reported, to pay principal, interest, or any sinking fund or amortization installment.*  
None.
  
2. *A statement as of the close of the fiscal year of the registrant to which this annual report relates giving the total outstanding of:*
  - (a) *Internal funded debt of the registrant. (Total to be stated in the currency of the registrant. If any internal funded debt is payable in a foreign currency, it should not be included under this paragraph (a), but under paragraph (b) of this item.)*  
Certain information concerning internal funded debt of the registrant is included in Exhibit 99.3 hereto and is incorporated by reference herein.
  - (b) *External funded debt of the registrant. (Totals to be stated in the respective currencies in which payable. No statement need be furnished as to intergovernmental debt.)*  
Certain information concerning external funded debt of the registrant is included in Exhibit 99.3 hereto and is incorporated by reference herein.
  
3. *A statement giving the title, year of issue, date of maturity, interest rate and amount outstanding, together with the currency or currencies in which payable, of each issue of funded debt of the registrant outstanding as of the close of the fiscal year of the registrant to which the annual report relates.*  
Certain information concerning the funded debt of the registrant is included in Exhibit 99.3 hereto and is incorporated by reference herein.
  
4. (a) *As to each issue of securities of the registrant which is registered, there should be furnished a break-down of the total amount outstanding, as shown in Item 3, into the following:*
  - (1) *Total amount held by or for the account of the registrant.*

<u>Series</u>	<u>Date of Maturity</u>	<u>Year of Issue</u>	<u>Interest Rate</u>	<u>Total Amount Held by or for the Account of the Registrant</u>
BCUSD-2 .....	January 15, 2026	1996	6.50	US\$30,774,526
BCUSD-3 .....	September 1, 2036	1996	7.25	US\$47,286,865
BCUSD-4 .....	June 20, 2007	2002	Floating	US\$0
BCUSG-1 .....	October 29, 2008	1998/2001	5.38	US\$0
BCUSG-2 .....	October 13, 2006	2001	4.63	US\$0
BCUSG-3 .....	May 30, 2013	2003	4.30	US\$0
BCCG-2 .....	December 1, 2006	1999/2001	5.25	C\$4,474,032
BCCG-3 .....	June 1, 2009	2002	5.70	C\$23,257,328

- (2) *Total estimated amount held by nationals of the registrant (or if registrant is other than a national government by the nationals of its national government); this estimate need be furnished only if it is practicable to do so.*

Not practicable to furnish.

- (3) *Total amount otherwise outstanding.*

<u>Series</u>	<u>Date of Maturity</u>	<u>Year of Issue</u>	<u>Interest Rate</u>	<u>Total Amount Otherwise Outstanding</u>
BCUSD-2 .....	January 15, 2026	1996	6.50	US\$469,225,474
BCUSD-3 .....	September 1, 2036	1996	7.25	US\$252,713,135
BCUSD-4 .....	June 20, 2007	2002	Floating	US\$150,000,000
BCUSG-1 .....	October 29, 2008	1998/2001	5.38	US\$750,000,000
BCUSG-2 .....	October 13, 2006	2001	4.63	US\$750,000,000
BCUSG-3 .....	May 30, 2013	2003	4.30	US\$500,000,000
BCCG-2 .....	December 1, 2006	1999/2001	5.25	C\$1,245,525,968
BCCG-3 .....	June 1, 2009	2002	5.70	C\$726,742,672

- (b) *If a substantial amount is set forth in answer to paragraph (a)(1) above, describe briefly the method employed by the registrant to reacquire such securities.*

The securities were acquired by means of open market purchases.

5. *A statement as of the close of the fiscal year of the registrant to which this annual report relates giving the estimated total of:*

- (a) *Internal floating indebtedness of the registrant. (Total to be stated in the currency of the registrant.)*

Certain information concerning internal floating indebtedness of the registrant is included in Exhibit 99.3 hereto and is incorporated by reference herein.

- (b) *External floating indebtedness of the registrant. (Total to be stated in the respective currencies in which payable.)*

Certain information concerning external floating indebtedness of the registrant is included in Exhibit 99.3 hereto and is incorporated by reference herein.

6. *Statements of the receipts, classified by source, and of the expenditures, classified by purpose, of the registrant for each fiscal year of the registrant ended since the close of the latest fiscal year for which such information was previously reported. These statements should be so itemized as to be reasonably informative and should cover both ordinary and extraordinary receipts and expenditures; there should be indicated separately, if practicable, the amount of receipts pledged or otherwise specifically allocated to any issue registered, indicating the issue.*

Certain information concerning revenue and expenditure of the registrant is included in Exhibit 99.5 hereto and is incorporated by reference herein.

7. (a) *If any foreign exchange control, not previously reported, has been established by the registrant (or if the registrant is other than a national government, by its national government), briefly describe the effect of any such action, not previously reported.*

None.

- (b) *If any foreign exchange control previously reported has been discontinued or materially modified, briefly describe the effect of any such action, not previously reported.*

Not applicable.

*This annual report comprises:*

(a) *Pages numbered 1 to 5 consecutively.*

(b) *The following exhibits:*

Exhibit (a) — None

Exhibit (b) — None.

Exhibit (c) — Copy of the British Columbia Budget and Fiscal Plan 2006/07 - 2008/09 (incorporated by reference to Amendment No. 4 on Form 18-K/A to the registrant's Annual Report on Form 18-K relating to the fiscal year ended March 31, 2005.)

