

**Matched Book Program Parameters**

The following parameters govern the management of the Matched Book Program after consultation with the Risk Committee.

1. Investments are restricted to British Columbia Investment Management Corporation’s approved list, or financial institutions, foreign entities and sovereigns that are rated A1 (Moody’s Investors Service) and A+ (Standard & Poor’s Corporation) or better for investments not longer than 5 years, and Aa3 and AA- or better for investments 5 years or longer.
2. The purchase of assets with a remaining term greater than 12 years must be approved in advance by the Deputy Minister.
3. The Matched Book Program is limited to \$2.0 billion.
4. The following table specifies trade size and profit parameters:

<b>RECOMMENDED MATCHED BOOK PROGRAM SIZE AND POSITIVE CARRY PARAMETERS</b>	
<b>Trades with term greater than six months</b>	
<b>Minimum principal size \$20,000,000</b>	
Minimum expected value of positive carry	\$50,000 present value
OR	
Trade:	
Non-BC asset	15 bps on principal annually
BC asset	8 bps on principal annually
<b>Trades with term less than or equal to six months</b>	
<b>Minimum principal size \$20,000,000</b>	
Minimum expected value of Positive Carry :	\$15,000 present value
OR	
Minimum expected Positive Carry:	10 bps on principal

5. Any Matched Book trade which is proposed to deviate from the Matched Book Program parameters must be approved by the Deputy Minister

## IMPORTANT NOTICE

IMPORTANT: You must read the following before continuing. The following applies to the offering circular following this page (the “**Offering Circular**”), and you are therefore advised to read this carefully before reading, accessing or making any other use of the Offering Circular. In accessing the Offering Circular, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from us as a result of such access.

**THIS VERSION (“ENGLISH VERSION”) OF THE OFFERING CIRCULAR IS AN ENGLISH TRANSLATION OF THE CHINESE VERSION (“CHINESE VERSION”) OF THE OFFERING CIRCULAR WHICH ACCOMPANIES THIS VERSION.**

**THIS ENGLISH VERSION:**

- 1. IS ONLY PROVIDED FOR YOUR EASE OF REFERENCE;**
- 2. IS OF NO LEGAL EFFECT;**
- 3. MAY NOT BE AN ACCURATE TRANSLATION OF THE CHINESE VERSION DUE TO THE DIFFERENCES IN GRAMMAR AND LEGAL TERMINOLOGIES. TERMS OR WORDS USED IN THE CHINESE VERSION MAY HAVE DIFFERENT MEANINGS OR CONNOTATIONS COMPARED TO THE ENGLISH VERSION;**
- 4. IS NEITHER REVIEWED NOR APPROVED BY ANY REGULATORY AUTHORITY (WHETHER IN THE PEOPLE’S REPUBLIC OF CHINA (“PRC”) OR ELSEWHERE);**
- 5. MUST NOT BE RELIED UPON IN MAKING ANY DECISION OR TAKING ANY ACTION OTHER THAN AS A GUIDE AS TO THE CONTENT OF THE CHINESE VERSION.**

**THE CHINESE VERSION PREVAILS OVER THE ENGLISH VERSION FOR ALL PURPOSES AND IN ALL CIRCUMSTANCES (WHETHER OR NOT THE CHINESE VERSION AND THE ENGLISH VERSION ARE INCONSISTENT).**

**THE PROVINCE OF BRITISH COLUMBIA (THE “ISSUER”) MAKES NO REPRESENTATION OR WARRANTY AS TO THE TRUTH OR ACCURACY OF THE ENGLISH VERSION. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, THE ISSUER DISCLAIMS ALL LIABILITY FOR ANY ERRORS, OMISSIONS, DEFECTS OR MISREPRESENTATIONS IN, OR FOR ANY LOSS OR DAMAGE (WHETHER DIRECT OR INDIRECT, AND HOWSOEVER CAUSED) BY ANY PERSON WHO USES OR RELIES ON INFORMATION CONTAINED IN THE ENGLISH VERSION.**

**ANY RECIPIENT OF THE ENGLISH VERSION ACKNOWLEDGES AND AGREES TO THE TERMS OF THIS IMPORTANT NOTICE AND AGREES NOT TO MAKE ANY CLAIM, OR TO TAKE ACTION OR PROCEEDING, AGAINST THE ISSUER IN RESPECT OF THE ENGLISH VERSION.**

**NOTHING IN THE ENGLISH VERSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN ANY JURISDICTION.**

**THE SECURITIES WILL ONLY BE OFFERED OR DISTRIBUTED PURSUANT TO THE CHINESE VERSION TO INSTITUTIONAL INVESTORS OF THE PRC NATIONAL INTERBANK BOND MARKET (THE “INTERBANK MARKET”) (OTHER THAN PURCHASERS PROHIBITED UNDER PRC LAWS, REGULATIONS AND THESE DISTRIBUTION RESTRICTION PROVISIONS) AND THE SECURITIES WILL BE ONLY TRADED AMONG INSTITUTIONAL INVESTORS OF THE INTERBANK MARKET (OTHER THAN PURCHASERS PROHIBITED FROM THE PRC LAWS, REGULATIONS AND THESE DISTRIBUTION RESTRICTION PROVISIONS).**

You are reminded that the information in the Offering Circular is not complete and may be changed.



# PROVINCE OF BRITISH COLUMBIA

## 2016 Renminbi Bonds Issuance Programme

### Offering Circular

Under this 2016 Renminbi Bonds Issuance Programme (the “**Programme**”), the Province of British Columbia (the “**Issuer**”) may, from time to time for a period of two years from the date of issuance by the National Association of Financial Market Institutional Investors (“**NAFMII**”) of a registration notice with respect to the Programme, issue bonds denominated in Renminbi (the “**Bonds**”) in an aggregate amount not exceeding CNY6 billion. The Programme has been duly authorized by the Issuer and, upon the issuance of any Bonds by the Issuer, that issuance will have been duly authorized under the Financial Administration Act (*British Columbia*) and one or more orders in council of the Lieutenant Governor in Council of the Province of British Columbia.

The Bonds will be issued on a continuing basis to one or more of the Joint Lead Underwriters specified below (each a “**Joint Lead Underwriter**” and together the “**Joint Lead Underwriters**”).

Bonds may be issued under the Programme which have a minimum specified denomination of CNY100.

The Issuer has established the Programme for the purposes of issuing Bonds in the Interbank Market and has registered the Programme with NAFMII.

#### *JOINT LEAD UNDERWRITERS*



The Bonds will constitute legal, valid, binding, direct and unsecured obligations of the Issuer and will rank *pari passu* without any preference among themselves and equally with all other unsecured indebtedness (other than unsecured subordinated indebtedness) of the Issuer from time to time outstanding other than indebtedness preferred by law.

The Bonds will be issued in registered form, to be centrally held in custody by the Custodian Institution. The transfer and trading of the Bonds in the secondary market after the offer period will be carried out in accordance with applicable rules and regulations governing trading of bonds on the Interbank Market.

December 3, 2015

## **IMPORTANT NOTICE AND DECLARATION**

The Issuer may, from time to time for a period of two years from the date of issuance by NAFMII of a registration notice with respect to the Programme, issue Bonds in an aggregate amount not exceeding CNY6 billion on the Interbank Market.

The Bonds will be offered through a public offering through the Interbank Market. Investors should read the relevant Disclosure Documents carefully, and carry out their own independent investment analysis. The registration of the Programme with NAFMII does not represent that any evaluations have been made with respect to the investment value of the Bonds, nor does it represent that any judgments have been made with respect to the risks of investing in the Bonds. In purchasing the Bonds of the Issuer, investors should carefully review this Offering Circular and the related Disclosure Documents, should independently analyze the truthfulness, accuracy, completeness and timeliness of the information disclosed, and accordingly should make an independent judgment on the investment value and be solely responsible for any related investment risk.

All the contents of this Offering Circular have been prepared (i) to follow applicable laws and regulations and the relevant supervisory and self-regulatory regulations of the PBOC and NAFMII, (ii) in accordance with the registration requirements of NAFMII, and (iii) through integrating facts actually known to (or reasonably believed to be true), and in respect of which reasonable due diligence has been conducted by, the Issuer as at the date of this Offering Circular. This Offering Circular is intended to provide investors with basic information relating to the Issuer, as well as information relating to the issue and subscription of the Bonds. The Issuer shall assume responsibility for the accuracy in every material respect of the information in this Offering Circular, and confirm that, to the best of the knowledge and belief of the Issuer, having taken all reasonable care to ensure that such is the case, as of the date of this Offering Circular, there are no representations or statements which are misleading in any material respect nor are there any other facts in relation to the Issuer or the Bonds the omission of which would, in the context of the offering of the Bonds, make any statement in this Offering Circular misleading in any material respect.

The Issuer has not commissioned or authorized any persons or entities to provide, in the context of the offering of the Bonds, information not listed in this Offering Circular, or to give any explanations as to this Offering Circular. Should any investor have any queries about this Offering Circular or with any documents made available for inspection, it should consult its own securities broker, lawyer, professional accountant or other professional advisors.

The Bonds have not, and will not, be registered under the US Securities Act of 1933, as amended (hereinafter, the “**Securities Act**”). The Bonds may not be offered or sold in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Bonds are being offered outside the United States in reliance on Regulation S under the Securities Act.

### **Statement regarding the issuance of the Bonds by the Issuer**

Any Bonds which may be issued under the Programme will be issued by the Province of British Columbia, which is a province of Canada. Such Bonds will not be issued by the Government of Canada nor will they be directly or indirectly guaranteed by the Government of Canada.

## **Statement regarding the Summary Financial Statements of the Issuer**

The Issuer's Summary Financial Statements contained in the 2014/15 Public Accounts (pages 31 to 100) and the 2013/14 Public Accounts (pages 31 to 102) of the Issuer have not been prepared in accordance with generally accepted accounting principles in the PRC, but have been prepared in accordance with the Budget Transparency and Accountability Act (*British Columbia*) ("**BTAA**"), which requires the Issuer's accounting policies and practices to conform to the set of standards and guidelines that comprise generally accepted accounting principles for senior governments in Canada, subject to regulations of Treasury Board under the BTAA. As the Issuer's Summary Financial Statements have only been prepared in English, a Chinese translation of the 2013, 2014 and 2015 financial figures of the Province in Section 7 ("Financial Condition of the Issuer") of this Offering Circular (the "**Financial Statements Translation**") has been prepared and included in this Offering Circular for reference only. Should there be any inconsistency between the Issuer's Summary Financial Statements and the Financial Statements Translation, the Financial Statements Translation shall prevail, provided however that such Financial Statements Translation should always be read in conjunction with the Issuer's Summary Financial Statements (including the notes thereto). The Financial Statements Translation does not itself constitute audited financial statements, and is qualified in its entirety by, and is subject to the more detailed information and the financial information set out or referred to in, the Issuer's Summary Financial Statements. Any financial numbers and targets quoted in this Offering Circular should be read by investors in conjunction with the Issuer's Summary Financial Statements. See Section 18 ("Documents available for inspection").

The fiscal year of the Issuer commences on April 1 and ends March 31, which is not a calendar year. In this Offering Circular, "2014/15" refers to the fiscal year ending March 31, 2015, and, unless otherwise indicated, "2014" means the calendar year ended December 31, 2014. Other fiscal and calendar years are referred to in a corresponding manner.

## **Statement regarding Public Holidays**

The Public Holidays referred to in this Offering Circular are the public holidays of the People's Republic of China (excluding the Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan) and British Columbia. In reading this Offering Circular and determining the payment date, investors should take note that Public Holidays also include the public holidays of British Columbia.

## **Statement relating to the likelihood of the Bonds being early redeemed before the maturity date**

Investors need to be aware that the Bonds provide for early redemption: (1) if the Issuer becomes obliged to pay any additional amount or withhold any additional tax with respect to the principal or interest payable to the Bondholders under the Bonds as a result of any change in the laws, regulations or rules of Canada or British Columbia or (in any such case) of any authority or agency therein or thereof having power to tax, or in the interpretation or administration of any such laws, regulations or rules, or (2) if any force majeure events occur as provided in the terms of the Bonds. Under these situations, Bondholders shall no longer have the right to receive interest thereafter; moreover, where the Bonds are early redeemed as a result of the occurrence of a force majeure event, the amount required to be paid by the Issuer

at the time of redemption may be lower than the principal that could have been received by a Bondholder in circumstances where the Issuer had not early redeemed.

### **Statement relating to forward-looking statements**

This Offering Circular contains forward-looking statements in respect of the financial condition and operational status of the Issuer. Such forward-looking statements only indicate the Issuer's beliefs and expectations, instead of statements of the historical facts. Some expressions, e.g., "anticipate", "expect", "intend", "plan", "believe", "seek", "estimate", "potential" and "reasonably possible" and other combinations and similar wordings are all intended to enable the readers to identify forward-looking statements easily. As such representations are made based on the current plans, estimates and forecasts, investors should not rely on them while reading this Offering Circular. Such forward-looking statements have been made on the basis of the objective circumstances existing on the date when they were made, and it should not be assumed that such relevant statements have been amended or updated so as to reflect the latest information or events occurring thereafter. Forward-looking statements involve various inherent risks and uncertain factors. Many factors can result in actual results deviating from the situations expected or implied by such forward-looking statements, and in some circumstances there may even arise significant deviations.

Certain statements included in this Offering Circular may constitute "forward-looking statements" within the meaning of the U.S. Private Securities Litigation Reform Act of 1995, including statements regarding, among other matters, the Issuer's intent, belief or forecast with respect to the state of the economy, economic growth, consumer confidence, exports and unemployment. Investors are cautioned that any such forward-looking statements are not guarantees of future performance and involve risks, uncertainties and other known and unknown factors, including the factors discussed in the Issuer's annual budget (see Section 18 ("Documents available for inspection")), which could cause the Issuer's performance to differ materially from the forecasts and economic outlook expressed or implied by such forward-looking statements.

### **Statement relating to the use of Canadian legal terminology in this Offering Circular**

This Offering Circular contains certain terms and words (including but not limited to, in relation to Canadian law) that are defined in accordance with applicable Canadian law. As such terms and words may have implications different from those contained in PRC law, investors need to refer to the definitions given under the relevant Canadian law while reading this Offering Circular. For any enquiries, investors should consult their own legal and other professional advisors.

### **Statement relating to the language used for information disclosure**

Some of the documents announced by the Issuer in connection with the Bonds (including the documents stated to be in English and Chinese in Section 14 ("Disclosure Arrangement") and Section 18 ("Documents Available for Inspection")) have been made in dual languages, in Chinese and English. If there is any inconsistency between the Chinese and English versions, the Chinese version shall prevail, provided however that such Chinese language documents should always be read in conjunction with the Chinese and English versions of any documents disclosed by the Issuer from time to time (some of which may modify or supersede statements

in such Chinese language document) in accordance with Section 14 (“Disclosure Arrangement”) and Section 18 (“Documents Available for Inspection”).

### **Access to Information**

Investors may obtain full access to this Offering Circular on the website of the Custodian Institution (<http://www.shclearing.com>), or China Money (<http://www.chinamoney.com.cn>), or at any place, or on any website or through any media as otherwise designated by the Issuer or the Joint Lead Underwriters during the issue period of the Bonds.

## TABLE OF CONTENTS

<b>SECTION 1: DEFINITIONS .....</b>	<b>7</b>
<b>SECTION 2: SUMMARY OF THIS OFFERING CIRCULAR .....</b>	<b>12</b>
<b>SECTION 3: STATUS OF THE BONDS AND PROCEEDINGS .....</b>	<b>18</b>
<b>SECTION 4: RISK FACTORS.....</b>	<b>21</b>
<b>SECTION 5: ISSUE TERMS AND ARRANGEMENTS FOR ISSUE.....</b>	<b>27</b>
<b>SECTION 6: DESCRIPTION OF THE ISSUER .....</b>	<b>39</b>
<b>SECTION 7: FINANCIAL CONDITION OF THE ISSUER.....</b>	<b>63</b>
<b>SECTION 8: ANALYSIS ON THE ISSUER'S FINANCIAL CONDITIONS .....</b>	<b>76</b>
<b>SECTION 9: USE OF PROCEEDS .....</b>	<b>131</b>
<b>SECTION 10: SELLING TERMS.....</b>	<b>132</b>
<b>SECTION 11: TAXATION ISSUES RELATING TO THE BONDS.....</b>	<b>134</b>
<b>SECTION 12: CREDIT RATINGS.....</b>	<b>137</b>
<b>SECTION 13: CREDIT ENHANCEMENT .....</b>	<b>138</b>
<b>SECTION 14: DISCLOSURE ARRANGEMENT .....</b>	<b>139</b>
<b>SECTION 15: LEGAL OPINION RELATING TO THE ISSUE OF BONDS UNDER THE PROGRAMME .....</b>	<b>141</b>
<b>SECTION 16: INVESTOR PROTECTION MECHANISM.....</b>	<b>142</b>
<b>SECTION 17: OTHER INTERMEDIARIES RELATING TO THE ISSUE OF THE BONDS .....</b>	<b>148</b>
<b>SECTION 18: DOCUMENTS AVAILABLE FOR INSPECTION .....</b>	<b>152</b>



## SECTION 1: DEFINITIONS

In this Offering Circular, unless otherwise specified or the context otherwise requires, the following terms shall have the following meanings:

<b>“Auditor General”</b>	the Auditor General of British Columbia appointed by the Legislative Assembly of British Columbia under the Auditor General Act ( <i>British Columbia</i> ).
<b>“Beijing Financial Assets Exchange”</b>	Beijing Financial Assets Exchange Co., Limited, which is a bond issuance and transaction platform authorized by the PBOC, a state-owned financial assets transaction platform designated by the Ministry of Finance and a transaction platform designated by NAFMII.
<b>“Bookbuilding”</b>	the process of determining the final interest rate/price and placement by the Bookrunner through recording the interest rate/price and quantity of the Bonds to be subscribed by the Underwriting Syndicate and investors, in accordance with an agreed mode of pricing and placement, after the Issuer and the Lead Underwriting Party identified as the Bookrunner in an Underwriting Syndicate Agreement have determined the region of interest rate/price and members of the Underwriting Syndicate have issued a subscription order. The Bookbuilding may be undertaken through a centralized bookbuild, this being one form of effecting a bookbuilding, by handling the full bookbuilding process online through a centralized bookbuilding system.
<b>“Bookrunner”</b>	Bank of China Limited, as the institution responsible for Bookbuilding, including all aspects of centralized bookbuilding such as formulating the centralized bookbuild workflow and specifically operating the centralized bookbuild, during the issue period of the Bonds.
<b>“Bonds”</b>	Bonds to be issued by the Issuer, from time to time, under the Programme.
<b>“Bondholder”</b>	the holder of the Bonds.
<b>“BTAA”</b>	Budget Transparency and Accountability Act ( <i>British Columbia</i> ).
<b>“Business Day”</b>	any day (other than Public Holiday or a Saturday or Sunday) when commercial banks in Beijing and Victoria, British Columbia are open for business.
<b>“Calculation Agent”</b>	Bank of China Limited

<b>“Canadian dollars”, “\$”, “C\$” or “CAD”</b>	Canadian dollars, the lawful currency of Canada.
<b>“China” or “PRC”</b>	the People’s Republic of China (excluding Hong Kong, the Macau Special Administrative Region and Taiwan).
<b>“CIETAC”</b>	China International Economic and Trade Arbitration Commission.
<b>“CNY” or “Renminbi”</b>	Renminbi, the lawful currency of the PRC.
<b>"CNY Dealer"</b>	an independent foreign exchange dealer of international repute active in the Renminbi exchange market in the Renminbi Settlement Centre.
<b>“Custodian Institution”</b>	Interbank Market Clearing House Co., Ltd
<b>“Day”</b>	A calendar day.
<b>“Disclosure Documents”</b>	this Offering Circular and the documents listed under Section 14 (“Disclosure Arrangement”) and Section 18 (“Documents available for inspection”), including any amendments or supplements thereto, by way of incorporation by reference or otherwise, as further described in Section 14 (“Disclosure Arrangement”) and Section 18 (“Documents available for inspection”).
<b>“Final Agreements”</b>	means a final agreement as defined in the Interpretation Act ( <i>British Columbia</i> ).
<b>“First Nation”</b>	an aboriginal governing body, however organized and established by aboriginal people within their traditional territory in British Columbia.
<b>“GAAP”</b>	the set of standards and guidelines that comprise generally accepted accounting principles for senior governments in Canada , subject to regulations of Treasury Board under the BTAA.
<b>“Government”</b>	Government of the Province of British Columbia
<b>“Hong Kong” or “HK”</b>	the Hong Kong Special Administrative Region of the PRC.
<b>"Illiquidity"</b>	where the general Renminbi exchange market in the Renminbi Settlement Centre becomes illiquid and, as a result of which, the Issuer cannot obtain sufficient Renminbi in order to satisfy its obligation to pay interest and principal (in whole or in part) in respect of the Bonds as determined by the Issuer in good faith and in a commercially reasonable manner following consultation

with two CNY Dealers.

**"Inconvertibility"**

the occurrence of any event that makes it impossible for the Issuer to convert any amount due in respect of the Bonds into Renminbi in the general Renminbi exchange market in the Renminbi Settlement Centre, other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any governmental authority (unless such law, rule or regulation is enacted after the issue date of the Bonds and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation).

**"Interbank Market"**

The PRC interbank bonds market.

**"Issuer" or "Province"**

The Province of British Columbia.

**"Joint Lead Underwriters"**

Bank of China Limited and HSBC Bank (China) Company Limited

**"NAFMII"**

the National Association of Financial Market Institutional Investors.

**"Non-transferability"**

the occurrence of any event that makes it impossible for the Issuer to deliver Renminbi between accounts inside the Renminbi Settlement Centre or from an account inside the Renminbi Settlement Centre to an account outside the Renminbi Settlement Centre and outside the PRC, or vice versa, other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any governmental authority (unless such law, rule or regulation is enacted after the issue date of the Bonds and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation).

**"Offering Circular" or "this Offering Circular"**

the 'Province of British Columbia 2016 Renminbi Bonds Issuance Programme Offering Circular' relating to the Programme as revised, supplemented, amended or updated by any supplement to the Offering Circular or by documents incorporated by reference from time to time as further described in Section 14 ("Disclosure Arrangement") and Section 18 ("Documents available for inspection") and, in relation to the terms and conditions of a particular issue of Bonds, by a supplemental Offering Circular, as appropriate, relating to such particular issue of Bonds.

<b>“outside the PRC”</b>	all countries and areas outside of China (including Hong Kong, the Macau Special Administrative Region and Taiwan).
<b>“PBOC”</b>	People’s Bank of China, the central bank of China.
<b>“Programme”</b>	The Province of British Columbia 2016 Renminbi Bonds Issuance Programme which has been registered with NAFMII and under which the Issuer may, from time to time for a period of 2 years from the date of issuance by NAFMII of a registration notice with respect to the Programme, issue Bonds in an aggregate amount not exceeding CNY6 billion.
<b>“Public Holiday”</b>	a day which is either a public holiday in China or British Columbia
<b>"Rate Calculation Business Day"</b>	A Business Day (other than a public holiday or a Saturday or Sunday) on which commercial banks are open for general business (including dealings in foreign exchange) in Shanghai.
<b>"Rate Calculation Date"</b>	The day which is two Rate Calculation Business Days before the due date of the relevant amount under the terms of the Bonds.
<b>“Regulation S”</b>	Regulation S under the Securities Act.
<b>“Renminbi Settlement Centre”</b>	Hong Kong
<b>“Securities Act”</b>	US Securities Act of 1933, as amended.
<b>“Securities and Futures Ordinance”</b>	Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong).
<b>"Spot Rate"</b>	The CNY/U.S. dollar central parity rate announced by China Foreign Exchange Trade System, under authorisation of the PBOC, on the Rate Calculation Date.
<b>“Summary Financial Statements”</b>	The Issuer’s summary financial statements for the years ended March 31, 2013, March 31, 2014 and March 31, 2015, including the notes thereto.
<b>“Terms”</b>	The terms of the Bonds as set out under the heading “Major Terms” in Section 5 (“Issue Terms and Arrangements for Issue”) and any reference to a

particularly numbered Term shall be construed accordingly.

**“Treasury Board”**

A committee (appointed under the Financial Administration Act (*British Columbia*)) of the Executive Council (appointed under the Constitution Act (*British Columbia*)) with responsibility for, among other things, government accounting policies and practices.

**“Underwriter”**

The single entity, number of entities or all institutions responsible for underwriting the Bonds (as the context may determine).

**“Underwriting Syndicate”**

An underwriting team for a particular series of Bonds comprising one or more Joint Lead Underwriters or other members of the Underwriting Syndicate identified in the Underwriting Syndicate Agreement, agreeing to underwrite the issue of such series of Bonds.

**“Underwriting Agreement”**

the ‘Province of British Columbia 2015 Renminbi Bonds Issuance Programme Underwriting Agreement’ entered into between the Issuer and the Joint Lead Underwriters, as amended by the parties from time to time.

**“Underwriting Syndicate Agreement”**

the ‘Province of British Columbia 2015 Renminbi Bonds Issuance Programme Underwriting Syndicate Agreement’ entered into by one or more Joint Lead Underwriters and other members of the Underwriting Syndicate, pursuant to the Underwriting Agreement, in connection with the underwriting of a particular series of Bonds.

**“United States” or “US”**

United States of America.

**“US\$” or “US dollars”**

United States dollars, the lawful currency of the United States.

**“U.S. Dollar Equivalent”**

the Renminbi amount converted into U.S. dollars using the Spot Rate for the relevant Rate Calculation Date.

## SECTION 2: SUMMARY OF THIS OFFERING CIRCULAR

### 1. Basic Information of the Issuer

British Columbia is a province of Canada located on the Pacific Coast. Canada has a federal government (based in Ottawa), ten provincial governments and three territorial governments. Each province is a separate jurisdiction of the Canadian Crown. As a provincial government, the Province is recognised under the Canadian Constitution as constitutionally autonomous (that is, independent of the Canadian federal government), granted constitutional powers that cannot be altered by the federal government. The Province has unfettered authority to levy direct taxes (including income and consumption taxes and natural resource royalties), and full discretion over expenditure decisions, providing the Province the requisite flexibility to manage its fiscal affairs. The Province has exclusive constitutional responsibility for health, education and social welfare, which are its main areas of spending. Based on the preceding, the Province is a sovereign autonomous provincial government of Canada and its status as such has been accepted in all the jurisdictions outside Canada into which the Province offers bonds.

British Columbia is the third largest Canadian province in terms of population, which was estimated at 4.68 million persons or about 13.1 per cent of Canadians on July 1, 2015.

The Province has an area of 95 million hectares, or about 9.5 per cent of Canada's total surface area. More than one-half of British Columbia is covered by forests, which constitutes one of British Columbia's major natural resources.

During the past several decades, the British Columbia economy has become more diversified in structure, employment, production and trade. While forest products and other traditional resource-based industries such as fishing and mining have continued, the economy has evolved to encompass a robust natural gas industry, secondary manufacturing and an extensive service sector, including technology, tourism, film and television production.

Greater Vancouver, a major Canadian shipping, manufacturing and services centre, has the largest urban population in British Columbia and is the third largest census metropolitan area in Canada with an estimated population of 2.47 million persons on July 1, 2014. Victoria, the capital of British Columbia, is located on Vancouver Island and its census metropolitan area had an estimated population of 0.36 million persons on July 1, 2014.

### 2. Basic Information of the Programme

The following section sets out a brief summary of the terms of the Bonds and is qualified in its entirety by the remainder of this Offering Circular. For a detailed description of the Series 1 Bonds, see Section 5 ("Issue Terms and Arrangements for Issue").

#### (1) Name of the Series 1 Bonds

Province of British Columbia 2016 Series 1 Renminbi Bonds

**(2) Issuer**

Province of British Columbia, which is an autonomous, sovereign provincial government of Canada, with credit ratings of AAA from Standard and Poor's and Aaa from Moody's Investors Service Inc.

**(3) Joint Lead Underwriters**

Bank of China Limited and HSBC Bank (China) Company

**(4) Bookrunner**

Bank of China Limited

**(5) Acceptance registration number**

NAFMII Reference Number [2015] No. RB1

**(6) Registered amount under the Programme**

CNY6 billion

**(7) Form of the Bonds**

The Bonds will be issued in registered form, to be centrally held in custody by the Custodian Institution.

**(8) Term of the Bonds**

Not exceeding 10 years, provided the inaugural issue will not exceed 5 years.

**(9) Size of the Bonds**

Not exceeding CNY3 billion for each issue of Bonds under the Programme.

**(10) Denomination**

The Bonds will be issued in denominations of CNY100, that is with each accounting entry for a Bond being CNY100.

**(11) Issue Price**

The Bonds will have a face value of CNY100, and be issued at par.

**(12) Minimum Subscription Amount**

The minimum amount to be subscribed by a subscriber of the Bonds shall be CNY5,000,000 or integral multiples of CNY1,000,000 in excess thereof.

**(13) Interest Basis**

Interest shall be fixed, based on an annual rate and calculated at simple interest, without any compounding. Additional interest will not be paid on any coupon payment as a result of any delay in payment. Additional interest will not be paid on the principal of the Bonds as a result of any delay in payment.

Interest will be calculated on the basis of the actual number of days elapsed in a year of 365 days or, in a leap year, 366 days.

**(14) Rate of Interest**

The rate of interest shall be fixed. The final rate of interest shall be disclosed in an announcement on the issuance by the Issuer after the bookbuilding exercise in respect of the Bonds has been confirmed. The rate of interest shall not change during the term of the Bonds.

**(15) Method of payment of principal and interest**

Interest relating to the Bonds shall be paid on an Interest Payment Date (as defined in Section 5 (“Issue Terms and Arrangements for Issue”)). The principal of the Bonds shall be paid in one lump sum on the Maturity Date (as defined in Section 5 (“Issue Terms and Arrangements for Issue”)). While the Bonds are still outstanding, the Issuer shall, at least five Business Days prior to any Interest Payment Date or the Maturity Date (as the case may be), publish a “payment announcement” or “maturity announcement” on the media platform requested by NAFMII. The interest and principal payable in respect of the Bonds shall be made in accordance with the rules of the Custodian Institution, and shall be completed by the agent of the Custodian Institution. Any payment made by or on behalf of the Issuer to the Custodian Institution or its agent, for the account of a person in whose name a Bond is, at the time such payment is made, registered in the register held by the Custodian Institution, constitutes for all purposes an absolute and unconditional release and discharge of the Issuer, to the extent of such payment, of all obligations and indebtedness in respect of the Bond in relation to which such payment was made.

**(16) Payment of U.S. Dollar Equivalent**

If the Issuer is due to make a payment in Renminbi in respect of any Bond, and if by reason of Inconvertibility, Non-transferability or Illiquidity, the Issuer is not able, or it would be impracticable for it, to satisfy payments of principal or interest (in whole or in part) in respect of the Bonds when due in Renminbi, the Issuer may, on giving not less than five or more than 30 days' irrevocable notice to the Bondholders prior to the due date for payment, settle any such payment (in whole or in part) in U.S. dollars on the due date at the U.S. Dollar Equivalent of any such Renminbi denominated amount, provided that if the Issuer has obtained the PBOC's approval to obtain the Renminbi amount required for such payment through China's interbank foreign exchange market and is able to obtain such Renminbi amount at the prevailing market rate, the Issuer will make such payment in Renminbi.



Any payment made under such circumstances in U.S. dollars will not constitute a Payment Event of Default under Term 39 of the Bonds.

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this term (“Payment of U.S. Dollar equivalent”) by the Calculation Agent, will (in the absence of wilful default, bad faith or manifest or proven error) be binding on the Issuer and all Bondholders.

**(17) Offering Method**

The Bonds will be issued by way of a public offering through a centralized Bookbuilding at the Beijing Financial Assets Exchange.

**(18) Target Investor**

Any institutional investor in the Interbank Market (other than a purchaser restricted by relevant laws and regulations).

**(19) Early Redemption**

(a) Early Redemption for Taxation Reasons

If as a result of any change in the laws, regulations or rules of Canada or British Columbia or (in any such case) of any authority or agency therein or thereof having power to tax or in the interpretation or administration of any such laws, regulations or rules which becomes effective on or after the date of issue of such Bonds, the Issuer would be obliged to pay additional amounts or withhold additional tax amounts with respect to the principal or interest payable to the Bondholders under the Bonds pursuant to Term 31 of the Bonds, the Issuer may, at its option and having given no less than 30 days’ and no more than 60 days’ notice to the Bondholders, redeem all (but not part thereof) of the outstanding Bonds on the date specified in the notice. The redemption price to be paid pursuant to this provision shall be the unpaid principal and interest amount accrued up to the redemption date.

(b) Early Redemption for Reasons of Force Majeure

The Issuer shall have the right to terminate its obligation under the Bonds if performance of such obligations (or the Issuer’s or the Issuer’s affiliate’s obligations under any hedging or funding arrangement established in connected therewith) shall have become unlawful or impracticable in whole or in part, including without limitation as a result of compliance with any applicable present or future law, rule, regulation, judgment, order or directive or with any requirement or request of any governmental, administrative, legislative or judicial authority or power. In such circumstances, the Bonds shall be redeemable at the option of the Issuer at an amount equal to the fair market value of the Bonds (in the Issuer’s absolute discretion) immediately prior (and ignoring the circumstances leading) to such early redemption, adjusted to account fully for any reasonable expenses and costs incurred by the Issuer

and/or its affiliates in connection with the Issuer's obligations under the Bonds or any related hedging or funding arrangements (including, without limitation, the holding of any underlying and/or any swaps or other instruments of any type whatsoever hedging the Issuer's obligations under the Bonds) as a result of such events, including, without limitation, the costs of unwinding any such related hedging and funding arrangements.

**(20) Resale Right**

Investors may not sell the Bonds back to the Issuer.

**(21) Rating**

The Bonds have not been rated by any PRC rating agencies.

**(22) Notice on Taxation**

All payments of principal and interest by the Issuer will be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or charges of whatever nature imposed or levied by or on behalf of the Government of Canada or any province, territory or political division thereof or any authority or agency therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or charges is required by law or by the interpretation or administration thereof. In that event, the Issuer will pay such additional amounts as may be necessary in order that the net amounts receivable by the Bondholders after such withholding or deduction shall equal the respective amounts of principal or interest which would have been receivable in respect of the Bonds, as the case may be, in the absence of such withholding or deduction; except that no such additional amount shall be payable with respect to any Bond to a Bondholder (or a third party on behalf of a Bondholder) who is liable to such taxes or duties in respect of such Bond by reason of that person having some connection with Canada other than the mere holding of such Bond. In such circumstances, the Issuer may at its option early redeem all (but not part thereof) of the outstanding Bonds pursuant to Term 31 of the Bonds.

Any other tax payable on the Bonds pursuant to applicable taxation laws, rules and regulations shall be borne by the Bondholders.

**3. Risk Factors**

Prior to making an investment decision, each prospective investor should carefully consider the risk factors set out in this Offering Circular, including but not limited to the following risks:

- (1) Risks relating to the Issuer
- (2) Risks relating to the Bonds
- (3) Risks relating to Cross-border Issuance

Such factors may have a material adverse effect on the financial condition of the Issuer.

Prior to making an investment decision, each prospective investor should carefully consider all information set out in this Offering Circular and any other offering documents relating to the Bonds, including but not limited to the financial information set out in this Offering Circular.

#### **4. Enforcement of Arbitral Award in British Columbia**

The terms of the Bonds provide that any dispute arising from or in connection with the Bonds shall be submitted to the China International Economic and Trade Arbitration Commission (“CIETAC”) for arbitration in Beijing in accordance with the 2015 CIETAC Arbitration Rules in effect as at December 3, 2015, subject to the provisions set out in Term 38 of the Bonds. The arbitral award is final and binding upon the parties. An arbitral award made by CIETAC against the Issuer in accordance with Term 38 of the Bonds will be recognized as binding and enforced by the Supreme Court of British Columbia under the Foreign Arbitral Awards Act (*British Columbia*) (which, subject to the terms of that Act, adopts the United Nations Convention on the Recognition and Enforcement of Foreign Arbitral Awards in British Columbia) and the International Commercial Arbitration Act (*British Columbia*) (which is substantially based on the UNCITRAL Model Arbitration Law adopted by the United Nations Commission on International Trade Law, 1985) except in the circumstances where (1) the party relying on such arbitral award or applying for its enforcement does not comply with the requirements of those Acts or (2) such recognition or enforcement may be refused under those Acts. Those requirements and grounds for refusing recognition or enforcement are set out in Section 3 (“Status of the Bonds and Proceedings”). In addition, the recognition and enforcement of a foreign arbitral award against the Issuer are subject to other various qualifications set out in Section 3 (“Status of the Bonds and Proceedings”). Therefore, there is no assurance that the arbitral award granted by CIETAC against the Issuer can be successfully enforced in the courts in British Columbia.

### SECTION 3: STATUS OF THE BONDS AND PROCEEDINGS

The Terms of the Bonds provide that the Bonds constitute legal, valid, binding, direct and unsecured obligations of the Issuer. Those Terms also provide that the Bonds rank *pari passu* and without any preference among themselves and equally with all unsecured indebtedness (other than unsecured subordinated indebtedness) of the Issuer from time to time outstanding, other than indebtedness preferred by law. Payments of principal of and interest on the Bonds will be payable out of the Consolidated Revenue Fund of British Columbia, except where payment is made from a sinking fund or by other means of repayment.

If a Payment Event of Default under the Bonds should occur, Bondholders may, in accordance with the terms of the Bonds, request the Issuer to make early payment of the principal and interest accrued up to that date under the Bonds. The terms of the Bonds provides that, any dispute arising out of or in connection with the Bonds shall be submitted to CIETAC for arbitration in Beijing, subject to the provisions set out in Term 38 of the Bonds. The Terms of the Bonds further provide that such arbitral awards will be final and binding upon the parties.

An arbitral award made by CIETAC against the Issuer in accordance with Term 38 of the Bonds will be recognized as binding and enforced by the Supreme Court of British Columbia under the Foreign Arbitral Awards Act (*British Columbia*) (which, subject to the terms of that Act, adopts the United Nations Convention on the Recognition and Enforcement of Foreign Arbitral Awards in British Columbia) and the International Commercial Arbitration Act (*British Columbia*) (which is substantially based on the UNCITRAL Model Arbitration Law adopted by the United Nations Commission on International Trade Law, 1985) except in the circumstances where (1) the party relying on such arbitral award or applying for its enforcement does not comply with the requirements of those Acts or (2) such recognition or enforcement may be refused under those Acts. Those requirements and grounds for refusing recognition or enforcement are as follows:

(1) *Requirements*

The party relying on an arbitral award or applying for its enforcement in British Columbia must supply:

- (a) the duly authenticated original arbitral award or a duly certified copy of it, and
- (b) the original arbitration agreement or a duly certified copy of it.

Under the International Commercial Arbitration Act (*British Columbia*), the Supreme Court of British Columbia may order otherwise.

If the arbitral award or arbitration agreement is not made in English or French, the party applying for recognition and enforcement of the award must supply a duly certified translation of it into English or French.

(2) *Grounds for refusing recognition or enforcement*

Recognition or enforcement of an arbitral award in British Columbia, irrespective of the state in which it was made, may be refused only

- (a) at the request of the party against whom it is invoked, if that party furnishes to the Supreme Court of British Columbia proof that:
  - i. a party to the arbitration agreement was under some incapacity;
  - ii. the arbitration agreement is not valid under the law to which the parties have subjected it or, failing any indication of that law, under the law of the state where the arbitral award was made;
  - iii. the party against whom the arbitral award is invoked was not given proper notice of the appointment of an arbitrator or of the arbitral proceedings or was otherwise unable to present the party's case;
  - iv. the arbitral award deals with a dispute not contemplated by or not falling within the terms of the submission to arbitration, or it contains decisions on matters beyond the scope of the submission to arbitration, provided that, if the decisions on matters submitted to arbitration can be separated from those not so submitted, that part of the arbitral award which contains decisions on matters submitted to arbitration may be recognized and enforced;
  - v. the composition of the arbitral tribunal or the arbitral procedure was not in accordance with the agreement of the parties or, failing any agreement, was not in accordance with the law of the state where the arbitration took place; or
  - vi. the arbitral award has not yet become binding on the parties or has been set aside or suspended by a court of the state in which, or under the law of which, that arbitral award was made; or
  
- (b) if the Supreme Court of British Columbia finds that:
  - i. the subject matter of the dispute is not capable of settlement by arbitration under the law of British Columbia; or
  - ii. the recognition or enforcement of the arbitral award would be contrary to public policy in British Columbia.

In addition, the recognition and enforcement of an arbitral award against the Issuer is subject to the following qualifications:

- (1) The remedies of injunction and specific performance are not available against the Issuer in proceedings in the Supreme Court of British Columbia by virtue of the Crown Proceeding Act (*British Columbia*).
  
- (2) An order obtained in proceedings against the Issuer in the Supreme Court of British Columbia, may not, by virtue of the Crown Proceeding Act (*British Columbia*), be enforced by execution, attachment or process of that nature, but that Act does provide that if such an order for the payment of money is made, the proper officer of the court must, on application, issue a certificate stating the amount payable, and the Minister of Finance of the Province of British Columbia must (subject to the court or an appellate court directing that payment be suspended pending an appeal or otherwise) pay out of the Consolidated Revenue Fund of British Columbia to the person entitled, or to that person's order, the amount appearing by the certificate to be due, together with the interest, if any, lawfully due.

- (3) The Currency Act (Canada) precludes a court in Canada from making any order in any currency other than Canadian currency.
- (4) The Foreign Money Claims Act (*British Columbia*) provides that if the Supreme Court of British Columbia considers that a person in whose favour an order for the payment of money is to be made will be most truly and exactly compensated if all or part of the money payable under the order is measured in a currency other than Canadian currency, the court shall order that the money payable under the order will be that amount of Canadian currency that is necessary to purchase the equivalent amount of the other currency at a chartered bank in British Columbia at the close of business on the conversion date. The Act defines conversion date, in effect, as the last day before the day on which a payment under the order is made that the relevant chartered bank quotes a Canadian dollar equivalent to the other currency. The Act and the Foreign Money Claims Regulation made under it also provide, in effect, that, subject to the discretion of the court, interest payable after the date of an order to which the Act applies shall accrue at the applicable foreign prime rate (as described in the Regulation) until payment.
- (5) The Limitation Act (*British Columbia*) provides that a court proceeding must not be commenced in British Columbia to enforce a foreign arbitral award for the payment of money more than 10 years after the day on which the foreign arbitral award becomes enforceable.

## SECTION 4: RISK FACTORS

Prior to making an investment decision, each investor should carefully consider the following risk factors, along with the other matters set out in this Offering Circular and any other offering documents relating to the Bonds, including but not limited to the Issuer's Summary Financial Statements. The occurrence of any of the factors listed below may have a material adverse effect on the financial condition and results of operations of the Issuer.

### 1. Risks relating to the Issuer

#### **(1) The Issuer may be affected by variables which are outside the Issuer's direct control**

The Issuer's main exposure to risks and uncertainties arises from variables which the Issuer does not directly control, including:

- assumptions underlying revenue and Crown corporation forecasts such as economic factors, commodity prices and weather conditions;
- the outcome of litigation, arbitration, and negotiations with third parties;
- potential changes to federal transfer allocations, cost-sharing agreements with the federal government and impacts on the provincial income tax bases arising from federal tax policy and budget changes;
- utilization rates for government services such as health care, children and family services, and income assistance;
- exposure to interest rate fluctuations, foreign exchange rates and credit risk; and
- changes in GAAP.

Although the Issuer has implemented strategies, such as developing appropriate taxation, financial and corporate regulatory policies, to mitigate these risks and uncertainties, there can be no assurance that these strategies will be effective in preventing any adverse effect on the Issuer's financial condition.

### 2. Risks relating to the Bonds

#### **(1) The Bonds may not be a suitable investment for all investors**

Each investor who intends to invest in any Bonds must determine the suitability of that investment in light of its own circumstances. In particular, such investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the relevant Bonds, the merits and risks of investing in the Bonds and the information contained or incorporated by reference in this Offering Circular or any applicable supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Bonds and the impact such investment will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds, including where principal or interest is payable in one

or more currencies where the currency for principal or interest payments is different from the investor's currency;

- (iv) understand thoroughly the terms of the Bonds and be familiar with the behaviour of any relevant financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

**(2) The Bonds are unsecured obligations and are not guaranteed by the Government of Canada**

It will be particularly important for the investor to evaluate the Issuer's credit risk when considering an investment in the Bonds as the Bonds are unsecured and are not guaranteed by the Government of Canada. If the Issuer became unable to pay amounts owed to the investor under the Bonds, such investor does not have recourse to any other security or collateral and does not have any rights against the Government of Canada and, in a worst case scenario, may not receive any payments under the Bonds.

**(3) There may be no active trading market or secondary market liquidity for Bonds**

The Bonds to be issued will be new securities which may not be widely distributed and for which there is no active trading market. If the Bonds are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon factors including prevailing interest rates, the market for similar Bonds (as applicable), general economic conditions and the financial condition of the Issuer. Accordingly, the investor is subject to the risk that its investment in the Bonds may be difficult or impossible to trade.

A lessening of the liquidity of the Bonds may cause, in turn, an increase in the volatility associated with the price of the Bonds. An investor in the Bonds is subject to the risk therefore, that to the extent that there is no liquid market in the Bonds, an investor may have to wait until redemption of such Bonds in order to realise the value of its investment and, as such, an investor should proceed on the assumption that they may have to bear the economic risk of an investment in the Bonds until their redemption.

**(4) Certain factors may affect the value and trading price of Bonds**

The value of Bonds prior to maturity is expected to depend on a number of factors:

- (i) the trading price of the Bonds;
- (ii) the time remaining to maturity;
- (iii) any change(s) in interim interest rates and investment return; and
- (iv) any change(s) in currency exchange rates.



As a result of these factors the price at which a Bondholder will be able to sell the Bonds prior to maturity may be less than the initial amount invested in the Bonds. Each of these factors interrelates in complex ways (for example, one factor may offset an increase in the trading value of the Bonds caused by another factor). Investors are subject to the risk that the value of Bonds may be adversely affected by one or more of the above factors.

**(5) General economic conditions may affect the Bonds**

The market for debt securities is influenced by economic and market conditions, interest rates, currency exchange rates and inflation rates in Canada, Asia and other regions and countries. There can be no assurance that events occurring in Canada, Asia and other regions and countries will not cause market volatility, that such volatility will not adversely affect the price of Bonds, and that economic and market conditions will not have any other adverse effect.

**(6) Change of law may have an adverse effect on the Bonds**

The terms of the Bonds are based on PRC laws, the laws of the Province of British Columbia and the federal laws of Canada applicable therein in effect as at the date of this Offering Circular. There is a risk that the interpretation and/or effect of the terms of the Bonds may be subject to change in such a manner as to adversely affect the contractual rights of holders of the Bonds. The value of the Bonds may also be affected by changes in laws.