*Additional exhibits*

- |         |        |   |
|---------|--------|---|
| Exhibit | (99.1) | Cross-reference sheet — 2006 British Columbia Financial and Economic Review   |
|         | (99.2) | Cross-reference Sheet — 2005/06 Public Accounts   |
|         | (99.3) | Additional Information relating to the Province   |
|         | (99.4) | 2006 British Columbia Financial and Economic Review   |
|         | (99.5) | 2005/06 Public Accounts   |
|         | (99.6) | First Quarterly Report on the Economy, Fiscal Situation and Outlook, Fiscal Year 2006/07, Three Months, April-June 2006 |

*This annual report is filed subject to the Instructions for Form 18-K for Foreign Governments and Political Subdivisions Thereof.*

**SIGNATURE**

Pursuant to the requirements of the *Securities Exchange Act of 1934*, the registrant has duly caused this annual report to be signed on its behalf by the undersigned, thereunto duly authorized, at Victoria, British Columbia on the 16<sup>th</sup> day of October, 2006.

PROVINCE OF BRITISH COLUMBIA  
(Name of registrant)

By: /s/ J.W. Hopkins

\_\_\_\_\_  
Name: James W. Hopkins

Title: Assistant Deputy Minister  
Provincial Treasury and Registries  
Ministry of Finance

## EXHIBIT INDEX

Exhibit (a) — None

Exhibit (b) — None

Exhibit (c) — Copy of the British Columbia Budget and Fiscal Plan 2006/07-2008/09 (incorporated by reference to Amendment No. 4 on Form 18-K/A to the registrant's Annual Report on Form 18-K relating to the fiscal year ended March 31, 2005.)

### *Additional exhibits*

- |         |        |   |
|---------|--------|---|
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|         | (99.3) | Additional Information relating to the Province   |
|         | (99.4) | 2006 British Columbia Financial and Economic Review   |
|         | (99.5) | 2005/06 Public Accounts   |
|         | (99.6) | First Quarterly Report on the Economy, Fiscal Situation and Outlook, Fiscal Year 2006/07, Three Months, April-June 2006 |

## CROSS REFERENCE SHEET

<u>Information Relating to Provincial Debt</u>	<u>Location in 2006 British Columbia Financial and Economic Review (the "Review")<sup>(1)</sup> included as Exhibit 99.4, or in other Exhibit to Annual Report</u>
<b>PROVINCE OF BRITISH COLUMBIA</b>	
General Description of the Province .....	Page 2
Constitutional Framework .....	App. 3, pp. 100-102
<b>THE ECONOMY</b>	
Recent Economic Developments .....	Ch. 1; App. 1, pp. 21-36
Economic Structure and Primary Industries .....	Ch. 1; App. 1, pp. 25-27
Capital Investment .....	Ch. 1; p. 9; App. 1, p. 29 (Table A1.6)
Foreign Trade .....	Ch. 1; p. 10; App. 1, p. 30
Labour Market and Employment .....	Ch. 1; pp. 12-14; App. 1, p. 28 (Table A1.5)
<b>PROVINCIAL REVENUE AND EXPENDITURE</b>	
Financial Administration and Reporting .....	Ch. 2; App. 2 pp. 66-68
Special Funds .....	Ch. 2; App. 2, p. 69
Summary Statement of Consolidated Revenue Fund	
Revenue and Expenditure .....	Ch. 2; App. 2 pp. 90-91
Unaudited Financial Results .....	Ch. 2; pp. 38-54
Major Sources of Revenue .....	Ch. 2; pp. 41-44; App. 2, pp. 76-77
Expenditure by Function .....	Ch. 2; pp. 49-51, App. 2, pp. 78-79
<b>GOVERNMENT CORPORATIONS</b>	
Government Corporation Debt .....	Ch. 2; pp. 55-56; App. 2, pp. 86-87, 92; Exhibit 99.3
<b>DEBT OF THE PROVINCE</b>	
Direct and Guaranteed Debt .....	Ch. 2; pp. 55-57; App. 2, pp. 86-87, 92; Exhibit 99.3
Financing Requirements .....	Exhibit 99.3
Sinking Fund Management .....	Exhibit 99.3
<b>CONSOLIDATED FUNDED DEBT OF THE PUBLIC SECTOR .....</b>	
	Exhibit 99.3
<b>CANADIAN FOREIGN EXCHANGE RATE AND INTERNATIONAL RESERVES .....</b>	
	Exhibit 99.3
<b>DETAILED FINANCIAL STATEMENTS OF THE PROVINCE</b>	
Statement of General Fund Revenue by Source .....	App. 2, pp. 76-77
Statement of General Fund and Special Fund	
Expenditure by Function .....	App. 2, pp. 78-79
Statement of Direct Funded and Unfunded Debt .....	Exhibit 99.3
Statement of Guaranteed Funded Debt .....	Exhibit 99.3
Statement of Non-Guaranteed Debt .....	Exhibit 99.3
Pension Funds .....	App. 2, pp. 69-70

(1) Chapter and Appendix and page numbers indicate the location of information in the Review.

CROSS REFERENCE SHEET

Information Relating to Provincial Debt

Location in 2005/06  
Public Accounts

CONTINGENT LIABILITIES

Litigation .....	p. 62 (25)(b)
Other Contingent Liabilities .....	p. 62 (25)(b)
Environmental Clean-up .....	p. 62 (25)(b)
Aboriginal Land Claims .....	p. 62 (25)(b)
Crown Corporations .....	p. 63 (25)(b)
COMMITMENTS .....	p. 64 (25)(c)



**ADDITIONAL INFORMATION RELATING TO THE PROVINCE<sup>(1)</sup>**

<u>Information Relating to Provincial Debt</u>	<u>Page</u>
Debt of the Province . . . . .	2-14
Consolidated Funded and Unfunded Debt of the Public Sector . . . . .	15
Canadian Foreign Exchange Rate and International Reserves . . . . .	16
Trade Balance . . . . .	17

(1) Any dollar amounts in Exhibit 99.3 are expressed in Canadian dollars (\$) unless otherwise specified or the context otherwise requires.

## DEBT OF THE PROVINCE

### Direct and Guaranteed Debt

The direct debt of the Province includes debt for government purposes, as well as funds borrowed by the Province and loaned to its provincial government bodies. Direct borrowing by the Province for lending to provincial government bodies commenced in 1983.

With few exceptions, government bodies rely on the Province for fiscal agency loans to meet their borrowing requirements. The terms and conditions that apply to fiscal agency borrowings respecting payment of interest, principal and premium, if any, generally match those in the Province's original borrowings.

Direct debt includes both funded and unfunded debt. Funded debt is defined as all debt having a maturity of one year or more from date of issuance; unfunded debt has a maturity within one year from date of issuance.

The final component of provincial debt relates to financial instruments that have been unconditionally guaranteed by the Province. Most of this debt was incurred by provincial government bodies prior to the introduction of fiscal agency borrowing in 1983. It also includes financial instruments issued by selected municipalities, improvement districts and local government entities, as well as all loan guarantees extended by the Province, including those extended to private entities and individuals.

The Warehouse Borrowing Program takes advantage of low interest rates to borrow money in advance of actual requirements. The debt will eventually be allocated to either the provincial government or provincial government bodies .

Non-guaranteed debt includes debt of the British Columbia Transportation Financing Authority, British Columbia Liquor Distribution Branch, British Columbia Transit, British Columbia Transmission Corporation, Canadian Blood Services, (Province's share), Columbia Basin Trust, Columbia River Power Projects (joint ventures of Columbia Basin Trust and Columbia Power Corporation), Community Living British Columbia, Homeowner Protection Office, Oil & Gas Commission, Provincial Rental Housing Corporation and School districts, Universities, Colleges, Institutes and Health Authorities (SUCH). At March 31, 2006, \$1,174 million of this debt is classified as taxpayer supported and \$259 million is classified as self-supporting.

Financial statements for 2005/06 show that the Province's total net debt (excluding non-guaranteed debt of \$1,433 million) decreased by \$1,935 million, debt for government purposes decreased by \$2,077 million, and debt for provincial government bodies decreased by \$142 million.

## DIRECT FUNDED DEBT<sup>(1)</sup>

As at March 31, 2006

	2004	2005	2006
	(millions of dollars)		
<b>Government Purposes<sup>(2)</sup></b>			
Payable in:			
Canadian Dollars .....	\$24,267	\$23,418	\$20,699 <sup>(3)</sup>
United States Dollars .....	4,362	3,825	3,774 <sup>(4)</sup>
	28,629	27,243	24,473
<b>Government Corporation Purposes</b>			
Canadian Dollars .....	8,630	8,282	8,370 <sup>(5)</sup>
United States Dollars .....	2,143	1,886	1,893 <sup>(6)</sup>
	10,773	10,168	10,263
<b>Warehouse Borrowing Program Purposes</b>			
Canadian Dollars .....	—	—	—
United States Dollars .....	—	—	—
	—	—	—
Add/(Less) — Unrealized Foreign Exchange Gains/(Losses) .....	84	279	138
	39,486	37,690	34,874
Less — Unamortized Discount .....	111	111	109
	39,375	37,579	34,765
Less — Sinking Funds <sup>(2)</sup> .....	4,022	3,816	3,711
	35,353	33,763	31,054
Less — Amounts Held in Consolidated Revenue Fund .....	11	8	7
Net Direct Funded Debt .....	35,342	33,755	31,047
Less — Warehouse Borrowing Program Investments Available to Paydown Warehouse Borrowing Program Debt. ....	—	—	—
Direct Funded Debt (net of warehouse assets) .....	\$35,342	\$33,755	\$31,047

(1) Unhedged foreign currency liabilities are recorded in the currency in which the debt obligations are payable, translated into Canadian dollar equivalents at the exchange rate prevailing at the end of the respective fiscal years.

(2) In compliance with generally accepted accounting principles (GAAP), defeased debt is added to debt for government purposes and the related defeased trust funds are added to sinking fund investments. Figures for 2004 have been restated to conform with the presentation used in 2004/2005.

(3) Canadian dollar obligations include notes payable in Japanese yen totalling 22 billion yen which have been fully hedged to \$263 million Canadian through currency exchange agreements, Swiss franc notes totalling 400 million Swiss Francs which have been fully hedged to \$418 million Canadian through currency exchange agreements, and Euro notes totalling 805 million Euros which have been fully hedged to \$1,394 million Canadian through currency exchange agreements.

(4) Includes U.S. dollar notes totalling \$2,277 million which have been fully hedged to \$3,417 million Canadian through currency exchange agreements, U.S. dollar notes totalling \$300 million which have been fully hedged to 36 billion yen which have been translated at the exchange rate prevailing at the end of the fiscal year.

(5) Canadian dollar obligations include notes payable in Euro notes totalling 112 million Euros which have been fully hedged to \$187 million Canadian through currency exchange agreements.

(6) Includes U.S. dollar notes totalling \$1,095 million which have been fully hedged to \$1,452 million Canadian through currency exchange agreements and unhedged U.S. dollar notes totalling \$378 million which have been translated at the exchange rate prevailing at the end of the fiscal year.