No assurance can be given as to the impact of any possible judicial decision or change to PRC law, the laws of the Province of British Columbia or the federal laws of Canada applicable or change in administrative practices after the date of this Offering Circular and any such change could materially impact the value of the Bonds affected by it.

**(7) The investors will only be able to trade their interests through the clearing system of the Custodian Institution and be subject to any risks relating to the clearing system.**

The investors will only be able to trade their interests through the clearing system of the Custodian Institution and will have to rely on their procedures for transfer, payment and communication with the Issuer to receive payment under the Bonds.

The Issuer has no responsibility or liability for the relevant records relating to, or payment procedure in respect of, interests in the Bonds.

**(8) Resolutions passed at Bondholders meetings may lead to a risk that not all Bondholders' interest will be taken into account.**

The Bondholders can inspect the provisions for calling meetings of the Bondholders to consider matters affecting their interests at the place designated by the Issuer. These provisions include the passing of extraordinary resolutions approving the amendments of these provisions or other arrangements. Any resolutions officially passed in such meetings by majority binds the Bondholders, including Bondholders

who did not attend and vote at the relevant meeting and Bondholders who voted in a manner contrary to the majority, so investors in the Bonds are subject to the risk that the terms of the Bonds may be modified without their consent.

**(9) Interest rate risk**

Investors in Bonds are exposed to the risk that subsequent changes in interest rates may adversely affect the value of fixed rate bonds. In the case that the interest rates in the market increases beyond the fixed interest rates of the relevant Bonds, the investors will not be able to obtain such benefits.

A variety of factors influences interest rates such as macroeconomic, governmental, speculative and market sentiment factors. Such fluctuations may have an impact on the value of the Bonds.

**(10) Legal investment considerations may restrict certain investments**

The investment activities of certain investors are subject to laws and regulations relating to legal investment, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) the Bonds are legal investments for it, (ii) the Bonds can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any Bonds. Investors should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Bonds under any applicable risk-based capital or similar rules.

**(11) The Bonds may be redeemed prior to maturity**

In the event that, amongst other things, (1) the Issuer becomes obliged to pay any additional amount or withhold any additional tax with respect to the principal or interest payable to the Bondholders under the Bonds as a result of any change in the laws, regulations or rules of Canada or British Columbia or (in any such case) of any authority or agency therein or thereof having power to tax, or in the interpretation or administration of any such laws, regulations or rules, or (2) any force majeure events occur as provided in the terms of the Bonds, the Issuer shall, in either case, be entitled to redeem the Bonds early in accordance with the terms of the Bonds.

Under these situations, Bondholders shall no longer have the right to receive interest thereafter; moreover, where the Bonds are early redeemed as a result of the occurrence of a force majeure event, the amount required to be paid by the Issuer at the time of redemption may be lower than the principal that could have been received by a Bondholder in circumstances where the Issuer had not early redeemed.

**(12) Taxation in relation to the Bonds**

Transactions involving the Bonds may have tax consequences for potential purchasers which may depend, amongst other things, upon the status of the potential purchaser and laws relating to transfer and registration taxes, stamp duty, stamp duty reserve tax and/or similar transfer taxes (for details, please refer to Section 11 (“Taxation Issues Relating To The Bonds”) of this Offering Circular) may be payable on any transfer or

agreement to transfer assets in cases where obligations of the Issuer under the Bonds are physically settled.

### **3. Risks relating to Cross-border Issuance**

**(1) Exchange rate risks and foreign controls may cause investors to receive less than their expected return on principal or interest**

The Issuer will pay the principal and interest on the Bonds in Renminbi. If the financial activities of an investor are conducted in a currency or currency unit other than Renminbi (the “**Investor Currency**”), there will be certain risks associated with the exchange of currencies. This includes major fluctuations in exchange rates (including any fluctuations in currency resulting in changes to the currency used to value the Bonds, as well as fluctuations resulting from a revaluation of the Investor Currency). In addition, the Renminbi is not freely convertible at present. Regulations in the PRC on the remittance of Renminbi into the PRC for settlement of capital account items are developing gradually. As a result of the restrictions imposed by the PRC government on cross border Renminbi fund flows, the availability of Renminbi outside the PRC is limited. There is no assurance that the PRC government will continue to liberalise control over cross-border remittance of Renminbi in the future or that new regulations in the PRC will not be promulgated in the future which have the effect of restricting or prohibiting the remittance of Renminbi into or outside the PRC. There is no assurance that changes of the above regulations will not affect the liquidity of the Bonds. Investors may receive less than, or in some circumstances, substantially less than their expected return on principal or interest.

**(2) There is only limited availability of Renminbi outside the PRC, which may affect the liquidity of the Bonds and the Issuer’s ability to source Renminbi outside the PRC to service such Bonds**

As a result of the restrictions by the PRC government on cross-border Renminbi fund flows, the availability of Renminbi outside the PRC is limited, and the size of Renminbi-denominated financial assets outside the PRC is limited. Although it is expected that the offshore Renminbi market will continue to grow in depth and size, its growth is subject to many constraints as a result of PRC laws and regulations on foreign exchange. There is no assurance that new regulations will not be promulgated by the PRC government which will have the effect of restricting the availability of Renminbi outside the PRC. The restrictions on the availability of offshore Renminbi may affect the extent to which the Issuer can service the Bonds by obtaining offshore Renminbi. There is no assurance that the Issuer will be able to have sufficient Renminbi for fulfilling the obligations under the Bonds.

**(3) Investment in the Bonds is subject to currency risk**

If the Issuer is not able, or it is impracticable for it, to satisfy its obligation to pay interest and principal on the Bonds when due, in whole or in part, in Renminbi as a result of Inconvertibility, Non-transferability or Illiquidity (each as defined in Section 1 (“Definitions”)), the Issuer shall be entitled, on giving not less than five days or more than 30 days’ irrevocable notice to the Bondholders prior to the due date for payment, to settle any such payment, in whole or in part, in U.S. dollars on the due

date at the U.S. Dollar Equivalent (as defined in Section 1 (“Definitions”)) of any such interest or principal amount otherwise payable in Renminbi, as the case may be.

**(4) The location of arbitration and the enforcement of the arbitral awards may be different, and there may be difficulties in enforcing the arbitral awards**

The terms of the Bonds provide that any dispute arising from or in connection with the Bonds shall be submitted to CIETAC for arbitration in Beijing in accordance with the 2015 CIETAC Arbitration Rules in effect as at December 3, 2015, subject to the provisions set out in Term 38 of the Bonds. The arbitral award is final and binding upon the parties. An arbitral award made by CIETAC against the Issuer in accordance with Term 38 of the Bonds will be recognized as binding and enforced by the Supreme Court of British Columbia under the Foreign Arbitral Awards Act (*British Columbia*) (which, subject to the terms of that Act, adopts the United Nations Convention on the Recognition and Enforcement of Foreign Arbitral Awards in British Columbia) and the International Commercial Arbitration Act (*British Columbia*) (which is substantially based on the UNCITRAL Model Arbitration Law adopted by the United Nations Commission on International Trade Law, 1985) except in the circumstances where (1) the party relying on such arbitral award or applying for its enforcement does not comply with the requirements of those Acts or (2) such recognition or enforcement may be refused under those Acts. Those requirements and grounds for refusing recognition or enforcement are set out in Section 3 (“Status of the Bonds and Proceedings”). In addition, the recognition and enforcement of a foreign arbitral award against the Issuer are subject to other various qualifications set out in Section 3 (“Status of the Bonds and Proceedings”). Therefore, there is no assurance that the arbitral award granted by CIETAC against the Issuer can be successfully enforced in the courts in British Columbia.

## SECTION 5: ISSUE TERMS AND ARRANGEMENTS FOR ISSUE

### 1. Major Issue Terms of the Bonds issued under the current series

**(1) Name of the Bonds issued under the current series**

Province of British Columbia 2016 Series 1 Renminbi Bonds

**(2) Issuer**

Province of British Columbia, which is an autonomous, sovereign provincial government of Canada, with credit ratings of AAA from Standard and Poor's and Aaa from Moody's Investors Service Inc.

**(3) Joint Lead Underwriters**

Bank of China Limited and HSBC Bank (China) Company Limited

**(4) Bookrunner**

Bank of China Limited

**(5) Acceptance registration number**

NAFMII Reference Number [2015] No. RB1

**(6) Registered amount under the Programme**

CNY6 billion

**(7) Size of the Bonds issued under the current series**

CNY3 billion.

**(8) Term of the Bonds issued under the current series**

3 years.

**(9) Nature of Bonds issued under the current series**

The Bonds issued under the current series constitute legal, valid, binding, direct and unsecured obligations of the Issuer. The Bonds issued under the current series rank *pari passu* without any preference among themselves and equally with all unsecured indebtedness (other than unsecured subordinated indebtedness) of the Issuer from time to time outstanding other than indebtedness preferred by law. Payments of principal of and interest on the Bonds issued under the current series will be payable out of the Consolidated Revenue Fund of British Columbia, except where payment is made from a sinking fund or by other means of repayment.

**(10) Guarantee**

The Bonds issued under the current series are not guaranteed by any third party.

**(11) Form of the Bonds issued under the current series**

The Bonds issued under the current series will be issued in registered form, to be centrally held in custody by the Custodian Institution.

**(12) Use of Proceeds**

The net proceeds of the Bond issue will be paid into the Consolidated Revenue Fund of British Columbia (in some cases after being exchanged in whole or in part for another currency) and may be used for the benefit of the Issuer or for the purpose of lending money to British Columbia government bodies.

**(13) Denomination**

The Bonds issued under the current series will be issued in denominations of CNY100, that is with each accounting entry for a Bond being CNY100.

**(14) Issue Price**

The Bonds issued under the current series will have a face value of CNY100, and be issued at par.

**(15) Minimum Subscription Amount**

The minimum amount to be subscribed by a subscriber of the Bonds issued under the current series shall be CNY5,000,000 or integral multiples of CNY1,000,000 in excess thereof.

**(16) Interest Basis**

Interest shall be fixed, based on an annual rate and calculated at simple interest, without any compounding. Additional interest will not be paid on any coupon payment as a result of any delay in payment. Additional interest will not be paid on the principal of the Bonds issued under the current series as a result of any delay in payment.

Interest will be calculated on the basis of the actual number of days elapsed in a year of 365 days or, in a leap year, 366 days.

**(17) Rate of Interest**

The rate of interest shall be fixed. The final rate of interest shall be disclosed in an announcement on the issuance by the Issuer after the bookbuilding exercise in respect of the Bonds issued under the current series has been confirmed. The rate of interest shall not change during the term of the Bonds issued under the current series.

**(18) Form of underwriting**

The balance of the Bonds [unsold]<sup>1</sup> issued under the current series will be underwritten by the Joint Lead Underwriters pursuant to the Underwriting Agreement.

**(19) Issuance Date/Bookbuilding Date**

January 21, 2016

**(20) Date of registration of the debtor-creditor rights and obligations**

January [25], 2016.

**(21) Settlement Date**

January 25, 2016.

**(22) Interest Commencement Date**

January 25, 2016.

**(23) Date of market circulation**

From January 26, 2016.

**(24) Interest Payment Date**

The interest payment date (“**Interest Payment Date**”) for the Bonds issued under the current series is January 25 of each year from 2017 to 2019. The last interest payment date shall be on January 25, 2019. If the interest payment date falls on a Public Holiday or a Saturday or Sunday, it will be postponed to the next Business Day. Additional interest will not be paid as a result of each such delay in payment.

**(25) Maturity Date**

The maturity date of the Bonds issued under the current series is January 25, 2019 (the “**Maturity Date**”). If the Maturity Date falls on a Public Holiday or a Saturday or Sunday, it will be postponed to the next Business Day. Additional interest will not be paid on the principal of the Bonds issued under the current series as a result of any delay in payment.

**(26) Coupon and Principal Payment**

Interest on the Bonds issued under the current series shall be paid annually, with the principal being paid on maturity. Additional interest will not be paid on any coupon payment as a result of any delay in payment. Additional interest will not be paid on the principal of the Bonds issued under the current series as a result of any delay in payment.

---

<sup>1</sup> Inserted in English version only to clarify wording that is implicit in the Chinese version.

**(27) Method of payment of principal and interest**

Interest relating to the Bonds issued under the current series shall be paid on an Interest Payment Date (as defined below). The principal of the Bonds issued under the current series shall be paid in one lump sum on the Maturity Date (as defined above). While the Bonds issued under the current series are still outstanding, the Issuer shall, at least five Business Days prior to any Interest Payment Date or the Maturity Date (as the case may be), publish a “payment announcement” or “maturity announcement” on the media platform requested by NAFMII. The interest and principal payable in respect of the Bonds issued under the current series shall be made in accordance with the rules of the Custodian Institution, and shall be completed by the agent of the Custodian Institution. Any payment made by or on behalf of the Issuer to the Custodian Institution or its agent, for the account of a person in whose name a Bond issued under the current series is, at the time such payment is made, registered in the register held by the Custodian Institution, constitutes for all purposes an absolute and unconditional release and discharge of the Issuer, to the extent of such payment, of all obligations and indebtedness in respect of the Bond issued under the current series in relation to which such payment was made.

**(28) Payment of U.S. Dollar Equivalent**

If the Issuer is due to make a payment in Renminbi in respect of any Bond issued under the current series, and if by reason of Inconvertibility, Non-transferability or Illiquidity, the Issuer is not able, or it would be impracticable for it, to satisfy payments of principal or interest (in whole or in part) in respect of the Bonds issued under the current series when due in Renminbi, the Issuer may, on giving not less than five or more than 30 days' irrevocable notice to the Bondholders prior to the due date for payment, settle any such payment (in whole or in part) in U.S. dollars on the due date at the U.S. Dollar Equivalent of any such Renminbi denominated amount, provided that if the Issuer has obtained the PBOC's approval to obtain the Renminbi amount required for such payment through China's interbank foreign exchange market and is able to obtain such Renminbi amount at the prevailing market rate, the Issuer will make such payment in Renminbi.

Any payment made under such circumstances in U.S. dollars will not constitute a Payment Event of Default under Term 39 of the Bonds issued under the current series.

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Term by the Calculation Agent, will (in the absence of wilful default, bad faith or manifest or proven error) be binding on the Issuer and all Bondholders.

**(29) Offering Method**

The Bonds issued under the current series will be issued by way of a public offering through a centralized Bookbuilding at the Beijing Financial Assets Exchange.

**(30) Target Investor**



Any institutional investor in the Interbank Market (other than a purchaser restricted by relevant laws and regulations).

### **(31) Early Redemption**

#### **(a) Early Redemption for Taxation Reasons**

If as a result of any change in the laws, regulations or rules of Canada or British Columbia or (in any such case) of any authority or agency therein or thereof having power to tax or in the interpretation or administration of any such laws, regulations or rules which becomes effective on or after the date of issue of such Bonds issued under the current series, the Issuer would be obliged to pay additional amounts or withhold additional tax amounts with respect to the principal or interest payable to the Bondholders under the Bonds issued under the current series pursuant to Term 36 of the Bonds issued under the current series, the Issuer may, at its option and having given no less than 30 days' and no more than 60 days' notice to the Bondholders, redeem all (but not part thereof) of the outstanding Bonds issued under the current series on the date specified in the notice. The redemption price to be paid pursuant to this provision shall be the unpaid principal and interest amount accrued up to the redemption date.

#### **(b) Early Redemption for Reasons of Force Majeure**

The Issuer shall have the right to terminate its obligation under the Bonds issued under the current series if performance of such obligations (or the Issuer's or the Issuer's affiliate's obligations under any hedging or funding arrangement established in connected therewith) shall have become unlawful or impracticable in whole or in part, including without limitation as a result of compliance with any applicable present or future law, rule, regulation, judgment, order or directive or with any requirement or request of any governmental, administrative, legislative or judicial authority or power. In such circumstances, the Bonds issued under the current series shall be redeemable at the option of the Issuer at an amount equal to the fair market value of the Bonds issued under the current series (in the Issuer's absolute discretion) immediately prior (and ignoring the circumstances leading) to such early redemption, adjusted to account fully for any reasonable expenses and costs incurred by the Issuer and/or its affiliates in connection with the Issuer's obligations under the Bonds issued under the current series or any related hedging or funding arrangements (including, without limitation, the holding of any underlying and/or any swaps or other instruments of any type whatsoever hedging the Issuer's obligations under the Bonds issued under the current series) as a result of such events, including, without limitation, the costs of unwinding any such related hedging and funding arrangements.

### **(32) Resale Right**

Investors may not sell the Bonds issued under the current series back to the Issuer.

### **(33) Rating**

The Bonds issued under the current series have not been rated by any PRC rating agencies.

**(34) Trading**

After the completion of the issue of the Bonds issued under the current series and confirmation of the rights and obligations relating to the Bonds issued under the current series, and upon completion of registration with the Custodian Institution, the Bonds can be traded in the Interbank Market in accordance with its rules.

**(35) Custodian**

Interbank Market Clearing House Co., Ltd

**(36) Notice on Taxation**

All payments of principal and interest by the Issuer will be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or charges of whatever nature imposed or levied by or on behalf of the Government of Canada or any province, territory or political division thereof or any authority or agency therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or charges is required by law or by the interpretation or administration thereof. In that event, the Issuer will pay such additional amounts as may be necessary in order that the net amounts receivable by the Bondholders after such withholding or deduction shall equal the respective amounts of principal or interest which would have been receivable in respect of the Bonds issued under the current series, as the case may be, in the absence of such withholding or deduction; except that no such additional amount shall be payable with respect to any Bond issued under the current series to a Bondholder (or a third party on behalf of a Bondholder) who is liable to such taxes or duties in respect of such Bond issued under the current series by reason of that person having some connection with Canada other than the mere holding of such Bond issued under the current series. In such circumstances, the Issuer may at its option early redeem all (but not part thereof) of the outstanding Bonds issued under the current series pursuant to Term 31 of the Bonds issued under the current series.

Any other tax payable on the Bonds issued under the current series pursuant to applicable taxation laws, rules and regulations shall be borne by the Bondholders.

**(37) Governing Law**

PRC law.

### **(38) Dispute Resolution**

Any dispute arising out of or in connection with the Bonds issued under the current series shall be submitted to the China International Economic and Trade Arbitration Commission (“CIETAC”) for arbitration in Beijing, subject to the following provisions:

- (i) Unless otherwise agreed by the parties, the arbitration shall be conducted in accordance with the 2015 CIETAC Arbitration Rules in effect as at December 3, 2015;
- (ii) The law of this arbitration shall be PRC law;
- (iii) Language

The arbitration proceedings shall be conducted in English and Chinese, and unless otherwise agreed by the parties:

- (a) all oral submissions must be made in either English or Chinese, with simultaneous interpretation provided at the same time and the parties shall share the costs of providing the simultaneous interpretation;
  - (b) all documents (including written submissions and witness evidence) filed and submitted must be bilingual in both English and Chinese. Both language versions of the documents must be submitted at the same time to the other party and the arbitrators. Each party shall bear its own costs in providing an accurate English or Chinese translation of the documents so filed and submitted;
  - (c) any party wishing to rely on documentary or witness evidence in any language other than English or Chinese shall be responsible for providing an accurate English and Chinese translation or interpretation of the same to the other party and to the arbitrators, at the same time as the original language version is provided; and
  - (d) in the absence of either or both of the English and Chinese translation or interpretation, any documents or evidence purportedly filed and submitted shall be disregarded.
- (iv) There shall be three arbitrators and each such arbitrator shall in no circumstances be an individual who holds (or has at any time in his or her lifetime held) Chinese or Canadian nationality. All arbitrators appointed must be fluent in the English and Chinese languages.
  - (v) The parties agree to the nomination and appointment of arbitrators from outside of CIETAC’s Panel of Arbitrators. Where the Chairman of CIETAC is entrusted or required to appoint an arbitrator, either as a result of a party’s failure to nominate its proposed arbitrator or because of the parties’ failure to jointly nominate the presiding arbitrator or to submit their respective lists of recommended candidates for the presiding arbitrator, the Chairman of CIETAC

shall only choose and appoint the relevant arbitrator from the list of “foreign arbitrators” that is maintained as part of CIETAC’s Panel of Arbitrators provided such arbitrator also meets the other applicable requirements set out above.

(vi) An arbitral award is final and binding upon both parties.

### **(39) Payment Event of Default**

If default is made in the payment to the Bondholders of any amount of principal or interest in respect of the Bonds issued under the current series on the due date for payment thereof and such default continues for 14 days (a “**Payment Event of Default**”), any Bondholder may, by written notice to the Issuer, declare that the Bonds issued under the current series and all interest then accrued on such Bond issued under the current series shall be forthwith due and payable, whereupon the same shall become immediately due and payable, provided that it shall not be a Payment Event of Default to withhold or refuse any such payment:

- (i) in order to comply with any fiscal or other law or regulation or with the order of any court of competent jurisdiction, in each case applicable to such payment;
- (ii) if the non-payment is due solely to Inconvertibility, Non-transferability or Illiquidity if the Issuer has paid the U.S. Dollar Equivalent of the relevant Renminbi denominated amount pursuant to Term 28 of the Bonds issued under the current series; or
- (iii) if the non-payment is due solely to administrative error (whether by the Issuer, the agent of the Custodian Institution or a bank involved in transferring funds to such agent) unless payment is not made within three Business Days after notice of that non-payment has been given to the Issuer by the Bondholder.

### **(40) Modification, Waiver and Substitution**

In the situations specified below, the Issuer may, without the consent of any Bondholder amend, waive or delegate any matter:

- (i) where the modification, waiver or delegation does not prejudice the interests of the Bondholders; or
- (ii) where the modification of the Bonds issued under the current series is of a formal, minor or technical nature or is made to correct a manifest error or where the modification, waiver or delegation is made to comply with mandatory provisions of law.

### **(41) Bondholders Meeting**

*Investors may consider the provisions stipulated in Section 16 (“Investor Protection Mechanism”) of this Offering Circular relating to the convening of meetings of Bondholders to consider any matter affecting their interest, including the passing of*

*an extraordinary resolution to amend the terms of the Bonds or any other arrangement.*

The Issuer or any Bondholders holding or representing not less than 10 per cent. in aggregate principal amount of the Bonds issued under the current series may request Bank of China Limited, as supervisor of the Issuer, to convene such meeting. A resolution properly passed at such meeting of Bondholders shall be binding on all the Bondholders, whether or not present at the meeting. The quorum for any meeting convened to consider an extraordinary resolution will be two or more persons holding or representing more than 50 per cent. in aggregate principal amount of the Bonds issued under the current series for the time being outstanding, or at any adjourned meeting two or more persons being or representing not less than 25 per cent. in aggregate principal amount of the Bonds issued under the current series for the time being outstanding unless the business of such meeting includes consideration of proposals, inter alia, (i) to modify the maturity of the Bonds issued under the current series or the dates on which interest is payable in respect of the Bonds issued under the current series, (ii) to reduce or cancel the principal amount of, any premium payable on redemption of, or interest on, the Bonds issued under the current series, (iii) to change the currency of payment of the Bonds issued under the current series, (iv) to modify the provisions concerning the quorum required at any meeting of Bondholders or the majority required to pass an extraordinary resolution, (v) to give any authority, direction or sanction which under the terms of the Bonds issued under the current series is required to be given by extraordinary resolution requiring a special quorum resolution (as defined below) and (vi) to modify any of (i) to (v) above, in which case the necessary quorum will be two or more persons holding or representing not less than 75 per cent. (“**special quorum resolution**”), or at any adjourned meeting not less than 50 per cent., in aggregate principal amount of the Bonds issued under the current series for the time being outstanding. The matters contemplated under (i) to (vi) above shall require the consent of the Issuer to take effect.

A resolution in writing signed by or on behalf of the Bondholders of not less than 75 per cent. in principal amount of the Bonds issued under the current series for the time being outstanding shall for all purposes be as valid as an extraordinary resolution passed at a meeting of Bondholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Bondholders.

## **2. Subscription and Custody**

- (1) The Bonds will be issued by way of public offering through a centralized Bookbuilding at the Beijing Financial Assets Exchange. Specific methods and requirements for investors to participate in the bookbuilding placement of the Bonds have been set forth in the British Columbia Renminbi Bonds Subscription Period and Subscription Indicative Statement for the Province of British Columbia Renminbi Bonds published by the Bookrunners. Any Joint Lead Underwriter may distribute the Bonds to other investors during the offering period.
- (2) A member of the Interbank Market may subscribe for the Bonds by producing the sealed copy of its business licence (duplicate) or other legal person status certificate,

the identity card of the handling person and British Columbia Renminbi Bonds Subscription Offer Document, unless otherwise stipulated by laws and regulations.

- (3) The amount to be subscribed by an investor of the Bonds shall be CNY5,000,000 or integral multiples of CNY1,000,000 in excess thereof.
- (4) The Bonds will be issued in registered form. Bonds subscribed by investors will be held in custody and recorded in a custodian account with the Custodian Institution.
- (5) After the completion of the distribution of the Bonds, the Underwriting Agreement provides that the Joint Lead Underwriters will file and register the Bonds for custody with the Custodian Institution.
- (6) Investors are not required to pay additional fees when preparing for the subscription, registration or custody of the Bonds. When they are preparing the registration or custodian procedure, they shall observe relevant provisions of the Custodian Institution's rules or procedures.
- (7) If there is any conflict or contravention between the above provisions relating to the subscription and custody of the Bonds and any laws, regulations or rules of the Custodian Institution currently in force or revised or enacted from time to time, the provisions of any laws, regulations or rules of the Custodian Institution currently in force or revised or enacted from time to time shall prevail.

### **3. Issuer's Representations and Warranties**

Upon issuance of the Bonds, the Issuer represents and warrants to and (where applicable) agrees with the Bondholders, based on the facts and conditions existing at the time of a particular issuance of Bonds, that:

- (1) the Issuer is a provincial sovereign government of Canada under the Constitution of Canada;
- (2) the Issuer has ample power, rights and authorizations to do such acts of issuance of Bonds as provided for under this Offering Circular, and has obtained the internal authorizations necessary for the issuance of the Bonds;
- (3) the issuance of the Bonds by the Issuer, the performance of its obligations under the Bonds and the exercise of any of its rights under the Bonds will not contravene any laws, regulations, rules, decisions, orders, authorizations, agreements or obligations applicable to the Issuer, and which would cause a significant adverse impact on the Issuer's ability to pay, or if there exists any contravention, the Issuer has obtained effective waivers from the relevant regulatory authorities or administrative departments, and such waivers are legal, valid and can be specifically enforced in accordance with the laws of the PRC;
- (4) with respect to the Bonds, and in compliance with the requirements of regulatory authorities, any relevant administrative departments or other related authorities, the Issuer will submit, register or file on time, in the appropriate form, all reports, resolutions, returns or any required documents; and
- (5) the Issuer's Summary Financial Statements are prepared in accordance with GAAP, and such Summary Financial Statements presented fairly, in all material respects, at the time they were prepared, the financial condition of the Issuer, and the results of its operations, change in net liabilities and cash flows at the time they were prepared, in accordance with the BTAA.

### **4. Investor's Representations and Warranties**

Each Investor represents and warrants to and (where applicable) agrees with the Issuer that:

- (1) Investors possess membership qualifications for the Interbank Market;
- (2) Investors have sufficient power, authorizations and legal rights to purchase the Bonds, and to do such acts of a legal person or other acts necessary for the purchase of the Bonds;
- (3) the purchase of the Bonds or the performance of obligations under the Bonds or the exercise of any rights under the Bonds by the investors will not contravene any laws, regulations, rules, decisions, orders, authorizations, agreements or obligations applicable to the investors;

- (4) Investors purchasing the Bonds have fully understood and seriously considered each and every risk relating to the Bonds, including but not limited to the risks described in this Offering Circular and the issue announcement;
- (5) Investors have fully understood and accepted the provisions in this Offering Circular and the supplements to this Offering Circular (if any) in respect of the rights and obligations under the Bonds and agrees to be bound by them, and have obtained relevant advice from legal or other professional advisers;
- (6) after the completion of the issue of the Bonds, in accordance with the future operational needs of the Issuer and upon obtaining the approval from the relevant approval authorities or registration with NAFMII, the Issuer may continue to issue financial debt instruments which either rank equally with or senior to the Bonds, without requiring the consent of the investors of the Bonds; and
- (7) where there are any legal changes to the Issuer of the Bonds in accordance with relevant laws and regulations, upon the approval by the relevant administrative departments or registration with NAFMII (if applicable) and after disclosure in respect of the changes are made in accordance with laws, investors agree to and accept such changes.



## SECTION 6: DESCRIPTION OF THE ISSUER

### 1. Details of the Issuer

English name: Province of British Columbia

Chinese name: 加拿大不列颠哥伦比亚省

Address: PO Box 9414 Stn Prov Govt, Victoria, British Columbia, V8W 9V1

Minister of Finance: Honourable Michael de Jong

Contact person: Jim Hopkins, Assistant Deputy Minister, Provincial Treasury

Telephone: 250 387 5729

Fax: 250 387 6577

Website: <http://www2.gov.bc.ca>

### 2. Introduction to the Issuer

British Columbia is a province of Canada located on the Pacific Coast. Canada has a federal government (based in Ottawa), ten provincial governments and three territorial governments. Each province is a separate jurisdiction of the Canadian Crown. As a provincial government, the Province is recognised under the Canadian Constitution as constitutionally autonomous (that is, independent of the Canadian federal government), granted constitutional powers that cannot be altered by the federal government. The Province has unfettered authority to levy direct taxes (including income and consumption taxes and natural resource royalties), and full discretion over expenditure decisions, providing the Province the requisite flexibility to manage its fiscal affairs. The Province has exclusive constitutional responsibility for health, education and social welfare, which are its main areas of spending. Based on the preceding, the Province is a sovereign autonomous provincial government of Canada and its status as such has been accepted in all the jurisdictions outside Canada into which the Province offers bonds.

British Columbia is the third largest Canadian province in terms of population, which was estimated at 4.68 million persons or about 13.1 per cent of Canadians on July 1, 2015.

The Province has an area of 95 million hectares, or about 9.5 per cent of Canada's total surface area. More than one-half of British Columbia is covered by forests, which constitutes one of British Columbia's major natural resources.

During the past several decades, the British Columbia economy has become more diversified in structure, employment, production and trade. While forest products and other traditional resource-based industries such as fishing and mining have continued, the economy has evolved to encompass a robust natural gas industry, secondary manufacturing and an extensive service sector, including technology, tourism, film and television production.

Greater Vancouver, a major Canadian shipping, manufacturing and services centre, has the largest urban population in British Columbia and is the third largest census metropolitan area in Canada with an estimated population of 2.47 million persons on July 1, 2014. Victoria, the capital of British Columbia, is located on Vancouver Island and its census metropolitan area had an estimated population of 0.36 million persons on July 1, 2014.

### *General information on Canada*

Canada is the second largest country in the world, with an area of 9,984,670 square kilometers of which about 891,163 square kilometers are covered by fresh water. The occupied farm land is about 7% and the commercial forest land is about 30% of the total area. The population on July 1, 2015 was estimated to be 35.9 million. Over two-thirds of Canada's population lives in metropolitan areas of which Toronto, Montreal and Vancouver are the largest.

Canada is a federal state composed of ten provinces and three territories namely, the provinces of Ontario, Québec, Nova Scotia, New Brunswick, Manitoba, British Columbia, Prince Edward Island, Saskatchewan, Alberta and Newfoundland and Labrador, along with the Yukon Territory, the Northwest Territories and the territory of Nunavut.

The *British North America Act (Canada)* (which has been renamed the *Constitution Act, 1867*) gave the Parliament of Canada legislative power in relation to a number of matters including all matters not assigned exclusively to the legislatures of the provinces. These powers now include matters such as defense, the raising of money by any mode or system of taxation, the regulation of trade and commerce, the public debt, money and banking, interest, bills of exchange and promissory notes, navigation and shipping, extra-provincial transportation, aerial navigation and, with some exceptions, telecommunications. The provincial legislatures have exclusive jurisdiction in such areas as education, municipal institutions, property and civil rights, administration of justice, direct taxation for provincial purposes and other matters of purely provincial or local concern.

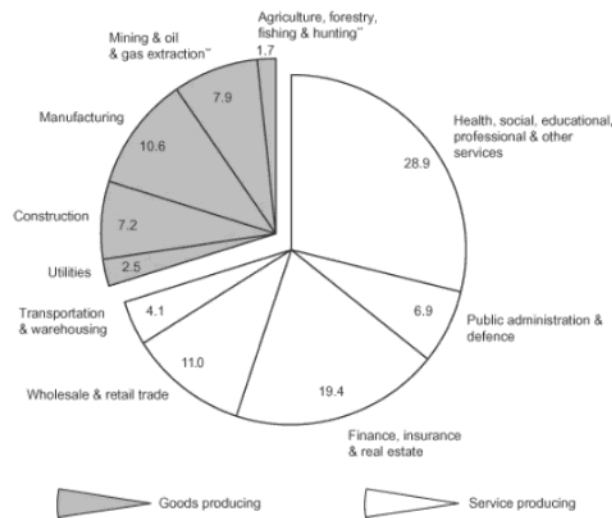
The executive power of the federal Government is vested in the Queen, represented by the Governor General, whose powers are exercised on the advice of the federal Cabinet, which is responsible to the House of Commons. The legislative branch at the federal level, Parliament, consists of the Crown, the Senate and the House of Commons. The leader of the political party that gains the most seats in each general election is usually invited by the Governor General to be Prime Minister and to form the Government. The Prime Minister selects the members of the federal Cabinet from among the members of the House of Commons and the Senate (in practice almost entirely from the former). The House of Commons is elected for a period of five years. Since May 2007, the Canada Elections Act (Canada) requires that a general election be held on a fixed date: the third Monday of October in the fourth calendar year following the previous general election.

The judicial branch of government in Canada is composed of an integrated set of courts created by federal and provincial law. At the federal level there are two principal courts, the Supreme Court of Canada which is the highest appeal court in Canada and the Federal Court of Canada which, among other things, deals with federal revenue laws and claims involving the Government. Judges of the two federally constituted courts and those of the provincial superior and county courts are appointed by the Governor General on the advice of the federal Cabinet. Judges of the magistrates courts (commonly now known as provincial courts) are appointed by the provincial government.

### *The Canadian economy*

The following chart shows the distribution of real gross domestic product (“**GDP**”) at basic prices (2007 constant dollars) in 2013, which is indicative of the structure of the Canadian economy.

**DISTRIBUTION OF REAL GROSS DOMESTIC PRODUCT AT BASIC PRICES<sup>(1)</sup>**  
**Percentage Distribution in 2013**



Source: Statistics Canada, *Gross Domestic Product by Industry*.  
 Note: Total may not add to 100% due to rounding and rebasing.

\*\*The agriculture, forestry, fishing, and hunting; and mining and oil and gas extraction sectors both include support activities.

The volume of industry and sector output in the following discussion provides “constant dollar” measures of the contribution of each industry to GDP at basic prices. The share of service-producing industries in real GDP was 70.2% in 2013 while the remaining 29.8% was attributed to goods-producing industries

The following table shows the composition of Canada’s real GDP at basic prices (2007 constant dollars) by sector in 2004 and over the 2009-2013 period.

**REAL GROSS DOMESTIC PRODUCT AT BASIC PRICES BY INDUSTRY**

	<i>(For the years ended December 31.)</i>						<i>(percentage distribution (3))</i>		
	2013	2012	2011	2010	2009	2004	2013	2009	2004
	<i>(millions of 2007 dollars)</i>								
Agriculture (1)	21,784	19,240	18,895	18,730	18,927	16,825	1.4	1.3	1.2
Forestry, fishing and hunting	5,112	4,944	4,942	4,739	4,190	6,015	0.3	0.3	0.4
Mining and oil and gas extraction	125,088	121,175	120,295	113,912	107,901	116,617	7.9	7.5	8.6
Manufacturing	167,855	168,660	164,814	159,994	152,580	190,998	10.6	10.6	14.1
Construction	115,072	113,007	106,101	102,771	95,461	84,135	7.2	6.6	6.2
Utilities	39,245	37,873	37,749	36,851	35,999	32,620	2.5	2.5	2.4
Transportation and warehousing	65,658	64,891	64,064	61,990	59,693	56,335	4.1	4.2	4.2
Wholesale and retail trade	174,196	170,577	167,525	160,587	152,531	135,781	11.0	10.6	10.0
Finance, insurance and real estate	307,796	298,178	290,977	281,491	273,693	238,469	19.4	19.1	17.6
Public administration	109,084	109,105	108,859	107,371	104,216	89,452	6.9	7.3	6.6
Health, social, educational, professional and other services	458,559	450,784	442,980	434,719	431,091	375,015	28.9	30.0	27.7
<b>Total (2)</b>	<b>1,589,449</b>	<b>1,558,434</b>	<b>1,527,201</b>	<b>1,483,155</b>	<b>1,436,282</b>	<b>1,353,979</b>	<b>100</b>	<b>100</b>	<b>100</b>

Source: Statistics Canada, *Industry Accounts Division*.

(1) Agriculture includes support activities for agriculture, forestry, fishing and hunting.

(2) May not add to total due to rounding.

(3) May not add to total due to rebasing.

The share of service-producing industries in real GDP at basic prices increased from 66.1% in 2004 to 70.2% in 2013. The fastest growing industry in this sector has been finance, insurance and real estate, which grew at an average annual growth rate of 2.9% between 2004 and 2013, compared to an average annual growth rate of 2.5% for total service sector real GDP (2007 constant dollars (Canadian dollars)). The goods-producing sector constituted 29.8% of real GDP at basic prices in 2013, down from 33.9% in 2004. The

decline was most evident in manufacturing, with its share declining from 14.1% in 2004 to 10.6% in 2013.

Total real GDP growth was 1.0% in 2008, and then declined by 3.0% in 2009 amid one of the most severe recessions in Canadian history. Real GDP returned to positive growth of 3.3% in 2010, 3.0% in 2011, 2.0% in 2012, 2.0% in 2013 and 2.5% in 2014. Final domestic demand advanced 1.6% in 2014 following a similar increase the previous year.

Household final consumption expenditure rose 2.8% in 2014, as outlays on goods (+3.4%) and services (+2.2%) both advanced. Spending on durable (+5.3%), semi-durable (+3.6%) and non-durable (+2.4%) goods all increased. In 2013, household spending increased 2.5%.

Business gross fixed capital formation rose 0.9% in 2014 after increasing 0.8% in 2013. This follows an average annual increase of 8.9% in the previous three years. Business investment in residential structures increased 2.8%, after declining 0.4% in 2013. Outlays on renovations and new home construction were up 3.9% and 0.5% respectively. Business investment in plant and equipment edged up 0.1%, its growth decelerating for the fourth consecutive year.

Governments' gross fixed capital formation (-2.3%) decreased for the fourth consecutive year.

Exports of goods rose 6.0%, while those of services were 2.3% higher. Overall, exports advanced 5.4% after increasing 2.0% in 2013. Imports of goods increased 2.4% and were partially offset by a 1.3% decline in imports of services. Overall, imports grew 1.7%, following a 1.3% increase the previous year.

Manufacturing output fell 13.5% in 2009. There has been some recovery in the manufacturing sector with positive growth of 4.9% in 2010, 3.0% in 2011 and 2.3% in 2012. Year 2013 showed a decline of 0.5% in manufacturing output.

The construction sector was the third largest goods-producing sector in Canada in 2013. Construction activity fell by 3.5% in 2009. The rebound in construction began in 2010 with growth of 7.7%. This was followed with growth of 3.2%, 6.5% and 1.8% in 2011, 2012 and 2013, respectively.

Output from mining and oil and gas extraction declined 10.3% in 2009. This sector returned to growth in the four following years with output growing by 5.6%, 5.6%, 0.7% and 3.2% in 2010, 2011, 2012 and 2013, respectively.

Although the share of agricultural output in total real GDP was only 1.4% in 2013 (2007 constant dollars), agriculture is an important part of Canada's economy and a significant contributor to foreign exchange earnings. Wheat is Canada's principal agricultural crop and one of its largest export products by value. The wheat crop was 26.9 million tonnes in 2009, 23.3 million tonnes in 2010, 25.3 million tonnes in 2011, 27.2 million tonnes in 2012 and 37.5 million tonnes in 2013.

Value added of all major industrial sectors rose in 2014 with the exception of the agriculture and forestry sector.

In 2014, mining and oil and gas extraction as well as manufacturing were the main contributors to overall growth in goods production (+2.4%). Construction and utilities also

advanced. The gains were partly offset by a decrease in the agriculture and forestry sector, pulled down by falling crop production following strong growth in 2013. Wholesale and retail trade, finance and insurance, the public sector (education, health and public administration combined), transportation and warehousing services, professional services as well as accommodation and food services contributed to the increase in service-producing industries (+2.4%).

Household disposable income (in current dollars) grew 3.4%, the slowest pace in five years. As a result, the household saving rate declined from 5.2% in 2013 to 4.0% in 2014.

Real gross domestic income grew 2.1% in 2014, following a 2.0% increase in 2013. Canada's terms of trade declined 1.3% in 2014, after edging up in 2013.

The price of goods and services produced in Canada increased 1.8% in 2014, compared with a 1.4% gain in 2013. The price of final domestic demand grew 2.2% in 2014 following a 1.7% gain in the previous year.

### *Recent Economic Developments in Canada*

In 2014 and early 2015 there were two main factors which affected the performance of Canada's economy: persistent weakness in the global economy and the decline in global commodity prices, with the fall in crude oil prices having a significant impact.

Global growth remained subdued in 2014, reflecting relatively weak growth in the euro area and Japan and moderating growth in China. This weak external demand weighed on Canadian exports. Without solid growth in global demand, Canadian businesses were cautious about expanding capacity. As a result, real business investment growth slowed, between mid-2012 and the end of 2014, to an annual rate of about 1 per cent.

The sharp decline in crude oil prices since mid-2014 has further weighed on the Canadian economy, particularly in early 2015. For Canada, as a producer and net exporter of crude oil, lower oil prices have had a net negative impact on Canada's nominal GDP growth—the broadest measure of the tax base. In particular, the value of Canada's crude oil exports in the second quarter of 2014 (before the decline in oil prices) was C\$100 billion, or 5.1 per cent of nominal GDP. The decline in crude oil export prices reduced the value of exports, and hence nominal GDP, by over C\$45 billion (2.3 per cent of GDP) by the first quarter of 2015 (export volumes remained broadly unchanged). In addition, lower oil prices led to a significant retrenchment in real business investment in the oil and gas sector in the first quarter of 2015.

Due to the fall in oil prices, nominal GDP growth fell from an average of 4.9 per cent in the first three quarters of 2014 to 0.4 per cent in the fourth quarter. In the first quarter of 2015, nominal GDP declined by 2.9 per cent.

Expressed at an annualized rate, real GDP in 2015 contracted 0.5% in the second quarter and 0.8% in the first quarter. By comparison, real GDP in the United States grew 3.7% in the second quarter.

The unemployment rate declined from 7.1 per cent in 2013 to 6.9 per cent in 2014.

### *British Columbia and China trade and investment*

British Columbia and China signed an agreement on April 14, 2014 to deepen their mutually beneficial trade, investment and cultural connections.

The memorandum of understanding (“**MOU**”) was signed by the Province’s Minister of International Trade Teresa Wat and Liu Fei, Consul-General of the People’s Republic of China in Vancouver.

The Ministry of International Trade and the Consulate General agreed to establish a formal series of high-level dialogues and exchanges to build upon the foundation of friendly people-to-people, community and business relations that exist between British Columbia and China.

The MOU identifies initial sectors for co-operation, including natural resources (natural gas, forestry, mining); agri-foods; technology, clean technology and the green economy; international education; transportation infrastructure, and tourism.

China is British Columbia’s second-largest trading partner and in 2014 accounted for 18.0 per cent. of its merchandise exports – a total value of \$6.4 billion. Trade and investment outreach activities in China are supported by British Columbia’s expanded network of international trade and investment representative offices in Beijing, Guangzhou, Shanghai and Hong Kong.

### **3. Issuer’s political and government structure**

#### **(1) Government and Political system and legal framework**

British Columbia’s government is modeled after the British system. Functionally there are three main branches: the legislature, the executive and the judiciary.

##### **(i) Legislature**

Legislative powers in British Columbia are exercised by a single legislative chamber, which is elected for a term of four years. British Columbia, the first province in Canada to legislate fixed election dates, requires an election on the second Tuesday in May every four years. An election may also be called if the government loses a vote of confidence in the legislative assembly.

The legislature consists of the Lieutenant Governor and 85 elected members of the legislative assembly. The legislative assembly represents the people of British Columbia in the conduct of the province’s affairs. The assembly is required by law to meet at least once a year with a normal session lasting several months. However, special sessions can last just a few days or many months, depending on the nature of the government’s business.

##### **(ii) Executive**

The executive is composed of the Lieutenant Governor and the executive council. The Lieutenant Governor, the British Queen’s representative in British

Columbia, holds a largely ceremonial place in the modern provincial government. By constitutional custom, the Lieutenant Governor is appointed by the Governor General of Canada for a term usually lasting five years.

The Lieutenant Governor, on the advice of the premier, appoints members of the executive council and is guided by the executive council's advice as long as it holds the confidence of the legislative assembly. Following a general election, the Lieutenant Governor calls upon the leader of the political party with the largest number of elected members to serve as premier and to form the provincial government.

The Lieutenant Governor, on recommendation of the premier, convenes, prorogues and dissolves the legislative assembly and gives Royal Assent to all measures and bills passed by the assembly before they become law.

The executive council, or cabinet, is headed by the premier and is composed of selected members of the ruling party. Ministers are the head of government ministries, and are usually members of cabinet.

Cabinet determines government policy and is held responsible by the legislative assembly for the operation of the provincial government. Deputy ministers are the chief operating officers of ministries and are appointed by cabinet. Deputy ministers are responsible for carrying out government policies and for managing the work of their ministries.

### (iii) Judiciary

The judiciary performs functions that are central to the orderly operation of society. Judges hear and give judgment in criminal prosecutions and in actions arising from disputes between private citizens or between the government and private citizens.

Judges apply both judge-made law, known as "common law", and laws made by the Parliament of Canada and provincial legislatures. The judiciary is increasingly called on to determine whether laws passed by governments conform to the values expressed in the Canadian Charter of Rights and Freedoms.

British Columbia's judicial system is made up of the Provincial Court of British Columbia, the Supreme Court of British Columbia and the Court of Appeal of British Columbia. The Provincial Court includes Small Claims, Adult Criminal, Youth and Family divisions. The provincial government appoints Provincial Court judges, and the federal government appoints Court of Appeal and Supreme Court judges.