**CONSOLIDATION OF DIRECT AND GUARANTEED FUNDED AND UNFUNDED DEBT**

**As at March 31, 2006**

	<u>Outstanding</u> (Gross)	<u>Investments</u> <u>Sinking Fund</u> (in millions)	<u>Outstanding</u> (Net)
<b>Direct Debt</b>			
Government Purposes <sup>(1)</sup> .....	\$25,385	\$2,571	\$22,814
Government Corporation Purposes <sup>(2)</sup> .....	11,396	1,488	9,908
Warehouse Program Purposes .....	—	—	—
	<u>36,781</u>	<u>4,059</u>	<u>32,722</u>
Add — Unrealized Foreign Exchange Gains .....	138	—	138
Less — Unamortized Discounts .....	119	—	119
Less — Amounts held in the Consolidate Revenue Fund .....	7	—	7
Total Direct Debt .....	<u>36,793</u>	<u>4,059</u>	<u>32,734</u>
<b>Guaranteed Debt</b>			
Government Corporations .....	10	—	10
Municipalities, Improvement Districts and Other local government .....	2	1	1
Other .....	178	—	178
Total Guaranteed Debt .....	<u>190</u>	<u>1</u>	<u>189</u>
Less — Guaranteed Debt held in the General Fund and Special Funds .....	—	—	—
— Provision for Probable Payout .....	9	—	9
	<u>181</u>	<u>1</u>	<u>180</u>
Non-Guaranteed Debt .....	1,445	—	1,445
Less — Unamortized Discounts .....	12	—	12
Total Non-Guaranteed Debt .....	<u>1,433</u>	<u>—</u>	<u>1,433</u>
Total Direct, Guaranteed Funded and Unfunded, and Non-Guaranteed Debt of the Province, Net of Provincial Holdings of such Debt in the General Fund and Special Funds .	<u>38,407</u>	<u>4,060</u>	<u>34,347</u>
Less — Warehouse Borrowing Program Investments Available to Paydown Warehouse Borrowing Program Debt .....	—	—	—
Total Direct, Guaranteed Funded and Unfunded Debt, and Non-Guaranteed Debt of the Province (Net of Warehouse investments) .....	<u>\$38,407</u>	<u>\$4,060</u>	<u>\$34,347</u>

(1) In compliance with generally accepted accounting principles (GAAP), defeased debt is added to government purposes debt and the related defeased trust funds are added to sinking fund investments.

(2) Represents direct borrowing by the Province for relending to government corporations on identical terms

Note: Debt payable in foreign currencies is recorded at the relevant March 31, 2006 exchange rates after giving effect to any currency exchange agreements.

Direct unfunded debt of the Province (Promissory Notes) totalled \$1,687 million as at March 31, 2006 (maturity value less unamortized discount and sinking funds). This debt component comprised of \$887 million in fiscal agency loans to government corporations and \$800 million in loans for government purposes. Further, the direct unfunded debt was comprised of Cdn \$1,448 million and US \$199 million (Cdn \$239 million) dollars.

## **Financing**

The financing requirements of the Province are met through short, medium and long term borrowing in public and private markets in Canada and abroad, including from the federal Canada Pension Plan (the “Plan”). Under the Plan, the monthly contributions made by residents of British Columbia, net of current Plan disbursements, are available for borrowing by the Province and other provincial government bodies.

The majority of British Columbia’s borrowing requirements are met through public domestic borrowings and Canada Pension Plan loans. During the 2005/06 fiscal year, the Province borrowed only from the Canada Pension Plan.

## **Sinking Fund Management**

On June 1, 1999, the Provincial government revised its sinking fund policy and discontinued sinking fund contributions on existing and new debt issued for government operating and capital financing purposes. Under the revised policy, the Province does not establish sinking funds on new debt but continues to manage sinking fund contributions made prior to June 1, 1999 (and the earnings attributable to those contributions) for the purpose of repayment of the applicable debt issues.

This revised policy does not apply to sinking funds relating to new or existing debt of the Province incurred to make loans to provincial government bodies. Consequently, Provincial government bodies (with the exception of the British Columbia Hydro and Power Authority) who have received or are to receive fiscal agency loans from the Province with a term of five years or more will continue to be expected to make sinking fund contributions for the purpose of repayment of some or all the corresponding Provincial debt issues.

Given that the province borrowed money to make sinking fund payments, the policy change did not impact the amount of net debt outstanding. The Province continues to follow one of the most conservative sinking fund policies among provinces for its provincial government bodies.

At March 31, 2006, the Province had \$4.1 billion in sinking fund investments related to direct and guaranteed funded debt, including those held in trust on behalf of provincial government bodies. Assuming an earnings rate of 5% on existing sinking fund investments and without contributing additional sinking fund installments, the Province’s funded debt at maturity will be 16% funded by available sinking funds (see following table) and would be 20% funded based on assumed earnings of 5% on existing sinking fund balances and future sinking fund installments.

**MATURITY SCHEDULE OF DIRECT FUNDED DEBT**

**As at March 31, 2006  
(Unaudited)**

<b>Fiscal Year</b>	<b>Canadian Dollars</b>			<b>U.S. Dollars<sup>(1)</sup></b>		
	<b>Gross Debt Maturities</b>	<b>Projected Sinking Fund Values</b> (millions of dollars)	<b>Net Debt Maturities<sup>(2)</sup></b>	<b>Gross Debt Maturities</b>	<b>Projected Sinking Fund Values</b> (millions of dollars)	<b>Net Debt Maturities<sup>(2)</sup></b>
2007 .....	\$ 2,185	\$ 370	\$ 1,815	\$ 750	\$—	\$ 750
2008 .....	1,425	211	1,214	900	75	825
2009 .....	2,295	305	1,990	750	—	750
2010 .....	2,519	334	2,185	250	2	248
2011 .....	2,691	409	2,282	—	—	—
	<u>11,115</u>	<u>1,629</u>	<u>9,486</u>	<u>2,650</u>	<u>77</u>	<u>2,573</u>
2012 - 16.....	6,390	1,643	4,747	600	43	557
2017 - 21.....	1,547	348	1,199	—	—	—
2022 - 26.....	4,161	701	3,460	500	159	341
2027 - 31.....	3,270	328	2,942	—	—	—
2032 - 36.....	1,921	241	1,680	—	—	—
2037 - 41.....	415	101	314	300	63	237
2042 - 46.....	250	21	229	—	—	—
	<u>\$29,069</u>	<u>\$5,012</u>	<u>\$24,057</u>	<u>\$4,050</u>	<u>\$342</u>	<u>\$3,708</u>

(1) Debt payable in U.S. dollars is not translated into Canadian dollars. Debt payable in other foreign currencies is recorded after giving effect to any currency exchange agreements.

(2) Net debt maturities represent gross debt maturities minus projected sinking fund values at maturity, based on earnings of 5% on existing sinking fund balances as of March 31, 2006. The calculations exclude sinking fund installments which are scheduled to be made in the future and unamortized discount.

## MATURITY SCHEDULE OF GUARANTEED FUNDED DEBT

As at March 31, 2006  
(Unaudited)

<u>Fiscal Year</u>	Canadian Dollars			U.S. Dollars <sup>(1)</sup>		
	<u>Gross Debt Maturities</u>	<u>Projected Sinking Fund Values</u> (millions of dollars)	<u>Net Debt Maturities<sup>(2)</sup></u>	<u>Gross Debt Maturities</u>	<u>Projected Sinking Fund Values</u> (millions of dollars)	<u>Net Debt Maturities<sup>(2)</sup></u>
2007 .....	\$ —	\$—	\$ —	\$—	\$—	\$—
2008 .....	—	—	—	—	—	—
2009 .....	1	1	—	—	—	—
2010 .....	—	—	—	—	—	—
2011 .....	—	—	—	—	—	—
	1	1	—	—	—	—
2012 - 2016.....	—	—	—	—	—	—
2017 - 2021.....	—	—	—	—	—	—
2022 - 2026.....	10	—	10	—	—	—
2027 - 2031.....	—	—	—	—	—	—
Other <sup>(3)</sup> .....	179	—	179	—	—	—
	\$190	\$ 1	\$189	\$—	\$—	\$—

(1) Debt payable in U.S. dollars was called during the 98/99 fiscal year.

(2) Net debt maturities represent gross debt maturities minus projected sinking fund values at maturity, based on earnings of 5% on sinking fund balances as of March 31, 2005. There is no provision made for future sinking fund installments or unamortized discount.

(3) Includes Province miscellaneous Guarantees.

**STATEMENT OF DIRECT FUNDED AND UNFUNDED DEBT**

**At March 31, 2006**

<u>Series</u>	<u>Date of Maturity</u>	<u>Year of Issue</u>	<u>Interest Rate</u> (percent)	<u>Outstanding March 31, 2006</u> (\$ millions)	<u>References</u>
Long-Term and Medium-Term Debt					
Issued by					
Province of British Columbia:					
BCSBR-H .....	October 15, 2006	1999	3.65	14	(1)(5)(8)
BCCG-2.....	December 1, 2006	1999/01	5.25	1,250	(1)(7)
BCCMTN-92.....	June 12, 2007	2002	Floating	150	(4)
BCSBR-I .....	October 15, 2007	2000	3.65	18	(1)(5)(8)
PRW .....	December 10, 2007	1987	10.14	1	(2)
BCCMTN-91.....	January 9, 2008	2001	5.25	110	(2)
BCEC-18.....	March 20, 2008	2002	5.30	300	(1)(7)
PRP-1.....	March 31, 2008	1996	8.18	11	(2)(12)
BCCD-V .....	June 9, 2008	1997	6.00	1,700	(2)
BCCD-6.....	December 18, 2008	2003	4.30	280	(2)
BCJC-2 .....	January 15, 2009	1984	8.75	25	(1)(7)
BCCG-3.....	June 1, 2009	2002	5.70	750	(2)(7)
BCCD-Y .....	December 1, 2009	1999/01	6.25	750	(2)
BCCD-AA.....	August 23, 2010	2000	6.375	1,400	(2)
BCCD-D .....	February 21, 2011	1991	10.75	250	(2)
BCCD-K .....	January 9, 2012	1992	9.50	1,150	(2)
BCCMTN-85.....	January 9, 2012	1999/00	9.50	400	(2)
BCCD-AB.....	January 9, 2012	2001/02	5.75	1,000	(2)
BCEC-19.....	April 24, 2013	2003	5.50	350	(1)(7)
BCCD-N .....	August 23, 2013	1993	8.50	1,100	(2)
BCCMTN-44.....	August 23, 2013	1995	9.60	60	(2)
BCCMTN-50.....	August 23, 2013	1995	9.25	65	(2)
BCCMTN-53.....	August 23, 2013	1995	8.50	360	(2)
BCCMTN-80.....	August 23, 2013	1999	5.75	100	(2)
BCCD-Q .....	June 9, 2014	1994	7.50	400	(2)
BCCMTN-33.....	June 9, 2014	1994	9.625	25	(2)
BCCMTN-34.....	June 9, 2014	1994	9.625	50	(2)
BCCMTN-38.....	June 9, 2014	1994	9.60	90	(2)
BCCD-9.....	June 18, 2014	2004	5.30	500	(2)
BCCMTN-27.....	June 20, 2014	1994	8.50	50	(2)
BCCD-3.....	December 18, 2015	2003	5.15	150	(2)
BCCMTN-25.....	October 3, 2016	1994	9.125	45	(2)
BCCD-2.....	June 1, 2018	2003	5.60	200	(2)
BCCMTN-26.....	June 17, 2019	1994	9.00	50	(2)
BCCD-8.....	June 17, 2019	2004	5.30	225	(2)
BCCD-C .....	September 5, 2020	1990	10.60	600	(2)
BCCMTN-46.....	September 5, 2020	1995	10.60	20	(2)
BCCD-G .....	May 15, 2021	1996	9.95	296	(2)
BCCMTN-76.....	February 23, 2022	1999	6.00	25	(2)
BCCD-L .....	June 9, 2022	1992	9.50	450	(2)
BCCD-M.....	August 19, 2022	1992	8.75	300	(2)
BCCMTN-77.....	February 23, 2023	1999	6.00	25	(2)
BCCD-P .....	September 8, 2023	1993	8.00	400	(2)
BCCMTN-60.....	September 8, 2023	1995	8.00	35	(2)