The federal judicial system includes the Tax Court of Canada, the Federal Court of Canada (Appeals division and Trial division) and the Supreme Court of Canada. The Federal Court of Canada hears cases in limited areas of exclusively federal jurisdiction, for example, reviewing decisions made by federal tribunals such as the Canada Labour Relations Board. The Supreme Court of Canada is

the court of final resort and hears selected appeals from the Federal Court of Appeal and provincial Courts of Appeal.

## **(2) Legal authorization**

Canada, as a federal state, divides legislative powers between the federal and provincial governments.

Under Canada's constitutional framework, British Columbia has ownership and jurisdiction over natural resources and is responsible for education, health and social services, municipal institutions, property and civil rights, the administration of justice and other matters of purely provincial or local concern.

## **(3) Current Government**

The current Government is comprised of the Liberal Party and is headed by Premier Christy Clark with Honourable Michael de Jong serving as the Minister of Finance. The Liberal Party was elected to office in Spring 2001 and has remained in power through successive elections. The next election will be May 15, 2017 in accordance with legislation.

# **4. Description of Economy**

## **(1) Structure of Economy**

British Columbia's economy was traditionally built on its abundant natural resources. Forestry, mining and fishing have a long history of providing jobs in the Province. These are still important industries in British Columbia. Other resource-based industries are continuing to grow, including the oil and gas industry in the Northeast region.

The Province's economy relies primarily on the service sector, which accounts for four out of five jobs. This includes jobs in finance, insurance, real estate, transportation, retail and wholesale trade, tourism and health services. Other important industry sectors include technology, education and manufacturing.

In 2014, the main employment sectors in the Province were:

- wholesale and retail trade;
- health care and social assistance;
- construction;
- professional, scientific and technical services; and
- accommodation and food services.

British Columbia has eight distinct regions. Some regions, like the Thompson-Okanagan, are agricultural centres. Others, like the Northeast, are growing due to oil and gas exploration. Vancouver and the Lower Mainland is a major gateway for countries in Asia and is an important centre for business, people and transportation.

British Columbia's economy is constantly evolving. The Province is developing its liquefied natural gas sector and is attracting international investment to several major



projects throughout the Province. Stronger ties with Japan, China, South Korea and India are making British Columbia an important North American hub for goods, services and people travelling between Asia and North America.

## (2) Major industry groups

The major industry groups in British Columbia can be categorised into goods-producing industries and service-producing industries, as follows:

- (i) Goods-producing industries
  - Agriculture
  - Natural resources (forestry, fishing, mining, quarrying, oil and gas)
  - Utilities
  - Construction
  - Manufacturing
  
- (ii) Services-producing industries
  - Trade
  - Transportation and warehousing
  - Finance, insurance, real estate and leasing
  - Professional, scientific and technical services
  - Business, building and other support services
  - Educational services
  - Health care and social assistance
  - Information, culture and recreation
  - Accommodation and food services
  - Other services
  - Public administration

Details of the key industries across British Columbia's eight regions are set out below:

- (i) **Cariboo** - Located in central British Columbia, the Cariboo region is an area of vast landscapes and outdoor recreational opportunities. Resource-based industries such as forestry, mining and ranching are very important in the Cariboo region. Tourism is also a growing industry sector.
  
- (ii) **Kootenay** - Located in the southeast corner of British Columbia, bordering both the United States and Alberta, the Kootenay region is one of Canada's leading destinations for outdoor pursuits. The Kootenay economy is built on forestry, coal, mining, hydroelectric production and tourism. There are five major coal mines in the region. The Teck lead-zinc smelter in Trail is also a significant employer. Forestry, outdoor recreation, four season resorts and tourism are a key part of the region's economic growth plan.
  
- (iii) **Nechako** - The second-largest region in the Province, Nechako is also the least populated. Natural resources, particularly mining and forestry, have played a critical role in the area's economy. Many companies are actively exploring for minerals in the area. When prices for lumber and metals increase, there is an increase in economic investment in the area.

- (iv) **North Coast** - Bordering the Pacific Ocean, the North Coast region is an area of forests, mountains and rugged coastlines. The North Coast has a long history of forestry, mining and fishing. In recent years, the economy has shifted, with many significant investments in infrastructure, transportation and mining. For example, the expansion of Prince Rupert's port has increased activity in transportation and warehousing. The Port of Prince Rupert is one of the fastest growing ports in North America, and Canada's third largest. This port is the deepest ice-free natural harbour in the world and offers the shortest route to ship products to Asia from North America.
- (v) **Northeast** - The Northeast region is bordered by the Yukon and Northwest Territories in the north, the Rocky Mountains to the west and Alberta to the east. Although it is one of the least-populated regions in the Province, the Northeast is one of the fastest-growing due to the rapid development of the energy sector. The resource economy fuels growth in the Northeast region. Nearly ten per cent. of all provincial jobs in forestry, mining, oil and gas, and fishing, hunting and trapping are located in the Northeast. Many businesses provide a range of services, such as machinery and equipment repair, to support the growing resource economy. Another important industry is utilities. There are many power-generating projects in the planning stages; these include the \$8.3 billion BC Hydro Site C project, which is now underway. Other important industries include logging, wood products manufacturing and agriculture.
- (vi) **Thompson-Okanagan** - Located in the interior of British Columbia, the Thompson-Okanagan region is a popular tourist destination. Agriculture, tourism, forestry and manufacturing are important industries in the Thompson-Okanagan region. With its many orchards, vineyards and cattle ranches, the agricultural sector is a major contributor to the region's economy. As a popular tourist destination, the region has a higher-than-average share of jobs in accommodation and food services. Many people are also employed in the healthcare industry. Strong population growth in many cities in this area has resulted in increased housing construction. Manufacturing jobs are found in the wood processing and food and beverage production sectors.
- (vii) **Mainland/Southwest** - The Mainland/Southwest is British Columbia's most populous region, home to 2.8 million people or about 61 per cent. of the provincial population. One of the most ethnically diverse areas in Canada, Mainland/Southwest is made up of the city of Vancouver and the surrounding metropolitan area (known as Metro Vancouver). It also includes the communities in the Fraser Valley to the east, the towns of Squamish and Whistler to the north, and the Sunshine Coast. This region was the location for the Vancouver 2010 Olympic and Paralympic Winter Games. The service economy is very important in the Mainland/Southwest region. Approximately 82 per cent. of jobs are in the service sector. Many of these service industry jobs support the businesses, banks and other companies that dominate the area. For example, over 70 per cent. of all of the jobs in the province in finance, insurance, real estate and leasing are in the Mainland/Southwest region, as are 72 per cent. of all the province's jobs in professional, scientific and technical services. In addition, retail trade provides over 15 per cent. of employment in Mainland/Southwest.

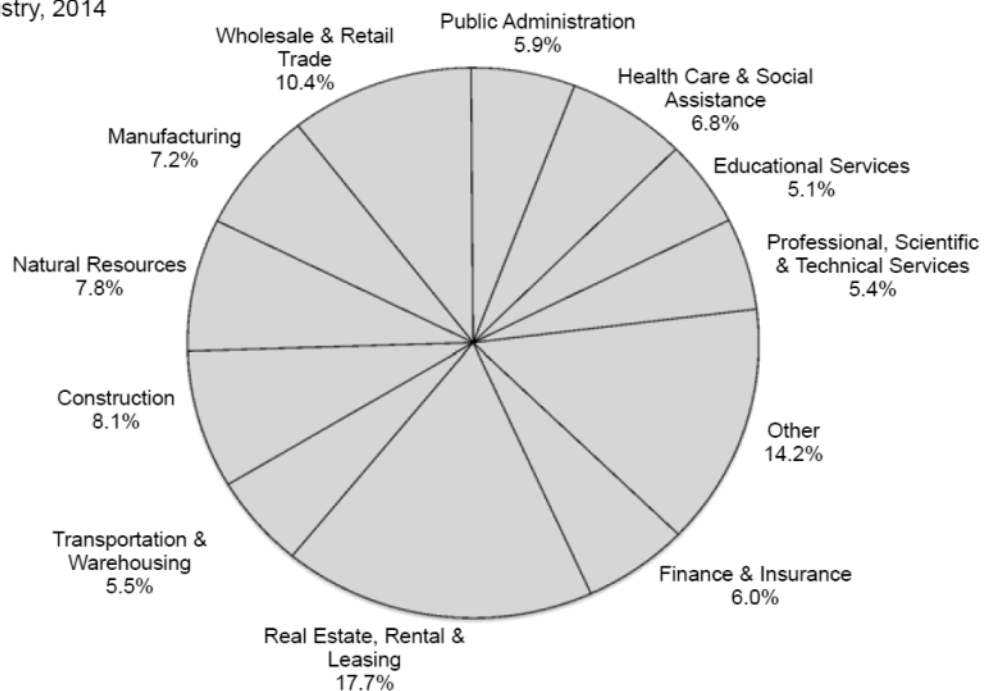
(viii) **Vancouver Island/Coast economic region** - The Vancouver Island/Coast economic region is located on the west coast of British Columbia. and includes all of Vancouver Island, the Gulf Islands and some of the coastal regions of the Mainland. The service economy is very important in the Vancouver Island/Coast region. Approximately 83 per cent. of jobs are in the service sector, compared to the provincial average of 80 per cent.. With Victoria as the provincial capital, public administration jobs are very common in this region. One-quarter of all of British Columbia’s public administration jobs are located in Vancouver Island/Coast. Another major industry is the health care sector. With its mild climate and numerous smaller communities, the region attracts many retired people. This leads to increased demand for health-related services. The resource industry is also very important, particularly in the more rural areas of this region.

**(3) Gross domestic product with a breakdown by the Issuer's economic sectors over the previous two fiscal years<sup>2</sup>.**

In 2014, service-producing industries represented about 75 per cent of British Columbia’s real GDP at basic prices and goods-producing industries accounted for around 25 per cent. The real estate, rental and leasing sector formed the largest share of the provincial economy (17.7 per cent). At the same time, construction made up the largest share of the goods producing sector and accounted for 8.1 per cent of British Columbia’s total real GDP in 2014.

**Composition of British Columbia real GDP by industry**

Shares of BC GDP at basic prices by major industry, 2014



Source: Statistics Canada (numbers may not add to 100 per cent due to rounding)

<sup>2</sup> Sources: annual data – 2015 British Columbia Financial and Economic Review: monthly Labour Force Survey – Statistics Canada

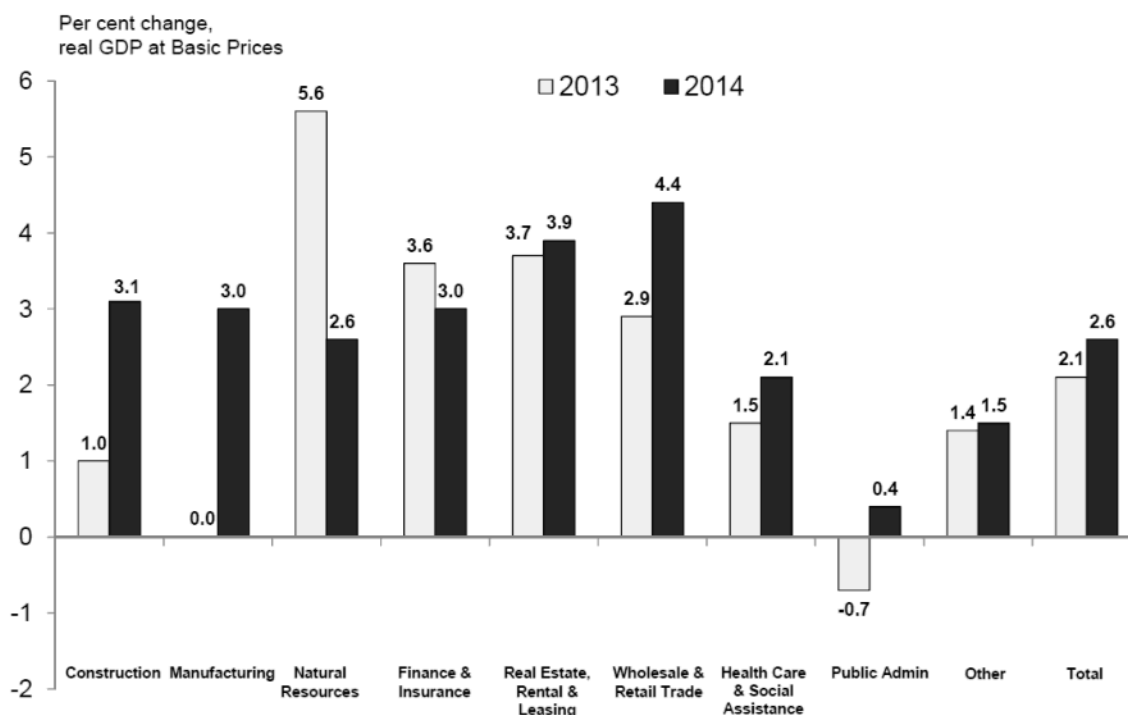
British Columbia's real GDP at basic prices was C\$203,335 million in 2014 and C\$198,278 million in 2013, representing an annual increase of 2.6 per cent and 2.1 per cent in 2014 and 2013 respectively. Annual gains were observed in both goods and service producing industries compared to 2013.

British Columbia's real GDP at basic prices per capita was C\$43,837 (2007 C\$ chained) in 2014 and C\$43,267 (2007 C\$ chained) in 2013, respectively, as the total population of British Columbia was 4,638,415 in 2014 and 4,582,607 in 2013.

Real GDP in British Columbia's service-producing sectors increased by 2.6 per cent in 2014, up from the 2.2 per cent gain recorded in 2013. Notable annual growth was recorded in wholesale and retail trade (+4.4 per cent), in the real estate, rental and leasing sector (+3.9 per cent) as well as in transportation and warehousing (+3.6 per cent).

In addition, output in British Columbia's goods-producing industries increased 2.4 per cent in 2014, following 1.5 per cent growth observed in 2013. Annual gains were broad-based, led by the construction sector (+3.1 per cent).

### British Columbia real GDP growth by industry



Source: Statistics Canada, April 2015 Preliminary Industry Accounts  
 Note: Other includes: transportation and warehousing, educational services, and professional, scientific and technical services

### (4) Employment

As at September 2015, the total population of British Columbia aged 15 or above was 3,889,900 of which 2,321,500 were employed. The unemployment rate was 6.3%.

Employment activity in the Province continued to grow modestly in 2014 after a 0.1 per cent gain in 2013. British Columbia's economy created 12,800 jobs in 2014 (an

annual increase of 0.6 per cent), with gains of around 6,100 full-time jobs and about 6,800 part-time jobs. British Columbia's unemployment rate averaged 6.1 per cent in 2014, down from 6.6 per cent in 2013. This decline was partly due to slow labour force growth, which remained relatively flat in 2014 compared to 2013.

British Columbia's goods-producing sectors led overall job growth in 2014, adding 7,800 jobs (or 1.8 per cent) compared to 2013. Significant gains in manufacturing (+9,700 jobs) offset annual declines in construction (-3,900 jobs) and natural resource (-500 jobs) sectors.

Employment in British Columbia's service industries increased by 5,000 jobs (or 0.3 per cent) in 2014 compared to 2013, led by gains in transportation and warehousing (+6,500 jobs) and accommodation and food services (+5,800 jobs). These improvements helped to offset weaker employment in areas such as business, building and other support services (-10,900 jobs) and retail and wholesale trade (-2,500 jobs).

The table below sets out the number of people employed in each major industry group in British Columbia as at September 2015.

**Employment by major industry group, seasonally adjusted, of British Columbia**

	<b>September 2014</b>	<b>August 2015</b>	<b>September 2015</b>	<b>August 2015 to September 2015</b>	<b>September 2014 to September 2015</b>
	Employment (thousands)			% change	
<b>British Columbia - All industries</b>	2,274.8	2,309.1	2,321.5	0.5	2.1
Goods-producing sector	444.6	452.8	467.6	3.3	5.2
Agriculture	23.1	19.9	22.3	12.1	-3.5
Forestry, fishing, mining, quarrying, oil and gas	50.6	49.8	48.4	-2.8	-4.3
Utilities	12.2	13.4	13.6	1.5	11.5
Construction	195.3	200.2	208.4	4.1	6.7
Manufacturing	163.4	169.5	175.0	3.2	7.1
Services-producing sector	1,830.1	1,856.3	1,853.8	-0.1	1.3
Trade	357.3	351.4	357.0	1.6	-0.1
Transportation and warehousing	136.9	140.2	138.2	-1.4	0.9
Finance, insurance, real estate and leasing	136.4	130	126.1	-3.0	-7.6
Professional, scientific and technical services	177.4	191.7	184.4	-3.8	3.9
Business, building and other support services	85.5	97.7	94.4	-3.4	10.4

Educational services	165.6	168.7	162.6	-3.6	-1.8
Health care and social assistance	267.1	295.0	293.9	-0.4	10.0
Information, culture and recreation	106.1	109.1	118.2	8.3	11.4
Accommodation and food services	189.2	175.8	177.0	0.7	-6.4
Other services	106.4	101.0	104.1	3.1	-2.2
Public administration	102.4	95.6	97.8	2.3	-4.5

Source: Statistics Canada, CANISM table 282-0088

### (5) Inflation

British Columbia's consumer price index was 118.9 and 117.7 in 2014 and 2013, respectively (based on a consumer price index of 100 in 2002). After declining by 0.1 per cent in 2013, consumer price inflation in British Columbia rose by 1.0 per cent in 2014. Prices increased for semi-durables, non-durables and services but remained flat for durable goods in 2014. The aggregate price for non-durables also increased in 2014. Meanwhile, prices for durables remained unchanged in 2014.

### (6) Foreign investment

Statistics Canada tracks foreign direct investment on a national basis and does not publish provincial figures.

## 5. Foreign trade and balance of payment

### (1) Foreign trade

Goods and services from British Columbia enjoy a good reputation and a high demand around the world. Producers and service providers from the Province have successfully established themselves in some of the world's biggest markets, including China, India, Japan, South Korea, Europe, and the United States.

The following table sets out the international goods exports of British Columbia by market area for 2013 and 2014:

## British Columbia International Goods Exports by Market Area

	2012	2013	2014	% Change 2013-2014	Percent of Total	
	(\$ millions)				2013	2014
					(per cent)	
United Kingdom.....	328	336	384	14.0	1.0	1.1
Germany.....	248	224	252	12.3	0.7	0.7
Mainland China.....	5,752	6,607	6,427	(2.7)	19.8	18.0
Hong Kong.....	219	201	250	24.3	0.6	0.7
Taiwan.....	656	600	543	(9.6)	1.8	1.5
Japan.....	4,139	4,051	3,656	(9.7)	12.1	10.2
South Korea.....	1,891	1,816	2,089	15.0	5.4	5.8
India.....	322	468	590	26.1	1.4	1.6
Australia.....	371	310	321	3.6	0.9	0.9
Mexico.....	101	125	111	(10.9)	0.4	0.3
United States.....	14,031	15,522	17,953	15.7	46.4	50.2
Other.....	3,426	3,165	3,214	1.5	9.5	9.0
<b>Total.....</b>	<b>31,484</b>	<b>33,426</b>	<b>35,790</b>	<b>7.1</b>	<b>100.0</b>	<b>100.0</b>
Market Areas:						
Western Europe <sup>1</sup> .....	1,802	1,525	1,520	(0.3)	4.6	4.2
Pacific Rim <sup>2</sup> .....	13,651	14,338	14,236	(0.7)	42.9	39.8

<sup>1</sup> Austria, Belgium, Denmark, Finland, France, Germany, Greece, Iceland, Ireland, Italy, Luxembourg, Malta, Monaco, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland and the United Kingdom.

<sup>2</sup> Australia, Brunei Darussalam, China, Fiji, Hong Kong, Indonesia, Japan, Laos, Macau, Malaysia, Mongolia, New Zealand, North Korea, Philippines, Singapore, South Korea, Taiwan, Thailand and Vietnam.

Source: Statistics Canada, International Trade Statistics custom extract, May 2015. Figures may not add due to rounding.

Despite a subdued global economic backdrop, the value of British Columbia's international merchandise exports reached a record high in 2014, up 7.1 per cent compared to the previous year, following annual growth of 6.2 per cent in 2013.

The value of British Columbia goods exports to the US climbed 15.7 per cent in 2014, following annual growth of 10.6 per cent in 2013. The advance in exports to the US in 2014 reflected broad-based gains, led by a 46.4 per cent jump in natural gas exports and a 19.2 per cent rise in softwood lumber exports.

By contrast, the value of British Columbia merchandise exports to China decreased by 2.7 per cent in 2014 following eight consecutive years of double-digit growth. The annual decline in 2014 was primarily due to a sharp drop in coal (-33.4 per cent) exports, which offset annual gains in pulp (+7.9 per cent), machinery and equipment (+44.7 per cent), and copper ores and concentrates (+2.4 per cent) exports to China.

With the US economy gradually improving, the share of British Columbia's total goods exports to the US continued to increase in 2014, with 50.2 per cent sent south of the border. Meanwhile, exports to Pacific Rim destinations accounted for 42.9 per cent of British Columbia's total merchandise exports in 2014.

### (2) Trade with the PRC

China is already British Columbia's second-largest trading partner, and in 2014 accounted for 18.0 per cent. of its merchandise exports - a total value of more than \$6.4 billion. This figure has been growing fast, with exports having increased by an average of almost 20 per cent. annually from 2005 to 2014.

The following table sets out the British Columbia top five origin commodities which were exported to China in 2014:

<b>Top 5 BC Origin Exports to China</b>	<b>Millions</b>	<b>Share of Total</b>
1. Chemical wood pulp, soda or sulphate, other than dissolving grades	\$1,527.4	24%
2. Lumber, of a thickness exceeding 6 mm	\$1,409.8	22%
3. Coal and solid fuels manufactured from coal	\$845.2	13%
4. Copper ores and concentrates	\$712.1	11%
5. Wood in the rough	\$414.5	7%

Data sources: Statistics Canada and International Trade Centre

While China's economy continues to moderate from the double-digit growth of the previous decade, British Columbia companies have the potential to increase trade with China.

Key sector opportunities for exporters include:

- (i) **Forestry** - As one of the world's top consumers, producers and importers of wood products, China holds tremendous potential for British Columbia suppliers of forestry-related goods and services. British Columbia has emerged as a leading supplier of softwood lumber to China with 43 per cent of total softwood lumber imports representing over \$1.4 billion in 2014. British Columbia's forest products companies are well-positioned to continue supplying China's demand for wood products for use in construction and remanufacturing applications.
- (ii) **Mining** - China consumes a large amount of mineral resources due to its expanding economy and global prominence as a manufacturing centre. An internationally recognized centre of expertise in mining and related fields, British Columbia offers outstanding expertise in exploration, development and production. In addition, development of British Columbia's substantial mineral reserves can help China meet its needs for metallurgical coal, copper, nickel, gold and other minerals.
- (iii) **International Education** - China has an innovative plan for education that places great emphasis on student exchanges and collaboration. British Columbia provides its curriculum at schools in China that are certified by the Province and welcomes growing numbers of Chinese students to study in the Province.
- (iv) **Technology** - The high-technology sector in China provides good commercial opportunities for British Columbia companies – especially in areas such as information communication technology, clean technology, aerospace and film, television and digital media.
- (v) **Agrifoods** - Over the next two decades, China is expected to become the world's largest importer of agricultural and food products. Agrifood producers and exporters can build on British Columbia's strong reputation for safe and



high-quality seafood and agrifood products to appeal to rapidly expanding demand in China.

- (vi) **Liquefied Natural Gas (LNG)** - China is the world's fastest-growing importer of LNG and is expected to become the second-largest market for LNG by the end of this decade. British Columbia can help supply this resource and provide expertise as international experts in the service and operation of LNG facilities.
- (vii) **Transportation** - China's expanding economy is increasing that country's need to purchase transportation-related products and services. British Columbia businesses can build its demonstrated strength in aerospace manufacturing and maintenance to help meet this need.

### (3) **Balance of Payment**

Statistics Canada only tracks total balance of payments on a national basis and does not publish provincial figures.

### (4) **Trade Balance**

*Exports and Imports (all figures in nominal dollars)*

Based on the provincial economic accounts 2013 released in November 2014, British Columbia's exports of goods and services totaled \$88.3 billion during the 2013 calendar year. International exports comprised \$49.9 billion (56.5%) of British Columbia's total exports, and represented 8.7% of Canada's total international exports; while inter-provincial exports accounted for \$38.4 billion (43.5%) of British Columbia's total exports. British Columbia's imports of goods and services totaled \$110.1 billion, consisting of \$61.7 billion (56.1%) international imports and \$48.3 billion (43.9%) inter-provincial imports.

The Province's international imports accounted for 10.3% of Canada's total international imports. In 2013, the Province registered a trade deficit of \$21.8 billion, which consists of a \$11.8 billion deficit in trade from abroad and a \$9.9 billion deficit accruing from inter-provincial trade. In 2012, the Province registered an overall trade deficit of \$23.0 billion. British Columbia had a \$13.2 billion deficit in international trade in 2012, as well as a \$9.8 billion deficit in inter-provincial trade.

International exports of goods originating from the Province (computed by BC Stats using customs based data) were \$35.8 billion in 2014, an increase of 7.1% compared to \$33.4 billion in 2013. This increase was largely due to a 46.4% rise in the value of natural gas exports and a 29.7% rise of copper ores and concentrates exports from the previous year.

The United States remained British Columbia's principal international export market in 2014, accounting for 50.2% of the international exports of goods.

### (5) **Foreign reserves (including forward and derivatives)**

The Province has been active in the international capital markets since the early 1980s primarily through two global borrowing platforms, the first being the Province's European Debt Issuance Programme and the second being the Province's bond issuances under its US Shelf Registration. The Province also borrows in Australia pursuant to its Australian Medium Term Note Programme.

As of 15 October, 2015, the Province's international market debt outstanding was approximately \$11.8 billion (CNY58.3 billion equivalent). In the past few years, the Province has issued USD, EURO, Swiss Franc, AUD and offshore Renminbi denominated notes accounting for approximately 19.8% of the total market debt outstanding. In 2013, the Province became the first sovereign government to issue an offshore Renminbi bond with total proceeds of CNY2.5 billion. In 2014, the Province issued its second offshore Renminbi bond for CNY3.0 billion, which together with the United Kingdom, is the largest offshore Renminbi bond offering by a sovereign government issuer; proceeds from this bond were deposited in a matching Renminbi denominated investment. All outstanding foreign denominated debt of the Province, save for the offshore Renminbi bond issued in 2014 and US\$125 million liability, has been swapped to Canadian dollar liabilities using derivatives.

The bulk of the Province's borrowing requirements are sourced from the Canadian domestic market. However, the Province is active in the international capital markets as competitive opportunities arise. The Province places high value on maintaining a diversified and global investor base (including central banks and official institutions) and having access to market sources of liquidity outside of the Canadian domestic market.

The Province wishes to issue onshore Renminbi bonds in order to diversify its funding sources and establish access to a new, competitive and significant international capital market. The Province is considering the inclusion of onshore Renminbi bond proceeds in the Province's foreign reserve management.

## **6. Tax and budgetary systems**

### **(1) Tax system**

Under Canada's constitution, British Columbia has unfettered authority to levy direct taxes including personal and corporate income taxes and consumption taxes as well as natural resource royalties. The Province derives most of its revenues from direct taxation and also receives revenues from contributions from the federal government primarily for social programs. See Section 7 ("Financial Condition of the Issuer") and Section 8 ("Analysis of the Issuer's Financial Condition") for a review and analysis of the province's revenue sources.

Contributions from the Federal Government equalled 15.9% of total provincial revenues in 2014/15, declining from about 20 percent in 2010/11. The Province's own-source revenues are significant and is the basis on which the Province's fiscal capacity materially rests. However, a major economic recession in Canada and materially reduced fiscal capacity for the federal government could negatively impact federal government contributions to the Province.

Of note, the Province has the lowest corporate income tax rate among provinces at 11 per cent. The Province also levies a sales tax and various other consumption taxes including a carbon tax, and a property transfer tax. Taxes and natural resource royalties are levied on logging, mining, and natural gas and petroleum extraction.

(2) Budgetary system

British Columbia's Budget Transparency and Accountability Act (BTAA) outlines the Province's reporting requirements during the financial cycle and imposes specific reporting deadlines or release dates for these publications. In particular, fixed dates for presentation of the budget as well as quarterly and annual reports are set by law.

Under the BTAA, the provincial government focuses its budgeting and reporting on a summary accounts basis. The BTAA requirements include reporting on the advice of the Economic Forecast Council; presentation of the annual *Estimates, Budget and Fiscal Plan, Quarterly Reports*, and *Public Accounts* in accordance with generally accepted accounting principles as set by a recognized standard setting organization and determined by Treasury Board a committee of the Executive Council (i.e. Cabinet); publication of *Quarterly Reports* with revised forecasts; annual three-year service plans and service plan reports for each ministry and government organization; and an annual three-year Government strategic plan and report.

***Planning and Budget Preparation***

Treasury Board reviews longer-term estimates of revenue, expense, capital and debt, and establishes a preliminary fiscal plan within the framework of the Government's overall strategic plan. Ministries, service delivery agencies and Crown corporations prepare three-year service plans, including performance measures and targets, and operating and capital budgets, for review by Government. Treasury Board makes recommendations to Cabinet on budget allocations for ministries and agencies, and assesses commercial Crown corporation net income benchmarks, within the context of the fiscal plan. Included as inputs into this process are a consultation paper published by September 15th of each year that invites public comment on issues for consideration as Government develops its fiscal and service plans, and province-wide public hearings held by a committee of the legislature. A report outlining the results of the budget consultation process is made public by November 15th of each year.

***Implementation and Reporting***

The Government's revenue, expense and capital plans for the next three fiscal years, as well as other information on the Government's finances, are presented to the Legislative Assembly by the Minister of Finance in a budget document called the *Budget and Fiscal Plan*. The financial plan for the next fiscal year is also included in the document called the *Estimates*, which describes the individual appropriations to be voted on by the Legislative Assembly. Government's strategic plan, service plans and a report on major capital projects (those where Government contribution exceeds \$50 million) must also be tabled in the Legislature. Throughout the year, the authorized funding as specified in the *Estimates* and ministry service plans is spent on programs and services. Crown corporations follow approved service plans under the direction of their own Boards of Directors. *Quarterly Reports*, including full-year

forecasts, are published by legislated dates, thereby providing regular updates to the public on the Government's finances.

### ***Evaluation***

At the end of the fiscal year, the *Public Accounts* are prepared by the Comptroller General and examined by the Auditor General to ensure that the financial statements fairly present the Government's financial position. The *Public Accounts* are augmented by the *British Columbia Financial and Economic Review*, which provides an overview of annual and historical financial and economic results. In addition, annual service plan reports are made public that compare actual results with ministry and Crown corporation performance targets.

### ***Accountability***

The *Public Accounts* are presented to the Legislative Assembly and are reviewed by two committees of the Legislative Assembly (the Select Standing Committee on the *Public Accounts* and the Select Standing Committee on Crown corporations). At the same time, the *Ministerial Accountability Report* is published detailing the individual and collective financial performance of cabinet ministers, and the performance and revenue results achieved by the Ministers of State and the Minister of Finance. The Minister of Finance also presents to the Legislative Assembly plans, reports and statements related to the revenue-neutrality objectives of the *Carbon Tax Act*. In addition, at the same time as, or shortly after, the *Public Accounts* are tabled, ministries and most Crown corporations release their service plan reports detailing results for the previous fiscal year. A report on the Government's strategic plan is also presented.

## **7. Legal and arbitration proceedings and contingent liabilities**

The Issuer is subject to claims in the ordinary course. These claims arise from legal action, either in progress or threatened, in respect of matters such as expropriation, contract and tax disputes. As of March 31, 2015, the Issuer had \$454 million in contingent liabilities in which the estimated or known claim against the Issuer was, or exceeded \$100,000. The exact cost to the Issuer, if any, cannot be determined because the outcome of these actions is uncertain. The Issuer is not involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the last 12 months preceding the date of this Offering Circular which may have, or have had in the recent past, significant effects on the financial position of the Issuer, except with respect to:

### **(1) Litigation**

The Province is a defendant in legal actions and is involved in matters such as expropriation, contract and tax disputes. These matters may give rise to future liabilities.

The Province has the following contingent liabilities where the estimated or known claim is, or exceeds \$100,000, but the likelihood of payment is uncertain.

	In Millions	
	2015	2014
	\$	\$
Property access disputes.....	303	304
Tax disputes.....	111	88
Damage to persons or property.....	17	18
Contract disputes.....	12	11
Negligence and miscellaneous.....	11	6
	<u>454</u>	<u>427</u>

When it is determined it is likely a liability exists and the amount can be reasonably estimated, the amount is recorded as an accrued liability and an expense. The accrued liability for pending litigation in process at March 31, 2015 was \$68 million (\$120 million in 2014).

(2) Tax Appeals

For the fiscal year ended March 31, 2015, the Province has received appeals under various tax statutes totalling \$50 million (\$60 million in 2014). The cost to the Province cannot be determined as the outcome of these appeals is uncertain.

(3) Guarantees and Indemnities

The Province also has contingent liabilities in the form of indemnities, indirect guarantees and outstanding claims for amounts that are not explicit or reasonably estimable at the date of this Offering Circular.

(4) Environmental Clean-up

The Province is responsible for the remediation of numerous contaminated sites in the Province that are no longer in productive economic use.

For sites where the Province is directly responsible or has assumed responsibility for remediation, the following provision for future clean-up costs has been accrued based on preliminary environmental assessments, or estimations for those sites where an assessment has not been conducted. The provision is recorded as an accrued liability.

	In Millions	
	2015	2014
	\$	\$
Mine sites.....	275	288
Transportation infrastructure.....	38	42
Industrial sites.....	24	20
Pulp mills.....	18	19
Salt sheds.....	5	5
Maintenance yards.....	4	3
Miscellaneous.....	33	28
	<u>397</u>	<u>405</u>

This provision for future clean-up costs is an estimate of the minimum remediation costs for known sites where an assessment has been conducted, or where available information on sites is sufficient to estimate the costs. Where information is not available to make an estimate, costs are extrapolated from the estimated costs of

similar sites. Where sites require ongoing remediation, monitoring, or maintenance the present value of all estimated future costs are discounted using the Province's weighted average costs of capital.

Other sites where historical industrial activity has occurred have been identified for monitoring purposes but have not been assessed. As at March 31, 2015, 30 sites were identified as potentially contaminated due to past industrial use. For these sites there is insufficient information to determine whether contamination exceeding the relevant environmental standard is likely to exist, or whether remediation is required. The future cost and responsibility for remediation of these sites is not currently determinable.

Additional environmental liabilities of government business enterprises accrued for the fiscal year ended March 31, 2015 include \$368 million (\$333 million in 2014) accrued by British Columbia Hydro and Power Authority, and \$92 million (\$92 million in 2014) accrued by British Columbia Railway Company.

(5) Aboriginal Land Claims

Treaty negotiations between the Province, Canada and First Nations commenced in 1994. The Province anticipates these negotiations will result in modern-day treaties defining the boundaries and nature of First Nations treaty settlement lands. As of March 31, 2015, there were 65 First Nations, in various stages of negotiation, representing two-thirds of the aboriginal people in British Columbia.

When final treaty agreements are ratified by all parties, the provincial cost of treaties is recorded in the Public Accounts. Costs are accounted for based on the substance of the final agreement.

A Final Agreement with Yale First Nation was ratified by the Yale First Nation in March 2011, by the provincial government on June 2, 2011 and by the Parliament of Canada on June 19, 2013. Yale First Nation is now negotiating implementation of the treaty which will take effect on April 1, 2016, a date which has been agreed to by the parties. Through the treaty, the Province will provide Yale First Nation with a capital transfer of \$2.5 million, economic development funding of \$1.1 million and 1,179 hectares of provincial Crown lands.

A Final Agreement with Tla'amin First Nation was ratified by the Tla'amin First Nation on July 10, 2012, by the provincial government on March 5, 2013, and by the Parliament of Canada on June 19, 2014. The Tla'amin First Nation is now negotiating implementation of the treaty which will take effect on April 5, 2016, a date which has been agreed to by the parties. Through the treaty, the Province will provide Tla'amin First Nation with a one-time payment of \$1 million, 6,406 hectares of provincial Crown land and future resource revenue sharing over 50 years.

It is expected the capital transfer components in all Agreements in Principle (AiP) will be entirely provided by Canada. The current commitments of provincial Crown land for all Final Agreement and Increment Treaty Agreement tables are as follows:

- In-SHUCK-ch, 9,477 hectares

- Lheidli T'enneh, 3,416 hectares
- Sechelt, 933 hectares
- Yekooche, 5,960 hectares
- K'omoks, 1,733 hectares
- Tla-o-qui-aht, 47 hectares
- Nazko, 172 hectares
- Te'mexw (Malahat, Scia'new, Snaw-naw-as, Songhees and T'Sou-ke), 186 hectares
- Ditidaht, 420 hectares
- Pacheedaht, 596 hectares
- Snuneymuxw, 877 hectares
- Ktunaxa Nation Council, 245 hectares
- Lake Babine Nation (British Columbia only), 511 hectares with a one-time payment of \$0.02 million
- Kaska Dena Council, 607 hectares
- Homalco, 822 hectares

Upon coming into effect, treaties will also trigger implementation costs and may result in compensation to third parties. Those costs are not determinable as at the date of this Offering Circular. Eighty per cent of funding for First Nations' negotiation costs is in the form of loans from Canada and is repayable from treaty settlements. The Province has committed to reimburse Canada 50% of any negotiation support loans that default along with 50% of the interest accrued. The amount of the loans from Canada to the First Nations at March 31, 2015 was approximately \$506 million (\$486 million in 2014). The amount of any provincial liability is not determinable at the date of this Offering Circular.

Some First Nations have chosen not to negotiate through the formal British Columbia Treaty Commission process. A number of First Nations have chosen to advance their claims through litigation. Claims include declarations with respect to aboriginal rights and title, commercial rights, challenges with respect to adequacy of consultation and accommodation, and damages for unjustified infringements. The amount of any provincial liability is not determinable as at the date of this Offering Circular.

- (6) Crown Agencies, and School Districts, Universities, Colleges, Institutes, and Health Organizations (SUCH)
- (i) As at March 31, 2015, the BC Transportation Financing Authority has contingent liabilities of \$120 million (\$123 million in 2014) remaining after deducting the estimated settlement expense currently accrued from gross claims outstanding for capital projects and \$104 million (\$101 million in 2014) of those liabilities is related to expropriation claims.
  - (ii) The B.C. Pavilion Corporation and predecessor property owners remain liable for environmental and reclamation obligations for known hazards that may exist at its facilities. Management is not aware of any existing environmental problems related to its facilities that may result in material liability to the B.C. Pavilion Corporation.

### ***Treaty Negotiations and the New Relationship***

British Columbia continues to negotiate treaties and incremental treaty agreements with a number of First Nations. While implementation and settlement costs associated with existing Final Agreements have been accounted for in the fiscal plan, the outcomes of other treaty negotiations and their ratification process would need to be managed within the fiscal plan.

The British Columbia Government is also committed to negotiating new revenue-sharing agreements and other reconciliation agreements with First Nations to streamline consultation on natural resource decisions, provide increased certainty for investors, and provide new economic opportunities to First Nations communities. Where agreements have been concluded, the costs of those agreements have been accounted for in the fiscal plan. Any future agreements will need to be accommodated within the fiscal plan.

The province is also involved in litigation with First Nations relating to aboriginal rights. Settlement of these issues, either in or out of court, may result in additional costs to Government.

### ***Pending Litigation***

The spending plan for the Ministry of Justice contains provisions for payments under the Crown Proceeding Act based on estimates of expected claims, judgments, and related costs of settlements likely to be incurred. Litigation developments may occur that are beyond the assumptions used in the fiscal plan (for example, higher-than-expected volumes, or size of claim amounts and timing of judgments and settlements). These developments may affect Government revenues and/or expenditures in other ministries.

There is a risk to the fiscal plan from the January 27, 2014 British Columbia Supreme Court decision regarding Government's response, as per the Education Improvement Act, 2012, to a previous court ruling which had concluded that Government had infringed on the freedom of association of British Columbia Teachers Federation members when it legislated specific provisions out of the teachers' contract back in 2002. The Government successfully appealed the decision and that ruling may be appealed to the Supreme Court of Canada by the British Columbia Teachers Federation



## SECTION 7: FINANCIAL CONDITION OF THE ISSUER

### 1. The Issuer's Summary Financial Statements for the years ended March 31, 2013, 2014 and 2015

#### (1) Basis of accounting

The responsibility for the integrity and objectivity of the Summary Financial Statements for the Government of the Province of British Columbia rests with the Government. The comptroller general prepares these financial statements in accordance with generally accepted accounting principles for senior governments in Canada except as otherwise prescribed under section 23.1 of the BTAA. To the date of this Offering Circular, the only alternative accounting standards and guidelines that have been prescribed (1) make the standards and guidelines applicable to the Government as reported through its consolidated revenue fund apply to the taxpayer-supported organisations reported in its Summary Financial Statements and (2) continue regulated rate reporting standards and guidelines for British Columbia Hydro and Power Authority through the adoption in 2012 of United States Financial Accounting Board Accounting Standards Codification 980, as amended, supplemented or replaced from time to time. The fiscal year of the provincial government is from April 1 to March 31 of the following year.

The auditor general of British Columbia provides an independent opinion on the financial statements prepared by the Government. The duties of the auditor general in that respect are contained in the Auditor General Act (*British Columbia*).

As of March 31, 2015, March 31, 2014 and March 29, 2013, the central parity rate of Canadian dollars to Renminbi announced by the China Foreign Exchange Trading System, under authorisation of the PBOC, was C\$1.00 to CNY4.8452, C\$1.00 to CNY5.5683 and C\$1.00 to CNY6.1711, respectively.

#### (2) The Issuer's Summary Financial Statements for the years ended March 31, 2013, 2014 and 2015

Unless otherwise specified, the 2013, 2014 and 2015 financial figures in this Offering Circular have been quoted from the Issuer's Summary Financial Statements. The information set out below should be read in conjunction with the Issuer's Summary Financial Statements and the other information disclosed in this Offering Circular.

Consolidated Statement of Financial Position

	As at March 31,		
	2015	2014	2013
	\$	\$	\$
	(in millions)		
<b>Financial Assets</b>			
Cash and cash equivalents .....	3,237	2,382	2,209
Temporary investments .....	439	420	965
Accounts receivable .....	3,489	3,449	2,456
Inventories for resale .....	85	75	60
Due from other governments.....	896	790	926
Due from self-supported Crown corporations and agencies .....	633	848	422
Equity in self-supported Crown corporations and agencies .....	8,271	7,839	7,541
Loans, advances and mortgages receivable.....	1,902	1,824	1,681
Other investments.....	2,131	2,350	2,641
Sinking fund investments .....	977	835	1,778
Loans for purchase of assets, recoverable from agencies .....	20,317	18,921	16,907
	<u>42,377</u>	<u>39,733</u>	<u>37,586</u>
<b>Liabilities</b>			
Accounts payable and accrued liabilities .....	5,369	5,134	4,898
Employee future benefits .....	1,921	1,870	1,793
Due to other governments .....	711	1,042	2,007
Due to Crown corporations, agencies and trust funds.....	50	38	39
Deferred revenue .....	9,809	9,718	9,861
Employee pension plans.....	261	214	165
Taxpayer-supported debt.....	42,693	41,761	39,828
Self-supported debt .....	20,465	19,041	17,011
	<u>81,279</u>	<u>78,818</u>	<u>75,602</u>
Net assets (liabilities) .....	<u>(38,902)</u>	<u>(39,085)</u>	<u>(38,016)</u>
<b>Non-financial Assets</b>			
Tangible capital assets .....	39,028	37,778	36,762
Restricted assets .....	1,553	1,493	1,442
Prepaid program costs .....	866	775	690
Other assets .....	707	866	577
	<u>42,154</u>	<u>40,912</u>	<u>39,471</u>
<b>Accumulated surplus (deficit) .....</b>	<b><u>3,252</u></b>	<b><u>1,827</u></b>	<b><u>1,455</u></b>
Measurement uncertainty .....			
Contingencies and contractual obligations.....			