<u>Series</u>	<u>Date of Maturity</u>	<u>Year of Issue</u>	<u>Interest Rate</u> (percent)	<u>Outstanding March 31, 2006</u> (\$ millions)	<u>References</u>
BCCMTN-79.....	September 8, 2023	1999	6.40	50	(2)
BCEC-13.....	November 30, 2023	1993	7.875	350	(1)(7)
BCCMTN-78.....	February 23, 2024	1999	6.00	100	(1)
BCCD-T.....	August 23, 2024	1994	9.00	400	(2)
BCCMTN-40.....	August 23, 2024	1995	9.00	35	(2)
BCCMTN-52.....	August 23, 2024	1995	9.00	200	(2)
BCCMTN-56.....	August 23, 2024	1995	8.50	30	(2)
BCCMTN-62.....	August 23, 2024	1996	7.875	200	(2)
BCCMTN-82.....	August 23, 2024	1999	7.00	55	(2)
BCCMTN-63.....	June 9, 2024	1996	8.00	110	(2)
BCCMTN-64.....	December 4, 2026	1996	7.00	40	(2)(9)
BCCMTN-74.....	December 4, 2026	1999	7.00	60	(2)(9)
BCCMTN-65.....	June 9, 2027	1997	7.50	50	(2)
BCCD-W.....	November 19, 2027	1997	6.15	500	(2)
BCCMTN-70.....	August 17, 2028	1998	5.45	200	(2)
BCCD-X.....	June 18, 2029	1998/99	5.70	2,285	(2)
BCCMTN-83.....	June 18, 2029	1999	5.86	250	(2)
BCCD-Z.....	June 18, 2031	2000/01	6.35	1,400	(2)
BCCD-7.....	June 18, 2035	2004	5.15	500	(2)
BCCMTN-69.....	January 9, 2039	1998	5.75	150	(2)
BCCMTN-73.....	January 9, 2039	1998	6.00	65	(2)
BCCMTN-84.....	August 23, 2039	1999	6.30	200	(2)
BCCD-1.....	June 18, 2043	2003	5.25	150	(2)
BCCD-10.....	August 23, 2044	2004	5.75	100	(2)
Canada Pension Plan issues.....		1986 -2006	3.69-11.07	3,658	(2)(6)
Redemption premium re MTN-74/MTN64.....		1982		25	
Other.....				114	(10)
Short-term Promissory Notes.....				1,562	
Total Issues in Canadian Dollars.....				\$ 28,369	
BCUSG-2.....	October 3, 2006	2001	4.625	750	(2)(7)
BCEUS-4.....	June 11, 2007	1997	7.125	500	(1)(7)
BCUSD-4.....	June 20, 2007	2002	Floating	150	(4)(7)
BCEUS-6.....	December 20, 2007	2002	5.250	250	(1)(7)
BCUSG-1.....	October 29, 2008	1998/01	5.375	750	(2)(7)
BCEUS-7.....	June 25, 2009	2002	5.00	250	(1)(7)
BCUSG-3.....	May 30, 2013	2003	4.30	500	(2)(7)
BCEMTN-22.....	October 28,2013	1998	Floating	100	(4)
BCUSD-2.....	January 15, 2026	1996	6.50	500	(2)(7)
BCUSD-3.....	September 1, 2036	1996	7.25	300	(2)(7)
Short-term Promissory Notes.....				408	
Total Issues in U.S. Dollars*.....				US \$ 4,458	
Exchange Premium (Including Hedge).....				1,692	
U.S. Issues at Cdn. Dollar Equivalent.....				C \$ 6,150	
BCEMTN-16.....	June 19, 2007	1997	3.50	5,000	(1)(11)
BCEMTN-23.....	March 1, 2010	2000	1.855	7,000	(1)
BCEMTN-21.....	September 16, 2010	1998	2.07	10,000	(1)(11)
Total Issues In Japanese Yen.....				¥ 21,000	
Exchange Premium (Including Hedge).....				(21,737)	
Japanese Issues at Canadian Dollar Equivalent**.....				C \$ 263	
BCSFR-4.....	March 26, 2008	2002	2.125	400	(1)(7)
Total Issues in Swiss Francs.....				SF 400	