Consolidated Statement of Operations

	<b>Fiscal Year Ended March 31,</b>			
	<b>2015</b>		<b>2014</b>	<b>2013</b>
	Estimates	Actual	Actual	Actual
	\$	\$	\$	\$
<b>(in millions)</b>				
<b>Revenue</b>				
Taxation.....	22,157	23,056	20,930	21,050
Contributions from the federal government .....	7,363	7,326	7,502	7,044
Fees and licenses .....	5,336	5,425	5,210	4,907
Natural resources.....	3,010	2,937	2,955	2,473
Miscellaneous.....	2,958	2,804	3,194	2,626
Net earnings of self-supported Crown corporations and agencies .....	2,885	3,371	2,701	2,776
Investment income .....	1,091	1,203	1,236	1,173
	<u>44,800</u>	<u>46,122</u>	<u>43,728</u>	<u>42,049</u>
<b>Expense</b>				
Health .....	18,683	18,370	17,862	17,502
Education.....	11,899	11,827	11,827	11,528
Social services .....	3,703	3,847	3,805	3,990
Interest.....	2,578	2,498	2,482	2,390
Natural resources and economic development.....	1,757	2,191	1,755	2,092
Transportation .....	1,629	1,608	1,580	1,552
Other.....	1,594	1,288	1,184	1,346
Protection of persons and property.....	1,393	1,451	1,520	1,539
General government .....	1,180	1,359	1,386	1,262
	<u>44,416</u>	<u>44,439</u>	<u>43,401</u>	<u>43,201</u>
Surplus (deficit) for the year before unusual items .....	384	1,683	327	(1,152)
Forecast allowance .....	(200)			
<b>Surplus (deficit) for the year .....</b>	<b><u>184</u></b>	<b><u>1,683</u></b>	<b><u>327</u></b>	<b><u>(1,152)</u></b>
Accumulated surplus (deficit) – beginning of years as restated.....		1,346	1,019	2,453
<b>Accumulated surplus (deficit) – before other comprehensive income .....</b>		<b><u>3,029</u></b>	<b><u>1,346</u></b>	<b><u>1,301</u></b>
Accumulated other comprehensive income from self-supported Crown corporations and agencies – beginning of year.....		481	154	73
Other comprehensive income from self-supported Crown corporations and agencies .....		(258)	327	81
<b>Accumulated other comprehensive income from self-supported Crown corporations and agencies – end of year .....</b>		<b><u>223</u></b>	<b><u>481</u></b>	<b><u>154</u></b>
<b>Accumulated surplus (deficit) – end of year .....</b>		<b><u>3,252</u></b>	<b><u>1,827</u></b>	<b><u>1,455</u></b>

*Consolidated Statement of Change in Net Liabilities*

	<b>Fiscal Year Ended March 31,</b>			
	<b>2015</b>		<b>2014</b>	<b>2013</b>
	Estimates	Actual	Actual	Actual
	\$	\$	\$	\$
	<b>(in millions)</b>			
Surplus (deficit) for the year .....	184	1,683	327	(1,152)
Effect of change in tangible capital assets:				
Acquisition of tangible capital assets.....	(4,030)	(3,407)	(3,151)	(3,279)
(Gain) or loss on sale of tangible capital assets	(168)	(135)	(601)	(13)
Amortization of tangible capital assets .....	2,147	2,080	2,071	2,065
Disposals and valuation adjustments .....	226	212	665	157
	<u>(1,825)</u>	<u>(1,250)</u>	<u>(1,016)</u>	<u>(1,070)</u>
Effect of change in:				
Restricted assets .....	(53)	(60)	(51)	(65)
Prepaid program costs.....	(1)	(91)	(85)	(54)
Other assets .....	4	159	(289)	2
	<u>(50)</u>	<u>8</u>	<u>(425)</u>	<u>(117)</u>
Effect of self-supported Crown corporations' and agencies' other comprehensive income .....	(175)	(258)	327	81
Decrease (increase) in net liabilities .....	(1,866)	183	(787)	(2,258)
Net (liabilities) – beginning of year .....	(39,220)	(39,085)	(38,298)	(35,758)
<b>Net (liabilities) – end of year .....</b>	<b><u>(41,086)</u></b>	<b><u>(38,902)</u></b>	<b><u>(39,085)</u></b>	<b><u>(38,016)</u></b>

Consolidated Statement of Cash Flow

	<b>Fiscal Year Ended March 31,</b>				
	<b>2015</b>		<b>2014</b>	<b>2013</b>	
	Receipts	Disbursements	Net	Net	Net
\$	\$	\$	\$	\$	
(in millions)					
<b>Operating Transactions</b>					
Surplus (deficit) for the year .....			1,683	327	(1,152)
Non-cash items included in surplus (deficit):					
Amortization of tangible capital asset .....			2,080	2,071	2,065
Amortization of public debt deferred revenue and deferred charges .....			(356)	(365)	27
Concessionary loan adjustments (decrease) ....			(12)	(3)	(55)
(Gain) or loss on sale of tangible capital assets .....			(135)	(601)	(13)
Valuation adjustment .....			204	224	271
Net earnings of self-supported Crown corporations and agencies .....			(3,371)	(2,701)	(2,776)
Temporary investments (increase) decrease .....			(19)	545	109
Accounts receivable (increase) .....			(210)	(1,172)	(253)
Due from other governments (increase) decrease .....			(106)	136	17
Due from self-supported Crown corporations and agencies decrease (increase) .....			215	(426)	97
Accounts payable and accrued liabilities increase (decrease) .....			235	(11)	69
Employee future benefits increase .....			51	77	103
Due to other governments (decrease) .....			(331)	(965)	(186)
Due to Crown corporations and agencies increase (decrease) .....			12	(1)	(13)
Employee pension plan increase .....			47	49	55
Items applicable to future operations increase (decrease) .....			104	(611)	(683)
Contributions from self-supported Crown corporations and agencies .....			2,651	2,516	2,314
Cash derived from (used for) operations .....			<u>2,742</u>	<u>(911)</u>	<u>(4)</u>
<b>Capital Transactions</b>					
Tangible capital assets dispositions (acquisitions) .....	211	(3,407)	(3,196)	(2,489)	(3,125)
Cash (used for) capital .....	<u>211</u>	<u>(3,407)</u>	<u>(3,196)</u>	<u>(2,489)</u>	<u>(3,125)</u>
<b>Investment Transactions</b>					
Investment in self-supported Crown corporations and agencies .....	30		30	214	
Loans, advances and mortgages receivable (issues) .....	227	(325)	(98)	(181)	(64)
Other investments – net decrease .....	218		218	291	(239)

	<b>Fiscal Year Ended March 31,</b>			
	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2013</b>
Restricted assets – net (increase) .....	(60)	(60)	(51)	(65)
Sinking fund investments – net (increase) decrease.....	558	(700)	(142)	943
Cash (used for) derived from investments .....	1,033	(1,085)	(52)	1,216
Sub-total cash (requirements) .....			(506)	(2,184)
Sub-total cash (requirements) carried forward from previous page .....			(506)	(2,184)
<b>Financing Transactions</b>				
Public debt increases.....	31,105	(28,347)	2,758	4,372
(Used for) purchase of assets, recoverable from agencies.....	12,069	(13,466)	(1,397)	(2,015)
Cash derived from financing.....	43,174	(41,813)	1,361	2,357
Increase in cash and cash equivalents .....			855	173
Cash and cash equivalents – beginning of year ...			2,382	2,209
<b>Cash and cash equivalents – end of year .....</b>			<b>3,237</b>	<b>2,382</b>
Cash and cash equivalents are made up of:				
Cash .....			2,499	1,143
Cash equivalents .....			738	1,239
			<b>3,237</b>	<b>2,382</b>
			<b>2,209</b>	<b>2,209</b>

## 2. Provincial Debt

The provincial government, its Crown corporations, agencies and government organizations incur debt to fund operations and finance capital projects. Provincial debt is reported using two basic classifications:

- (1) Taxpayer-supported Debt – this includes government direct debt, which is incurred for government operating and capital purposes, the debt of Crown corporations and agencies, school districts, universities, colleges, institutes and health organizations that require operating or debt service subsidies from the provincial government and are fully consolidated in the Issuer’s Summary Financial Statements; and
- (2) Self-supported Debt - includes the debt of commercial Crown corporations and agencies (as described below) as well as the Warehouse Borrowing Program. “Commercial Crown corporations and agencies” generate sufficient revenues to cover interest costs and repay principal and may pay dividends to the Province.

As at March 31, 2015, total provincial debt for British Columbia totaled \$62.9 billion. The primary driver for the provincial government borrowing is capital spending, with over 85 per cent of debt incurred to finance infrastructure. In addition, 33 per cent of the total debt is self-supported through the commercial activities of Crown corporations.

The following table summarizes the status of British Columbia’s provincial debt as at March 31, 2015.

### Provincial Debt Summary

(\$ millions)	Budget 2014	Opening Balance Adjustment <sup>2</sup>	Updated Budget 2014	Actual 2014/15	Actual 2013/14
<b>Taxpayer-supported debt</b>					
Provincial government direct operating .....	<b>9,828</b>	<b>(703)</b>	<b>9,125</b>	<b>9,280</b>	<b>10,223</b>
<b>Other taxpayer-supported debt (mainly capital)</b>					
Education facilities .....	12,265	(48)	12,217	12,118	11,631
Health facilities .....	6,516	(7)	6,509	6,522	6,038
Highways and public transit .....	11,048	(2)	11,046	10,725	10,229
Other .....	3,418	(47)	3,371	3,235	2,947
	<b>33,247</b>	<b>(104)</b>	<b>33,143</b>	<b>32,600</b>	<b>30,845</b>
	<b>43,075</b>	<b>(807)</b>	<b>42,268</b>	<b>41,880</b>	<b>41,068</b>
<b>Self-supported debt</b>					
Power generation and transmission .....	17,320	(79)	17,241	17,308	16,029
Highways and public transit .....	3,420	(57)	3,363	3,335	3,209
Other .....	723	(7)	716	397	387
	<b>21,463</b>	<b>(143)</b>	<b>21,320</b>	<b>21,040</b>	<b>19,625</b>
Forecast allowance .....	<b>200</b>	-	<b>200</b>	-	-
<b>Total provincial debt</b> .....	<b>64,738</b>	<b>(950)</b>	<b>63,788</b>	<b>62,920</b>	<b>60,693</b>
<b>Debt to GDP</b>					
Taxpayer-supported .....	<b>18.4</b>		<b>17.7</b> <sup>3</sup>	<b>17.5</b>	<b>17.9</b>
Total .....	<b>27.7</b>		<b>26.7</b> <sup>3</sup>	<b>26.4</b>	<b>26.4</b>

<sup>1</sup> Debt is after deduction of sinking funds and unamortized discounts; it includes the current portion, but excludes accrued interest, which is reported on government's statement of financial position as an accounts payable.

<sup>2</sup> The opening balance adjustment reflects actual balances at March 31, 2014 (the *Budget 2014* projection was based on a forecast for 2013/14).

<sup>3</sup> Revised to reflect Statistics Canada's Provincial Economic Accounts Update released on November 5, 2014.

The taxpayer-supported debt to GDP ratio, a measure often used by investors and credit rating agencies to analyze a government's ability to manage its debt load, stood at 17.5 per cent. This is lower by 0.4 percentage points from 2013/14. British Columbia's taxpayer-supported debt to GDP is one of the lowest in Canada, translating into a strong international credit rating (outside of China) and lower debt service costs. In addition, the debt to revenue track stood at 94.1 per cent, 2.0 percentage points lower than that in 2013/14.

A summary of British Columbia's Taxpayer-supported Debt as at March 31, 2015, including maturity and denomination of different debts, is set out in the following table

### Taxpayer-supported Debt<sup>1</sup>

Year of Maturity	In Millions			2015	2014
	Canadian Dollar	US Dollar <sup>2</sup>	Other Currencies <sup>2</sup>	Canadian Dollar Total	Canadian Dollar Total
	\$	\$	\$	\$	\$
Short-term promissory notes.....	2015			0	2,529
	2016	3,692		3,692	0
Notes, bonds and debentures <sup>3</sup> .....	2015			0	2,223
	2016	246	1,500	1,746	1,857
	2017	726	1,442	2,168	1,930
	2018	692	1,240	359	2,290
	2019	2,221		298	2,519
	2020	2,164			2,164
	2021–2025	9,881	2,223	712	12,816
	2026–2030	4,018			4,018
	2031–2035	1,848		96	1,944
	2036–2040	3,663		56	3,719
	2041–2045	4,812			4,812
	2046–2050	198			198
	2051–2055				0
	2056–2060	130			130
	2061–2063	181			181
Capital leases.....	2015–2048	196			196
<b>Total debt issued at face value..</b>		<b>34,668</b>	<b>6,405</b>	<b>1,521</b>	<b>42,594</b>
Unamortized premium.....				99	105
<b>Total taxpayer-supported debt.....</b>				<b>42,693</b>	<b>41,761</b>
The effective interest rates (weighted average) as at March 31 on the above debt are:					
	2015.....			3.76%	
	2014.....				3.98%

<sup>1</sup>The balances and interest rates reflect the impact of the related derivative contracts, presented in Note 20.

<sup>2</sup>Foreign currency denominated debt as at March 31, 2015 includes US\$6,500 million which was fully hedged to CAD\$6,405 million; 700 million Swiss Francs was fully hedged into CAD\$753 million; 40 million Euro was fully hedged to CAD\$56 million, \$700 million AUD was fully hedged to CAD\$712 million and CNY 3 billion was unhedged (CAD\$614 million).

<sup>3</sup>Notes, bonds and debentures includes \$2,586 million (2014: \$2,318 million) in public private partnership obligations and \$40 million (2014: \$46 million) in other loans.



A summary of British Columbia's Self-supported Debt as at March 31, 2015, including maturity and denomination of different debts, is set out in the following table:

### Self-supported Debt<sup>1</sup>

	Year of Maturity	In Millions			
		Canadian Dollar	US Dollar <sup>2</sup>	2015	2014
				Canadian Dollar Total	Canadian Dollar Total
		\$	\$	\$	\$
Short-term promissory notes.....	2015			0	4,795
	2016	3,416	1,248	4,664	0
Notes, bonds and debentures.....	2015			0	325
	2016	150		150	150
	2017			0	0
	2018	40		40	40
	2019	1,030	204	1,234	1,234
	2020	675		675	675
	2021–2025	2,726		2,726	2,726
	2026–2030	1,850	635	2,485	2,159
	2031–2035	1,260		1,260	1,260
	2036–2040	78	372	450	438
	2041–2045	6,369		6,369	4,669
	2046–2050	420		420	420
	2051–2055			0	0
2056–2060	60		60	60	
2061–2063	50		50	50	
<b>Total debt issued at face value.....</b>		<b>18,124</b>	<b>2,459</b>	20,583	19,001
Unamortized premium (discount).....				(114)	6
Unrealized foreign exchange gain (loss).....				(4)	34
<b>Total self-supported debt.....</b>				<b>20,465</b>	<b>19,041</b>

The effective interest rates (weighted average) as at March 31 on the above debt are:

2015.....	4.01%
2014.....	4.16%

<sup>1</sup>The balances and interest rates reflect the impact of the related derivative contracts, presented in Note 20.

<sup>2</sup>Foreign currency denominated debt as at March 31, 2015 includes US\$2,013 million (CAD\$2,459 million), of which US\$1,786 million was fully hedged to CAD\$2,171 million and US\$227 million was unhedged (CAD\$288 million).

The above two tables present financial statement debt, compared to total debt presentation in the first table. Total debt includes equity in self supported Crown corporations and agencies and is net of sinking fund investments. See page 130 of the 2014/15 Public Accounts for a reconciliation.

The Province has never defaulted on its debt to external parties.

### 3. Auditor's Report on the Summary Financial Statements

British Columbia's financial statements as at for the three years ended March 31, 2015, 2014 and 2013 have been audited by the Office of the Auditor General, the independent auditor of British Columbia. The Auditor General issued a qualified opinion for each of the Province's financial statements for the year ended March 31, 2015, 2014 and 2013. The basis for each of the qualified opinions follows below, as extracted from the Auditor General's qualified and published opinions:

- (1) For the year ended March 31, 2015

*Inappropriate deferral of revenues*

The Government's accounting treatment for funds received from other governments and for externally restricted funds received from non-government sources is to initially record them as deferred revenue (a liability) and then recognize revenue in the statement of operations either on the same basis as the related expenditures occur or, in the case of funds for the purchase or construction of capital assets, to recognize revenue on the same basis as the related assets are amortized.

In this respect, the summary financial statements in the 2014/15 Public Accounts were not in accordance with Canadian public sector accounting standards which require that (i) transfers from other governments be recorded as revenues, except when the transfer meets the definition of a liability for the recipient government, and (ii) externally restricted funds received from non-government sources be recorded as revenue in the period in which the funds are used for the purpose(s) specified.

Had the Government made an adjustment, when this was first brought to its attention, for those funds received that in the opinion of the Auditor General did not meet the definition of a liability or which have already been used for the purpose(s) specified, liabilities as at March 31, 2015, would have been less by \$4,241 million, the accumulated surplus at the beginning of the year would have been greater by \$4,050 million and current year revenue would have been greater by \$191 million.

- (2) For the year ended March 31, 2014

*Inappropriate deferral of revenues*

The Government's accounting treatment for funds received from other governments and for externally restricted funds received from non-government sources was to initially record them as deferred revenue (a liability) and then recognize revenue in the statement of operations either on the same basis as the related expenditures occur or, in the case of funds for the purchase or construction of capital assets, to recognize revenue on the same basis as the related assets are amortized.

In this respect, the summary financial statements in the 2013/14 Public Accounts were not in accordance with Canadian public sector accounting standards which require that (i) transfers from other governments be recorded as revenues, except when the transfer meets the definition of a liability for the recipient government, and (ii) externally restricted funds received from non-government sources be recorded as revenue in the period in which the funds are used for the purpose(s) specified.

Had the Government made an adjustment, when this was first brought to its attention, for those funds received that in the opinion of the Auditor General did not meet the definition of a liability or which have already been used for the purpose(s) specified, liabilities as at March 31, 2014 would have been less by \$3,834 million, the accumulated surplus at the beginning of the year would have been greater by \$3,602 and current year revenue would have been greater by \$232 million.

*Transportation Investment Corporation is now a government business enterprise*

As disclosed in the Independent Auditor's Report in the 2012/13 Public Accounts, the Transportation Investment Corporation was incorrectly classified as a government business enterprise, and this constituted a departure from Canadian public sector accounting standards. This was the basis on which the Auditor General qualified his opinion on the financial statements for the financial year ended March 31, 2013.

For the year ending March 31, 2014, the Transportation Investment Corporation meets the criteria to be classified, in accordance with Canadian public sector accounting standards, as a government business enterprise. However, the opinion of the Auditor General is qualified as the Transportation Investment Corporation is incorrectly reflected as a government business enterprise in the comparative figures as at and for the year ended March 31, 2013.

- (3) For the year ended March 31, 2013

*Full consolidation of the Transportation Investment Corporation is required*

The Government classified the Transportation Investment Corporation as a government business enterprise which was consolidated in the summary financial statements of the 2012/13 Public Accounts using the modified equity basis. Under Canadian public sector accounting standards, to be classified as a government business enterprise, an organization must maintain its operations and meet its liabilities from revenues received from outside the government reporting entity. As at March 31, 2013, the Transportation Investment Corporation did not have this characteristic and, therefore, was not properly classified as a government business enterprise. Had this organization been properly classified, it would have been accounted for using the full consolidation method and certain financial statement line items would have changed by a material amount.

Changes to the summary financial statements had the Transportation Investment Corporation been fully consolidated would have been as follows:

	Increase/(decrease) \$ millions	
	2013	2012
<b><i>Consolidated statement of financial position</i></b>		
Financial assets	(2,326)	(1,628)
Liabilities	286	393
Net liabilities	<u>2,612</u>	<u>2,021</u>
Non-financial assets	2,684	2,133
<b>Accumulated surplus</b>	<b><u>72</u></b>	<b><u>112</u></b>
<b><i>Consolidated statement of operations</i></b>		
Revenue	(35)	(82)
Expense	25	15
<b>Deficit for the year</b>	<b><u>60</u></b>	<b><u>97</u></b>

The increase to the deficit for the year relates to realized losses on interest rate hedging transactions that would be recorded as an expense if fully consolidated.

The supporting summary financial statements by sector (pages 88 to 95 of the 2012/13 Public Accounts) and the supporting statements for self-supported Crown corporations and agencies (pages 96 to 99 of the 2012/13 Public Accounts) would also have been impacted by this inappropriate classification of the Transportation Investment Corporation and by the summary financial statement changes described above.

#### *Inappropriate deferral of government transfers revenue*

For the year-ended March 31, 2013, changes to Canadian public sector accounting standards required transfers from other governments to be recorded as revenues in the period the transfer is authorized and all eligibility criteria have been met, except when, and to the extent that the transfer gives rise to an obligation that meets the definition of a liability for the recipient government. These changes apply to transfers received during the fiscal year ended March 31, 2013, and also transfers received in prior years but not yet recognized as revenues.

However, the Government's accounting treatment for funds received from other governments was to defer such transfers and recognize as revenue in the statement of operations on the same basis as the related expenditures occur or, in the case of funds for the purchase or construction of capital assets, to defer such transfers and recognize as revenue in the statement of operations on the same basis as the related assets are amortized. In this respect, the summary financial statements in the 2012/13 Public Accounts were not in accordance with Canadian public sector accounting standards.

The Government chose to adopt this new accounting standard prospectively. Had an adjustment been made prospectively to record the effect of the transition to the new standard, liabilities as at March 31, 2013, would have been less by \$1,945 million, revenue would have been greater by \$1,945 million, net liabilities for the year would have been less by \$1,945 million and the deficit for the year then ended would have been less by \$1,945 million.

#### *Inappropriate deferral of restricted revenues*

The Government's accounting treatment for externally restricted funds received from non-government sources was to defer such funds and recognize as revenue in the statement of operations on the same basis as the related expenditures occur or, in the case of funds for the purchase or construction of capital assets, to defer such funds and recognize as revenue in the statement of operations on the same basis as the related assets are amortized. In this respect, the summary financial statements in the 2012/13 Public Accounts were not in accordance with Canadian public sector accounting standards which require externally restricted revenues from non-government sources to be recorded as revenue in the period in which the funds are used for the purpose or purposes specified.

Had an adjustment been made prospectively, liabilities as at March 31, 2013, would have been less by \$1,010 million, revenue would have been greater by \$1,010 million, net liabilities for the year would have been less by \$1,010 million and the deficit for the year then ended would have been less by \$1,010 million.

## SECTION 8: ANALYSIS ON THE ISSUER'S FINANCIAL CONDITIONS

### 1. Analysis on the Issuer's financial conditions – 2014/2015

#### (1) Highlights

This highlights section provides a summary of the key events affecting the financial statements based on information taken from the Summary Financial Statements and Provincial Debt Summary included in the 2014/15 Public Accounts. The budget figures are from pages 122, 124, 127, 130 and 132 of the *Budget and Fiscal Plan 2014/15–2016/17*.

#### Budget and Actual Results 2014/15

	In Millions				Variance	
	2014/15 Budget	2014/15 Updated Forecast	2014/15 Actual	2013/14 Actual	2014/15 Actual to Budget	2014/15 vs 2013/14
	\$	\$	\$	\$	\$	\$
Revenue.....	44,800	45,772	46,122	43,728	1,322	2,394
Expense.....	(44,416)	(44,793)	(44,439)	(43,401)	(23)	(1,038)
<b>Surplus (deficit) before forecast allowance</b>						
Forecast allowance.....	384	979	1,683	327	1,299	1,356
Forecast allowance.....	(200)	(100)			200	
<b>Surplus (deficit) for the year.....</b>	<b>184</b>	<b>879</b>	<b>1,683</b>	<b>327</b>	<b>1,499</b>	<b>1,356</b>
<b>Capital spending:</b>						
Taxpayer-supported capital spending....	4,030	3,637	3,407	3,151	(623)	256
Self-supported capital spending.....	2,590	2,604	2,491	2,519	(99)	(28)
<b>Total capital spending.....</b>	<b>6,620</b>	<b>6,241</b>	<b>5,898</b>	<b>5,670</b>	<b>(722)</b>	<b>228</b>
<b>Provincial debt:</b>						
Taxpayer-supported.....	43,075	42,302	41,880	41,068	(1,195)	812
Self-supported.....	21,463	21,428	21,040	19,625	(423)	1,415
<b>Total provincial debt.....</b>	<b>64,538</b>	<b>63,730</b>	<b>62,920</b>	<b>60,693</b>	<b>(1,618)</b>	<b>2,227</b>
<b>Taxpayer-supported debt to GDP ratio</b>	<b>18.4 %</b>	<b>17.7 %</b>	<b>17.5 %</b>	<b>18.2 %</b>	<b>(0.9)</b>	<b>(0.7)</b>

#### (i) Summary Accounts Surplus (Deficit)

The province ended the year with a surplus of \$1,683 million, which was \$1,499 million higher than the surplus forecast in the *Budget and Fiscal Plan 2014/15–2016/17*. The 2014/15 surplus of \$1,683 million was \$1,356 million greater than the surplus of \$327 million in fiscal year 2013/14.

Revenue increased by 5.5% in 2014/15 compared to expected average annual growth of 2.6%, while expenses increased by 2.4% compared to expected average annual growth of 2.2% over the fiscal plan period.

#### (ii) Capital Spending

Taxpayer-supported infrastructure spending on hospitals, schools, post-secondary facilities, transit, and roads totaled \$3,407 million in 2014/15. Self-supported infrastructure spending on electrical generation, transmission and

distribution projects, the Port Mann Bridge and other capital assets totaled \$2,491 million in 2014/15.

**(iii) Provincial Debt**

Taxpayer-supported debt increased by \$812 million in 2014/15 while self-supported debt increased by \$1,415 million. The increase in total debt of \$2,227 million was \$1,618 million less than the budgeted increase in total debt of \$3,845 million. The key measure of taxpayer-supported debt to GDP ended the year at 17.5%, less than the 18.4% forecast in the budget.

**(2) Discussion and Analysis**

The detailed analysis section provides an overview of significant trends relating to the Statement of Operations, Statement of Financial Position and Provincial Debt included in the 2014/15 Public Accounts.

**(i) Revenue Analysis**

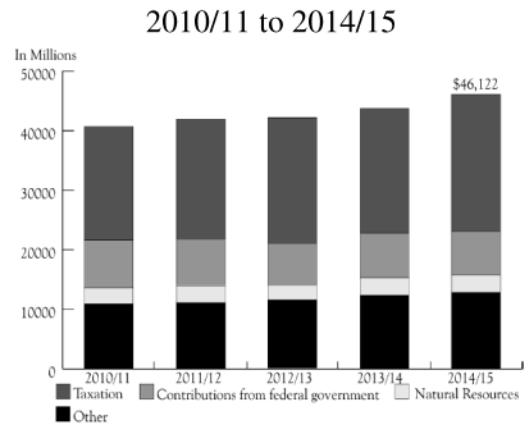
Revenue analysis helps investors understand the Government's finances in terms of its revenue sources and allows them to evaluate the revenue producing capacity of the Government.

*Revenue by Source*

Revenue by source provides an outline of the primary sources of provincial revenue and how results change between those sources over time. Revenues are broken down into separate components of taxation, contributions from the federal government, natural resources and other sources, which include fees and licenses, contributions from self-supported Crown corporations, and investment income.

	In Millions				
	2010/11 Actual	2011/12 Actual	2012/13 Actual	2013/14 Actual	2014/15 Actual
	\$	\$	\$	\$	\$
Taxation.....	19,031	20,145	21,050	20,930	23,056
Contributions from federal government.....	8,009	7,718	7,044	7,502	7,326
Fees and licences.....	4,440	4,735	4,907	5,210	5,425
Natural resources.....	2,729	2,812	2,473	2,955	2,937
Miscellaneous.....	2,687	2,673	2,613	3,194	2,804
Net earnings of self-supported Crown corporations.....	2,940	2,691	2,776	2,701	3,371
Investment income.....	843	1,022	1,173	1,236	1,203
<b>Total revenue.....</b>	<b>40,679</b>	<b>41,796</b>	<b>42,036</b>	<b>43,728</b>	<b>46,122</b>

Provincial revenues increased by \$2,394 million in 2014/15. The improvement in provincial revenue was primarily due to significant increases in taxation revenue of \$2,126 million. The net earnings of self-supported Crown corporations increased by \$670 million, and fees and licences revenue increased by \$215 million. Increases in these significant sources of revenue were offset by decreases in contributions from the federal government and other sources of revenue totaling \$617 million.



In 2014/15, tax revenue increased by \$2,126 million (10.2%). Personal income tax revenue increased by \$1,214 million (17.7%) and corporate income tax revenue increased by \$208 million (8.6%). Provincial sales tax increased by \$322 million (5.8%), property transfer tax revenue increased by \$128 million (13.7%), and tobacco tax revenue increased by \$28 million (3.9%) in 2014/15. All other tax revenues increased by \$226 million over the same period.

The net earnings of self-supported Crown corporations including BC Hydro, ICBC, BC Lottery Corp and the Liquor Distribution Branch increased by \$670 million in 2014/15.

Contributions from the federal government were \$176 million lower than contributions received in 2013/14. This decrease was mainly the result of annual adjustment to the Province's share of Canada Health and Social transfers.

Natural resource revenues decreased by \$18 million (0.6%) in 2014/15. Petroleum, natural gas and mineral royalties increased \$21 million (1.3%), forest revenues increased by \$35 million (4.9%) and other sources of natural resource revenue decreased by \$74 million (11.2%).

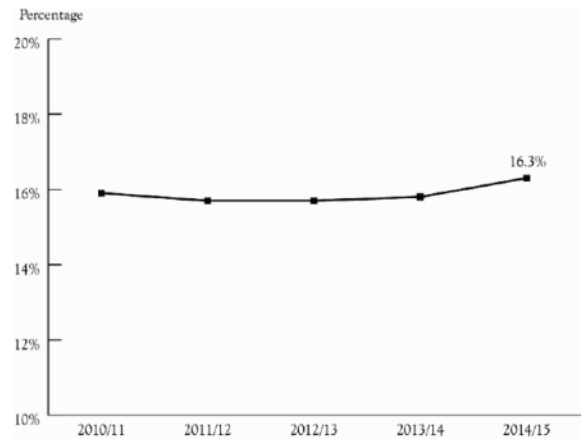


### Own-source Revenue to GDP

The ratio of own-source revenue to GDP represents the amount of revenue the provincial government is taking from the provincial economy in the form of taxation, natural resource revenue, earnings of self-supported Crown corporations and user fees and licences (own-source revenue is all revenue except for federal transfers).

Own-source revenue to GDP has increased marginally in 2014/15 ending the year at 16.3%.

2010/11 to 2014/15

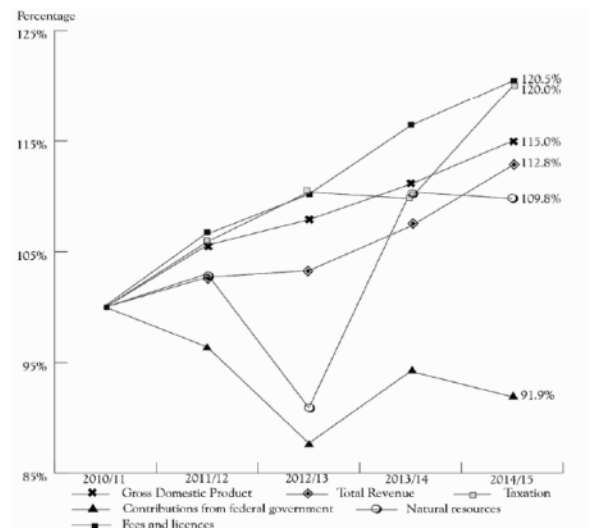


### Percentage Change in Revenue

Trend analysis of revenue provides investors with information about significant changes in revenue over time and between sources. This enables investors to evaluate past performance and assess potential implications for the future.

Over the five years since 2010/11 total revenue has increased in line with the increase in GDP. While fees and licences revenue and taxation revenue have exceeded the growth in GDP, natural resource revenues trail the change in GDP slightly. Only contributions from the federal government have decreased over the past five years to 91.9% of the amount received in 2010/11.

2010/11 to 2014/15



## Natural Resource Revenue

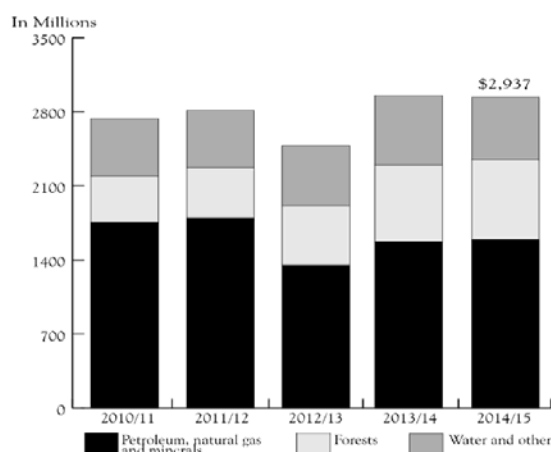
2010/11 to 2014/15

The chart of natural resource revenue by source explains past trends of natural resource revenue in total and by major category.

Petroleum, natural gas and mineral revenues increased by \$21 million from 2013/14. These categories of natural resource revenue account for 54.3% of natural resource revenue compared to 53.2% in 2013/14.

Forestry revenue increased by \$35 million in 2014/15. The proportion of natural resource revenue derived from forestry increased to 25.6% in 2014/15 from 24.4% in 2013/14.

Water and other resource revenues decreased by \$74 million in the year. They comprise 20.1% of provincial natural resource revenue.

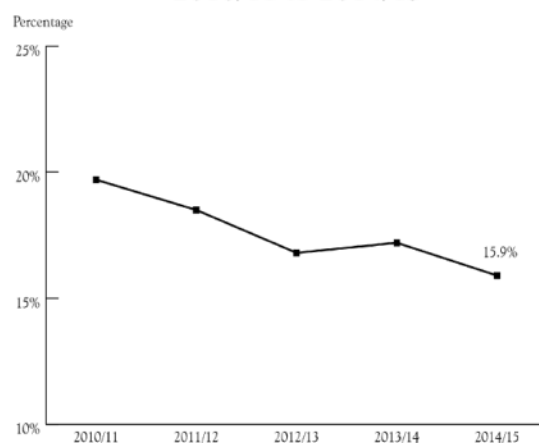


## Government-to-Government Transfers to Total Revenue

The ratio of government-to-government transfers to total revenue is an indicator of how dependent the Province is on transfers from the Federal government. An increasing trend shows more reliance and a decreasing trend shows less.

Federal transfers decreased by \$176 million in 2014/15. This decrease was mainly the result of annual adjustment to the Province's share of Canada Health and Social transfers.

2010/11 to 2014/15



## (ii) Expense Analysis

The following analysis helps investors understand the impact of the Government's spending on the economy, the Government's allocation and use of resources, and the cost of Government programs.

### *Expense by Function*

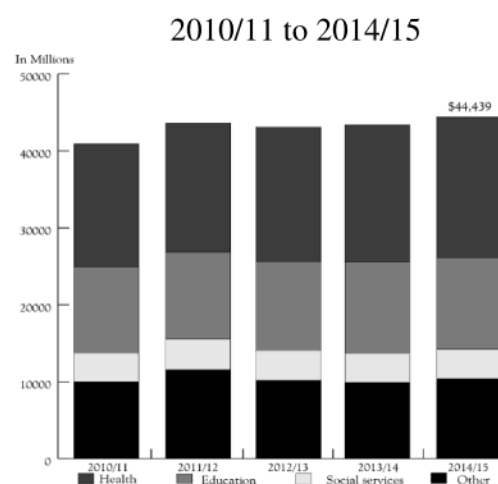
Expense by function provides a summary of the major areas of Government spending, and changes in spending over time. Functions, which indicate the purpose of expenditures, are defined by Statistics Canada's Financial Management System of Government Statistics. The Province uses the following functions: health, education, social services, interest, natural resources and economic development, transportation, other, protection of persons and property, and general government. The health, education and social services functions account for approximately three quarters of the Province's total operating costs.

	In Millions				
	2010/11	2011/12	2012/13	2013/14	2014/15
	Actual	Actual	Actual	Actual	Actual
	\$	\$	\$	\$	\$
Health.....	15,992	16,917	17,502	17,862	18,370
Education.....	11,165	11,227	11,528	11,827	11,827
Social services.....	3,786	3,940	3,990	3,805	3,847
Interest.....	2,252	2,383	2,390	2,482	2,498
Natural resources and economic development.....	2,349	1,873	2,092	1,755	2,191
Transportation.....	1,580	1,545	1,555	1,580	1,608
Other.....	1,208	1,415	1,346	1,184	1,288
Protection of persons and property.....	1,448	1,512	1,539	1,520	1,451
General government.....	1,146	2,834	1,262	1,386	1,359
<b>Total expense.....</b>	<b>40,926</b>	<b>43,646</b>	<b>43,204</b>	<b>43,401</b>	<b>44,439</b>

Government program spending increased by \$1,038 million in 2014/15.

The Province increased spending on health by \$508 million (2.8%), natural resource and economic development sector by \$436 million (24.8%), and the social services sector by \$42 million (1.1%). Spending in all other sectors increased by \$52 million over 2013/14.

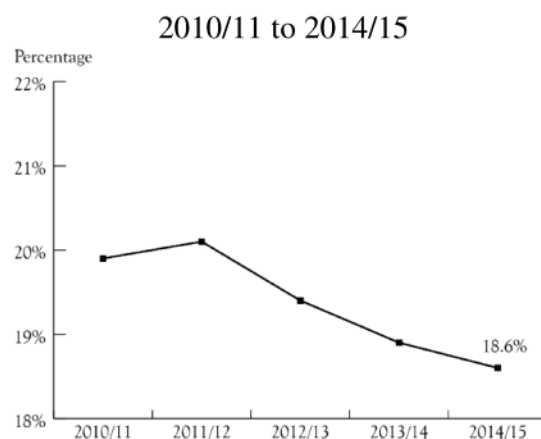
In 2014/15, provincial operating expenses were \$44,439 million, a \$1,038 million (2.4%) increase from 2013/14. Program spending has increased by \$3,513 million (8.6%) since 2010/11. This is compared to increases in GDP of 15.9% over the same period.



### Expense to GDP

The ratio of expense to GDP represents the amount of Government spending in relation to the overall provincial economy.

Government spending as a percentage of GDP decreased from 18.9% to 18.6% in 2014/15, indicating that Government spending continues to increase at a rate below economic growth as represented by GDP.



### (iii) Changes in Actual Results from 2013/14 to 2014/15

	In Millions		
	Revenue	Expense	Surplus
	\$	\$	\$
2013/14 Surplus.....	43,728	43,401	327
Increase in taxation revenue.....	2,126		2,126
Increase in earnings from self-supported Crown corporations.....	670		670
Increase in fees and licences revenue.....	215		215
Decrease in other revenue.....	(617)		(617)
Increase in health spending.....		508	(508)
Increase in natural resource and economic development.....		436	(436)
Increase in social services spending.....		42	(42)
Increase in other expenses.....		52	(52)
Subtotal of changes in actual results.....	2,394	1,038	1,356
	46,122	44,439	
2014/15 Surplus.....			1,683
2013/14 Accumulated Surplus.....			1,346
2014/15 Accumulated Surplus before Accumulated Other Comprehensive income.....			3,029
Accumulated other comprehensive income from self-supported Crown corporations and agencies.....			223
2014/15 Accumulated Surplus.....			3,252

The year over year increase in total revenue of \$2,394 million, offset by the increase in total expense of \$1,038 million, resulted in a surplus that was \$1,356 million higher than 2013/14. Accumulated surplus increased from \$1,346 million in 2013/14 to \$3,252 million at the end of 2014/15.

**(iv) Changes from 2014/15 Budget**

	In Millions			
			Forecast	
	Revenue	Expense	Allowance	Surplus
	\$	\$	\$	\$
Surplus per Budget March 2014.....	44,800	44,416	(200)	184
Increased taxation revenue.....	899			899
Increased self-supported Crown corporations earnings...	486			486
Increased fees and licences.....	89			89
Increased investment earnings.....	112			112
Decreased other revenues.....	(264)			(264)
Increased social services spending.....		144		(144)
Increased natural resources and economic development spending.....		434		(434)
Decreased health spending.....		(313)		313
Decreased other program spending.....		(242)		242
Forecast allowance.....			200	200
Subtotal of changes in actual results compared to budget.....	1,322	23	200	1,499
<b>Actual Results.....</b>	<b>46,122</b>	<b>44,439</b>	<b>0</b>	<b>1,683</b>

Revenue was \$1,322 million (3.0%) higher than the budgeted amount of \$44,800 million and expenses increased marginally by \$23 million.

**(v) Net Liabilities and Accumulated Surplus**

In accordance with GAAP, the Government's Consolidated Statement of Financial Position included in the 2014/15 Public Accounts is presented on a net liabilities basis. Net liabilities represent net future cash outflows resulting from past transactions and events. An analysis of net liabilities and accumulated surplus helps investors to assess the Government's overall financial position and the future revenue required to pay for past transactions and events.

	In Millions			Variance	
	2014/15	2014/15	2013/14	2014/15	2014/15
	Budget	Actual	Actual	Budget to Actual	vs 2013/14
	\$	\$	\$	\$	\$
Financial assets.....	41,588	42,377	39,733	789	2,644
Less: liabilities.....	(82,674)	(81,279)	(78,818)	1,395	(2,461)
Net Liabilities.....	(41,086)	(38,902)	(39,085)	2,184	183
Less: non-financial assets.....	42,843	42,154	40,912	(689)	1,242
<b>Accumulated surplus.....</b>	<b>1,757</b>	<b>3,252</b>	<b>1,827</b>	<b>1,495</b>	<b>1,425</b>

The accumulated surplus represents the sum of the current and prior years' operating results, and accumulated changes in other comprehensive income. At March 31, 2015, the accumulated surplus was \$3,252 million, \$1,495 million higher than budget.

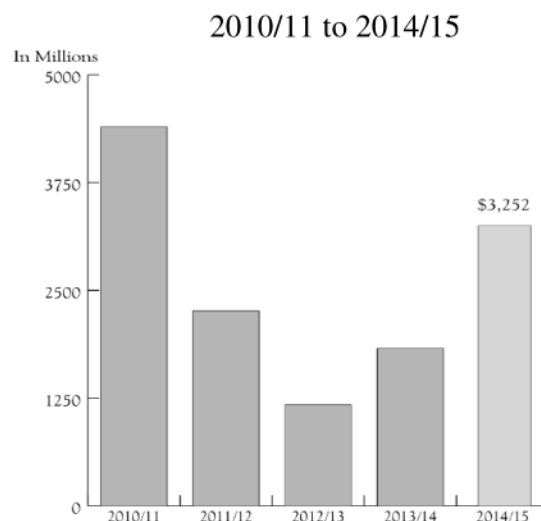
Financial assets were \$2,644 million higher than 2013/14 as the result of increases in cash, cash equivalents, and temporary investments of \$874 million, equity in self-supported Crown corporations and agencies of \$432 million, and loans for the purchase of assets, recoverable from agencies of \$1,396 million. These increases were offset by decreases of \$58 million in other financial assets.

Liabilities increased by \$2,461 million from 2013/14. Self-supported debt increased by \$1,424 million and taxpayer-supported debt increased by \$932 million to fund infrastructure programs, provide capital financing to self-supported Crown corporations and agencies, and support working capital requirements. Other liabilities, including accounts payable and deferred revenue, increased by \$105 million from 2013/14.

Non-financial assets typically represent resources, such as tangible capital assets, that the Government can use in the future to provide services. Non-financial assets increased by \$1,242 million over 2013/14 as Government invested in infrastructure spending.

#### *Accumulated Surplus*

The accumulated surplus represents current and all prior years' operating results. In 2014/15, the Province had an accumulated surplus of \$3,252 million, \$1,425 million higher than in 2013/14. The positive operating results of prior years and the current year provide the flexibility to sustain core public services.



## (vi) Components of Net Liabilities

### *Financial Assets*

Trend analysis of financial assets provides investors with information regarding the amount of resources available to the Government that can be converted to cash to meet obligations or fund operations.

	In Millions				
	2010/11	2011/12	2012/13	2013/14	2014/15
	Actual	Actual	Actual	Actual	Actual
	\$	\$	\$	\$	\$
Cash, cash equivalents, temporary investments and warehouse investments.....	3,060	3,235	3,174	2,802	3,676
Accounts receivable.....	2,342	2,408	2,456	3,449	3,489
Equity in self-supported Crown corporations and agencies.....	7,093	6,998	7,541	7,839	8,271
Loans for the purchase of assets, recoverable from agencies.....	12,947	14,846	16,907	18,921	20,317
Other financial assets.....	7,057	7,021	7,508	6,722	6,624
<b>Total financial assets.....</b>	<b>32,499</b>	<b>34,508</b>	<b>37,586</b>	<b>39,733</b>	<b>42,377</b>

In 2014/15, financial assets increased by \$2,644 million primarily due to an increase in capital loans to Crown agencies which are owned and controlled by the Province. Recoverable capital loans increased by \$1,396 million as the Province provided funding to Crown agencies for capital projects, equity in self-supported Crown corporations increased by \$432 million, and all other financial assets increased by \$816 million.

### *Liabilities*

Trend analysis of liabilities provides investors with information to understand and assess the demands on financial assets and the revenue raising capacity of Government.

	In Millions				
	2010/11	2011/12	2012/13	2013/14	2014/15
	Actual	Actual	Actual	Actual	Actual
	\$	\$	\$	\$	\$
Taxpayer-supported debt.....	33,079	36,012	39,828	41,761	42,693
Self-supported debt.....	13,030	14,942	17,011	19,041	20,465
<b>Total financial statement debt.....</b>	<b>46,109</b>	<b>50,954</b>	<b>56,839</b>	<b>60,802</b>	<b>63,158</b>
Accounts payable and other liabilities.....	7,919	9,119	9,149	8,298	8,312
Deferred revenue.....	10,750	10,459	9,896	9,718	9,809
<b>Total liabilities.....</b>	<b>64,778</b>	<b>70,532</b>	<b>75,884</b>	<b>78,818</b>	<b>81,279</b>

In 2014/15, total liabilities increased by \$2,461 million. Liabilities are obligations that must be settled at a future date by the transfer or use of assets. Taxpayer-supported debt increased in 2014/15 by \$932 million, while self-supported debt increased by \$1,424 million. Information relating to the Government's debt management can be found in more detail in the analysis of the total provincial debt on page 69 of this Offering Circular. Deferred revenue increased by \$91 million while accounts payable and other liabilities increased by \$14 million.

*Non-financial Assets*

Trend analysis of non-financial assets provides investors with information to assess the management of a government's infrastructure and long-term non-financial assets.

	In Millions				
	2010/11 Actual	2011/12 Actual	2012/13 Actual	2013/14 Actual	2014/15 Actual
	\$	\$	\$	\$	\$
Tangible capital assets.....	34,278	35,692	36,762	37,778	39,028
Other non-financial assets.....	2,398	2,592	2,709	3,134	3,126
<b>Total non-financial assets.....</b>	<b>36,676</b>	<b>38,284</b>	<b>39,471</b>	<b>40,912</b>	<b>42,154</b>

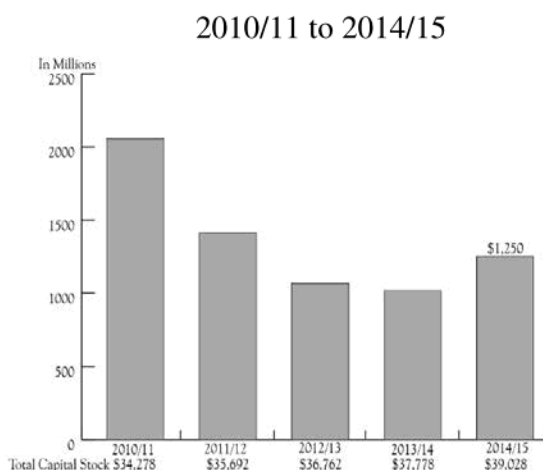
Management of non-financial assets has a direct impact on the level and quality of services a government is able to provide to its constituents. Non-financial assets typically represent resources that government can use in the future to provide services. At March 31, 2015, non-financial assets were \$42,154 million which was \$1,242 million higher than 2013/14 and \$5,478 million higher than 2010/11. The majority of the Province's non-financial assets represent capital expenditures for tangible capital assets net of amortization. The Government has increased its investment in infrastructure spending by \$1,250 million in 2014/15, to ensure service potential is available to deliver programs and services in future periods. Capital expenditures are not included on the Consolidated Statement of Operations as presented in the 2014/15 Public Accounts and have no effect on the current surplus. They reduce future surpluses in the form of amortization expense as the service potential of assets is used to deliver programs and services.



### *Change in Capital Stock*

This measure shows the impact of net changes to the Government's stock of physical capital. Positive amounts demonstrate an investment in infrastructure to replace existing capital and provide service potential in future periods.

The net annual investment in capital was \$1,250 million in 2014/15, and \$6,809 million since 2010/11. Total capital stock has also increased steadily over that period which indicates that capital infrastructure is available to continue providing programs and services in future periods.