<u>Series</u>	<u>Date of Maturity</u>	<u>Year of Issue</u>	<u>Interest Rate</u> (percent)		<b>Outstanding March 31, 2006</b> (\$ millions)	<u>References</u>
Exchange Premium (Including Hedge) .....					18	
Swiss Franc Issues at Canadian Dollar Equivalent** .....					C \$ 418	
BCEFF-1.....	January 30, 2007	1996	6.25	EURO	229	(1)(7)
BCEFF-2.....	July 15, 2009	1997	5.875		305	1)(7)
BCEDM-1.....	July 21, 2010	1998	5.125		383	(1)(7)
Total Issues in Euro*** .....				EURO	917	
Exchange Premium (Including Hedge) .....					664	
Euro Issues at Canadian Dollar Equivalent** .....					C \$ 1,581	
Gross Direct Debt Issued by the Province (In Canadian Dollar Equivalents) .....					C \$ 36,781	

\* Payable and expressed in U.S. dollars. Debt payable in US \$3,477 million has been hedged to Cdn \$4,999 million. Debt payable in U.S. \$300 million has been hedged to JPY36,075 million. This balance was translated at the exchange rate prevailing at year-end.

\*\* Foreign currency debt other than U.S. has been fully hedged to Canadian dollars

\*\*\* On January 1, 2002, French Franc was converted into Euro at 1 Euro = 6.55957 FRF and Deutschemark was converted into Euro at 1 Euro = 1.95583 DEM

## STATEMENT OF DIRECT FUNDED AND UNFUNDED DEBT

At March 31, 2006

			Amount Outstanding March 31, 2006 (\$ millions)
Gross Direct Debt issued by the Province <sup>(1)</sup> (in Canadian Dollar Equivalents) .....			36,781
Less — Fiscal Agency Borrowings on behalf of:			
Warehouse Borrowing Program .....	—		
BC Transportation Financing Authority .....	2,968		
British Columbia Buildings Corporation .....	405		
British Columbia Housing Management Commission .....	61		
British Columbia Hydro and Power Authority .....	7,643		
British Columbia Institute of Technology .....	24		
British Columbia Transit .....	106		
British Columbia Transmission Corporaton .....	30		
College of New Caledonia .....	3		
College of the Rockies .....	3		
Douglas College .....	1		
Home Owner Protection Office .....	31		
Improvement Districts .....	7		
Selkirk College .....	2		
Simon Fraser University .....	14		
Thompson Rivers University .....	3		
University of British Columbia .....	70		
University of Northern British Columbia .....	15		
University of Victoria .....	10		
	11,396		11,396
Gross Direct Debt .....			25,385
Add — Unrealized Foreign Exchange Gains .....	69		
Less — Unamortized Discount .....	151		
— Government Sinking Funds <sup>(1)</sup> .....	2,571		
— Bonds held in the Consolidated Revenue Fund .....	7		2,660
Total Net Direct Debt .....	11,396		22,725
Gross Fiscal Agency Reloaned Debt .....			11,396
Less — Gross Fiscal Agency Debt .....			11,396
Gross Fiscal Agency Debt for Warehouse Borrowing Program Purposes .....			—
Less — Unamortized Discount/(Premium) .....	—		—
Total Net Fiscal Agency Debt for Warehouse Borrowing Program Purposes .....	—		—
Gross Fiscal Agency Debt .....			11,396
Add — Unamortized Premium .....	32		
— Unrealized Foreign Exchange Gains .....	69		
Less — Government Sinking Funds .....	1,488		1,387
Total Net Fiscal Agency Debt .....	1,488		10,009
Total Net Direct and Fiscal Agency Debt, Warehouse Borrowing Program Debt .....			32,734
Less — Warehouse Borrowing Program Investments Available to Paydown Warehouse Borrowing Program Debt .....			—
Total Net Direct and Fiscal Agency Debt .....			32,734

(1) In compliance with generally accepted accounting principles (GAAP), defeased debt is added to Direct debt and the related defeased trust funds are added to sinking fund investments.

**NET GUARANTEED DEBT**

**At March 31, 2006**

<u>Issuer &amp; Series</u>	<u>Year of Maturity</u>	<u>Year of Issue</u>	<u>Interest Rate</u> (percent)	<u>Amount Outstanding<sup>(1)</sup> March 31/2006</u> (millions of Cdn. dollars)
British Columbia Hydro and Power Authority . . . .	2024	2004	5.54	<u>10</u>
Municipalities, Improvement Districts and Other Local Government Entities . . . . .	2006-2007	1980-1986	10.12-15.75	1
Plus — Other Guaranteed Debt <sup>(2)</sup> . . . . .				<u>178</u>
				189
Less — Provisions for Probable Payout . . . . .				<u>9</u>
Total Net Guaranteed Debt . . . . .				<u>180</u>

(1) Total net of sinking funds

(2) Includes outstanding loan guarantees of student assistance loans, loans to agricultural producers and guarantees issued under economic development assistance programs.

## NON-GUARANTEED DEBT

As At March 31, 2006

	<u>(millions of Cdn. dollars)</u>
Taxpayer-Supported Debt	
BC Transportation Financing Authority .....	84
Canadian Blood Services .....	3
Columbia Basin Trust .....	16
Homeowner Protection Office .....	79
Provincial Rental Housing .....	128
Schools .....	19
Post-Secondary .....	539
Health facilities .....	305
Other <sup>(1)</sup> .....	<u>1</u>
Total Taxpayer-Supported Non-Guaranteed Debt .....	<u>1,174</u>
Self-Supported Debt	
Commercial Crown Corporations and Agencies	
British Columbia Liquor Distribution .....	5
British Columbia Transmission Corporation .....	7
Columbia River Power Projects <sup>(2)</sup> .....	<u>247</u>
Total Self-Supported Non-Guaranteed Debt .....	<u>259</u>
Total Non-Guaranteed Debt .....	<u><u>1,433</u></u>

(1) Includes debt of the British Columbia Transit, Community Living British Columbia, and Oil & Gas Commission.

(2) Joint ventures of Columbia Power Corporation and Columbia Basin Trust.

## REFERENCES TO STATEMENTS OF DEBT

- 1) Interest payable annually.
- 2) Interest payable semi-annually.
- 3) Interest payable monthly.
- 4) Interest payable quarterly.
- 5) Interest rate reset semi-annually.
- 6) Pursuant to provisions for investment of Canada Pension Plan Funds, this issue is redeemable as a whole or in part on 30 days notice at the option of the Minister of Finance for British Columbia, subject to certain restrictions (CPP issues).
- 7) Callable by the issuer if taxation laws requiring additional payments are imposed or levied.
- 8) Redeemable on October 15 or April 15 prior to maturity at par upon presentation of the bond.
- 9) Coupon will be 5.4% to December 4, 2002 and 7% thereafter to maturity (BCCMTN-64/MTN74).
- 10) Including the Province's direct capital leases and the assumption by the Province of debt obligations of David Thompson University Centre.
- 11) Coupon is payable in US dollars. (EMTN-16 & EMTN-21).
- 12) Redeemable at option of the issuer on January 1, 2007 on 90 days' notice. (PRP-1)

## CONSOLIDATED FUNDED AND UNFUNDED DEBT OF THE PUBLIC SECTOR

The financial statements of the Province include funded and unfunded debt of public entities within British Columbia which is either guaranteed or reloaned by the Province, and include the funded debt of such entities which is not guaranteed by the Province.

	<b>Outstanding Gross<sup>(1),(2)</sup></b>	<b>Unamortized Discount</b>	<b>Unrealized foreign exchange gains</b>	<b>Sinking Fund Investments<sup>(2)</sup></b>	<b>Oustanding Net</b>
	(in Millions of Cdn dollars)				
Direct and Guaranteed Funded and					
Unfunded Debt of the Province . . . . .	\$36,964	\$ 119	\$ (138)	\$4,060	\$ 32,923
Plus: Non-Guaranteed Debt . . . . .	1,445	12	—	—	1,433
Total Consolidated Funded Debt of the Public Sector of British Columbia . . . . .	<u>\$38,409</u>	<u>\$ 131</u>	<u>\$ (138)</u>	<u>\$4,060</u>	<u>\$34,356</u>

(1) Balance does not include the Provision for Probable Payout (\$9 million).

(2) In compliance with generally accepted accounting principles (GAAP), defeased debt is added to Direct debt and the related defeased trust funds are added to sinking fund investments.

**CANADIAN FOREIGN EXCHANGE RATE AND  
INTERNATIONAL RESERVES**

Recent high and low exchange rates for the Canadian dollar in terms of United States cents are as follows for the calendar year ended December 31:

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
High .....	67.11	66.13	77.38	84.69	87.51
Low .....	62.53	61.99	63.50	71.41	78.53

On March 31, 2006, the noon spot rate for the U.S. dollar was 85.68

Source: Bank of Canada

The total of Canada's official international reserves on December 31, 2001 to 2005 are as follows:

<u>December 31</u>				
<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
(US\$ Millions)				
\$34,248	\$37,169	\$36,268	\$34,467	\$33,018 <sup>(1)</sup>

Source: Bank of Canada

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(1) US\$16,842 million, US\$56 million in gold, US\$1,401 million in the International Monetary Fund Reserve, US\$897 million in Special Drawing Rights and US\$13,822 million in other foreign currencies.



## TRADE BALANCE

### Exports and Imports:

Based on the provincial economic accounts 2005 preliminary estimates (April 2006), the Province's exports of goods and services totalled \$73.7 billion during the 2005 calendar year. International exports comprised \$47.9 billion (65%) of the Province's total exports, and represented 9.2% of Canada's total international exports; inter-provincial exports accounted for \$25.8 billion (35%) of the Province's total exports. The Province's imports of goods and services totalled \$78.7 billion, consisting of \$43.8 billion (55.6%) international imports and \$34.9 billion (44.4%) inter-provincial imports. The Province's international imports accounted for 9.4% of Canada's total international imports. The Province registered a trade deficit of \$5 billion, which consists of a \$4.1 billion surplus in trade from abroad and a \$9.1 billion deficit accruing from inter-provincial trade. In 2004, the Province registered an overall deficit of \$4.9 billion. Although the Province had a \$4.1 billion surplus in international trade, the international trade surplus was overtaken by an \$8.9 billion deficit in inter-provincial trade.

International exports of goods originating from the Province, computed by BC Stats using customs based data, were \$34.1 billion in 2005, an increase of 10% compared to \$31 billion in 2004. This increase was largely driven by the increase in the value of energy products. Increases occurred in 2005 in the value of exports of energy products (+72.2%), metallic mineral products (+28.6%), machinery and equipment (+7.2%), plastics and articles of plastics (+4.3%) and fish products (+1.1%). However, decreases occurred in the value of exports of apparel and accessories (-11.2%), agriculture and food products other than fish (-7.7%), pulp and paper products (-7.5%) and wood products (-5.7%).

The United States is the Province's principal international export market, accounting for 64.8% of the international exports of goods in 2005.

Source: Statistics Canada  
BC Stats