### *Net Liabilities and Accumulated Surplus*

In Millions

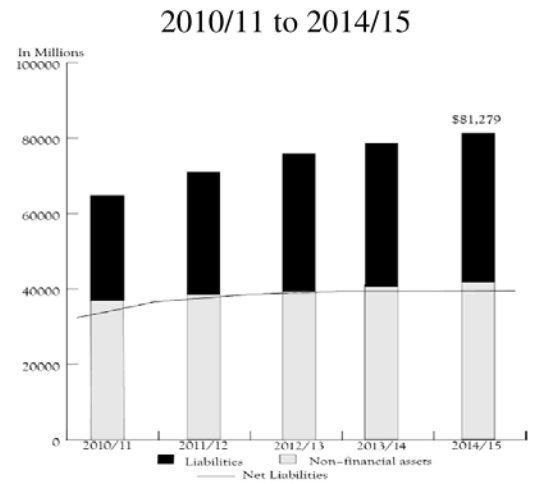
	2010/11 Actual	2011/12 Actual	2012/13 Actual	2013/14 Actual	2014/15 Actual
	\$	\$	\$	\$	\$
Financial assets.....	32,499	34,508	37,586	39,733	42,377
Less: liabilities.....	(64,778)	(70,532)	(75,884)	(78,818)	(81,279)
<b>Net liabilities.....</b>	<b>(32,279)</b>	<b>(36,024)</b>	<b>(38,298)</b>	<b>(39,085)</b>	<b>(38,902)</b>
Less: non-financial assets.....	36,676	38,284	39,471	40,912	42,154
<b>Accumulated surplus.....</b>	<b>4,397</b>	<b>2,260</b>	<b>1,173</b>	<b>1,827</b>	<b>3,252</b>

Net liabilities decreased by \$183 million in 2014/15, due to increased investment in infrastructure. The liabilities include deferred revenue of \$9,809 million which represents unearned revenues and restricted contributions that will be recognized as revenue in future periods.

The financial measure of net liabilities has remained stable while investments in infrastructure have increased resulting in an increase in accumulated surplus. The accumulated surplus of the Province was \$3,252 million at the end of 2014/15, indicating that the cumulative result of all past annual surpluses and deficits is positive, or that the Province remains in a positive net financial position.

### *Non-financial Assets as a Portion of Liabilities*

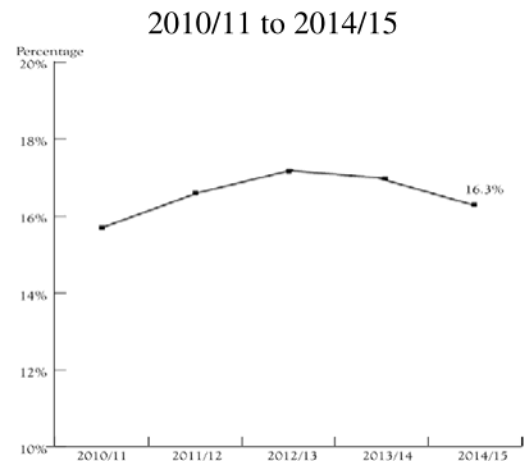
The chart provides an indication of what proportion of liabilities are used to fund capital infrastructure as opposed to funding working capital requirements including accounts payable and other operating liabilities, as well as revenue deferred to future periods. Over the past five years, non-financial assets have increased while the measure of net liabilities has remained stable.



### *Net Liabilities to GDP*

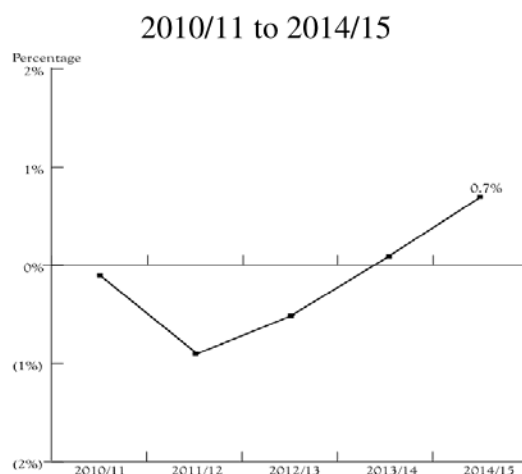
The net liabilities to GDP ratio provides an indication of the Province's ability to maintain existing programs and meet existing creditor requirements without increasing the debt burden on the economy as a whole.

The decrease in net liabilities to GDP is the result of net liabilities remaining below the increase in economic growth as represented by GDP in 2014/15. Net liabilities include deferred revenue that will be recognized as revenue in future periods, and obligations to outside parties including accounts payable and debt.



### Surplus (Deficit) to GDP

The surplus (deficit) to GDP ratio is an indicator of sustainability that compares the Province's financial results to the overall results of the economy. Results in the positive range of the chart indicate that the economy is growing faster than net government spending.



### (vii) Total Provincial Debt

Analysis of total provincial debt helps investors to assess the extent of long-term liabilities and the Government's ability to meet future debt obligations.

	In Millions				
	2010/11 Actual	2011/12 Actual	2012/13 Actual	2013/14 Actual	2014/15 Actual
	\$	\$	\$	\$	\$
Gross debt.....	46,109	50,954	56,839	60,802	63,158
Less: sinking fund assets.....	(1,410)	(1,491)	(1,778)	(835)	(977)
Third party guarantees and non-guaranteed debt.....	455	730	755	726	739
<b>Total provincial debt.....</b>	<b>45,154</b>	<b>50,193</b>	<b>55,816</b>	<b>60,693</b>	<b>62,920</b>

When reporting to rating agencies, the Province adds to its financial statement debt, all debt guarantees and the debt directly incurred by self-supported Crown corporations, reduced by sinking fund assets. This balance is referred to as the total provincial debt.

Total provincial debt is \$238 million lower than the amounts reported in the Province's financial statements after deducting sinking funds held to pay down the debt, and including guaranteed debt and the debt of self-supported Crown corporations. Overall, total provincial debt increased by \$2,227 million in 2014/15 because the Government borrowed to fund capital projects and working capital requirements.

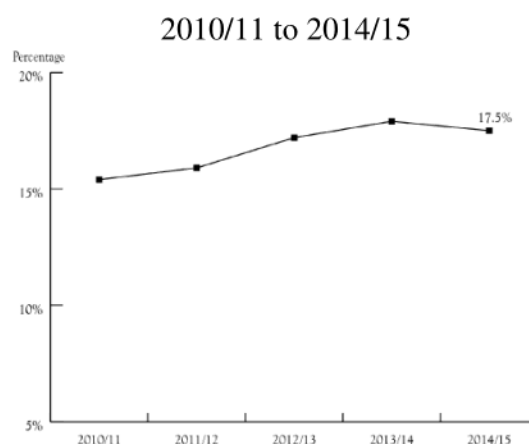
The largest increases in the debt of self-supported Crown agencies were the debt of the British Columbia Hydro and Power Authority which increased by \$985 million and the debt of Transportation Investment Corporation which increased by \$126 million. Taxpayer-supported debt increased due to BC Transportation Financing Authority debt increasing by \$516 million; health sector debt increasing by \$484 million; education sector debt increasing by \$487 million; and other increases in taxpayer-supported debt of \$268 million.

Provincial government direct operating debt decreased by \$943 million compared to 2013/14.

### *Taxpayer-supported debt to GDP*

The ratio of taxpayer-supported debt to GDP is a key measure used by financial analysts and investors to assess a Province's ability to repay debt and is a key measure monitored by the bond rating agencies. An increasing ratio means that debt is growing faster than the growth of the economy as measured by GDP.

At the end of 2014/15 taxpayer-supported debt to GDP was 17.5% which was, lower than the budgeted level of 18.4%.



### (viii) Strong Credit Rating

Reflecting the Province's fiscal performance, British Columbia has maintained a strong and stable credit rating with all three credit rating agencies. In 2014/15, Moody's Investors Service Inc. gave the Province an Aaa credit rating (2014: Aaa); Standard and Poor's gave the Province an AAA credit rating (2014: AAA); and Dominion Bond Rating Service gave the Province an AA(high) credit rating (2014: AA (high)).

### Credit Ratings May 2015

Jurisdiction	Rating Agency <sup>1</sup>		
	Moody's Investors Service Inc.	Standard and Poor's	Dominion Bond Rating Service
British Columbia	Aaa	AAA	AA (high)
Alberta	Aaa	AAA	AAA
Saskatchewan	Aaa	AAA	AA
Manitoba	Aa1	AA	A (high)
Ontario	Aa2	AA-	AA (low)
Quebec	Aa2	A+	A (high)
New Brunswick	Aa2	A+	A (high)
Nova Scotia	Aa2	A+	A (high)
Prince Edward Island	Aa2	A	A (low)
Newfoundland	Aa2	A+	A
Canada	Aaa	AAA	AAA

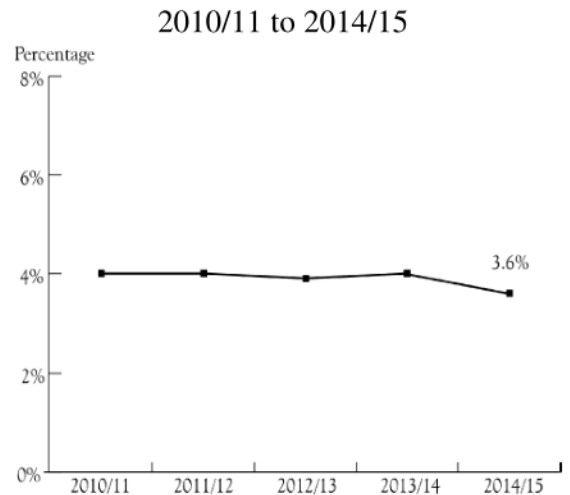
<sup>1</sup>The rating agencies assign letter ratings to borrowers. The major categories, in descending order of credit quality, are: AAA/Aaa; AA/Aa; A; BBB/Baa; BB/Ba; and B. The "1", "2", "3", "high", "low", "-", and "+" modifiers show relative standing within the major categories. For example, AA+ exceeds AA.

A more comprehensive overview of provincial debt, including key debt indicators is located on pages 127–140 of the 2014/15 Public Accounts.

**(ix) Public Debt Charges to Revenue (the Interest Bite)**

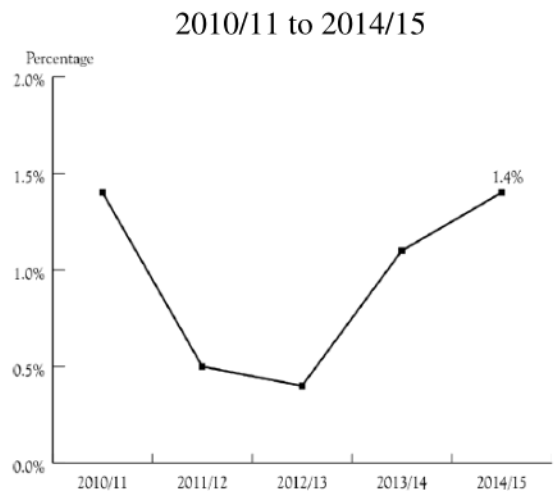
The public debt charges to revenue indicator is often referred to as the "interest bite". This provides investors with the percentage of the Province's revenue used to pay interest on debt. The ratio is sensitive to the cost of debt arising from either increasing interest rates or increasing debt, as well as decreases in revenue.

If an increasing proportion of provincial revenue is required to pay interest on provincial debt, less money is left to provide core public services. The interest bite has decreased over the last five years from 4.0% in 2010/11. In 2014/15, the Province spent 3.6 cents of each revenue dollar on interest on the provincial debt.



**(x) Non-Hedged Foreign Currency Debt to Total Provincial Debt**

The ratio of non-hedged foreign currency debt to total provincial debt shows the degree of vulnerability of a government's public debt position to swings in exchange rates.



**(3) Economic Highlights**

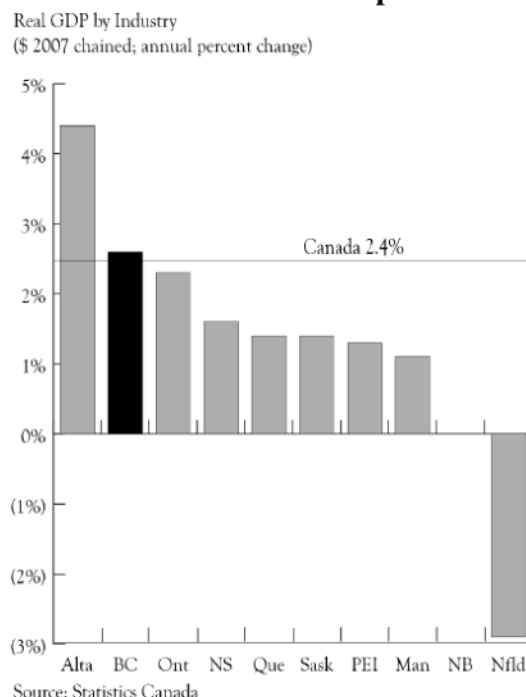
British Columbia's economy grew by an estimated 2.6% in the 2014 calendar year, the second highest rate among provinces and above the national average of 2.4%, according to preliminary GDP by industry data from Statistics Canada. The estimated 2.6% growth for British Columbia in 2014 is higher than the Government's Budget 2015 estimate of 2.2%.

**(i) Real Gross Domestic Product in Calendar Year 2014**

Growth was observed across most major industries in 2014 with the exception of educational services (down 4.0%), agriculture, forestry, fishing and hunting (down 3.7%), utilities (down 1.4%), and information and cultural industries (down 0.2%). The strongest gains among industries in 2014 were observed in mining, quarrying and oil and gas extraction (up 4.6%), retail trade (up 4.6%) and real estate, rental and leasing services (up 3.9%). Construction, manufacturing, as well as transportation and warehousing, also saw steady gains in 2014.

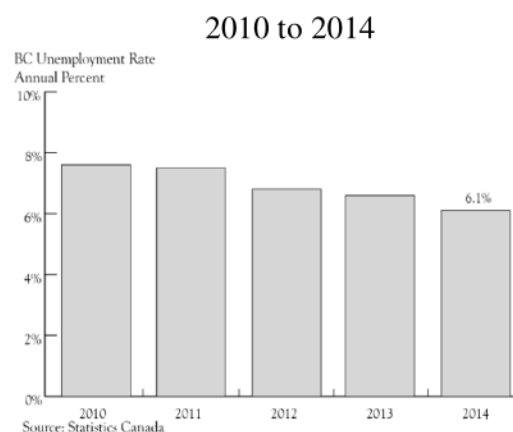
Retail sales, an indicator of consumer spending, increased by 5.6% in 2014. Also, the value of merchandise exports from British Columbia increased by 7.1% in 2014 despite unbalanced external demand for British Columbia products.

### Provincial Comparison



### (ii) Unemployment Rate in Calendar Year 2014

British Columbia saw a decline in its annual unemployment rate in 2014, falling to 6.1% from the 6.6% rate observed in 2013. The unemployment rate in British Columbia in 2014 was lower than the national average of 6.9%. The average level of employment in 2014 was higher than the pre-recession level observed in 2008 (by about 36,500 jobs).



### (4) Risks and Uncertainties

The Government's main exposure to risks and uncertainties arises from variables which the Government does not directly control. These include:

- assumptions underlying revenue and Crown corporation forecasts such as economic factors, commodity prices and weather conditions;
- the outcome of litigation, arbitration, and negotiations with third parties;

- potential changes to federal transfer allocations, cost-sharing agreements with the federal government and impacts on the provincial income tax bases arising from federal tax policy and budget changes;
- utilization rates for government services such as health care, children and family services, and income assistance;
- exposure to interest rate fluctuations, foreign exchange rates and credit risk; and
- changes in GAAP.

The following are the approximate effect of changes in some of the key variables on the surplus:

<b>Key Fiscal Sensitivities</b>		
<b>Variable</b>	<b>Increase Of</b>	<b>Annual Fiscal Impact (\$ millions)</b>
Nominal GDP	1%	\$150 to \$250
Lumber prices (US\$/thousand board feet)	\$50	\$75 to \$100 <sup>1</sup>
Natural gas prices (Cdn\$/gigajoule)	50 cents	\$140 <sup>2</sup>
US exchange rate (US cents/Cdn\$)	1 cent	(\$25) to (\$50)
Interest rate	1 percentage point	(\$91)
Debt	\$500 million	(\$16)

<sup>1</sup>Sensitivity relates to stumpage revenue only. Depending on market conditions, changes in stumpage revenue may be offset by changes in border tax revenue.

<sup>2</sup>Sensitivities can vary significantly, especially at lower prices.

Although the Government is unable to directly control these variables, strategies have been implemented to mitigate these risks and uncertainties. The development of taxation, financial and corporate regulatory policy to reinforce British Columbia's position as an attractive place to invest and create jobs will help offset the increase in competition for investment as a result of globalization of economic and financial markets. As in previous years, the Government applied a forecast allowance in the budget to account for risks to revenue, expenditure, Crown corporations', school districts', universities', colleges', institutes', and health organizations' (SUCH sector) forecasts. The use of forecast allowances recognizes the uncertainties in predicting future economic developments.

Risk management in relation to debt is discussed in Note 20 on page 68 of the Notes to the Consolidated Summary Financial Statements included in the 2014/15 Public Accounts.

## **2. Analysis on the Issuers' financial conditions – 2013/2014**

### **(1) Highlights**

This highlights section provides a summary of the key events affecting the financial statements based on information taken from the Summary Financial Statements and Provincial Debt Summary included in the 2013/14 Public Accounts. The budget figures are from pages 3–7 of the *Estimates—Fiscal Year Ending March 31, 2014 Presented to the Legislative Assembly June 27, 2013*.

- The Province ended the year with a surplus of \$353 million, compared to a budgeted surplus of \$153 million. Revenues were \$511 million lower than

budget estimates, offset by \$561 million savings in budgeted government spending. The \$150 million forecast allowance was not used.

- In 2013/14, the Province's net investment to build and upgrade schools, universities, colleges, hospitals, roads and bridges was \$1,016 million. Capital investment is financed through a combination of debt, partnerships with the private sector and cost sharing with partners such as Federal and Municipal governments.
- Total provincial debt, the most commonly used measure of debt, increased by \$4,877 million in 2013/14 to finance capital infrastructure and support working capital requirements for programs and initiatives. For accounting purposes, financial statement debt increased by \$3,963 million in 2013/14. A reconciliation of total provincial debt to financial statement debt is included on page 132 of the 2013/14 Public Accounts.
- In calendar year 2013, the provincial economy grew by 2.0% as measured by real GDP. This is equal to the national average rate of 2.0%. The Province's ratio of net liabilities to GDP was 17.2%. British Columbia continues to maintain a strong credit rating with all three offshore major credit rating agencies. Dominion Bond Rating Service affirmed the Province a rating of AA(high), Standard & Poor's affirmed the Province's rating of AAA, and Moody's Investors Service Inc. affirmed the Province's rating of Aaa.

## **(2) Economic Highlights**

British Columbia's economy grew by an estimated 2.0% in the 2013 calendar year, the fifth highest rate among provinces and equal to the national average of 2.0%, according to preliminary GDP by industry data from Statistics Canada. The 2.0% growth for British Columbia in 2013 is higher than the Government's *Budget 2014* estimate of 1.4%.

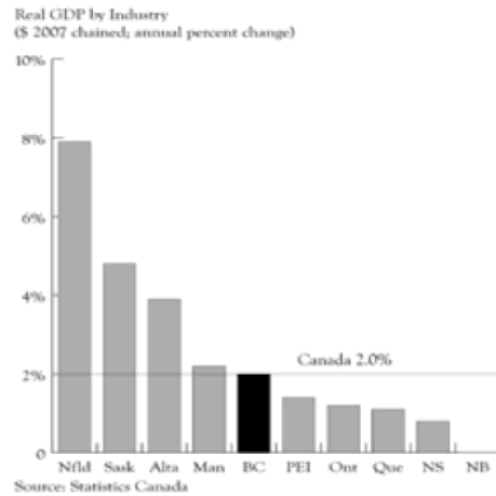


**(i) Real Gross Domestic Product in Calendar Year 2013**

Growth was observed across most major industries in 2013 with the exception of utilities (down 2.9%), public administration (down 1.0%) and manufacturing (down 0.2%). The strongest gains among industries in 2013 were observed in mining, quarrying and oil and gas extraction (up 5.1%), finance and insurance services (up 3.8%) and real estate, rental and leasing services (up 3.7%). Wholesale and retail trade, construction, as well as accommodation and food services, also saw steady gains in 2013.

Retail sales, an indicator of consumer spending, increased by 2.4% in 2013. Also, the value of merchandise exports from British Columbia increased by 6.3% in 2013 due to strong external demand for BC products.

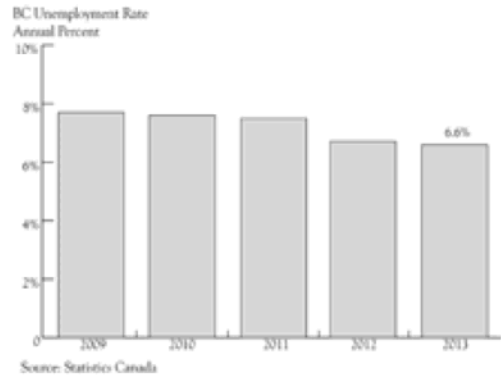
**Provincial Comparison**



**(ii) Unemployment Rate in Calendar Year 2013**

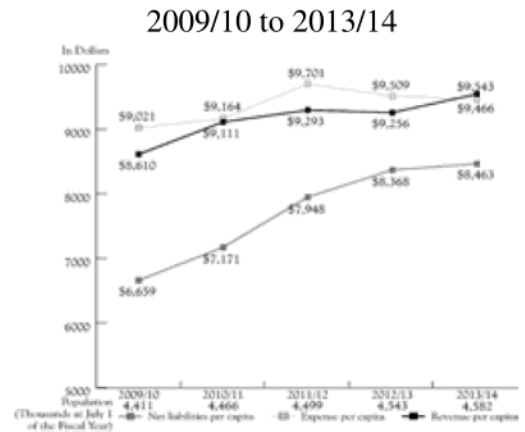
British Columbia saw its annual unemployment rate decline slightly in 2013, as it fell to 6.6% from the 6.7% rate observed in 2012. The unemployment rate in British Columbia in 2013 was lower than the national average of 7.1%. The average level of employment in 2013 was higher than the pre-recession level observed in 2008 (by about 41,700 jobs).

**2009 to 2013**



**(iii) Per Capita Information**

Per capita information describes the amount of revenue received, amounts expended, and net liabilities incurred per person in the Province over the last five years. Expense per capita and net liabilities per capita remained stable in the year while revenue per capita increased slightly from \$9,256 to \$9,543.



**(3) Discussion and Analysis**

The detailed analysis section provides an overview of significant trends relating to the Statement of Operations, Statement of Financial Position and Provincial Debt included in the 2013/14 Public Accounts.

**(i) Summary Account Surplus**

	In Millions			Variance	
	2013/14 Budget	2013/14 Actual	2012/13 Actual	2013/14 Actual to Budget	2013/14 vs 2012/13
	\$	\$	\$	\$	\$
<b>Taxpayer-supported Programs and Agencies</b>					
Revenue.....	41,424	41,027	39,273	(397)	1,754
Expense.....	(43,936)	(43,375)	(43,201)	561	(174)
<b>Taxpayer-supported net earnings</b>	(2,512)	(2,348)	(3,928)	164	1,580
Self-supported Crown corporation net earnings.....	2,815	2,701	2,776	(114)	(75)
<b>Surplus (deficit) before unusual items</b>	303	353	(1,152)	50	1,505
Forecast allowance.....	(150)			150	0
<b>Surplus (deficit) for the year.....</b>	<b>153</b>	<b>353</b>	<b>(1,152)</b>	<b>200</b>	<b>1,505</b>

The Province ended the 2013/14 fiscal year with a surplus of \$353 million, which was \$200 million higher than the surplus forecast in the *Budget and Fiscal Plan 2013/14 – 2015/16*. The 2013/14 surplus of \$353 million was \$1,505 million more than the deficit of \$1,152 million in fiscal year 2012/13.

During the 2013/14 fiscal year, the Province continued to invest in capital projects. Investments in infrastructure, including the Interior Heart and Surgical Centre, Lakes District Hospital replacement, North Island Hospital Project, Children's and Women's Hospitals Redevelopment Project, Surrey Memorial Hospital Emergency Department and Critical Care Tower Project, School of Design at Kwantlen Polytechnic University, Trades Training Facility Expansion

and Replacement Project at Okanagan College, investments in public transit, the Cariboo Connector Program, Highway 1 improvements–Kamloops to Alberta border and various upgrades and improvements to facilities in the Education sector, as well as the Province's power generation and transmission facilities, which ensure the necessary infrastructure is in place to meet key service delivery needs and support economic development in British Columbia.

**(ii) Components of Surplus (Deficit)**

**Revenue Analysis**

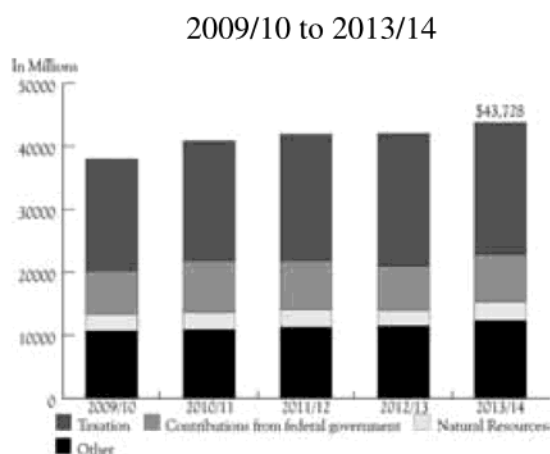
Revenue analysis helps investors understand the Government's finances in terms of its revenue sources and allows them to evaluate the revenue producing capacity of the Government.

*Revenue by Source*

Revenue by source provides an outline of the primary sources of provincial revenue and how results change between those sources over time. Revenues are broken down into separate components of taxation, contributions from the federal government, natural resources and other sources, which include fees and licences, contributions from self-supported Crown corporations, and investment income.

	In Millions				
	2009/10 Actual	2010/11 Actual	2011/12 Actual	2012/13 Actual	2013/14 Actual
	\$	\$	\$	\$	\$
Taxation.....	17,702	19,031	20,145	21,050	20,930
Contributions from federal government.....	6,927	8,009	7,718	7,044	7,502
Fees and licences.....	4,121	4,440	4,735	4,907	5,210
Miscellaneous.....	2,615	2,696	2,685	2,626	3,194
Natural resources.....	2,649	2,729	2,812	2,473	2,955
Net earnings of self-supported Crown corporations.....	3,033	2,940	2,691	2,776	2,701
Investment income.....	931	843	1,022	1,173	1,236
<b>Total revenue.....</b>	<b>37,978</b>	<b>40,688</b>	<b>41,808</b>	<b>42,049</b>	<b>43,728</b>

Provincial revenues increased by \$1,679 million in 2013/14. The improvement in provincial revenue was led by increases in contributions from the federal government, natural resource revenues, and fees and licences. Increases in these significant sources of revenue were offset by decreases in taxation and earnings from self-supported Crown corporations



In 2013/14, tax revenue decreased by \$120 million (0.6%). Personal income tax revenue decreased by \$115 million (1.6%) while corporate income tax revenue increased by \$223 million (10.1%). Harmonized sales tax was replaced with provincial sales tax in the year, the amount of provincial sales tax received was \$677 million (11.3%) less than the amount received under the harmonized sales tax in 2012/13 including adjustments to prior year estimates of \$250 million. Tobacco tax increased by \$109 million (17.7%), and there was a \$179 million increase (23.6%) in property transfer tax revenue from 2012/13. All other tax revenues increased by \$161 million over the same period.

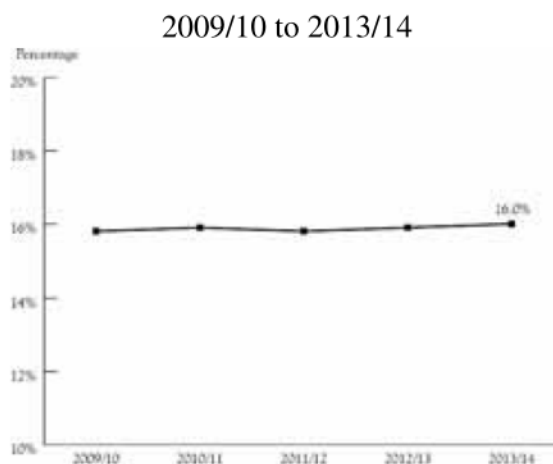
Contributions from the federal government were \$458 million higher than contributions received in 2012/13. This increase was the result of annual increase to the provinces per capita share of Canada Health and Social transfers.

Natural resource revenues increased by \$482 million (19.5%) from 2012/13 to 2013/14. Petroleum, natural gas and mineral royalties were \$230 million (17.1%) more than in 2012/13. Forest revenues increased by \$157 million (27.9%) and other sources of natural resource revenue increased by \$95 million (16.7%) over 2012/13.

#### *Own-source Revenue to GDP*

The ratio of own-source revenue to GDP represents the amount of revenue the provincial government is taking from the provincial economy in the form of taxation, natural resource revenue, earnings of self-supported Crown corporations and user fees and licences (own-source revenue is all revenue except for federal transfers).

Own-source revenue to GDP has increased marginally in 2013/14 ending the year at 16.0%.



### Percentage Change in Revenue

Trend analysis of revenue provides investors with information about significant changes in revenue over time and between sources. This enables investors to evaluate past performance and assess potential implications for the future.

Total revenue increased in 2013/14. This improvement is the result of increases in contributions from the federal government, natural resource revenues and revenues generated from surplus asset sales.

### Natural Resource Revenue

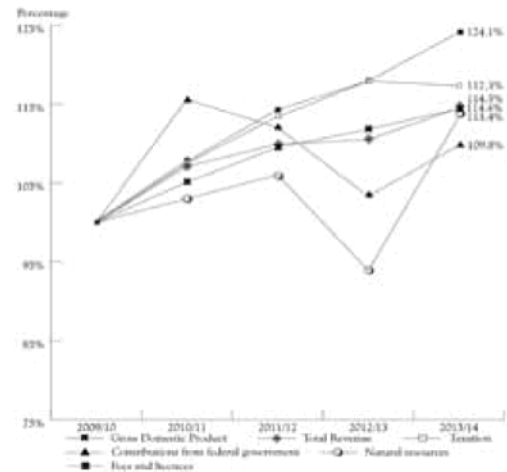
The chart of natural resource revenue by source explains past trends of natural resource revenue in total and by major category. Natural resource revenue is among the most volatile revenue sources for the Province because it is vulnerable to market fluctuations in commodity prices.

Petroleum, natural gas and mineral revenues increased by \$230 million from 2012/13. These categories of natural resource revenue account for 53.2% of natural resource revenue compared to 54.3% in 2012/13.

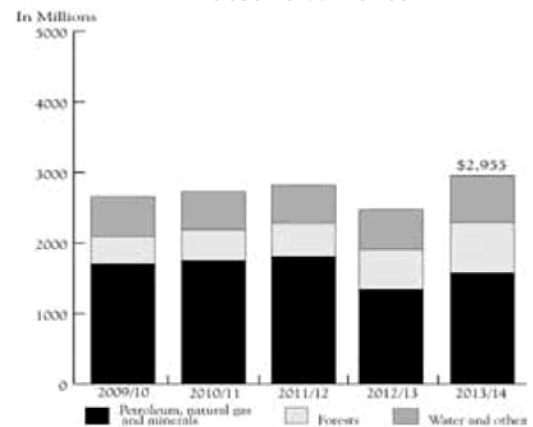
Forestry revenue increased by \$157 million in 2013/14. The proportion of natural resource revenue derived from forestry increased to 24.3% in 2013/14 from 22.7% in 2012/13.

Water and other resource revenues increased by \$95 million in the year.

2009/10 to 2013/14



2009/10 to 2013/14

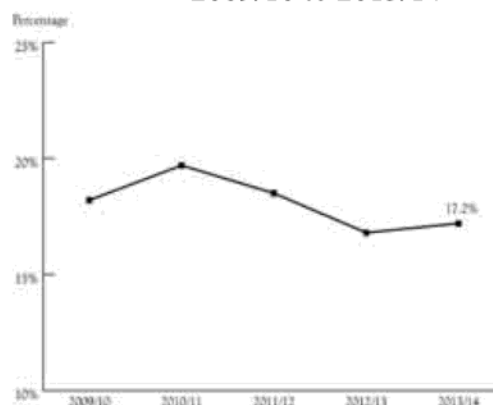


*Government-to-Government  
Transfers to Total Revenue*

The ratio of government-to-government transfers to total revenue is an indicator of how dependent the Province is on transfers from the Federal government. An increasing trend shows more reliance and a decreasing trend shows less.

Federal transfers increased by \$458 million in 2013/14. This increase was the result of an increase in the Province's per capita share of Canada Health and Social transfers.

2009/10 to 2013/14



**(iii) Expense Analysis**

The following analysis helps investors understand the impact of the Government's spending on the economy, the Government's allocation and use of resources, and the cost of Government programs.

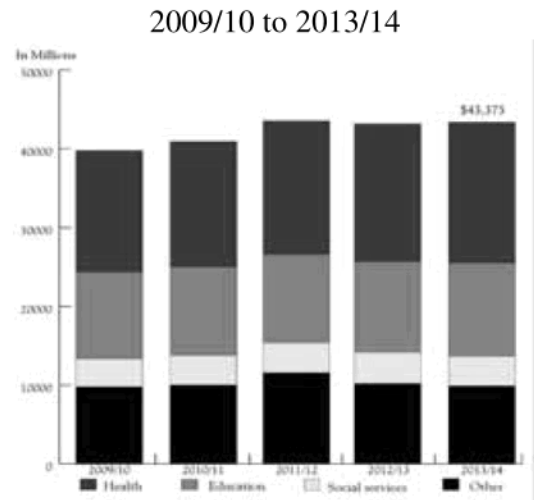
*Expense by Function*

Expense by function provides a summary of the major areas of Government spending, and changes in spending over time. Functions, which indicate the purpose of expenditures, are defined by Statistics Canada's Financial Management System of Government Statistics. The Province uses the following functions: health, education, social services, interest, natural resources and economic development, transportation, other, protection of persons and property, and general government. The health, education and social services functions account for approximately three quarters of the Province's total operating costs.

	In Millions				
	2009/10 Actual	2010/11 Actual	2011/12 Actual	2012/13 Actual	2013/14 Actual
	\$	\$	\$	\$	\$
Health.....	15,385	15,992	16,917	17,502	17,862
Education.....	11,052	11,165	11,227	11,528	11,827
Social services.....	3,573	3,786	3,940	3,990	3,805
Interest.....	2,197	2,252	2,383	2,390	2,482
Natural resources and economic development.....	2,264	2,349	1,873	2,092	1,755
Transportation.....	1,474	1,580	1,544	1,552	1,554
Other.....	1,407	1,208	1,415	1,346	1,184
Protection of persons and property.....	1,535	1,448	1,512	1,539	1,520
General government.....	903	1,146	2,834	1,262	1,386
<b>Total expense.....</b>	<b>39,790</b>	<b>40,926</b>	<b>43,645</b>	<b>43,201</b>	<b>43,375</b>

Government program spending increased by \$174 million in 2013/14.

In 2013/14, the Province increased spending on health by \$360 million (2.1%) and education by \$299 million (2.6%). These increases were offset by decreased spending in the natural resource sector of \$337 million (16.1%), and the social services sector of \$185 million (4.6%). Spending in all other sectors increased by \$37 million in 2013/14.

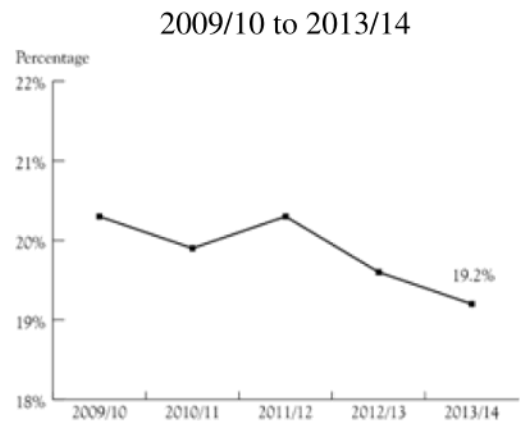


In 2013/14, provincial operating expenses were \$43,375 million, a \$174 million (0.4%) increase from 2012/13. Program spending has increased by \$3,585 million (9.0%) since 2009/10. This is compared to increases in GDP of 15.2% over the same period

*Expense to GDP*

The ratio of expense to GDP represents the amount of Government spending in relation to the overall provincial economy.

Government spending as a percentage of GDP decreased from 19.6% to 19.2% in 2013/14, indicating that Government spending increased at a rate below economic growth as represented by GDP.



(iv) **Changes in Actual Results from 2012/13 to 2013/14**

	In Millions		Surplus (Deficit)
	Revenue	Expense	
	\$	\$	\$
2012/13 (Deficit).....	42,049	43,201	(1,152)
Decrease in taxation revenue.....	(120)		(120)
Increase in federal contributions.....	458		458
Increase in fees and licences revenue.....	303		303
Increase in natural resource revenue.....	482		482
Increase in other revenue.....	556		556
Increase in health spending.....		360	(360)
Increase in education spending.....		299	(299)
Decrease in social services spending.....		(185)	185
Decrease in natural resource and economic development.....		(337)	337
Increase in other services spending.....		37	(37)
Subtotal of changes in actual results.....	<u>1,679</u>	<u>174</u>	<u>1,505</u>
	<u>43,728</u>	<u>43,375</u>	
2013/14 Surplus.....			<u>353</u>
2012/13 Accumulated Surplus.....			<u>1,301</u>
2013/14 Accumulated Surplus before Accumulated Other Comprehensive income.....			1,654
Accumulated other comprehensive income from self-supported Crown corporations and agencies.....			<u>481</u>
2013/14 Accumulated Surplus.....			<u>2,135</u>

The increase in total revenue of \$1,679 million, offset by the increase in total expense of \$174 million, resulted in a surplus that was \$1,505 million higher than 2012/13. The accumulated surplus of \$1,301 million in 2012/13 increased by the annual surplus of \$353 million, and accumulated other comprehensive income from self-supported Crown corporations and agencies of \$481 million, which resulted in an ending accumulated surplus of \$2,135 million for 2013/14.



(v) **Changes from 2013/14 Budget**

	In Millions			
	Revenue	Expense	Forecast Allowance	Surplus
	\$	\$	\$	\$
Surplus per Budget March 2013.....	44,239	43,936	(150)	153
Decreased taxation revenue.....	(402)			(402)
Decreased self-supported Crown corporations earnings.....	(114)			(114)
Increased natural resource revenue.....	109			109
Increased investment earnings.....	55			55
Decreased other revenues.....	(159)			(159)
Decreased health spending.....		(564)		564
Increased social services spending.....		164		(164)
Increased protection of persons and property spending...		142		(142)
Decreased other program spending.....		(303)		303
Forecast allowance.....			150	150
Subtotal of changes in actual results compared to budget.....	(511)	(561)	150	200
<b>Actual Results.....</b>	<b>43,728</b>	<b>43,375</b>	<b>0</b>	<b>353</b>

Revenue was \$511 million (1.2%) lower than the budgeted amount of \$44,239 million and expenses were \$561 million (1.3%) lower than the budget of \$43,936 million.

(vi) **Net Liabilities and Accumulated Surplus**

In accordance with GAAP, the Government's Consolidated Statement of Financial Position included in the 2013/14 Public Accounts is presented on a net liabilities basis. Net liabilities represent net future cash outflows resulting from past transactions and events. An analysis of net liabilities and accumulated surplus helps investors to assess the Government's overall financial position and the future revenue required to pay for past transactions and events.

	In Millions			Variance	
	2013/14 Budget	2013/14 Actual	2012/13 Actual	2013/14 Budget to Actual	2013/14 vs 2012/13
	\$	\$	\$	\$	\$
Financial assets.....	40,503	39,733	37,586	(770)	2,147
Less: liabilities.....	(80,070)	(78,510)	(75,602)	1,560	(2,908)
Net Liabilities.....	(39,567)	(38,777)	(38,016)	790	(761)
Less: non-financial assets.....	41,226	40,912	39,471	(314)	1,441
<b>Accumulated surplus.....</b>	<b>1,659</b>	<b>2,135</b>	<b>1,455</b>	<b>476</b>	<b>680</b>

The accumulated surplus represents the sum of the relevant year's and prior years' operating results, and accumulated changes in other comprehensive income. At March 31, 2014, the accumulated surplus was \$2,135 million, \$476 million higher than budget. The \$680 million increase in accumulated surplus compared to 2012/13 reflects the annual surplus of \$353 million, plus the change in other comprehensive income of self-supported Crown corporations, which increased by \$327 million.

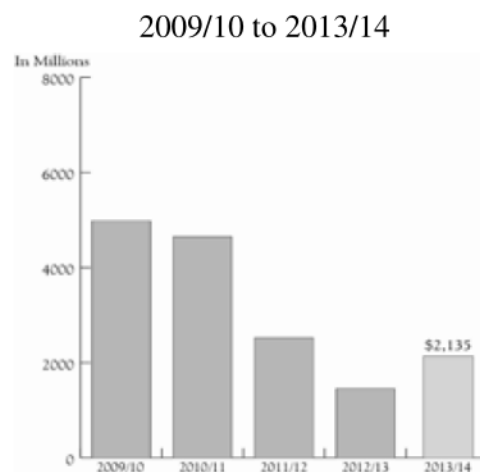
Financial assets were \$2,147 million higher than 2012/13. Compared to 2012/13, cash, cash equivalents, and temporary investments decreased by \$372 million and other financial assets decreased by \$786 million. These decreases were offset by increases in accounts receivables of \$993 million, equity in self-supported Crown corporations and agencies of \$298 million, and loans for the purchase of assets, recoverable from agencies of \$2,014 million.

Liabilities increased by \$2,908 million from 2012/13. Compared to 2012/13, self-supported debt increased by \$2,030 million and taxpayer-supported debt increased by \$1,933 million to fund infrastructure programs, provide capital financing to self-supported Crown corporations and agencies, and support working capital requirements. Other liabilities, including accounts payable and deferred revenue, decreased by \$1,055 million from 2012/13.

Non-financial assets typically represent resources, such as tangible capital assets, that the Government can use in the future to provide services. Non-financial assets increased by \$1,441 million over 2012/13 as Government invested in hospitals and health facilities, transportation infrastructure and post-secondary institutions.

### *Accumulated Surplus*

The accumulated surplus represents current and all prior years' operating results. In 2013/14, the Province had an accumulated surplus of \$2,135 million, \$680 million higher than in 2012/13. The positive operating results of prior years and the current year provide the flexibility to protect core public services.



## (vii) Components of Net Liabilities

### *Financial Assets*

Trend analysis of financial assets provides investors with information regarding the amount of resources available to the Government that can be converted to cash to meet obligations or fund operations.

	In Millions				
	2009/10	2010/11	2011/12	2012/13	2013/14
	Actual	Actual	Actual	Actual	Actual
	\$	\$	\$	\$	\$
Cash, cash equivalents, temporary investments and warehouse investments.....	2,911	3,060	3,235	3,174	2,802
Accounts receivable.....	2,537	2,342	2,408	2,456	3,449
Equity in self-supported Crown corporations and agencies.....	7,459	7,093	6,998	7,541	7,839
Loans for the purchase of assets, recoverable from agencies.....	11,471	12,947	14,846	16,907	18,921
Other financial assets.....	5,962	7,057	7,021	7,508	6,722
<b>Total financial assets.....</b>	<b>30,340</b>	<b>32,499</b>	<b>34,508</b>	<b>37,586</b>	<b>39,733</b>

In 2013/14, financial assets increased by \$2,147 million over 2012/13 primarily due to an increase in capital loans to Crown agencies. Recoverable capital loans increased by \$2,014 million as the Province provided funding to Crown agencies for capital projects, equity in self-supported Crown corporations increased by \$298 million, and all other financial assets decreased by \$165 million.

### *Liabilities*

Trend analysis of liabilities provides investors with information to understand and assess the demands on financial assets and the revenue raising capacity of Government.

	In Millions				
	2009/10	2010/11	2011/12	2012/13	2013/14
	Actual	Actual	Actual	Actual	Actual
	\$	\$	\$	\$	\$
Taxpayer-supported debt.....	31,116	33,079	36,012	39,828	41,761
Self-supported debt.....	11,552	13,030	14,942	17,011	19,041
<b>Total financial statement debt.....</b>	<b>42,668</b>	<b>46,109</b>	<b>50,954</b>	<b>56,839</b>	<b>60,802</b>
Accounts payable and other liabilities.....	7,044	7,675	8,874	8,902	8,024
Deferred revenue.....	10,000	10,741	10,438	9,861	9,684
<b>Total liabilities.....</b>	<b>59,712</b>	<b>64,525</b>	<b>70,266</b>	<b>75,602</b>	<b>78,510</b>

In 2013/14, total liabilities increased by \$2,908 million over 2012/13. Liabilities are obligations that must be settled at a future date by the transfer or use of assets. Taxpayer-supported debt increased in 2013/14 by \$1,933 million, while self-supported debt increased by \$2,030 million. Information relating to the Government's debt management can be found in more detail in the analysis of the total provincial debt on page 26 of the 2013/14 Public Accounts. Deferred revenue decreased by \$177 million while accounts payable and other liabilities decreased by \$878 million.

### *Non-financial Assets*

Trend analysis of non-financial assets provides investors with information to assess the management of a government's infrastructure and long-term non-financial assets.

	In Millions				
	2009/10	2010/11	2011/12	2012/13	2013/14
	Actual	Actual	Actual	Actual	Actual
	\$	\$	\$	\$	\$
Tangible capital assets.....	32,219	34,278	35,692	36,762	37,778
Other non-financial assets.....	2,137	2,398	2,592	2,709	3,134
<b>Total non-financial assets.....</b>	<b>34,356</b>	<b>36,676</b>	<b>38,284</b>	<b>39,471</b>	<b>40,912</b>

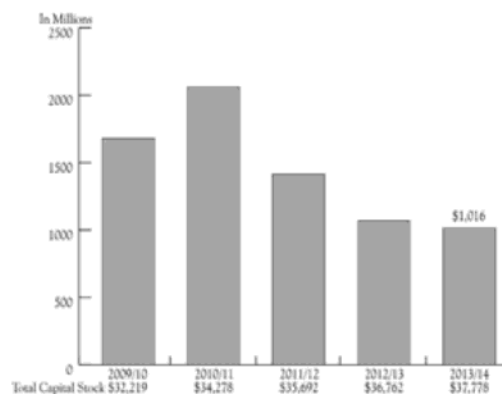
Management of non-financial assets has a direct impact on the level and quality of services a government is able to provide to its constituents. Non-financial assets typically represent resources that government can use in the future to provide services. At March 31, 2014, non-financial assets were \$40,912 million which was \$1,441 million higher than 2012/13 and \$6,556 million higher than 2009/10. The majority of the Province's non-financial assets represent capital expenditures for tangible capital assets net of amortization. The Government has increased its investment in tangible capital assets by \$1,016 million in 2013/14, to ensure service potential is available to deliver programs and services in future periods. Capital expenditures are not included on the Consolidated Statement of Operations included in the 2013/2014 Public Accounts and have no effect on the current surplus. They reduce future surpluses in the form of amortization expense as the service potential of assets is used to deliver programs and services.

### Change in Capital Stock

This measure shows the impact of net changes to the Government's stock of physical capital. Positive amounts demonstrate an investment in infrastructure to replace existing capital and provide service potential in future periods.

The net annual investment in capital was \$1,016 million in 2013/14, and \$7,240 million since 2009/10. Total capital stock has also increased steadily over that period which indicates that capital infrastructure is available to continue providing programs and services in future periods.

### 2009/10 to 2013/14



### Net Liabilities and Accumulated Surplus

	In Millions				
	2009/10 Actual	2010/11 Actual	2011/12 Actual	2012/13 Actual	2013/14 Actual
	\$	\$	\$	\$	\$
Financial assets.....	30,340	32,499	34,508	37,586	39,733
Less: liabilities.....	(59,712)	(64,525)	(70,266)	(75,602)	(78,510)
<b>Net liabilities.....</b>	<b>(29,372)</b>	<b>(32,026)</b>	<b>(35,758)</b>	<b>(38,016)</b>	<b>(38,777)</b>
Less: non-financial assets.....	34,356	36,676	38,284	39,471	40,912
<b>Accumulated surplus.....</b>	<b>4,984</b>	<b>4,650</b>	<b>2,526</b>	<b>1,455</b>	<b>2,135</b>

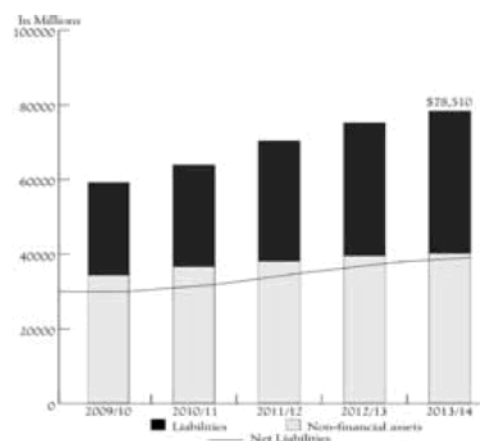
Net liabilities increased by \$761 million in 2013/14, due to increased investment in infrastructure. The liabilities include deferred revenue of \$9,684 million that represents unearned revenues and restricted contributions that will be recognized as revenue in future periods.

While the financial measure of net liabilities has increased, the financial position of the Province remains positive as total assets, including both financial assets and investments in capital stock, are greater than the liabilities of the Province. The accumulated surplus of the Province was \$2,135 million at the end of 2013/14, indicating that the cumulative result of all past annual surpluses and deficits is positive, or that the Province remains in a positive net financial position.

### *Non-financial Assets as a Portion of Liabilities*

The chart provides an indication of what proportion of liabilities are used to fund capital infrastructure as opposed to funding working capital requirements including accounts payable and other operating liabilities, as well as revenue deferred to future periods. Over the past five years, the proportion of liabilities used to fund capital infrastructure has decreased from 57.5% in 2009/10 to 52.1% in 2013/14.

2009/10 to 2013/14

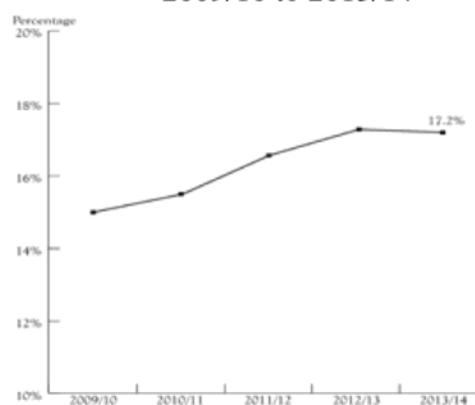


### *Net Liabilities to GDP*

The net liabilities to GDP ratio provides an indication of the Province's ability to maintain existing programs and meet existing creditor requirements without increasing the debt burden on the economy as a whole.

The stability in net liabilities to GDP is the result of net liabilities remaining in line with the increase in economic growth as represented by GDP in 2013/14. Net liabilities include deferred revenue that will be recognized as revenue in future periods as well as obligations to outside parties, including accounts payable and debt.

2009/10 to 2013/14

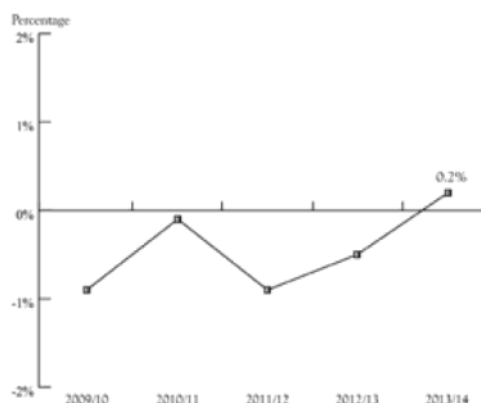


### Surplus (Deficit) to GDP

The surplus (deficit) to GDP ratio is an indicator of sustainability that compares the Province's financial results to the overall results of the economy.

Results in the positive range of the chart indicate that the economy is growing faster than net government spending.

2009/10 to 2013/14



### (viii) Total Provincial Debt

Analysis of total provincial debt helps investors to assess the extent of long-term liabilities and the Government's ability to meet future debt obligations.

	In Millions				
	2009/10 Actual	2010/11 Actual	2011/12 Actual	2012/13 Actual	2013/14 Actual
	\$	\$	\$	\$	\$
Gross debt.....	42,668	46,109	50,954	56,839	60,802
Less: sinking fund assets.....	(1,329)	(1,410)	(1,491)	(1,778)	(835)
Third party guarantees and non-guaranteed debt.....	546	455	730	755	726
<b>Total provincial debt.....</b>	<b>41,885</b>	<b>45,154</b>	<b>50,193</b>	<b>55,816</b>	<b>60,693</b>

When reporting to rating agencies, the Province adds to its financial statement debt, all debt guarantees and the debt directly incurred by self-supported Crown corporations, reduced by sinking fund assets. This balance is referred to as the total provincial debt.

Total provincial debt is \$109 million lower than the amounts reported in the Province's financial statements after deducting sinking funds held to pay down the debt, and including guaranteed debt and the debt of self-supported Crown corporations. Overall, total provincial debt increased by \$4,877 million in 2013/14 because the Government borrowed to fund capital projects and working capital requirements.

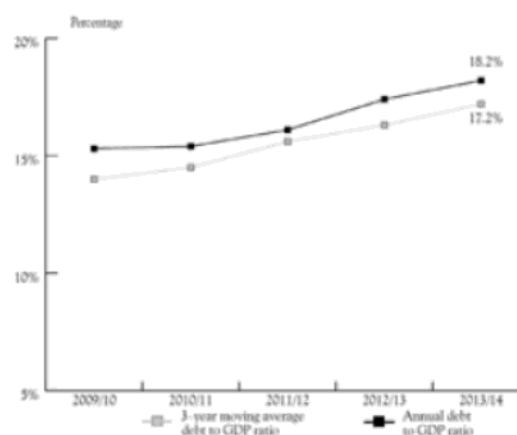
The largest increases in the debt of self-supported Crown agencies were the debt of the British Columbia Hydro and Power Authority which increased by \$1,392 million and the debt of Transportation Investment Corporation which increased by \$599 million. BC Transportation Financing Authority debt increased by \$828 million; health sector debt increased by \$347 million; education sector debt increased by \$486 million; and the debt of other taxpayer-supported entities increased by \$410 million. Provincial government direct operating debt increased by \$815 million compared to 2012/13.

### Taxpayer-supported debt to GDP

The ratio of taxpayer-supported debt to GDP is a key measure used by financial analysts and investors to assess a Province's ability to repay debt and is a key measure monitored by the bond rating agencies. An increasing ratio means that debt is growing faster than the growth of the economy as measured by GDP.

At the end of 2013/14 taxpayer-supported debt to GDP was 18.2%, lower than the budgeted level of 18.4%.

2009/10 to 2013/14



### (ix) Strong Credit Rating

Reflecting the Province's fiscal performance, British Columbia has maintained a strong and stable credit rating with all three offshore credit rating agencies. In 2013/14, Moody's Investors Service Inc. gave the Province an Aaa credit rating (2013: Aaa); Standard and Poor's gave the Province an AAA credit rating (2013: AAA); and Dominion Bond Rating Service gave the Province an AA(high) credit rating (2013: AA (high)).

Jurisdiction	Rating Agency <sup>1</sup>		
	Moody's Investors Service Inc.	Standard and Poor's	Dominion Bond Rating Service
British Columbia	Aaa	AAA	AA (high)
Alberta	Aaa	AAA	AAA
Saskatchewan	Aa1	AAA	AA
Manitoba	Aa1	AA	A (high)
Ontario	Aa2	AA-	AA (low)
Quebec	Aa2	A+	A (high)
New Brunswick	Aa2	A+	A (high)
Nova Scotia	Aa2	A+	A (high)
Prince Edward Island	Aa2	A	A (low)
Newfoundland	Aa2	A+	A
Canada	Aaa	AAA	AAA

<sup>1</sup>The rating agencies assign letter ratings to borrowers. The major categories, in descending order of credit quality, are: AAA/Aaa; AA/Aa; A; BBB/Baa; BB/Ba; and B. The "1", "2", "3", "high", "low", "-", and "+" modifiers show relative standing within the major categories. For example, AA+ exceeds AA.

A more comprehensive overview of provincial debt, including key debt indicators is located on pages 129–142 of the 2013/14 Public Accounts.

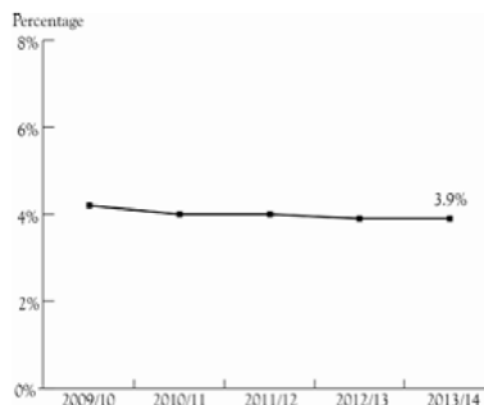


**(x) Public Debt Charges to Revenue (the Interest Bite)**

The public debt charges to revenue indicator is often referred to as the "interest bite". This provides investors with the percentage of the Province's revenue used to pay interest on debt. The ratio is sensitive to the cost of debt arising from either increasing interest rates or increasing debt, as well as decreases in revenue.

If an increasing proportion of provincial revenue is required to pay interest on provincial debt, less money is left to provide core public services. The interest bite has decreased over the last five years from 4.2% in 2009/10. In 2013/14, the Province spent 3.9 cents of each revenue dollar on interest on the provincial debt.

2009/10 to 2013/14

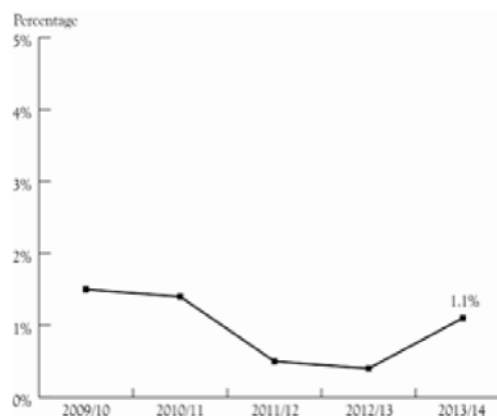


**(xi) Non-Hedged Foreign Currency Debt to Total Provincial Debt**

The ratio of non-hedged foreign currency debt to total provincial debt shows the degree of Government's public debt position to swings in exchange rates.

Since 2009/10, the Government has reduced its foreign currency debt, thereby reducing the Province's vulnerability to changes in exchange rates.

2009/10 to 2013/14



**(4) Risks and Uncertainties**

The Government's main exposure to risks and uncertainties arises from variables which the Government does not directly control. These include:

- assumptions underlying revenue and Crown corporation forecasts such as economic factors, commodity prices and weather conditions;
- the outcome of litigation, arbitration, and negotiations with third parties;
- potential changes to federal transfer allocations, cost-sharing agreements with the federal government and impacts on the provincial income tax bases arising from federal tax policy and budget changes;
- utilization rates for government services such as health care, children and family services, and income assistance;

- exposure to interest rate fluctuations, foreign exchange rates and credit risk; and
- changes in GAAP.

The following are the approximate effect of changes in some of the key variables on the surplus:

Key Fiscal Sensitivities		
Variable	Increase Of	Annual Fiscal Impact (\$ millions)
Nominal GDP	1%	\$150 to \$250
Lumber prices (US\$/thousand board feet)	\$50	\$25 to \$50 <sup>1</sup>
Natural gas prices (Cdn\$/gigajoule)	50 cents	\$117 to \$125 <sup>2</sup>
US exchange rate (US cents/Cdn\$)	1 cent	(\$25) to (\$50)
Interest rate	1 percentage point	(\$93)
Debt	\$500 million	(\$12)

<sup>1</sup>Sensitivity relates to stumpage revenue only. Depending on market conditions, changes in stumpage revenue may be offset by changes in border tax revenue.

<sup>2</sup>Sensitivities can vary significantly, especially at lower prices.

Although the Government is unable to directly control these variables, strategies have been implemented to mitigate these risks and uncertainties. The development of taxation, financial and corporate regulatory policy to reinforce British Columbia's position as an attractive place to invest and create jobs will help offset the increase in competition for investment as a result of globalization of economic and financial markets. As in previous years, the Government applied a forecast allowance in the budget to account for risks to revenue, expenditure, Crown corporations', school districts', universities', colleges', institutes', and health organizations' (SUCH sector) forecasts. The use of forecast allowances recognizes the uncertainties in predicting future economic developments.

Risk management in relation to debt is discussed in Note 20 on page 68 of the Notes to the Consolidated Summary Financial Statements included in the 2013/14 Public Accounts.

### 3. Analysis on the Issuers' financial conditions – 2012/2013

#### (1) Highlights

The highlights section provides a summary of the key events affecting the financial statements based on information taken from the Summary Financial Statements and Provincial Debt Summary included in the 2012/13 Public Accounts. The budget figures are from pages 3–7 of the *Estimates—Fiscal Year Ending March 31, 2013*.

- The Province ended the year with a deficit of \$1,146 million, compared to a budgeted deficit of \$968 million. Revenues were \$1,046 million weaker than budget estimates, offset by \$668 million savings in government spending, and the \$200 million forecast allowance was not used.
- In 2012/13, the Province continued to invest in capital infrastructure. The province's net investment to build and upgrade schools, universities, colleges, hospitals, roads and bridges was \$1,070 million in 2012/13. Capital investment

is financed through a combination of debt, partnerships with the private sector and cost sharing with partners such as Federal and Municipal governments.

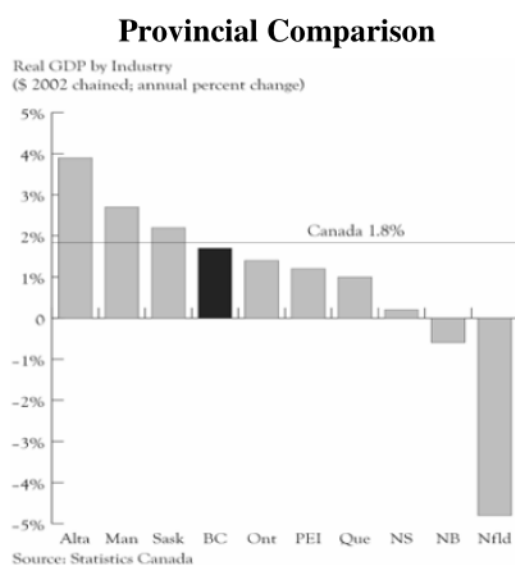
- Total provincial debt, the most commonly used measure of debt, increased by \$5,623 million in 2012/13 to finance capital infrastructure and support working capital requirements for programs and initiatives. For accounting purposes, financial statement debt increased by \$5,885 million in 2012/13. A reconciliation of total provincial debt to financial statement debt is included on page 132 of the 2012/13 Public Accounts.
- In calendar year 2012, the provincial economy grew by 1.7% as measured by real GDP. This is marginally lower than the national average rate of 1.8%. The province's ratio of net liabilities to GDP was stable at 17%.
- British Columbia continues to maintain a strong credit rating with all three major credit rating agencies. Dominion Bond Rating Service affirmed the province a rating of AA(high) while Standard & Poor's and Moody's Investors Services Inc. affirmed the province's rating of AAA and Aaa respectively, their highest possible ratings.

## (2) Economic Highlights

British Columbia's economy grew by an estimated 1.7% in the 2012 calendar year, the fourth highest rate among provinces and slightly lower than the national average of 1.8%, according to preliminary GDP by industry data from Statistics Canada. The 1.7% growth for British Columbia in 2012 is below the Government's June Budget Update 2013 estimate of 1.8%.

### (i) Real Gross Domestic Product in Calendar Year 2012

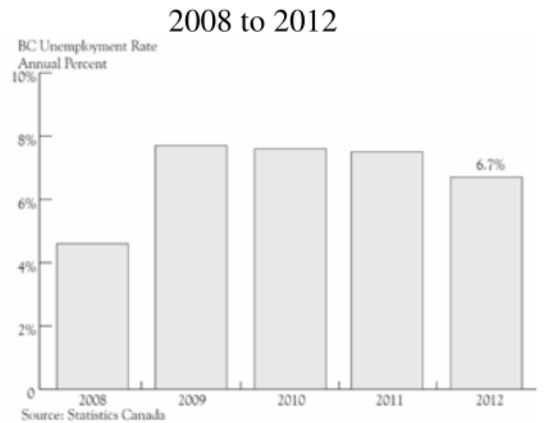
Growth was observed across most major industries in 2012 with the exception of agriculture, forestry, fishing and hunting (down 1.9%), mining, quarrying, oil and gas extraction (down 0.5%) and public administration (down 0.2%). The strongest gains among industries in 2012 were observed in construction (up 4.5%), real estate, rental and leasing services (up 2.7%) and professional, scientific and technical services (also up 2.7%). Wholesale and retail trade, as well as transportation and warehousing, also saw steady gains in 2012.



Retail sales, an indicator of consumer spending, increased by 1.9% in 2012. However, the value of merchandise exports from British Columbia fell by 4.2% in 2012, due to slowing global demand and declines in some key commodity prices.

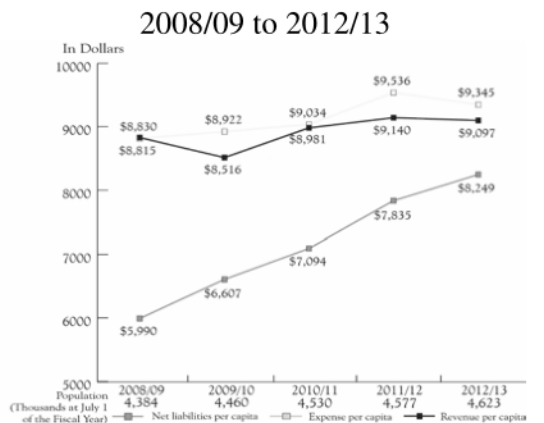
**(ii) Unemployment Rate in Calendar Year 2012**

British Columbia saw its annual unemployment rate decline in 2012, as it fell to 6.7% from the 7.5% rate observed in 2011. The unemployment rate in British Columbia in 2012 was lower than the national average of 7.2%. The average level of employment in 2012 was higher than the pre-recession level observed in 2008 by about 46,100 jobs.



**(iii) Per Capita Information**

Per capita information describes the amount of revenue received, amounts expended, and net liabilities incurred per person in the province over the last five years. Revenue per capita decreased this year along with expense per capita.



**(3) Discussion and Analysis**

The detailed analysis section provides an overview of significant trends relating to the Statement of Operations, Statement of Financial Position and Provincial Debt included in the 2012/13 Public Accounts.

(i) **Summary Account Surplus (Deficit)**

	In Millions			Variance	
	2012/13 Budget	2012/13 Actual	2011/12 Actual	2012/13 Actual to Budget	2012/13 vs 2011/12
	\$	\$	\$	\$	\$
<b>Taxpayer-supported Programs and Agencies</b>					
Revenue.....	40,384	39,257	39,126	(1,127)	131
Expense.....	(43,869)	(43,201)	(43,646)	668	445
<b>Taxpayer-supported net earnings</b>	(3,485)	(3,944)	(4,520)	(459)	576
Self-supported Crown corporation net earnings.....	2,717	2,798	2,706	81	92
<b>Surplus (deficit) before unusual items</b>	(768)	(1,146)	(1,814)	(378)	668
Forecast allowance.....	(200)			200	0
<b>Surplus (deficit) for the year.....</b>	<b>(968)</b>	<b>(1,146)</b>	<b>(1,814)</b>	<b>(178)</b>	<b>668</b>

The Province ended the 2012/13 fiscal year with a deficit of \$1,146 million, which was \$178 million over the deficit forecast in the *Budget and Fiscal Plan 2012/13 – 2014/15*. The 2012/13 deficit of \$1,146 million was \$668 million less than the deficit of \$1,814 million in fiscal year 2011/12.

During the 2012/13 fiscal year, the Province continued to invest in capital projects. Investments in infrastructure, including the Fort St. John Hospital and Residential Care Centre, Jim Pattison Outpatient Care and Surgery Centre, Interior Heart and Surgical Centre, expansions to Kelowna General and Vernon Jubilee Hospitals, Northern Cancer Centre, Prince George, Children's and Women's Hospitals Redevelopment Project, eHealth, Surrey Memorial Hospital Critical Care Tower Project, Faculty of Pharmaceutical Sciences and the Centre for Drug Research and Development Building for UBC–V, the South Fraser Perimeter Road, BC Place development, and various upgrades and improvements to facilities in the Education sector, as well as the province's power generation and transmission facilities, which ensure future service potential is available to support the delivery of government programs and services to the public. British Columbia has continued to invest in the capital infrastructure necessary to support economic stability.

(ii) **Components of Surplus (Deficit)**

**Revenue Analysis**

Revenue analysis helps users understand the Government's finances in terms of its revenue sources and allows them to evaluate the revenue producing capacity of the Government

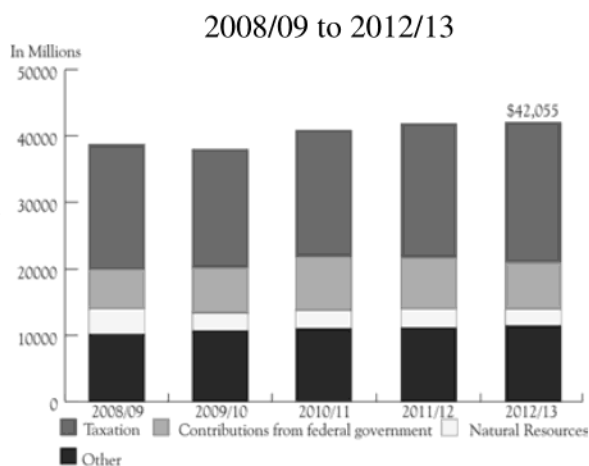
*Revenue by Source*

Revenue by source provides an outline of the primary sources of provincial revenue and how results change between those sources over time. Revenues are broken down into separate components of taxation, contributions from the

federal government, natural resources and other sources, which include fees and licenses, contributions from self-supported Crown corporations, and investment income.

	In Millions				
	2008/09 Actual	2009/10 Actual	2010/11 Actual	2011/12 Actual	2012/13 Actual
	\$	\$	\$	\$	\$
Taxation.....	18,706	17,702	19,031	20,145	21,050
Contributions from federal government.....	5,985	6,917	7,997	7,707	7,042
Fees and licences.....	4,008	4,121	4,434	4,725	4,896
Miscellaneous.....	2,504	2,627	2,700	2,715	2,623
Natural resources.....	3,810	2,649	2,729	2,812	2,473
Net earnings of self-supported Crown corporations.....	2,880	3,033	2,951	2,706	2,798
Investment income.....	818	931	843	1,022	1,173
<b>Total revenue.....</b>	<b>38,711</b>	<b>37,980</b>	<b>40,685</b>	<b>41,832</b>	<b>42,055</b>

Provincial revenues increased by \$223 million in 2012/13. The improvement in provincial revenue was led by increases in tax revenue as well as minor increases in fees and licences, net earnings from self-supported Crown corporations and investment income. Increases in these significant sources of revenue were offset by decreases in contributions from the federal government and natural resource revenue.



In 2012/13, tax revenue increased by \$905 million (4.5%). Personal income tax revenue increased by \$550 million. Corporate income tax revenue increased by \$202 million, and harmonized sales tax revenue increased by \$171 million. These increases were offset by a \$186 million decrease in property transfer tax revenue from 2011/12. All other tax revenues increased by \$168 million over the same period.

Contributions from the Federal government were \$665 million lower than contributions received in 2011/12. The Province did not receive HST transition funding in 2012/13, compared to transition funds of \$580 million received in 2011/12. Contributions under infrastructure programs were \$94 million less than in 2011/12, and federal disaster financial assistance was \$57 million less than in 2011/12. Federal contributions under other programs, including the Canada Health and Social transfer, increased by \$66 million.

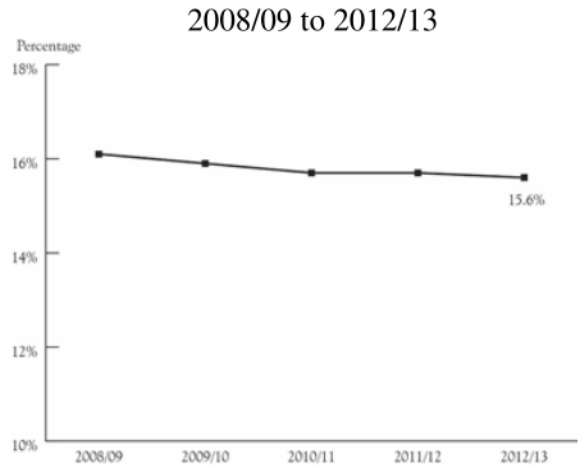
Natural resource revenues decreased by \$339 million (12.1%) from 2011/12 to 2012/13. Petroleum and natural gas royalties were \$240 million less than in 2011/12, and mineral revenues were \$214 million less than in 2011/12. These decreases were offset by an increase in forest revenues of \$88 million over

2011/12. All other sources of natural resource revenue increased by \$27 million over 2011/12.

### *Own-source Revenue to GDP*

The ratio of own-source revenue to GDP represents the amount of revenue the provincial government is taking from the whole provincial economy in the form of taxation, natural resource revenue, user fees and sales (own-source revenue is all revenue except for federal transfers).

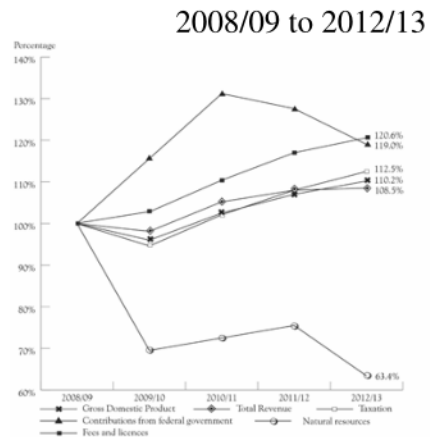
Having decreased from a range of 16.1% to 15.7% in 2011/12, own-source revenue to GDP has remained relatively stable in 2012/13 ending the year at 15.6%.



### *Percentage Change in Revenue*

Trend analysis of revenue provides users with information about significant changes in revenue over time and between sources. This enables users to evaluate past performance and assess potential implications for the future.

Total revenue increased in 2012/13. This improvement is the result of increases in taxation and other revenues, including fees and licences revenue and earnings from self-supported Crown corporations, offset by decreases in natural resource revenue and federal contributions.



### Natural Resource Revenue

The chart of natural resource revenue explains past trends of natural resource revenue in total and by major category. Natural resource revenue is among the most volatile revenue sources for the province because it is vulnerable to market fluctuations in commodity prices.

Petroleum, natural gas and mineral revenues decreased by \$454 million from 2011/12. These categories of natural resource revenue account for 54% of natural resource revenue compared to 64% in 2011/12.

Forestry revenue increased by \$88 million in 2012/13. The proportion of natural resource revenue derived from forestry increased to 23% in 2012/13 from 17% in 2011/12.

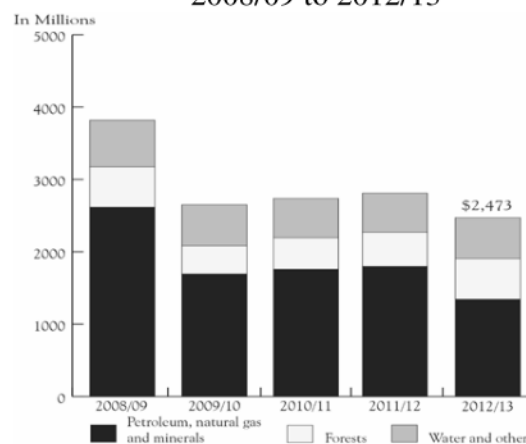
Water and other resource revenues increased by \$27 million in the year.

### Government-to-Government Transfers to Total Revenue

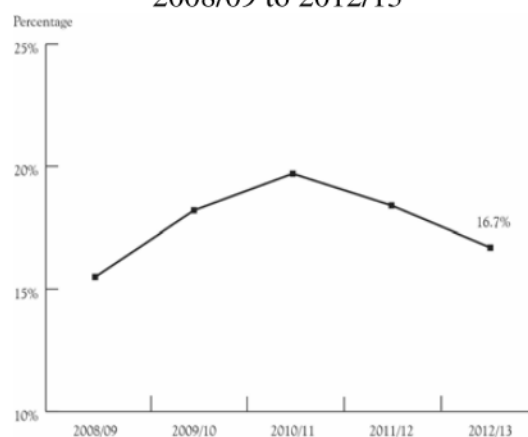
The ratio of government-to-government transfers to total revenue is an indicator of how dependent the province is on transfers from the Federal government. An increasing trend shows more reliance and a decreasing trend shows less.

Federal transfers decreased by \$665 million in 2012/13. This decrease was the result of receiving less federal funding for HST transition, infrastructure, and disaster financial assistance. This trend indicates a decrease in the province's dependence on federal contributions as they return towards historical levels.

2008/09 to 2012/13



2008/09 to 2012/13





**(iii) Expense Analysis**

The following analysis helps users understand the impact of the Government's spending on the economy, the Government's allocation and use of resources, and the cost of Government programs.

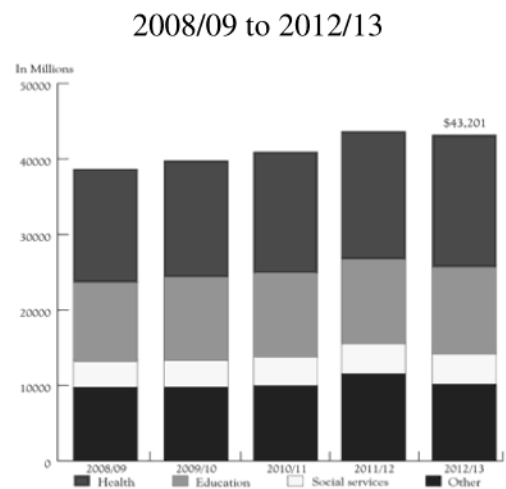
*Expense by Function*

Expense by function provides a summary of the major areas of Government spending, and changes in spending over time. Functions, which indicate the purpose of expenditures, are defined by Statistics Canada's Financial Management System of Government Statistics. The Province uses the following functions: health, education, social services, interest, natural resources and economic development, transportation, other, protection of persons and property, and general government. The health, education and social services functions account for approximately three quarters of the Province's total operating costs.

	In Millions				
	2008/09 Actual	2009/10 Actual	2010/11 Actual	2011/12 Actual	2012/13 Actual
	\$	\$	\$	\$	\$
Health.....	14,980	15,385	15,992	16,917	17,502
Education.....	10,485	11,052	11,165	11,228	11,528
Social services.....	3,420	3,573	3,786	3,940	3,990
Interest.....	2,158	2,197	2,252	2,383	2,390
Natural resources and economic development.....	1,991	2,264	2,349	1,873	2,092
Transportation.....	1,422	1,474	1,580	1,544	1,552
Other.....	1,674	1,407	1,208	1,415	1,346
Protection of persons and property.....	1,588	1,535	1,448	1,512	1,539
General government.....	929	903	1,146	2,834	1,262
<b>Total expense.....</b>	<b>38,647</b>	<b>39,790</b>	<b>40,926</b>	<b>43,646</b>	<b>43,201</b>

Government program spending increased by \$1,154 million in 2012/13 while total expenses decreased by \$445 million. Total expenses decreased because the \$1,599 million repayment of HST transition funding was included in total expenses for 2011/12.

In 2012/13, the Province increased spending on health by \$585 million (3.5%), education by \$300 million (2.7%) and social services by \$50 million (1.3%). Spending on natural resources and economic development increased by \$219 million and all other changes were offset in 2012/13 resulting in no effect to total expense.



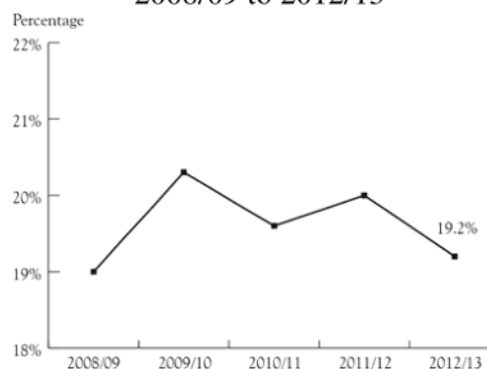
In 2012/13, provincial operating expenses were \$43,201 million, a \$445 million (1.0%) decrease from 2011/12. Program spending has increased by \$4,554 million (11.8%) since 2008/09 in line with Government's commitment to protect core public services including healthcare, education and social services.

*Expense to GDP*

The ratio of expense to GDP represents the amount of Government spending in relation to the overall provincial economy.

Government spending as a percentage of GDP decreased in 2012/13, indicating that Government spending was at a rate below economic growth as represented by GDP. This decrease in spending is mainly related to the one-time repayment of HST transitional funding recognized in 2011/12.

2008/09 to 2012/13



**(iv) Changes in Actual Results from 2011/12 to 2012/13**

	In Millions		Surplus (Deficit)
	Revenue	Expense	
	\$	\$	\$
2011/12 (Deficit).....	41,832	43,646	(1,814)
Increase in taxation revenue.....	905		905
Decrease in federal contributions.....	(665)		(665)
Decrease in natural resource revenue.....	(339)		(339)
Net increase in other revenue.....	322		322
Increase in health spending.....		585	(585)
Increase in education spending.....		300	(300)
Increase in social services spending.....		50	(50)
Increase in natural resource and economic development.....		219	(219)
One-time repayment of HST transitional funding.....		(1,599)	1,599
Subtotal of changes in actual results.....	223	(445)	668
	<b>42,055</b>	<b>43,201</b>	
2012/13 (Deficit).....			(1,146)
2011/12 Accumulated Surplus.....			2,428
Accumulated other comprehensive income from self-supported Crown corporations and agencies.....			103
2012/13 Accumulated Surplus.....			<b>1,385</b>

The net increase in revenue of \$223 million and decrease in total expense of \$445 million, resulted in a deficit that was \$668 million lower than 2011/12. The deficit of \$1,146 million in 2012/13, offset by the accumulated other comprehensive income from self-supported Crown corporations and agencies of \$103 million, resulted in an ending accumulated surplus of \$1,385 million for 2012/13.

**(v) Changes from 2012/13 Budget**

	In Millions			Surplus (Deficit)
	Revenue	Expense	Forecast Allowance	
	\$	\$	\$	\$
(Deficit) per Budget March 2012.....	43,101	43,869	(200)	(968)
Decreased natural resource revenue.....	(513)			(513)
Decreased federal transfers.....	(215)			(215)
Decreased other revenues.....	(318)			(318)
Decreased health spending.....		(468)		468
Decreased education spending.....		(233)		233
Increased social services spending.....		62		(62)
Increased natural resource and economic development spending.....		260		(260)
Decreased other program spending.....		(289)		289
Forecast allowance.....			200	200
Subtotal of changes in actual results compared to budget.....	(1,046)	(668)	200	(178)
<b>Actual Results.....</b>	<b>42,055</b>	<b>43,201</b>	<b>0</b>	<b>(1,146)</b>

Revenue was \$1,046 million (2.4%) lower than the budgeted amount of \$43,101 million and expenses were \$668 million (1.5%) lower than the budget of \$43,869 million.

**(vi) Net Liabilities and Accumulated Surplus**

In accordance with GAAP, the government's Consolidated Statement of Financial Position included in the 2012/13 Public Accounts is presented on a net liabilities basis. Net liabilities represent net future cash outflows resulting from past transactions and events. An analysis of net liabilities and accumulated surplus helps users to assess the Government's overall financial position and the future revenue required to pay for past transactions and events.

	In Millions			Variance	
	2012/13 Budget \$	2012/13 Actual \$	2011/12 Actual \$	2012/13 Budget to Actual \$	2012/13 vs 2011/12 \$
Financial assets.....	38,469	37,528	34,454	(941)	3,074
Less: liabilities.....	(76,470)	(75,664)	(70,316)	806	(5,348)
Net Liabilities.....	(38,001)	(38,136)	(35,862)	(135)	(2,274)
Less: non-financial assets.....	39,101	39,521	38,334	420	1,187
<b>Accumulated surplus.....</b>	<b>1,100</b>	<b>1,385</b>	<b>2,472</b>	<b>285</b>	<b>(1,087)</b>

The accumulated surplus represents the sum of the current and prior years' operating results. At March 31, 2013, the accumulated surplus was \$1,385 million, \$285 million higher than budget. The \$1,087 million decrease in accumulated surplus compared to 2011/12 reflects the annual deficit of \$1,146 million, plus the change in other comprehensive income of self-supported Crown corporations, which increased by \$59 million.

Financial assets were \$3,074 million higher than 2011/12. Compared to 2011/12, cash, cash equivalents, and temporary investments decreased by \$74 million. This is offset by increases in equity in self-supported Crown corporations and agencies of \$540 million, loans for the purchase of assets, recoverable from agencies of \$2,061 million, and other financial assets of \$547 million.

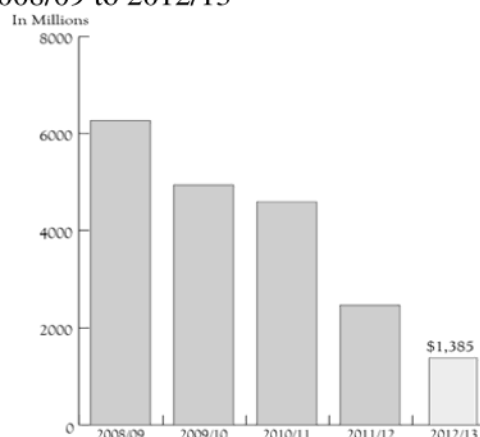
Liabilities increased by \$5,348 million from 2011/12. Compared to 2011/12, self-supported debt increased by \$2,069 million and taxpayer-supported debt increased by \$3,816 million to fund infrastructure programs, provide capital financing to self-supported Crown corporations and agencies, and support working capital requirements. Other liabilities, including accounts payable and deferred revenue, decreased \$537 million from 2011/12.

Non-financial assets typically represent resources, such as tangible capital assets, that the Government can use in the future to provide services. Non-financial assets increased by \$1,187 million over 2011/12 as Government invested in hospitals and health facilities, transportation infrastructure and post-secondary institutions.

### Accumulated Surplus

The accumulated surplus represents current and all prior years' operating results. In 2012/13, the Province had an accumulated surplus of \$1,385 million, \$1,087 million less than in 2011/12. Despite an annual deficit, the province maintains a positive financial position. The positive operating results of prior years provide the flexibility to protect core public services as the economy strengthens.

2008/09 to 2012/13



### (vii) Components of Net Liabilities

#### Financial Assets

Trend analysis of financial assets provides users with information regarding the amount of resources available to the Government that can be converted to cash to meet obligations or fund operations.

	In Millions				
	2008/09 Actual	2009/10 Actual	2010/11 Actual	2011/12 Actual	2012/13 Actual
	\$	\$	\$	\$	\$
Cash, cash equivalents, temporary investments and warehouse investments.....	7,248	2,893	3,048	3,223	3,149
Accounts receivable.....	2,551	2,530	2,334	2,398	2,445
Equity in self-supported Crown corporations and agencies.....	5,952	7,457	7,090	6,994	7,534
Loans for the purchase of assets, recoverable from agencies.....	9,149	11,471	12,947	14,846	16,907
Other financial assets.....	5,426	5,937	7,028	6,993	7,493
<b>Total financial assets.....</b>	<b>30,326</b>	<b>30,288</b>	<b>32,447</b>	<b>34,454</b>	<b>37,528</b>

In 2012/13, financial assets increased by \$3,074 million over 2011/12 primarily due to an increase in capital loans to Crown agencies. Recoverable capital loans increased by \$2,061 million as the Province provided funding to Crown agencies for capital projects, equity in self-supported Crown corporations increased by \$540 million, and all other financial assets increased by \$473 million.

#### Liabilities

Trend analysis of liabilities provides users with information to understand and assess the demands on financial assets and the revenue raising capacity of Government.

	In Millions				
	2008/09	2009/10	2010/11	2011/12	2012/13
	Actual	Actual	Actual	Actual	Actual
	\$	\$	\$	\$	\$
Taxpayer-supported debt.....	28,322	31,116	33,079	36,012	39,828
Self-supported debt.....	11,330	11,552	13,030	14,942	17,011
<b>Total financial statement debt.....</b>	<b>39,652</b>	<b>42,668</b>	<b>46,109</b>	<b>50,954</b>	<b>56,839</b>
Accounts payable and other liabilities.....	7,452	7,043	7,675	8,874	8,902
Deferred revenue.....	9,480	10,045	10,798	10,488	9,923
<b>Total liabilities.....</b>	<b>56,584</b>	<b>59,756</b>	<b>64,582</b>	<b>70,316</b>	<b>75,664</b>

In 2012/13, total liabilities increased by \$5,348 million over 2011/12. Liabilities are obligations that must be settled at a future date by the transfer or use of assets. Taxpayer-supported debt increased in 2012/13 by \$3,816 million, while self-supported debt increased by \$2,069 million. Information relating to the Government's debt management can be found in more detail in the analysis of the total provincial debt on page 26 of the 2012/13 Public Accounts. Deferred revenue decreased by \$565 million while accounts payable and other liabilities increased by \$28 million.

#### *Non-financial Assets*

Trend analysis of non-financial assets provides users with information to assess the management of a government's infrastructure and long-term non-financial assets.

	In Millions				
	2008/09	2009/10	2010/11	2011/12	2012/13
	Actual	Actual	Actual	Actual	Actual
	\$	\$	\$	\$	\$
Tangible capital assets.....	30,539	32,219	34,278	35,692	36,762
Other non-financial assets.....	1,986	2,187	2,448	2,642	2,759
<b>Total non-financial assets.....</b>	<b>32,525</b>	<b>34,406</b>	<b>36,726</b>	<b>38,334</b>	<b>39,521</b>

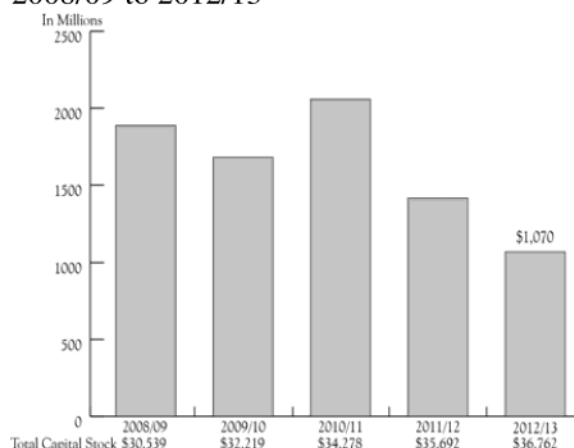
Management of non-financial assets has a direct impact on the level and quality of services a government is able to provide to its constituents. Non-financial assets typically represent resources that government can use in the future to provide services. At March 31, 2013, non-financial assets were \$39,521 million which was \$1,187 million higher than 2011/12 and \$6,996 million higher than 2008/09. The majority of the Province's non-financial assets represent capital expenditures for tangible capital assets net of amortization. The Government has increased its investment in tangible capital assets by \$1,070 million in 2012/13, \$1,414 million in 2011/12, \$2,059 million in 2010/11, \$1,680 million in 2009/10 and \$1,888 million in 2008/09 to ensure service potential is available to deliver programs and services in future periods. Capital expenditures are not included on the Consolidated Statement of Operations included in the 2012/13 Public Accounts and have no effect on the current surplus. They reduce future surpluses in the form of amortization expense as the service potential of assets is used to deliver programs and services.

### Change in Capital Stock

This measure shows the impact of net changes to the Government's stock of physical capital. Positive amounts demonstrate an investment in infrastructure to replace existing capital and provide service potential in future periods.

The net annual investment in capital was \$1,070 million in 2012/13, and \$8,111 million since 2008/09. Total capital stock has also increased steadily over that period which indicates that capital infrastructure is available to continue providing programs and services in future periods.

### 2008/09 to 2012/13



### Net Liabilities and Accumulated Surplus

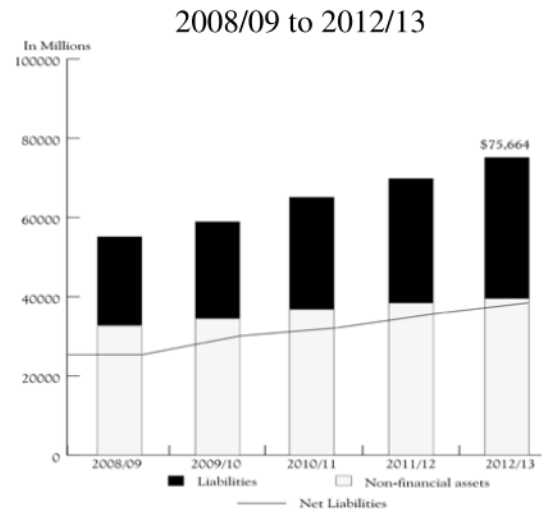
	In Millions				
	2008/09 Actual	2009/10 Actual	2010/11 Actual	2011/12 Actual	2012/13 Actual
	\$	\$	\$	\$	\$
Financial assets.....	30,326	30,288	32,447	34,454	37,528
Less: liabilities.....	(56,584)	(59,756)	(64,582)	(70,316)	(75,664)
<b>Net liabilities.....</b>	<b>(26,258)</b>	<b>(29,468)</b>	<b>(32,135)</b>	<b>(35,862)</b>	<b>(38,136)</b>
Less: non-financial assets.....	32,525	34,406	36,726	38,334	39,521
<b>Accumulated surplus.....</b>	<b>6,267</b>	<b>4,938</b>	<b>4,591</b>	<b>2,472</b>	<b>1,385</b>

Net liabilities increased by \$2,274 million in 2012/13, due to increased spending on public services and investment in infrastructure. The liabilities include deferred revenue of \$9,923 million that represents restricted contributions that will be recognized as revenue in future periods as service delivery obligations are met.

While the financial measure of net liabilities has increased, the financial position of the Province remains positive as total assets, including both financial assets and investments in capital stock, are greater than the liabilities of the Province. The accumulated surplus of the Province was \$1,385 million in 2012/13, indicating that the cumulative result of all past annual surpluses and deficits is positive, or that the Province remains in a positive net financial position.

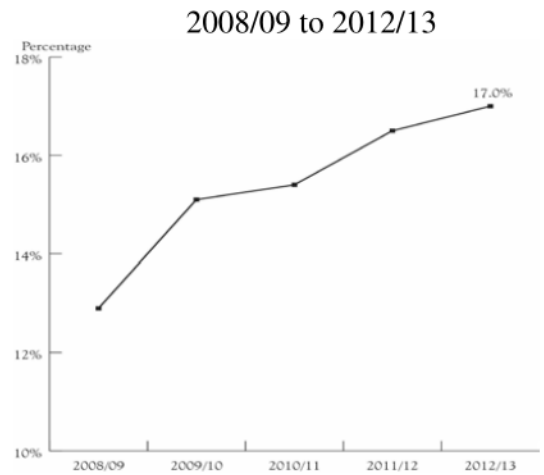
### *Non-financial Assets as a Portion of Liabilities*

The chart provides an indication of what proportion of liabilities are used to fund capital infrastructure as opposed to funding working capital requirements including accounts payable and other operating liabilities, as well as revenue deferred to future periods. Over the past five years, the proportion of liabilities used to fund capital infrastructure has decreased slightly from 57.5% in 2008/09 to 52.2% in 2012/13.



### *Net Liabilities to GDP*

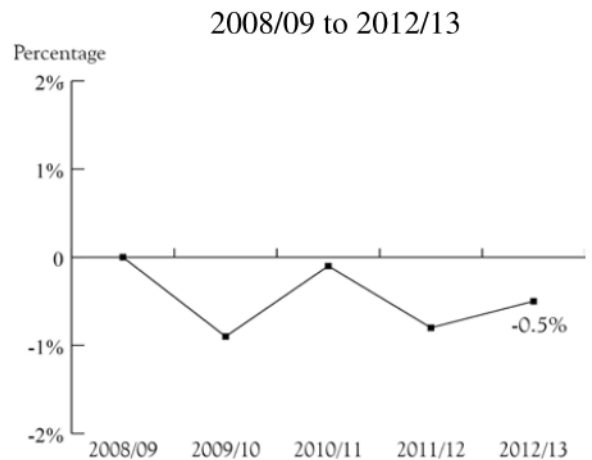
The net liabilities to GDP ratio provides an indication of the Province's ability to maintain existing programs and meet existing creditor requirements without increasing the debt burden on the economy as a whole.



The increase in net liabilities to GDP is the result of net liabilities increasing at a rate faster than the increase in economic growth as represented by GDP in 2012/13. Net liabilities include deferred revenue that will be recognized as revenue in future periods as well as obligations to outside parties, including accounts payable and debt.

### *Surplus (Deficit) to GDP*

The surplus (deficit) to GDP ratio is an indicator of sustainability that compares the Province's financial results to the overall results of the economy.



Results in the negative range of the chart indicate that government must take a greater share of GDP to support existing operations, reduce the debt burden, or invest in infrastructure.



### (viii) Total Provincial Debt

Analysis of total provincial debt helps users to assess the extent of long-term liabilities and the Government's ability to meet future debt obligations.

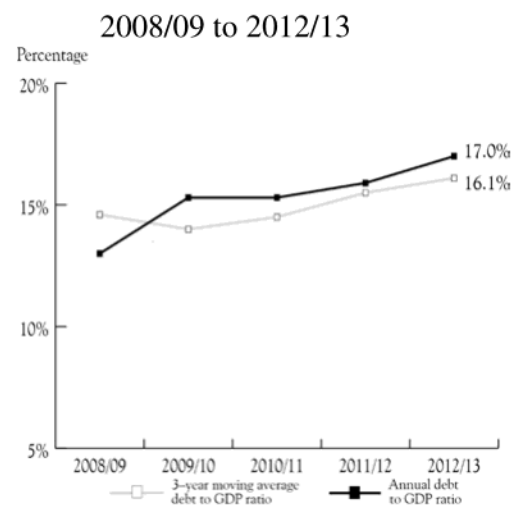
	In Millions				
	2008/09 Actual	2009/10 Actual	2010/11 Actual	2011/12 Actual	2012/13 Actual
	\$	\$	\$	\$	\$
Gross debt.....	39,652	42,668	46,109	50,954	56,839
Less: sinking fund assets.....	(2,134)	(1,329)	(1,410)	(1,491)	(1,778)
Third party guarantees and non-guaranteed debt.....	496	546	455	730	755
<b>Total provincial debt.....</b>	<b>38,014</b>	<b>41,885</b>	<b>45,154</b>	<b>50,193</b>	<b>55,816</b>

When reporting to rating agencies, the Province adds to its financial statement debt, all debt guarantees and the debt directly incurred by self-supported Crown corporations, reduced by sinking fund assets. This balance is referred to as the total provincial debt.

Total provincial debt is \$1,023 million lower than the amounts reported in the Province's financial statements after deducting sinking funds held to pay down the debt, and the inclusion of debt guarantees and non-guaranteed debt. Overall, total provincial debt increased by \$5,623 million in 2012/13 because the Government borrowed to fund capital projects and working capital requirements. The largest increases in the debt of self-supported Crown agencies were the debt of the British Columbia Hydro and Power Authority which increased by \$1,189 million and the debt of Transportation Investment Corporation which increased by \$831 million. BC Transportation Financing Authority debt increased by \$797 million; health sector debt increased by \$398 million; education sector debt increased by \$553 million; and the debt of other taxpayer-supported entities increased by \$180 million. Provincial government direct operating debt increased by \$1,595 million compared to 2011/12.

#### *Taxpayer-supported debt to GDP*

The ratio of taxpayer-supported debt to GDP is a key measure used by financial analysts and investors to assess a province's ability to repay debt and is a key measure monitored by the bond rating agencies. An increasing ratio means that debt is growing faster than the economy.



**(ix) Strong Credit Rating**

Reflecting the Province's strong fiscal performance, British Columbia has maintained a strong and stable credit rating with all three credit rating agencies. In 2012/13, Moody's Investors Service Inc. gave the province an Aaa credit rating (2012: Aaa); Standard and Poor's gave the province an AAA credit rating (2012: AAA); and Dominion Bond Rating Services gave the province an AA(high) credit rating (2012: AA (high)).

**Credit Ratings May 2013**

Jurisdiction	Rating Agency <sup>1</sup>		
	Moody's Investors Service Inc.	Standard and Poor's	Dominion Bond Rating Service
British Columbia	Aaa	AAA	AA (high)
Alberta	Aaa	AAA	AAA
Saskatchewan	Aa1	AAA	AA
Manitoba	Aa1	AA	A (high)
Ontario	Aa2	AA-	AA (low)
Quebec	Aa2	A+	A (high)
New Brunswick	Aa2	AA-	A (high)
Nova Scotia	Aa2	A+	A
Prince Edward Island	Aa2	A	A (low)
Newfoundland	Aa2	A+	A
Canada	Aaa	AAA	AAA

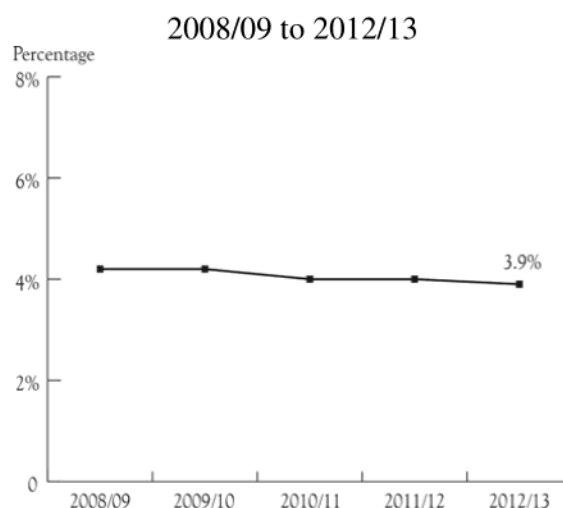
<sup>1</sup>The rating agencies assign letter ratings to borrowers. The major categories, in descending order of credit quality, are: AAA/Aaa; AA/Aa; A; BBB/Baa; BB/Ba; and B. The "1", "2", "3", "high", "low", "-", and "+" modifiers show relative standing within the major categories. For example, AA+ exceeds AA.

A more comprehensive overview of provincial debt, including key debt indicators is located on pages 129–142 of the 2012/13 Public Accounts.

**(x) Public Debt Charges to Revenue (the Interest Bite)**

The public debt charges to revenue indicator is often referred to as the "interest bite". This provides users with the percentage of the Province's revenue used to pay interest on debt. The ratio is sensitive to the cost of debt arising from either increasing interest rates or increasing debt, as well as decreases in revenue.

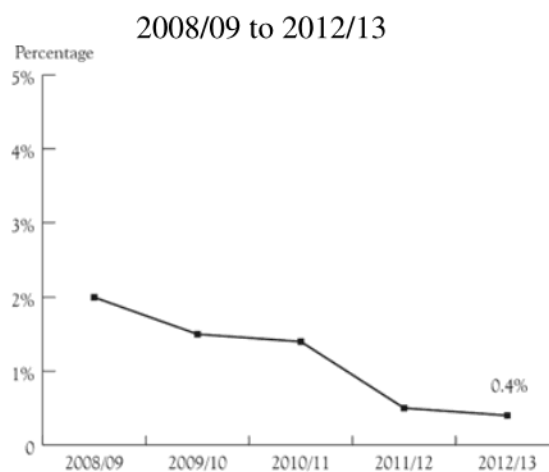
If an increasing proportion of provincial revenue is required to pay interest on provincial debt, less money is left to provide core public services. The interest bite has remained relatively stable over the last five years. In 2012/13, the Province spent 3.9 cents of each revenue dollar on interest on the provincial debt.



**(xi) Non-Hedged Foreign Currency Debt to Total Provincial Debt**

The ratio of non-hedged foreign currency debt to total provincial debt shows the degree of vulnerability of a Government's public debt position to swings in exchange rates.

Since 2008/09, the Government has significantly reduced its foreign currency debt, thereby reducing the province's vulnerability to changes in exchange rates.



**(4) Risks and Uncertainties**

The Government's main exposure to risks and uncertainties arises from variables which the Government does not directly control. These include:

- assumptions underlying revenue and Crown corporation forecasts such as economic factors, commodity prices and weather conditions;
- outcomes from litigation, arbitration, and negotiations with third parties;
- changes in federal transfers, cost-sharing agreements with the federal government and impacts on the provincial income tax bases arising from federal tax policy and budget changes;
- utilization rates for government services such as healthcare, children and family services, or income assistance;
- exposure to interest rate fluctuations, foreign exchange rates and credit risk; and
- changes in GAAP.

The following are the approximate effect of changes in some of the key variables on the deficit:

<b>Key Fiscal Sensitivities</b>		
<b>Variable</b>	<b>Increase Of</b>	<b>Annual Fiscal Impact (\$ millions)</b>
Nominal GDP	1%	\$150 to \$250
Lumber prices (US\$/thousand board feet)	\$50	\$25 to \$50 <sup>1</sup>
Natural gas prices (Cdn\$/gigajoule)	50 cents	\$117-\$125 <sup>2</sup>
US exchange rate (US cents/Cdn\$)	1 cent	(\$25) to (\$50)
Interest rate	1 percentage point	(\$97)
Debt	\$500 million	(\$14)

<sup>1</sup>Sensitivity relates to stumpage revenue only. Depending on market conditions, changes in stumpage revenue may be offset by changes in border tax revenue.  
<sup>2</sup>Sensitivities can vary significantly especially at lower prices.

Although the Government is unable to directly control these variables, strategies have been implemented to mitigate these risks and uncertainties. The development of taxation, financial and corporate regulatory policy to reinforce British Columbia's position as an attractive place to invest and create jobs will help offset the increase in competition for investment as a result of globalization of economic and financial markets. As in previous years, the Government applied a forecast allowance in the budget to account for risks to revenue, expenditure, Crown corporations', school districts', universities', colleges', institutes', and health organizations' (SUCH sector) forecasts. The use of forecast allowances recognizes the uncertainties in predicting future economic developments.

Risk management in relation to debt is discussed in Note 19 on page 69 of the Notes to the Consolidated Summary Financial Statements included in the 2012/13 Public Accounts.

## **SECTION 9: USE OF PROCEEDS**

The net proceeds of the Bonds issue will be paid into the Consolidated Revenue Fund of British Columbia (in some cases after being exchanged in whole or in part for another currency) and may be used for the benefit of the Issuer or for the purpose of lending money to British Columbia government bodies, as defined in the Financial Administration Act (*British Columbia*).

## **SECTION 10: SELLING TERMS**

### **1. General**

The distribution of this Offering Circular or any other offering materials relating to the Bonds and the issue, sale and delivery of the Bonds must comply with the rules and limitations of any selling restrictions of the relevant jurisdictions. Accordingly, each potential holder of this Offering Circular or any other offering documents relating to the Bonds shall consult with its own legal advisors with regards to selling restrictions and each potential holder is advised to observe such selling restrictions. This Offering Circular does not constitute an offer or an invitation to subscribe for or purchase any Bonds without authorization.

The Bonds will be issued only on the Interbank Market. Except for the registration obtained by the Issuer from NAFMII in respect of the Programme and such issue of Bonds, no measures have been taken or will be taken in relation to a public offering of the Bonds, or in respect of the holding or distribution of this Offering Circular or revisions or supplements to this Offering Circular or any other offering documents or announcements, on the Shanghai Stock Exchange, Shenzhen Stock Exchange or in any other countries or jurisdictions.

### **2. PRC**

The Bonds will be only offered or distributed to institutional investors of the Interbank Market (other than purchasers prohibited under PRC laws, regulations and these distribution restriction provisions) and the Bonds will be only traded among institutional investors of the Interbank Market (other than purchasers prohibited from the PRC laws, regulations and these distribution restriction provisions).

### **3. United States**

The Bonds have not been and will not be registered under the Securities Act and the Bonds may not be offered or sold within the United States or to or for the account or benefit of U.S. persons except in certain transactions exempt from, or not subject to the registration requirements of the Securities Act. Terms used in the preceding sentence have the meanings given to them in Regulation S under the Securities Act.

(i) As part of their distribution at any time or (ii) otherwise until forty days after the completion of the distribution of the Bonds, as determined by the Joint Lead Underwriters, or certified by the Joint Lead Underwriters to the issuing and paying agent or the Issuer by such Joint Lead Underwriter, the issue and delivery of the Bonds shall comply with Rule 903 of Regulation S, in which case such Lead Underwriter will have sent to each dealer to which it sells Bonds during the distribution compliance period relating thereto a confirmation or other notice setting forth the restrictions on offers and sales of the Bonds within the United States or to or for the account or benefit of U.S. persons. Terms used in this paragraph have the meanings given to them in Regulation S under the Securities Act.

#### **4. Hong Kong**

- (1) The Bonds have not been offered or sold and will be not offered or sold in Hong Kong, by means of any document, other than:
  - (i) to “professional investors” as defined in the Securities and Futures Ordinance and any rules made under the Securities and Futures Ordinance; or
  - (ii) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and
- (2) There has not been issued nor has there been in possession for the purposes of issue, and there will not be issued nor will there be in possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Bonds, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Bonds which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the Securities and Futures Ordinance and any rules made under the that Ordinance.

## **SECTION 11: TAXATION ISSUES RELATING TO THE BONDS**

The following summary of certain tax consequences of the purchase, ownership and disposition of the Bonds is based upon applicable laws, regulations, rulings and decisions in effect as at the date of this Offering Circular, all of which are subject to change (possibly with retroactive effect). This summary is not intended to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the Bonds and is not intended to deal with consequences applicable to all categories of prospective investors, some of which may be subject to special rules. Each prospective investor considering the purchase of the Bonds should consult its own tax advisors concerning the possible tax consequences relating to the Bonds.

### **1. PRC Taxation**

#### **(1) Business Tax and Additional Taxes**

Pursuant to Interim Regulation of the PRC on Business Tax and Detailed Rules for the Implementation of the Interim Regulation of the PRC on Business Tax, the turnover of the transfer of the Bonds shall generally be the balance of the selling prices of the Bonds less the purchase prices. According to the Provisional Regulations of the PRC on Business Tax, the applicable business tax rate is 5 per cent. At the same time, taxpayers who are subject to the business tax shall also be required to abide by the regulations to pay the urban maintenance and construction tax, education surtax and local education surtax, at the rate of 7 per cent., 3 per cent. and 2 per cent., respectively of the business tax payable.

#### **(2) Income Tax**

The Bonds and any interest thereon are not exempt from taxation under PRC law. According to the Provisional Regulations of the PRC on Enterprise Income Tax, the Bondholders shall be subject to income tax for the interest income received from the Bonds and for gains received from the transfer or sale of the Bonds, which is generally assessed at the rate of 25 per cent.

#### **(3) Stamp Duty**

Pursuant to the Provisional Rules of the PRC on Stamp Duty (the "Stamp Duty Rules") and its implementation rules, persons who conclude documents of transfer of property title within the PRC shall pay stamp duty. Currently the transfer of the Bonds is not subject to stamp duty under the Stamp Duty Rules and its implementation rules. However, it is uncertain whether or when the Government will impose stamp duty on such transactions in the future and if imposed, what the stamp duty tax rate of such transactions will be.



## 2. Canadian Taxation

### *Canadian Income Tax Considerations*

The following is an overview, as of the date of this Offering Circular, of the principal income tax considerations in Canada under the Income Tax Act (Canada) (the “**Federal Act**”) and in British Columbia under the Income Tax Act (*British Columbia*) (the “**BC Act**”) generally applicable to a Bondholder who acquires such Bonds pursuant to this Offering Circular, and who, at all relevant times, for the purposes of the Federal Act and any applicable income tax convention or treaty, is not resident, and is not deemed to be resident, in Canada and who does not use or hold, and is not deemed to use or hold, Bonds in, or in the course of carrying on, a business in Canada and is not an insurer carrying on an insurance business in Canada and elsewhere (a “**Non-Resident Holder**”).

This overview is based upon the provisions of the Federal Act, the BC Act and the regulations under those Acts as they exist on the date of this Offering Circular, proposed amendments thereto in a form publicly announced prior to the date hereof (the “**Proposed Amendments**”) and counsel’s understanding of the current administrative and assessing practices and policies published in writing by the Canada Revenue Agency. This overview assumes that all Proposed Amendments will be enacted in the form proposed. However, no assurances can be given that the Proposed Amendments will be enacted as proposed, or at all. This overview does not take into account or anticipate any other changes in law, whether by legislative, governmental or judicial action, and does not take into account income tax considerations arising under the law of any country other than Canada or any province other than British Columbia or any income tax convention or treaty between Canada and another country. Subsequent developments could have a material effect on this overview.

In the event that the Canadian federal or British Columbia provincial income tax considerations applicable to particular Bonds are described in a Supplemental to this Offering Circular, relevant to such Bonds, this overview will be superseded thereby to the extent indicated in such Supplemental to this Offering Circular.

The Issuer is not required to withhold tax from interest or principal paid or credited, or deemed for the purposes of the Federal Act to be paid or credited, in respect of the Bonds (including amounts on account or in lieu of payment of, or in satisfaction of, interest) to a Non-Resident Holder, including on a repayment, purchase or redemption of the Bonds, unless, generally, all or any part of the interest paid or payable on the Bonds (other than a “prescribed obligation” described below) is contingent or dependent on the use of or production from property in Canada or is computed by reference to revenue, profit, cash flow, commodity price or any other similar criterion or by reference to dividends paid or payable to shareholders of any class or series of a class of shares of the capital stock of a corporation (“**Participating Debt Interest**”). A “prescribed obligation” is a debt obligation the terms or conditions of which provide for an adjustment to an amount payable in respect of the obligation for a period during which the obligation was outstanding which adjustment is determined by reference to a change in the purchasing power of money and no amount payable in respect thereof, other than an amount determined by reference to a change in the purchasing power of money, is contingent or dependent on the use of or production from property in Canada or is computed by reference to any of the criteria described in the definition of Participating Debt Interest. *If any interest paid or credited or*

*deemed to be paid or credited on a Bond is to be calculated by reference to an index or formula, such interest may be subject to Canadian non-resident withholding tax.*

A Non-Resident Holder is not otherwise taxable on income or capital gains under the Federal Act or the BC Act in respect of the Bonds or interest, discount or premium thereon.

**The overview of Canadian tax considerations above is of a general nature only and is not and should not be construed to be, legal or tax advice to any particular holder of Bonds. Prospective holders should consult their tax advisers for advice regarding the income tax considerations applicable to them.**

## **SECTION 12: CREDIT RATINGS**

The Bonds are not rated by any PRC rating agencies.

### **SECTION 13: CREDIT ENHANCEMENT**

The Bonds are not subject to, and will not benefit from, any credit enhancement arrangements by the Issuer or any other party.

## SECTION 14: DISCLOSURE ARRANGEMENT

During the issue process for each series of Bonds and during the period in which they remain outstanding, the Issuer will in accordance with the requirements of NAFMII disclose the relevant information listed in Paragraphs 1 through 4 below, through the websites of the Custodian Institution and Chinamoney (the “**Disclosure Method**”), to the Interbank Market, and further undertakes that, in relation to the relevant information listed in Paragraphs 2 and 3 below (unless otherwise expressly noted in those Paragraphs), the Issuer will disclose such information at the same time (or as soon as reasonably practicable thereafter) as the Issuer files such information with other international regulatory bodies and securities exchanges.

### 1. Documents related to each issue of Bonds

If such documents have not already been disclosed through the Disclosure Method pursuant to Paragraph 2 below, the Issuer will, by no later than 5 Business Days before the issue date of each series of Bonds, disclose the following documents through the websites of the Custodian Institution and Chinamoney:

- (1) An Issue Announcement in relation to that series of Bonds;
- (2) A supplemental Offering Circular in relation to that series of Bonds (if any);
- (3) Legal Opinions (in Chinese including a translation of any opinion given in English) in relation to that series of Bonds;
- (4) Province of British Columbia Public Accounts for the last three years (in English) and a copy of the “Summary Financial Statements” section extracted from each Public Account (in Chinese); and
- (5) Province of British Columbia latest Quarterly Report (in English) and a copy of the Fiscal and Debt Summary (in English and Chinese).

### 2. Regular Reports: The Issuer will disclose copies of the following documents in English in accordance with the timeframe first noted above:

- (1) Annual budget and fiscal plan;
- (2) Annual estimates;
- (3) Annual public accounts;
- (4) Annual financial and economic review; and
- (5) Quarterly reports.

The Issuer will also disclose the following documents (in English and in Chinese) within a further 15 Business Days from the time the Issuer discloses the relevant document set out above in this Paragraph 2 to which a document below relates:

- (1) The “Summary Financial Statements” section extracted from the annual public accounts;
- (2) Fiscal and Debt Summary – First Quarterly Report;
- (3) Fiscal and Debt Summary – Second Quarterly Report; and
- (4) Fiscal and Debt Summary – Budget and Fiscal Plan.

### 3. Disclosure of Material Events: If there are any material events affecting the Issuer’s ability to pay debts, the Issuer will disclose such events in writing in English in accordance with the timeframe first noted above.

4. **Payment of Interest:** The Issuer will, on the fifth Business Day prior to the payment date of the principal and interest of the Bonds, announce and publish the details of the payment of principal and interest (in Chinese).

## **SECTION 15: LEGAL OPINION RELATING TO THE ISSUE OF BONDS UNDER THE PROGRAMME**

King & Wood Mallesons, Beijing and Ministry of Justice, Province of British Columbia have, at the request of the Issuer, each issued a legal opinion in relation to the establishment of the Programme on the Interbank Market.

### **1. Legal opinion of King & Wood Mallesons, Beijing**

The Issuer has appointed King & Wood Mallesons, Beijing to act as its legal adviser and to issue a PRC legal opinion (this legal opinion is issued on the basis that the legal adviser has conducted reasonable due diligence, relied on confirmations and comfort from the Issuer and relied on appropriate disclaimers and assumptions). The legal opinion opines on the following: the content contained in the Issuer's Offering Circular meets the relevant requirements of NAFMII; the use of proceeds from the issue of Bonds do not violate any of the relevant requirements of the PBOC; for the issuance of the Bonds, the Issuer is required to acquire registration from NAFMII; any dispute arising out of or in connection with the Bonds shall be submitted to CIETAC, such choice of dispute resolution mechanism does not violate any mandatory regulations in the PRC.

### **2. Legal opinion of the Ministry of Justice, Province of British Columbia**

Ministry of Justice, Province of British Columbia has, in relation to the establishment of the Programme (including with respect to the due capacity and authorization of the Issuer) issued a Canadian legal opinion. Investors can, within the offering period for the Bonds, review this legal opinion at the address referred to in Section 18 ("Documents available for inspection") of this Offering Circular.

## SECTION 16: INVESTOR PROTECTION MECHANISM

### 1. Subsequent Supervisory Institution and Related Responsibilities

As the Issuer of the Bonds, the Issuer assumes on-going obligations in respect of many aspects of the Bonds. Bank of China Limited has agreed to act as the supervisor of the Issuer with respect to such on-going obligations of the Issuer under the Bonds. The matters which the supervisor is responsible for overseeing include:

- (1) to oversee the accurate, authentic and complete disclosure by the Issuer of information which needs to be disclosed (see Section 14 (“Disclosure Arrangements”));
- (2) to oversee the Issuer’s specification of the rate of interest in the announcement on the issuance (see Term 17 of the Bonds);
- (3) to oversee the Issuer’s publication of matters relating to principal and interest payments via media recognized by NAFMII (see Section 14 (“Disclosure Arrangements”));
- (4) to oversee the Issuer’s regular disclosure of reports (see Section 14 (“Disclosure Arrangements”));
- (5) to oversee the Issuer’s announcement of any early redemption arrangements (see Term 31 of the Bonds);
- (6) to convene meetings of the Bondholders (see Term 41 of the Bonds); and
- (7) to oversee the Issuer’s disclosure of any major changes or substantial events relating to the Issuer or the Bonds (see Section 14 (“Disclosure Arrangements”). Such events shall include Payment Event of Default (see Term 39 of the Bonds).

### 2. Payment Event of Default

If a Payment Event of Default occurs, any Bondholder may, by written notice to the Issuer, declare that the Bonds and all interest then accrued on such Bond shall be forthwith due and payable, whereupon the same shall become immediately due and payable, provided that it shall not be a Payment Event of Default to withhold or refuse any such payment:

- (i) in order to comply with any fiscal or other law or regulation or with the order of any court of competent jurisdiction, in each case applicable to such payment;
- (ii) if the non-payment is due solely to Inconvertibility, Non-transferability or Illiquidity if the Issuer has paid the U.S. Dollar Equivalent of the relevant Renminbi denominated amount pursuant to Term 28 of the Bonds; or
- (iii) if the non-payment is due solely to administrative error (whether by the Issuer, the agent of the Custodian Institution or a bank involved in transferring funds to such agent) unless payment is not made within three Business Days after notice of that non-payment has been given to the Issuer by the Bondholder.



### 3. Provisions for Meetings of Bondholders

#### (1) Convening a Meeting

- (i) A Bondholder may authorize any person to act on his or its behalf (a “**proxy**”) in connection with any meeting of the Bondholders by delivering to the specified office of Bank of China Limited, as supervisor of the Issuer, not less than 24 hours before the time fixed for the relevant meeting, an instrument in writing (the “**form of proxy**”), available from the specified office of the Issuer and signed by the Bondholder or, in the case of a corporation, executed under its common seal or signed on its behalf by a duly authorised officer of the corporation. For the avoidance of doubt, a proxy that has not been appointed in accordance with these provisions or where Bank of China Limited has not received notice of the appointment of the proxy not less than 24 hours before the time fixed for the relevant meeting, the proxy shall have no authority to act on the relevant Bondholder’s behalf at the relevant meeting of the Bondholders.
- (ii) Any proxy appointed pursuant to provision (1)(i) above shall, so long as such appointment remains in full force, be deemed, for all purposes in connection with the relevant meeting of the Bondholders, to be the Bondholder to which such appointment relates and the Bondholder shall be deemed for such purposes not to be the holder.
- (iii) The Issuer may fix a record date for the purpose of determining the Bondholders attending any meeting, provided such record date is no more than 10 days prior to the date fixed for such meeting which shall be specified in the notice convening the meeting. Subject to provision (1)(ii) above, the person in whose name a Bond is registered in the register held by the Custodian Institution on the record date shall be deemed to be the Bondholder for the purposes of such meeting.
- (iv) The Issuer may at any time convene a meeting of the Bondholders. If a request is made by Bondholders holding not less than 10 per cent. in aggregate principal amount of the Bonds for the time being outstanding, Bank of China Limited shall convene a meeting. If Bank of China Limited is unable to convene a meeting, the Bondholders may voluntarily arrange for a meeting to be convened. Every meeting shall be held at a time and place approved by Bank of China Limited.
- (v) Prior to convening a meeting in accordance with provision (1)(iv) above, at least 21 days’ notice (exclusive of the day on which the notice is given and of the day on which the meeting is held) shall be given to the Bondholders. A copy of the notice shall be given to Bank of China Limited by the party convening the meeting (except where the meeting is convened by the Issuer) at least 35 days (exclusive of the day on which the notice is given and of the day on which the meeting is held) prior to the relevant meeting and Bank of China Limited shall, in accordance with these provisions, announce and disclose the details of the meeting to investors. The notice shall specify the day, time and place of the meeting and shall be disclosed to investors through the China

Foreign Exchange Trade System, the Custodian Institution and the other websites approved by the National Association of Financial Market Institutional Investors, or in the manner specified by the relevant authorities or regulatory bodies. The notice shall specify the nature of the meeting and state that Bondholders may be represented by proxy at the meeting of the Bondholders so long as the relevant Bondholder delivers a signed form of proxy in the Chinese language to the specified office of Bank of China Limited not less than 24 hours before the time fixed for the relevant meeting.

- (vi) A person (who may, but need not, be a Bondholder) nominated in writing by the Issuer shall be entitled to take the chair at a meeting of the Bondholders. If no such nomination is made or if at any meeting the person nominated shall not be present within 30 minutes after the time appointed for the holding of such meeting, the Bondholders (or their duly appointed proxies) present shall choose one of their number to be chairperson, failing which the Issuer may appoint a chairperson. The chairperson of an adjourned meeting need not be the same person as was chairperson of the original meeting.

## (2) Quorum and meeting regulations

- (i) At any meeting of the Bondholders (except to consider an extraordinary resolution), any two or more persons present in person (or their duly appointed proxies) holding or representing in the aggregate more than 20 per cent. in principal amount of the Bonds for the time being outstanding shall form a quorum and no business shall be transacted at any meeting (except for the appointment of a chairperson) unless the requisite quorum be present at the commencement of business. The quorum for any meeting convened to consider an extraordinary resolution will be two or more persons present in person (or their duly appointed proxies) holding or representing more than 50 per cent. in aggregate principal amount of the Bonds for the time being outstanding, unless the business of such meeting includes consideration of matters specified under provision (2)(xi) below, in which case the necessary quorum will be two or more persons present in person (or their duly appointed proxies) holding or representing more than 75 per cent. in aggregate principal amount of the Bonds for the time being outstanding (“**special quorum resolution**”).
- (ii) Subject to the terms of the Bonds, the following matters (but not limited to) may be resolved by way of an extraordinary resolution, meaning a resolution passed at a meeting of the Bondholders duly convened in accordance with these provisions by a majority of more than 75 per cent. of the votes cast:
  - (a) sanction any proposal by the Issuer for any modification, abrogation, variation or compromise of, or arrangement in respect of, the rights of the Bondholders against the Issuer whether such rights shall arise under the Bonds or otherwise;
  - (b) assent to any modification of the provisions contained in the terms of the Bonds;

- (c) power to waive or authorize any breach or proposed breach by the Issuer of its obligations under the terms of the Bonds or any act or omission which might otherwise constitute a Payment Event of Default under the terms of the Bonds;
- (d) power to authorize any person to concur in and execute and do all such agreements, documents, acts and things as may be necessary to carry out and give effect to any extraordinary resolution;
- (e) power to give any authority, direction or sanction which under the terms of the Bonds is required to be given by extraordinary resolution;
- (f) power to appoint any persons (whether Bondholders or not) as a committee or committees to represent the interests of the Bondholders and to confer upon such committee or committees any powers or discretions which the Bondholders could themselves exercise by extraordinary resolution.

All other resolutions, except where otherwise specified, shall be passed at a meeting of the Bondholders duly convened and held in accordance with the provisions contained herein by a majority consisting of more than 50 per cent. of the votes cast thereon.

- (iii) A resolution in writing signed by or on behalf of the Bondholders or their duly appointed proxies of more than 75 per cent. in principal amount of the Bonds shall for all purposes be as valid as an extraordinary resolution passed at a meeting of Bondholders convened and held in accordance with these provisions. Such a resolution in writing may be contained in one document or several documents in like form, each signed by or on behalf of one or more of the Bondholders.
- (iv) If within 30 minutes from the time appointed for any such meeting a quorum is not present the meeting shall, (1) if convened upon the requisition of Bondholders, be dissolved; (2) in any other case, it shall stand adjourned for such period, not being less than 14 days nor more than 42 days, and at such time and place as may be appointed by the chairperson.
- (v) At an adjourned meeting (except to consider an extraordinary resolution), any two or more persons present in person (or their duly appointed proxies), whatever the principal amount of the Bonds outstanding so held or represented by them, shall form a quorum. At a meeting adjourned in accordance with provision 2(iv) above, all matters, which could properly have been dealt with at the meeting from which the adjournment took place had a quorum been present at such meeting, can be resolved. The quorum for any adjourned meeting convened to consider an extraordinary resolution under provision (2)(ii) above will be two or more persons present in person (or their duly appointed proxies) holding or representing not less than 25 per cent. in aggregate principal amount of the Bonds for the time being outstanding, unless the business of such adjourned meeting includes consideration of matters specified under provision (2)(xi) below, in which case the necessary quorum will be two or more persons

present in person (or their duly appointed proxies) holding or representing not less than 50 per cent. in aggregate principal amount of the Bonds for the time being outstanding.

- (vi) The chairperson may at the proposal of and with the consent of any meeting, adjourn the same from time to time and from place to place but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place (unless the adjournment was due to an insufficient quorum).
- (vii) At least 10 days' notice of a meeting adjourned through want of a quorum shall be given in the same manner as for an original meeting and that notice shall state the quorum required at the adjourned meeting. No notice need, however, otherwise be given of an adjourned meeting.
- (viii) Each question submitted to a meeting shall be decided by vote by Bondholders or by their duly appointed proxies. Every such person has one vote for each Bond (having a face amount of CNY100) represented or held by them.
- (ix) After the votes have been counted by the Issuer or chairperson at the meeting of the Bondholders, a declaration by the chairperson that a resolution has been carried or carried by a particular majority or lost or not carried by a particular majority shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.
- (x) The Issuer (through its representatives) and its financial and legal advisers shall be entitled to attend and speak at any meeting of the Bondholders. Save as aforesaid, no person shall be entitled to attend or speak at any meeting unless he is the holder of a Bond or is a proxy. At a meeting duly convened by Bank of China Limited in accordance with the terms of the Bonds, Bank of China Limited shall be entitled to attend and speak at the meeting of the Bondholders with regards to administrative matters in its role as convener of the meeting.
- (xi) Subject to the terms of the Bonds, a meeting of the Bondholders shall in addition to the powers hereinbefore given, but without prejudice to any powers conferred on other persons by these presents, have the following powers exercisable by extraordinary resolution namely:
  - (a) to modify the maturity of the Bonds or the dates on which interest is payable in respect of the Bonds;
  - (b) to reduce or cancel the principal amount of, any premium payable on redemption of, or interest on, the Bonds;
  - (c) to change the currency of payment of the Bonds;
  - (d) to modify the provisions concerning the quorum required at any meeting of Bondholders or the majority required to pass an extraordinary resolution;

- (e) to give any authority, direction or sanction which under the terms of the Bonds is required to be given by extraordinary resolution requiring a special quorum resolution; or
- (f) to amend this proviso.

The special quorum resolution requirements under provision (2)(i) above shall be applicable to this provision and for modifying any terms listed under Term 36 of the Bonds and any quorum requirements listed therein. The matters listed in this provision shall take effect after (a) the passing of an extraordinary resolution and (b) the Issuer has consented to the matters contemplated in this provision.

- (xii) A resolution (including ordinary and extraordinary resolutions) passed at meeting of Bondholders properly convened and held in accordance these provisions, shall be binding on all the Bondholders, whether or not present at the meeting, and each of them shall be bound to give effect to an extraordinary resolution accordingly. The passing of such a resolution shall be conclusive evidence that the circumstances justify its being passed. The Issuer shall give notice of the passing of a resolution to investors within 14 days through the China Foreign Exchange Trade System, the Custodian Institution and the other websites approved by the National Association of Financial Market Institutional Investors, or in the manner specified by the relevant authorities or regulatory bodies, but failure to do so shall not invalidate the resolution.
- (xiii) Minutes shall be made of all resolutions and proceedings at every meeting and, if purporting to be signed by the chairperson of that meeting or of the next succeeding meeting, shall be conclusive evidence of the matters in them. Until the contrary is proved, every meeting for which minutes have been so made and signed shall be deemed to have been duly convened and held and all resolutions passed or proceedings transacted at it to have been duly passed and transacted.

## SECTION 17: OTHER INTERMEDIARIES RELATING TO THE ISSUE OF THE BONDS

<b>Issuer</b>	Province of British Columbia Ministry of Finance Provincial Treasury, Debt Management Branch 620 Superior Street Victoria, British Columbia Canada V8W 9 V1 Contact person: Jim Hopkins Tel: 250 387 5729 Fax: 250 387 6577
<b>Joint Lead Underwriters</b>	Bank of China Limited No.1,Fuxingmen Nei Dajie,Beijing,China Contact person: Ji Xia/ Fan He/ Xizi He Tel: 010-66595090/010-66592490/010-66592195 Fax: 010-66591706  HSBC Bank (China) Company Limited L32, HSBC Building, Shanghai IFC, 8 Century Avenue, Pudong District, Shanghai, China Contact person: Wang Sheng / Yu Mengjia Tel: 010-5999 8150 / 021-3888 3879 Fax: 021-2320 8533
Syndicate Member (in no particular order):	China Development Bank Corporation Address : No. 29 Fuchengmenwai Main Street, Xicheng District, Beijing Legal Representative: Hu Huaibang Contact Person: Guo Jingwen Contact Tel: 010-88303092 Fax: 010-88303364 Post Code: 100031  Industrial and Commercial Bank of China Limited Address: : No.55 FuXingMenNei Street, Xicheng District, Beijing Legal Representative: Jiang Jianqing Contact Person: Wang Nan Contact Tel: 010-66107599 Fax: 010-66108533 Post Code: 100140  Agricultural Bank of China Limited Address : No.69,JianguomenNei Avenue, Dongcheng District, Beijing Legal Representative: Liu Shiyu

Contact Person: Qin Zhao  
Contact Tel: 010-85607507  
Fax: 010-85126513  
Post Code: 100005

China Construction Bank Corporation  
Address: No. 25, Finance Street, Xicheng District, Beijing  
Legal Representative: Wang Hongzhang  
Contact Person: Liu Ke  
Contact Tel: 010-88007049  
Fax: 010-67597774  
Post Code: 100033

Bank of Communications Co., Ltd.  
Address: 188 Yinchengzhong Road, Shanghai  
Legal Representative: Niu Ximing  
Contact Person: Liaosi Ying  
Contact Tel: 021-38579202  
Fax: 021-68870216  
Post Code: 200120

Shanghai Pudong Development Bank Co. Ltd.  
Address: 12 Zhongshandong Road, Shanghai  
Legal Representative: Ji Xiaohui  
Contact Person: Yin Zhe  
Contact Tel: 021-61616067  
Fax: 021-63604215  
Post Code: 200001

China Minsheng Banking Corporation Limited  
Address: No. 2 Fuxingmennei Avenue  
Xicheng District, Beijing  
Legal Representative: Hong Qi  
Contact Person: Meng Lin  
Contact Tel: 010-58560666-9618  
Fax: 010-58560742  
Post Code: 100031

Bank of Ningbo Company Limited  
Address: No.700 Ningnan South Road Ningbo ,Zhejiang  
Legal Representative: Lu Huayu  
Contact Person: Zhang Jie Pan  
Contact Tel: 021-23262680  
Fax: 021-63586853  
Post Code: 200120

CITIC Securities Company Limited  
Address : No. 8 Zhong Xin San Road, Futian District,  
Shenzhen City  
Legal Representative: Wang Dongming  
Contact Person: Lu Zengrui、 Zhao Ganfu  
Contact Tel: 010-60838307、 010-60836513  
Fax: 010-60836513  
Post Code: 100026

China Merchants Securities Co. Ltd.  
Address: 38-42F, Block A, Jiangsu Building, Yitian Road,  
Futian District, Shenzhen  
Legal Representative: Gong Shaolin  
Contact Person: Wang Zhuoying  
Contact Tel: 021-20398522  
Fax: 021-68407987  
Post Code: 200122

Bank of Montreal (China) Co. Ltd.  
Address : Unit 03B, 27th Floor, Tower 3, China Central  
Place, No.77 Jianguo Road, Chaoyang District, Beijing  
Legal Representative: Yujun Ming  
Contact Person: Qu Sibe  
Contact Tel: 020-38150222  
Fax: 020-38150298  
Post Code: 100025

**Auditor**

Office of the Auditor General of British Columbia  
623 Fort Street  
Victoria, BC  
V8W 1G1  
Contact person: Russ Jones  
Tel: 250 419 6103

**Issuer's Lawyers**

King & Wood Mallesons  
40th Floor, Office Tower A, Beijing Fortune Plaza  
Dongsanhuan Zhonglu, Chaoyang District  
Beijing 100020, P. R. China  
Contact person: Christine Chen  
T +86 10 5878 5588  
F +86 10 5878 5599

King & Wood Mallesons  
13/F Gloucester Tower  
The Landmark  
15 Queen's Road Central  
Central, Hong Kong  
Contact person: Richard Mazzochi



Tel: 852-34431000  
Fax: 852-34431299

**Issuer's Canadian  
Counsel**

Ministry of Justice, Province of British Columbia  
Contact person: Homi Bindra  
Tel: 250 356 8468  
Fax: 250 387 1010

**Bond Registration and  
Custodian Institution**

Interbank Market Clearing House Co., Ltd  
No. 2, Beijing East Road, HuangPu District, Shanghai  
Contact person: Issuance department  
Tel: +86 21 2319 8888  
Fax: +86 21 2319 8866

**Centralized  
Bookbuilding System  
Technology Support  
Institution**

Beijing Financial Assets Exchange  
No.17B Finance Street , XiCheng District, Beijing 100032,  
P.R.China  
Legal representative: Guo Bing  
Contact person: Issuing Department  
Tel: 010-57896722、010-57896516  
Fax: 010-57896726

## SECTION 18: DOCUMENTS AVAILABLE FOR INSPECTION

### 1. Documents available for inspection

The following documents are available for inspection at the addresses referred to in paragraph 2 below.

- (1) A copy of the Notice of Acceptance of Registration issued by NAFMII (NAFMII Reference Number [2015] No.RB1).
- (2) A copy of the most recent consolidation of the Financial Administration Act (*British Columbia*) (in English).
- (3) A copy of the Issuer's 2014/2015 Public Accounts (in English) and a copy of the "Summary Financial Statements" section extracted from the 2014/2015 Public Accounts (in Chinese).
- (4) A copy of the Issuer's 2013/2014 Public Accounts (in English) and a copy of the "Summary Financial Statements" section extracted from the 2013/2014 Public Accounts (in Chinese).
- (5) A copy of the Budget and Fiscal Plan 2015/16-2017/18 (in English) and a copy of the Fiscal and Debt Summary – Budget and Fiscal Plan 2015/16-2017/18 (in English and Chinese)
- (6) A copy of the Estimates, Fiscal Year Ending March 31, 2016 (in English).
- (7) A copy of the Supplement to the Estimates, Fiscal Year Ending March 31, 2016 (in English).
- (8) A copy of the 2015 British Columbia Financial and Economic Review (in English).
- (9) A copy of the 2015/16 First Quarterly Report (in English) and a copy of the Fiscal and Debt Summary – First Quarterly Report 2015/16 to 2017/18 (in English and Chinese).
- (10) A copy of the 2014/15 Second Quarterly Report (in English) and a copy of the Fiscal and Debt Summary – Second Quarterly Report 2014/15 (in English and Chinese).
- (11) A copy of the legal opinion of King & Wood Mallesons, Beijing in relation to the Programme.
- (12) A copy of the legal opinion of the Ministry of Justice, Province of British Columbia in relation to the establishment of the Programme (in English and Chinese).
- (13) A copy of the latest credit ratings reports issued by Standard & Poor's Financial Services LLC, a subsidiary of McGraw Hill Financial, Inc. and Moody's Investors Service, Inc. with respect to the offshore credit ratings of the Issuer.

The relevant disclosure documents will be incorporated by reference into this Offering

Circular by way of the Issuer publishing such documents through the websites of the Custodian Institution ( <http://www.shclearing.com> and Chinamoney ( <http://www.chinamoney.com.cn> ) , as further described in Section 14 (“Disclosure Arrangement”). Statements contained in any such supplement (or contained in a document incorporated by reference therein) or in any such documents incorporated by reference into this Offering Circular, whether in English or Chinese, and published through the websites of the Custodian Institution and Chinamoney shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Offering Circular, whether in English or in Chinese, or statements in a document, whether in English or Chinese, incorporated by reference in this Offering Circular. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Offering Circular.

## 2. Address for Keeping the Documents

Investors may obtain full access to this Offering Circular and the above-mentioned documents available for inspection at the following address:

Issuer Province of British Columbia  
 Address: Ministry of Finance  
 Provincial Treasury, Debt Management Branch  
 620 Superior Street  
 Victoria, British Columbia  
 Canada V8W 9 V1  
 Tel: 250 387 8815  
 Fax: 250 387 3024

Joint Lead Bank of China Limited  
 Underwriter:  
 Address: Investment Banking & Asset Management Department  
 No.1,Fuxingmen Nei Dajie,Beijing,China  
 Post Code: 100818  
 Legal Representative: Guoli Tian  
 Contact Person: Fan He/ Xizi He  
 Tel: 010-66592490/010-66592195  
 Fax: 010-66591706

Joint Lead HSBC Bank (China) Company Limited  
 Underwriter:  
 Address: L32, HSBC Building, Shanghai IFC, 8 Century Avenue,  
 Pudong District, Shanghai, China  
 Post Code: 200120  
 Legal Representative: Liao Yijian  
 Contact Person: Wang Sheng / Yu Mengjia  
 Tel: 010-5999 8150 / 021-3888 3879  
 Fax: 021-2320 8533

Investors who have any questions regarding this Offering Circular and the above-mentioned documents available for inspection should consult their own securities broker, lawyer, professional accountant or other professional advisors.

(This page has no main text, and is the signing page of the “Province of British Columbia 2016 Renminbi Bonds Issuance Programme Offering Circular”)

Province of British Columbia

Signature:

**HEAD OFFICE**

80 Raffles Place UOB Plaza  
Singapore 048624  
Tel (65) 6533 9898 Fax (65) 6534 2334  
uobgroup.com

Co. Reg. No. 193500026Z

TO :

PROVINCE OF BRITISH COLUMBIA

1810 BLANSHARD STREET  
VICTORIA, BC  
CANADA

ASIAN CURRENCY UNIT

DATE : 25-Jan-16

OUR REF : 2016012536129

DEAR SIRs

WE CONFIRM YOUR DEPOSIT WITH US OF :

PRINCIPLE AMOUNT	FROM	TO	RATE	TOTAL INTEREST
CNH 2,989,012,417.42	26-Jan-16	21-Jan-19	3.930000	355,993,869.76

INTEREST PAYMENT DATE	INTEREST
19-Jan-17	117,141,887.48
19-Jan-18	119,099,690.62
21-Jan-19	119,752,291.66

ON 19-JAN-17, WE SHALL PAY CNH 117,141,887.48  
ON 19-JAN-18, WE SHALL PAY CNH 119,099,690.62  
ON MATURITY WE SHALL PAY CNH 3,108,764,709.08  
TO YOUR A/C WITH :  
BANK OF CHINA (HONG KONG) LIMITED  
HONG KONG

/CN989584001207  
INTERMEDIARY :

BENEFICIARY :  
THE PROVINCE OF BRITISH COLUMBIA

/01287592709155

ARRANGED BY :  
P

PLEASE CHECK THE ABOVE PARTICULARS CAREFULLY  
AND LET US KNOW OF ANY ERROR (S) OR OMISSION  
WITHIN 7 DAYS OF DATE THEREOF, FAILING WHICH  
YOU SHALL BE DEEMED TO HAVE ACCEPTED THE  
PARTICULARS AS COMPLETE AND CORRECT, SAVE  
FOR MANIFEST ERROR (S).

COMPUTER PRINTOUT DOES NOT REQUIRE SIGNATURE



# 加拿大不列颠哥伦比亚省 2016年度第一期人民币债券发行项目 募集说明书

加拿大不列颠哥伦比亚省（以下简称“发行人”）2016年度人民币债券发行项目（以下简称“本项目”）中，发行人可自中国银行间市场交易商协会（以下简称“交易商协会”）就本项目发出注册通知书之日起两年内不时在银行间市场发行总计不超过60亿元的人民币债券（以下简称“本债券”）。本项目已经发行人适当授权，发行人发行本债券已取得《不列颠哥伦比亚省金融管理法》以及不列颠哥伦比亚省政府副总督所下达命令的适当授权。

本债券将向下述列明的一名或多名联席主承销商（以下简称“联席主承销商”）持续发行。

本债券最小面值为至少人民币100元。

发行人已就本债券在银行间市场的发行设立本项目，并向交易商协会注册。

## 联席主承销商



中国银行股份有限公司



汇丰银行（中国）有限公司

本债券为发行人合法、有效、具约束力、直接且无抵押的债务。本债券之间以及本债券与发行人不时应承担的所有其他无抵押债务之间（无抵押的次级债务除外）的清偿顺序相同，不存在任何优先权，但法律规定具有优先权的债务除外。

本债券采用实名制记账方式发行，由托管机构统一托管。发行期后，本债券可依据关于规范银行间市场债券交易的相关法律法规在二级市场进行转让和交易。

二〇一五年十二月三日

## 重要提示与声明

发行人可自交易商协会就本项目发出注册通知书之日起两年内不时在银行间市场发行总额不超过 60 亿元人民币的人民币债券。

本债券面向银行间市场公开发行。投资者应当认真阅读本募集说明书及有关的信息披露文件，进行独立的投资判断。交易商协会对本项目的注册并不表明其对本债券的投资价值做出了任何评价，也不表明对本债券的投资风险做出了任何判断。投资者购买本债券，应当认真阅读本募集说明书及有关的信息披露文件，对投资本债券信息披露的真实性、准确性、完整性和及时性进行独立分析，并据以独立判断投资价值，自行承担与其有关的任何投资风险。

本募集说明书的全部内容遵循相关法律、法规的规定以及中国人民银行和交易商协会的相关监管和自律规定，以及交易商协会的注册要求，结合发行人在发行本债券时实际所知或合理相信为真实的事实情况编制而成。本募集说明书旨在向投资者提供有关发行人的基本情况以及本债券发行和认购的有关资料。发行人愿就本募集说明书内容在各重大方面的真实性、准确性、及完整性承担责任，据发行人最大限度所知及所信，在做出一切合理的努力以确保后，确认截至本募集说明书封面载明日期止，本募集说明书在任何重大方面不存在误导性陈述，且未遗漏任何会导致本募集说明书在任何重大方面产生误导的、关于发行人或本债券的事实情况。

发行人没有委托或授权任何其他个人或实体提供未在本募集说明书中列明、关于本债券发行的信息或对本募集说明书作任何说明。投资者若对本募集说明书或任何备查文件存在任何疑问，应咨询自己的证券经纪人、律师、专业会计师或其他专业顾问。

本债券没有也不会根据经修订的 1933 年《美国证券法》（以下简称“《美国证券法》”）注册。本债券不得在美国境内发售或出售，但已经取得相关豁免或不适用《美国证券法》注册要求的交易除外。本债券根据《美国证券法》S 条例在美国境外发售。

### 有关发行人发行本债券的提示声明

本项目项下所发行的任何本债券系由加拿大的不列颠哥伦比亚省发行。本债券并非由加拿大政府发行，加拿大政府并不直接或间接为本债券提供任何担保。

### 有关发行人的“简明财务报告”的提示声明

发行人 2014/15 年度《公共账册》第 31 页至第 100 页及 2013/15 年度《公共账册》第 31 页至第 102 页所列的发行人的“简明财务报告”未根据中国通用的会计准则编制，而是根据加拿大不列颠哥伦比亚省《预算透明和问责法案》（以下简称“《预算透明和问责法案》”）要求编制。《预算透明和问责法案》要求发行人的会计政策及操作符合加拿大高等政府公认会计准则 中的标准和指引，由加拿大不列颠哥伦比亚省财政委员

会（以下简称“**财政委员会**”）依据《预算透明和问责法案》规范。由于发行人的“简明财务报告”仅有英文版本，发行人已准备载于本募集说明书第七章“发行人的财务状况”的本省 2013 年、2014 年及 2015 年财务数据的中文翻译稿（以下简称“**财务报告译文**”），并纳入本募集说明书仅供参考。如果发行人的“简明财务报告”与财务报告译文之间有任何不一致，以财务报告译文为准，但财务报告译文应与发行人经审计的“简明财务报告”（包括其附注）一并阅读。财务报告译文自身并不构成经审计的财务报告，其整体受限于发行人的“简明财务报告”并由其中所列的更为具体的信息和财务信息所补充。投资者在阅读本募集说明书所援引的财务数据及指标时，应结合发行人的“简明财务报告”及附注进行阅读。请参见本募集说明书的第十八章“备查文件”部分。

发行人的财政年度自每年 4 月 1 日起至次年 3 月 31 日止，而非一个公历年度。在本募集说明书中，“2014/15 年度”指截至 2015 年 3 月 31 日的财政年度，且除非另有说明，“2014 年度”指截至 2014 年 12 月 31 日的公历年度。其他财政年度和公历年度有相应的含义。

#### **有关公共假期的提示声明**

本募集说明书中所指公共假期为中华人民共和国（不包括香港特别行政区、澳门特别行政区和台湾地区）和加拿大不列颠哥伦比亚省的公共假期。投资者阅读本募集说明书及计算付款日时均应考虑公共假期亦包括加拿大不列颠哥伦比亚省的公共假期的情形。

#### **有关本债券可能在到期日前提前赎回的提示声明**

投资者需关注本债券对提前赎回条款的约定：（1）如果因加拿大或不列颠哥伦比亚省或其任何有权部门或机构的任何法律、法规或规定的变化，或者对该等任何法律、法规或规定的解释或执行有任何变化，导致发行人有义务为其在本债券项下应付给持有人的任何本金或利息支付额外的款项或额外预提任何税费，或者（2）在发生本债券的发行条款约定的不可抗力等情况下。在该等情况下，持有人将不再有权收取后续利息，并且当由于发生不可抗力而提前赎回本债券时，发行人届时应付的款项可能低于持有人在发行人没有提前赎回的情况下原本能够收到的本金。

#### **有关前瞻性陈述的提示声明**

本募集说明书包含若干对发行人财政、经济状况等的前瞻性陈述。前瞻性陈述并非对过往事实的陈述，而是反映发行人信念及期望的陈述。某些字词例如“预料”、“期望”、“有意”、“计划”、“相信”、“寻求”、“估计”、“潜在”及“合理可能”，及其不同组合与类似措辞，均旨在让读者识别前瞻性陈述。这些陈述乃基于现行计划、估计及预测而作出，故投资者在阅读本募集说明书时不应依赖。前瞻性陈述仅以作出陈述当日的情况为依据，而不应假设有关陈述内容曾作修订或更新以反映最新资料或日后事件。



前瞻性陈述涉及内在风险及不确定因素。多种因素均可导致实际结果偏离任何前瞻性陈述所预期或隐含的状况，在某些情况下甚至会出现重大偏差。

本募集说明书的若干陈述可能构成在 1995 年《美国私人证券诉讼改革法》项下的“前瞻性陈述”，包括关于发行人的意图、信念或对经济现状、经济增长、消费者信心、出口外销和失业的预测。投资者需注意，上述前瞻性陈述并不构成对未来形势的保证，可能包含或导致发行人的表现与相关前瞻性陈述所明示或隐含的预测和经济前景有显著不同的风险、不确定性及其他已知或未知的因素，前述因素包括发行人的年度预算（请参见本募集说明书的第十八章“备查文件”部分）中提及的相关因素。

#### **有关本募集说明书中加拿大法律词汇的提示声明**

本募集说明书包含若干字词及陈述（包括但不限于有关加拿大法规的内容）是根据加拿大有关法例予以定义，该等字词及陈述可能与中国法予以的定义有差别，故在阅读本募集说明书时应参考相关加拿大法规对该字词及陈述的释义。投资者如有任何疑问，应咨询自己的法律或其他专业顾问。

#### **有关信息披露语言的提示声明**

发行人就本债券发布的部分文件为中英文双语版本（包括第十四章“信息披露安排”及第十八章“备查文件”中所述为中英双语的文件），如该等文件的中英文版本之间有歧义，以中文版为准，但上述中文文件应与第十四章“信息披露安排”及第十八章“备查文件”所载的发行人不时发布的任何文件的中英文版本（可能修改或替代上述中文版文件中的披露）一并阅读。

#### **获取信息**

投资者可在本债券发行期内到托管机构（<http://www.shclearing.com>）、中国货币网（<http://www.chinamoney.com.cn>）和发行人及联席主承销商指定的其它地点、互联网网址或媒体查阅本募集说明书全文。

## 目 录

第一章	释义.....	5
第二章	募集说明书概要.....	10
第三章	本债券清偿顺序的说明.....	15
第四章	风险提示.....	18
第五章	发行条款及发行安排.....	24
第六章	发行人介绍.....	33
第七章	发行人的财务状况.....	57
第八章	发行人财务状况分析.....	68
第九章	募集资金用途.....	131
第十章	销售条款.....	132
第十一章	本债券税务等相关问题分析.....	134
第十二章	本债券信用评级情况.....	136
第十三章	本债券信用增进情况.....	137
第十四章	信息披露安排.....	138
第十五章	发行人律师的法律意见.....	140
第十六章	投资者保护机制.....	141
第十七章	与本债券发行有关的机构.....	146
第十八章	备查文件.....	152

## 第一章 释义

本募集说明书，除文意另有所指，下列词语具有以下含义：

“总审计长”	指	由加拿大不列颠哥伦比亚省立法会根据《不列颠哥伦比亚总审计长法案》任命的加拿大不列颠哥伦比亚省的总审计长。
“北金所”	指	北京金融资产交易所有限公司，是中国人民银行授权的债券发行、交易平台，财政部指定的金融类国有资产交易平台以及交易商协会的指定交易平台。
“簿记建档”	指	指发行人和《承销团协议》确定的主承销商协商确定利率（价格）区间后，承销团成员/投资者发出申购定单，由簿记管理人记录承销团成员及投资者认购本债券利率（价格）及数量意愿，按约定的定价和配售方式确定最终发行利率（价格）并进行配售的行为。集中簿记建档是簿记建档的一种实现形式，通过集中簿记建档系统实现簿记建档过程全流程线上处理。
“簿记管理人”	指	中国银行股份有限公司，为负责制定集中簿记建档流程及负责具体集中簿记建档操作等簿记建档各方面事宜的机构。
“《预算透明和问责法案》”	指	加拿大不列颠哥伦比亚省《预算透明和问责法案》。
“工作日”	指	北京及不列颠哥伦比亚省维多利亚市的商业银行的对公营业日（不包括公共假期或周六及周日）。
“计算代理机构”	指	中国银行股份有限公司。
“加拿大元”/“加元”	指	加拿大的法定货币加拿大元。

“中国”/“中国内地”	指	中华人民共和国（不包括香港、澳门特别行政区或者台湾）。
“贸仲”	指	中国国际经济贸易仲裁委员会。
“托管机构”	指	银行间市场清算所股份有限公司。
“元”/“人民币”	指	中华人民共和国法定货币。
“人民币交易商”	指	在人民币结算中心就人民币汇率享有国际声誉的独立外汇交易商。
“日”	指	一个公历日。
“披露文件”	指	本募集说明书，以及以援引纳入或以其他方式列载于第十四章“信息披露安排”及第十八章“备查文件”中的文件，包括任何修订和补充。详情请参阅第十四章“信息披露安排”及第十八章“备查文件”。
“最终协议”	指	由不列颠哥伦比亚省《法律解释法》中所定义的最后协议。
“原住民”	指	由原著居民在其于不列颠哥伦比亚省的传统领地内的原著统治机构，无论其组织或设立方式为何。
“加拿大政府会计准则”	指	加拿大高等政府公认会计准则下的标准及指引，由财政委员会依据《预算透明和问责法案》规范。
“本省政府”	指	加拿大不列颠哥伦比亚省政府。
“香港”	指	中华人民共和国香港特别行政区。
“流通性不足”	指	在人民币结算中心的一般人民币兑换市场不能立即付现并导致发行人在咨询过两个人民币交易商后不能获得足够的人民币以支付其出于诚信和合理商业惯例而应支付的债券的利息和本

金（部分或全部）。

“不可兑换性”	指	任何事件，其发生使得发行人在人民币结算中心的一般人民币兑换市场不能将到期数量的债券转换为人民币，除非这种到期的不可能性仅是因为发行人没有依据由政府机构制定颁布的法律，规则或者规定行事（除非所依据的法律，规则或者规定是在本债券的发行之后制定颁布从而使得发行人由于事件的不可预见性不能依据此法律、规则或者规定行事）。
“银行间市场”	指	全国银行间债券市场。
“发行人”/“不列颠哥伦比亚省”/“本省”/“不列颠哥伦比亚”	指	加拿大不列颠哥伦比亚省。
“联席主承销商”	指	中国银行股份有限公司和汇丰银行（中国）有限公司。
“交易商协会”	指	中国银行间市场交易商协会
“不可转移性”	指	任何事件，其发生使得发行人不能将人民币在人民币结算中心的账户之间移转或者从人民币结算中心的账户中移转到人民币结算中心以外以及中华人民共和国境外的账户，反之亦然，除非这种到期的不可能性仅仅是因为发行人没有依据由政府机构制定颁布的法律、规则或者规定行事（除非所依据的法律、规则或者规定是在本债券的发行之后制定颁布从而使得发行人由于事件的不可预见性不能依据此法律、规则或者规定行事）。
“本债券”	指	发行人在本项目下不时发行的债券。
“持有人”	指	本债券的持有人
“募集说明书”/“本募集说明	指	有关本项目的“加拿大不列颠哥伦比亚省 2016 年

书”		度人民币债券发行项目募集说明书”，并经本募集说明书之任何补充文件或第十四章“信息披露安排”及第十八章“备查文件”所列的不时援引纳入的文件，以及（就发行的特定债券的条件与条款而言）有关特定债券发行的补充募集说明书的修改、补充、修订或更新。
“中国境外”	指	所有中国境外的国家和地区（包括香港、澳门特别行政区以及台湾）。
“中国人民银行”	指	中国人民银行，即中国的央行。
“本项目”	指	加拿大不列颠哥伦比亚省 2016 年度人民币债券发行项目，该项目已经交易商协会注册，发行人可自交易商协会就本项目发出注册通知书之日起两年内不时在银行间市场发行总计不超过 60 亿元的人民币债券。
“公共假期”	指	中国或加拿大不列颠哥伦比亚省的公共假期。
“汇率计算工作日”	指	除公共假期或周六周日外，在上海的商业银行对公营业（包括外汇交易业务）的工作日。
“汇率计算日”	指	依照本债券的条款规定的相关数量的债券到期前的两个汇率计算工作日的当日。
“S 条例”	指	《美国证券法》下的 S 条例。
“人民币结算中心”	指	香港。
“《美国证券法》”	指	经修订的 1933 年美国证券法。
“《香港证券及期货条例》”	指	香港证券及期货条例（香港特别行政区法律第 571 章）。
“即期汇率”	指	由中国外汇交易中心在汇率计算日根据中国人民银行授权而发布的人民币对美元汇率中间价。

“简明财务报告”	指	截至 2013 年 3 月 31 日、2014 年 3 月 31 日和 2015 年 3 月 31 日的发行人年度“简明财务报告”及其附注。
“发行条款”	指	本募集说明书第五章“发行条款及发行安排”的“本期债券主要发行条款”项下的本债券的发行条款以及所引用的特定发行条款。
“财政委员会”	指	加拿大不列颠哥伦比亚省行政委员会（根据《不列颠哥伦比亚省宪法法案》设立）下根据《不列颠哥伦比亚省金融管理法》设立的委员会，其责任包括（但不限于）政府会计准则及操作。
“承销商”	指	指负责承销本债券的单独实体、若干实体或者所有机构（视情况而定）。
“承销团”	指	由联席主承销商所成立的特定一期债券的承销团队，由《承销团协议》所确定并同意承销该期债券的一名或多名联席主承销商和承销团其他成员组成。
“承销协议”	指	由发行人与联席主承销商签署的“加拿大不列颠哥伦比亚省 2015 年度人民币债券项目承销协议”，及各方不时对其做出的修订。
“承销团协议”	指	由一名或多名和联席主承销商与承销团其他成员根据《承销协议》，就其承销特定一期的本债券而签署的“加拿大不列颠哥伦比亚省人民币债券项目承销团协议”。
“美利坚合众国”/“美国”	指	美利坚合众国。
“美元”	指	美利坚合众国法定货币。
“美元等价物”	指	参照相关汇率计算日的即期汇率转换成人民币的美元数量。

## 第二章 募集说明书概要

### 一、发行人基本情况

不列颠哥伦比亚省是加拿大的一个行政省，西临太平洋。加拿大于渥太华设联邦政府，另设有十个行政省政府及三个地区政府。每个省在加拿大行政区划中均具有独立的司法管辖权。根据《加拿大宪法》（Canadian Constitution），本省是宪法规定的自治区域（即独立于加拿大联邦政府），省政府享有宪法所赋予的权力，联邦政府无权更改。本省享有不受约束的直接征税（包括所得税、消费税、自然资源特许权使用费等）权力，并对开支决定享有完全自主的决策权，使本省在财政管理方面具有必要的灵活性。本省在健康、教育及社会福祉等事务上负有专属的宪法义务，这也是本省的主要支出领域。综上所述，本省为加拿大自治主权省政府，并且这一地位在本省发行债券的所有加拿大境外其他司法管辖权区内均被认可和接受。

本省是加拿大人口第三大省，根据 2015 年 7 月 1 日的的数据，本省总人口约为 468 万，约占加拿大总人口的 13.1%。

本省面积为 9,500 万公顷，约占加拿大陆地总面积的 9.5%。本省陆地半数为森林覆盖，森林是本省的主要自然资源之一。

在过去的几十年中，本省的经济在结构、就业、生产力及贸易方面都呈现更加多样化发展的态势。一方面，林业及其他传统资源主导产业（如渔业及矿业）仍得以继续发展，另一方面，天然气开采业、二次制造业得到蓬勃发展，服务业板块（包括技术、旅游、影视产品产业等）也不断开拓，构成了经济发展的新领域。

大温哥华地区作为加拿大主要的船运、制造及服务中心，是本省城市人口最多的地区，是加拿大全境人口第三大城市。根据 2014 年 7 月 1 日的的数据，总人口约 247 万。维多利亚是本省的省会，位于温哥华岛。根据 2014 年 7 月 1 日的人口普查数据，其总人口约 36 万。

### 二、本项目基本情况

本章节刊载本债券条款概要，其整体受限于本募集说明书其他部分的披露。有关本债券的详情，请参阅第五章“发行条款及发行安排”。

#### 1、第一期债券名称

加拿大不列颠哥伦比亚省 2016 年度第一期人民币债券。

#### 2、发行人



Province of British Columbia of Canada（加拿大不列颠哥伦比亚省），为加拿大的一个自治主权省政府，具有标准普尔 AAA 级和穆迪 Aaa 级信用评级。

### 3、联席主承销商

中国银行股份有限公司和汇丰银行（中国）有限公司

### 4、簿记管理人

中国银行股份有限公司

### 5、接受注册文号

中市协注[2015]RB1 号

### 6、本项目注册金额

人民币 60 亿元。

### 7、本债券形式

本债券采用实名制记账方式发行，由托管机构统一托管。

### 8、本债券期限

不超过 10 年，但第一期不超过 5 年。

### 9、发行规模

本项目项下本债券的每期发行规模不超过 30 亿元人民币。

### 10、本债券面值

本债券将按人民币 100 元发行，即每一记账单位对应的债券本金为人民币 100 元。

### 11、发行价格

本债券面值 100 元，以平价发行。

### 12、最小认购金额

本债券认购人认购的本债券金额应当是人民币 100 万元的整数倍且不少于人民币 500 万元。

### 13、计息方式

本债券采用固定利率方式，采用单利按年计息，不计复利。付息款项自付息首日起不另计利息，本金自兑付首日起不另计利息。

利息按全年 365 日（对于非闰年）或 366 日（对于闰年）的实际天数计算。

### 14、利率

本债券采用固定利率形式，最终票面利率将由发行人根据簿记建档结果确定并在发行情况公告中指明，在本债券存续期内固定不变。

#### 15、本债券本息兑付办法

本债券于付息日（定义见第五章“发行条款与发行安排”）支付利息。本债券到期时于兑付日（定义见第五章“发行条款与发行安排”）一次性偿还本金。本债券存续期限内，付息日前5个工作日或兑付日（视情况而定），由发行人按有关规定在交易商协会指定的信息媒体上刊登“付息公告”或“兑付公告”。本债券的付息和兑付，按照托管机构的有关规定，由托管机构代理完成。发行人向托管机构或其代理人做出或代表发行人做出、对托管机构登记的本债券的账户持有人的支付，即构成发行人在所有方面在本债券下对上述支付金额的所有义务和负债的绝对、无条件的免除及完成。

#### 16、美元等价物的兑付

如发行人本应以人民币偿还本债券，但由于人民币不可转移性、不可兑换性或流通性不足的原因，导致发行人不能或者无法实现以人民币偿还，发行人可以于本债券应付日前至少5日且至多30日向持有人发出不可撤销的通知，以与人民币面值等值的美元等价物（全部或部分）偿还本债券。如发行人已取得中国人民银行许可，能够从中国银行间外汇市场按届时的市场汇价获得需偿付的相应人民币金额，则发行人将以人民币偿还本债券。

任何在此情形下以美元进行的偿付行为将不被视为本债券发行条款第39条所述的违约清偿事件。

所有由计算代理机构依据本条“美元等价物的支付”规定所作出的通知、意见、决定、证明、计算及引用将对发行人和所有持有人具有约束力，存在故意违约、不真实、明显错误或已被证实错误的除外。

#### 17、发行方式

本债券通过在北京金所集中簿记建档的方式公开发售。

#### 18、发行对象

银行间市场的机构投资者（相关国家法律、法规禁止的购买者除外）。

#### 19、提前赎回

##### (1) 因税务原因而导致的提前赎回

如果在发行首日后因加拿大或不列颠哥伦比亚或其有税收权利的任何有权部门或机构的任何法律、法规或规定的变化，或者对该等任何法律、法规或规定的解释或执行有任何变化，导致发行人有义务为其依据本债券发行条款第31条应付给持有人的任

何本金或利息支付额外的款项或额外预提任何税费，发行人有权选择向持有人发出不少于 30 日并且不多于 60 日的提前通知，赎回全部（但不得部分赎回）于通知中所述日期的债券余额，根据本条规定需支付的赎回价格为截至其赎回日本债券尚未偿还的本金及届时已累计的利息总额。

## （2）因不可抗力而导致的提前赎回

如果发行人履行本债券项下的任何义务（以及发行人或发行人的任何关联机构履行其与本债券相关的任何对冲或融资安排项下的义务）将全部或就任何部分不再合法或事实上不能实行，包括但不限于由于遵守任何适用的现有的或将来的政府、行政机构、立法或司法部门或机构的法律、法规、规定、判决、命令或指令或其任何要求或请求而导致的不再合法或事实上不能实行，则发行人有权不再履行该等义务。在该等情况下，发行人有权选择以提前赎回本债券前（而不是发生导致提前赎回债券的事件发生前）本债券的公平市场价值（由发行人全权自行决定）并充分考虑由该等事件导致的发行人及其关联机构与履行其在本债券项下义务或与本债券相关的任何对冲或融资安排（包括但不限于持有任何基础及/或掉期交易或其他任何类型的对冲发行人在本债券项下义务的工具）项下义务相关的成本及费用（包括但不限于清盘任何该等相关掉期或融资安排）等调整因素后的价格赎回本债券。

## 20、回售权

投资者不能向发行人回售本债券。

## 21、债券评级

本债券未被中国评级机构评级。

## 22、税务提示

所有发行人支付的本金和利息都不存在由加拿大政府或其任何省级、地域、政治区域或其具有征税权力的任何权力机关、机构征收或代理征收的，扣缴、减免或以税收为名义的，现有或未来的税金、关税、估价或费用，除非该等税金、关税、估价或费用的扣缴或减免是法律或其他相关解释或执行所要求的。在此情况下，发行人将支付必要的额外费用以确保持有人所收到的在扣缴或减免相关费用后的债券本金和利息净额不少于债券在无扣缴或减免情况下应有的总额，持有人由于存在持有本债券之外的其他与加拿大关联的因素而使其需要承担税金或关税，则发行人无需对持有人（或代表持有人的第三人）支付上述额外费用。在上述发行人将支付额外费用的情况下，发行人有权选择根据本债券发行条款第 31 条提前赎回全部（但不得赎回部分）未偿还的本债券。

根据有关适用税收法律、法规的规定，持有人投资本债券所应缴纳的其他税款由持有人承担。

### 三、风险提示

投资者在做出与本债券相关的任何投资决定之前，应当仔细考虑本募集说明书中所描述的所有风险，关注包括但不限于以下风险：

- （一）与发行人有关的风险；
- （二）与本债券有关的风险；及
- （三）与跨境发行有关的风险。

上述风险的发生，可能会对发行人的财务状况产生显著的不利影响。

在做出投资决策之前，投资者应当仔细地考虑所有包含在募集说明书及本债券相关的其他发行文件中的信息，包括但不限于募集说明书中的财务信息。

### 四、仲裁裁决在不列颠哥伦比亚省的执行

本债券条款规定，凡因本债券引起的或与之有关的任何争议，根据本债券发行条款的第 38 条约定，均应提交贸仲在北京进行仲裁，仲裁应按照截至本募集说明书发布之日现行有效的《中国国际经济贸易仲裁委员会仲裁规则（2015 版）》进行。仲裁裁决是终局的，对各方均有约束力。由贸仲根据本债券发行条款第 38 条针对发行人做出的仲裁裁决能够根据加拿大不列颠哥伦比亚省《外国仲裁裁决法》（依据该法规定，《关于承认和执行外国仲裁裁决的联合国公约》适用于不列颠哥伦比亚省）和加拿大不列颠哥伦比亚省《国际商事仲裁法》（该法基本上是基于联合国国际贸易法委员会通过的《1985 年联合国国际贸易法委员会国际商事仲裁示范法》而制定）由不列颠哥伦比亚省最高法院承认为有约束力，并获得执行，除非：（1）依赖该仲裁裁决或申请其执行的一方未遵守上述法案的要求，或（2）该仲裁裁决的承认或执行根据上述法案被驳回。有关上述法案要求及驳回承认或执行仲裁裁决的理由的详情请参阅第三章“本债券清偿顺序的说明”。此外，针对发行人的外国仲裁裁决的承认与执行还受到第三章“本债券清偿顺序的说明”载明的若干其他限制。因此，发行人不能保证贸仲做出的任何针对发行人的仲裁裁决均可在不列颠哥伦比亚省法院成功地得以强制执行。

### 第三章 本债券清偿顺序的说明

根据本债券发行条款，本债券为发行人的合法、有效、具约束力、直接且无抵押债务。发行条款亦规定，本债券之间以及本债券与发行人不时应承担的其他无抵押债务之间（无抵押的次级债务除外）的清偿顺序相同不存在任何优先权，但法律规定具有优先权的债务除外。除通过偿债基金或其他偿付方式以外，本债券的本息清偿将以不列颠哥伦比亚省的合并收入资金进行偿付。

如果本债券发行条款约定的违约清偿事件发生，持有人可根据本债券发行条款要求发行人就本债券届时产生的本金及利息进行提前偿付。本债券发行条款规定，凡因本债券引起的或与之有关的任何争议均应根据本债券发行条款的第 38 条约定提交贸仲在北京仲裁。本债券发行条款同时约定，仲裁裁决是终局的，对双方均有约束力。

由贸仲根据发行条款第 38 条针对发行人做出的仲裁裁决能够根据加拿大不列颠哥伦比亚省《外国仲裁裁决法》（依据该法规定，《关于承认和执行外国仲裁裁决的联合国公约》适用于不列颠哥伦比亚省）和加拿大不列颠哥伦比亚省《国际商事仲裁法》（该法基本上是基于联合国国际贸易法委员会通过的《1985 年联合国国际贸易法委员会国际商事仲裁示范法》而制定）由不列颠哥伦比亚省最高法院承认为有约束力，并获得执行。根据交易文件中的争议解决条款及本债券发行条款而由上述仲裁庭对发行人作出的仲裁裁决将被承认具有约束力，并可由不列颠哥伦比亚省高级法院执行，除非：（1）依赖该仲裁裁决或申请其执行的一方未遵守上述法案的要求，或（2）该仲裁裁决的承认或执行根据上述法案被驳回。上述法案要求及驳回承认或执行仲裁裁决的理由如下：

#### （1）法案要求

依赖仲裁裁决或申请其执行的一方须提供：

- （a）经验证的仲裁裁决原件，或鉴证复印件，以及
- （b）仲裁协议原件或鉴证复印件。

根据不列颠哥伦比亚省《国际商事仲裁法》，不列颠哥伦比亚省最高法院可另行做出命令。

若仲裁裁决及仲裁协议非以英语或法语做出，申请仲裁裁决承认及执行的一方须提供经证明的英语或法语翻译。

#### （2）驳回承认或执行的理由

仲裁裁决在不列颠哥伦比亚省的承认或执行仅在以下情况可被驳回，无论裁决在哪一国家做出：

(a) 经被申请执行仲裁裁决的一方请求，如果该方向最高法院提交证明以下情况的证据：

(1) 仲裁协议一方无行为能力；

(2) 仲裁协议依据其适用法无效，或者在适用法不明晰的情况下，依据做出仲裁裁决的所在地法律无效；

(3) 被提起仲裁的一方并未被给予任命仲裁员或仲裁程序的有效通知，或者有其他使其无法陈述其立场的情况；

(4) 仲裁裁决所涉争议并非在提交仲裁条款约定范围内，或者仲裁裁决包括对提交仲裁范围之外事项的决定，但如果针对提交仲裁事项的决定能够从未被提交仲裁事项中分离，则包括对提交仲裁事项的决定仲裁裁决部分可被承认或执行；

(5) 仲裁庭的组成或仲裁程序未遵守各方约定，或者在并无任何约定情况下，与仲裁所在地法律规定不符；或

(6) 仲裁裁决尚未对各方产生约束力，或者被仲裁所在地或仲裁适用法律所在地法院撤销或中止；或

(b) 若最高法院认定：

(1) 根据不列颠哥伦比亚省法律，争议标的不能通过仲裁解决；或

(2) 承认或执行仲裁裁决违背不列颠哥伦比亚省的公共政策。

此外，承认和执行针对发行人的仲裁裁决受到以下限制：

(1) 在不列颠哥伦比亚省的程序中，根据不列颠哥伦比亚省《皇家诉讼法》，针对发行人的禁令或责令实际履行的救济方式不能执行；

(2) 根据不列颠哥伦比亚省《皇家诉讼法》，在不列颠哥伦比亚最高法院进行的针对发行人的法律程序中获得的命令无法通过强制执行、扣押或类似性质的程序得到执行，但不列颠哥伦比亚省《皇家诉讼法》规定，若已做出有关支付的命令，法院适格官员须在收到申请后签发载有应付金额的证书，而不列颠哥伦比亚省财政厅长须从不列颠哥伦比亚省合并收入基金中向获得支付令的人士或根据其指示，支付上述证书所载的到期金额（法院或上诉法院因未决诉讼或其他原因暂停支付的情形除外），并支付合法到期的利息（如有）；

- (3) 《加拿大货币法》禁止加拿大的法院做出任何以加元以外的任何货币支付的命令；
- (4) 不列颠哥伦比亚省《外国货币请求法案》规定，若不列颠哥伦比亚省最高法院认为，若支付令下的款项全部或部分以加元以外的货币支付可使申请获得支付令的人士得到真正且精确的赔偿，则法院应判令支付的款项为在不列颠哥伦比亚省受许银行于转换日结束营业时购买上述货币所需的加拿大货币。该法案对转换日的实质定义为支付令下的款项支付日前相关受许银行对上述其他货币对加元汇率的最后一个报价日。《外国货币请求法案》及依其制定的《外国货币请求法规》实质规定，受限于法院决定，支付令日后应以适用的外国基本利率（定义见《外国货币请求法规》）计息。
- (5) 不列颠哥伦比亚省《诉讼时效法案》规定，在判令以金钱支付的外国仲裁裁决可执行之日起 10 年内未在不列颠哥伦比亚省内启动执行上述仲裁裁决的法院程序的，10 年期届满后不得开始请求执行。

## 第四章 风险提示

投资者在做出本债券的任何投资决定之前，应当仔细考虑以下所述的所有风险，以及在募集说明书和任何其他与本债券有关的发行文件（包括但不限于发行人的“简明财务报告”）中描述的其他风险事项。下述任一风险的发生，可能会对发行人的财务状况和经营业绩产生显著的不利影响。

### 一、与发行人有关的风险

#### （一）发行人可能受到不由其直接控制的可变因素的影响

发行人对于风险及不确定性的主要敞口为发行人无法直接控制的变量所引起。上述变量包括：

- 1、收入及国家公司预测的基础假设，如经济因素、商品价格和天气条件；
- 2、诉讼、仲裁及与第三方谈判的结果；
- 3、联邦转移分配、与联邦政府费用分担协议的潜在变化以及联邦税务政策和预算变化对本省所得税税基的影响；
- 4、医疗、儿童和家庭服务及收入补助等政府服务的利用率；
- 5、对利率波动、汇率和信用风险的敞口；及
- 6、加拿大政府会计准则的变化。

尽管发行人已经实施有关战略措施，如制定适当的税收、财务和公司监管政策等，以减少上述风险和不确定性，发行人不能保证上述战略措施能够有效防止上述风险和不确定性对发行人财务状况产生的任何不利影响。

### 二、与本债券有关的风险

#### （一）投资本债券并非适合所有投资者

每位拟投资本债券的投资者必须根据自身的情况确定其是否适合进行该投资。特别是，其应该做到以下几点：

- 1、对本债券、投资该债券的利弊和风险、本募集说明书及所有相关更新报告中所载或援引纳入的信息有充分了解，并具备对其进行有效评估的经验；
- 2、具备并熟悉相关分析工具，并可利用该工具并结合其自身的财务状况对债券投资及该投资对其整体投资组合的影响进行评估；



3、具有承担本债券的投资所有相关风险的足够财务资源和流动资金，包括支付债券本金和利息的货币不同于潜在投资者本国货币的情况；

4、完全理解本债券的各项条款，并熟悉相关金融市场的运作规律；及

5、对于可能影响其投资及承担相关风险能力的经济因素、利率和其他因素，有能力自行评估或在其财务顾问的帮助下评估可能出现的相关局面。

## **(二) 本债券为无担保债券，且加拿大政府不提供担保**

由于本债券为无担保债券，且加拿大政府不提供担保，投资者在投资本债券时需要对发行人的信用风险进行评估，这一点非常重要。如果发行人无力向投资者偿还本债券项下的金额，该等投资者将无任何可追索的担保品或抵质押物，对加拿大政府不享有任何权利，并且在最坏情况下，投资者根本无法获得本债券项下的任何款项。

## **(三) 可能没有适合于本债券的活跃交易市场或二级市场流动性**

拟发行的本债券为新证券，发行范围可能并不广泛，也没有活跃的相关交易市场。本债券在首次发行后进行交易的，其交易价格可能低于其首次发行价格，具体取决于当时的利率、类似债券的市场情况（如适用）、总体经济状况以及发行人的财务状况等因素。因此，投资者可能面临所投资的本债券很难或无法进行交易的风险。

本债券流动性的降低可能导致本债券价格的波动性增大。因此，投资者可能面临其所持本债券无市场流动性的风险，因而只能等到本债券兑付时才能使投资变现。在此种情况下，投资者应该做好其在本债券兑付前可能要承担债券投资的经济风险的心理准备。

## **(四) 影响本债券价值和交易价格的特定因素**

本债券在到期前的价值高低取决于以下多种因素：

- 1、本债券的交易价格；
- 2、距到期日的剩余时间；
- 3、中期利率及投资回报率的变化；及
- 4、汇率的变化。

由于这些因素的影响，如果持有人在到期前出售本债券，出售价格可能会低于本债券的原始投资金额。此外，以上各种因素之间相互关联，而且关系复杂（比如：本债券的交易价值因一种因素而提高，但提高的部分却可能因另一种因素而被抵消）。

投资者所投资本债券的价值可能会受到上述一种或多种因素影响，从而对本债券的价值造成负面影响。

#### **（五）总体经济状况可能影响本债券**

债务证券市场受加拿大、亚洲及其他国家和地区的经济状况、市场情况、利率、汇率和通胀率的影响。发行人不能保证加拿大、亚洲及其他国家和地区发生的事件不会造成市场波动，也不能保证市场波动不会对本债券的价格造成负面影响，亦不能保证经济状况和市场情况不会带来其他负面影响。

#### **（六）法律变更可能不利于本债券**

本债券的发行条款是基于本募集说明书公告时有效的相关中国法律、不列颠哥伦比亚省法律及加拿大联邦法律所制定。该等发行条款的解释及/或效力可能存在变更风险，而且该变更可能会对本债券的持有人的合同权利造成负面影响。本债券的价值也可能因法律发生变更而受到影响。

发行人无法对本募集说明书公告之日后可能做出的任何司法判决、中国法律、不列颠哥伦比亚省法律及加拿大联邦法律的变更、或行政实践的变化可能带来的影响以及上述变更可能对本债券的价值产生重大影响作出任何保证。

#### **（七）投资者只能通过托管机构的结算系统进行权益交易，且受结算系统相关风险影响**

投资者只能通过托管机构的结算系统进行权益交易，并且按照该结算系统有关资金划转、资金支付和与发行人沟通方面的程序才能收到本债券项下的款项。

发行人对本债券权益的相关记录和款项支付程序不承担任何责任。

#### **（八）债券持有人会议 有关决议可能无法兼顾所有债券持有人利益**

本持有人可于发行人指定地点查阅持有人就考虑影响其利益的事件召开会议的规定，包括通过特别决议批准此类条款规定的修改或其他安排。任何于此类会议正式多数通过的决议对持有人有约束力，其中包括未出席相关会议且未在相关会议上投票的持有人，也包括其投票意见不同于多数意见的持有人。因此，投资者可能面临本债券的发行条款未经其同意即被修改的风险。

#### **（九）利率风险**

投资本债券可能存在因市场利率发生后续变化而对定息债券的价值造成负面影响的风险。如出现市场利率提高并且高于相关债券固定利率的情况，投资者无权从中受益。

影响利率的因素有很多，其中包括宏观经济、政府因素、投机因素、市场情绪因素等。利率的波动可能会影响本债券的价值。

#### **(十) 进行合法投资的考虑因素可能会限制某些投资**

有些投资者的投资活动需要遵守合法投资相关法律法规的规定，或需要经过相关主管部门的审查或接受其监管。每个有意投资本债券的投资者均应就以下事项征求其法律顾问的意见：（1）其投资本债券是否合法，合法程度如何，（2）债券是否可以用作不同类型借款的担保物，在多大程度上可以用作此等担保物；（3）其购买或质押债券是否还要受到其他限制，限制的程度如何。投资者还应就拟投资本债券在相关风险资本规则或类似规则项下所能获得的待遇向其法律顾问或相关监管机关进行咨询。

#### **(十一) 本债券可能在到期日前提前赎回**

如果（1）因不列颠哥伦比亚省或加拿大或其任何有权部门或相关政府机构的任何法律、法规或规定的变化，或者对该等任何法律、法规或规定的解释或执行有任何变化，导致发行人有义务为其在本债券项下应付给持有人的任何本金或利息支付额外的款项或额外预提任何税费，或者（2）在发生本债券的发行条款约定的不可抗力等情况下，发行人在上述任一情况发生时均有权按照发行条款的规定提前赎回本债券。

在该等情况下，持有人将不再有权收取后续利息，并且当由于发生不可抗力而提前赎回本债券时，发行人届时应付的款项可能低于持有人在发行人没有提前赎回的情况下原本能够收到的本金。

#### **(十二) 与本债券有关的税务问题**

债券交易对本债券的潜在购买人可能会产生税务问题，具体取决于该购买人的实际状况、转让税和登记税的相关法律规定等因素。在发行人已实际履行完毕其在债券项下义务的情况下，债券购买人可能需要就资产的转让或同意转让支付所得税、印花税、印花税储备税及/或类似的转让税（具体请参阅本募集说明书第十一章“本债券税务等相关问题分析”）。

### **三、与跨境发行有关的风险**

#### **(一) 汇率风险和外汇控制可能导致潜在的投资者收到比预期少的利息或本金**

发行人以人民币支付债券的本金以及利息，如果潜在投资者的金融活动所用的货币或货币单位（投资者货币）并非人民币，便会产生由货币转换而引起的一些风险。这包括汇率可能发生重大变化的风险（包括由于货币贬值导致对用来计量债券的货币的变化，以及投资者货币重新评估所带来的变化）。目前，人民币还未实现完全自由兑换。中国正在优化人民币汇入境内用于资本项目结算的相关法规。鉴于中国政府对人民币资金跨境流动的限制性措施，在中国境外获取人民币有一定障碍。发行人不能保证中国政府在未来是否会继续放宽对人民币跨境汇款的控制，也不能保证中国不会出台限制或禁止人民币汇入或汇出中国内地的新法规。发行人不能保证上述法规的变动不对本债券的流动性产生影响。潜在投资者可能因而收到比预期少或者甚至显著少于预期的利息或本金。

#### **（二）因在中国境外获取人民币的资源有限，发行人在中国境外获取人民币以履行其在本债券项下义务的能力可能会因此受到影响**

由于中国政府限制人民币的跨境流动，在中国境外获取人民币的资源也相应受到限制，中国境外的人民币计值金融资产规模有限。尽管人民币离岸市场预料会在深度和规模上继续增长，但其增长受到中国外汇法律法规的限制。发行人不能保证中国政府不会公布新的规定，从而产生限制境外人民币流通效果。而境外人民币流通受到限制可能会影响发行人通过在境外获取人民币以偿付本债券项下金额的能力，发行人不能保证能够获取足够人民币以履行其在本债券项下义务。

#### **（三）投资本债券面临外汇风险**

如果发行人由于人民币不可转移性、不可兑换性或者流通性不足（定义见第一章“释义”）的原因，而无法或不可能在本债券到期时以人民币偿还其全部或部分本金及利息，发行人有权于本债券到期日前不少于 5 日且不多于 30 日向持有人发出不可撤销的通知，并以美元形式在本债券到期日支付本应以人民币支付的本金或利息金额（视情况而定）的美元等价物（定义见第一章“释义”），以清偿全部或部分上述应付款。

#### **（四）仲裁地点和仲裁裁决执行的地点可能不同，可能存在仲裁裁决难以执行的情形**

本债券发行条款规定，凡因本债券引起的或与之有关的任何争议均应根据本债券发行条款的第 38 条约定提交贸仲在北京仲裁，仲裁应按照截至本募集说明书发布之日现行有效的《中国国际经济贸易仲裁委员会仲裁规则（2015 版）》进行。仲裁裁决是终局的，对双方均有约束力。由贸仲根据本债券发行条款第 38 条针对发行人做出的仲裁裁决可根据加拿大不列颠哥伦比亚省《外国仲裁裁决法》（依据该法规定，《关于

承认和执行外国仲裁裁决的联合国公约》适用于不列颠哥伦比亚省）和加拿大不列颠哥伦比亚省《国际商事仲裁法》（该法大部分是基于联合国国际贸易法委员会通过的《1985年联合国国际贸易法委员会国际商事仲裁示范法》而制定）由不列颠哥伦比亚省最高法院承认为有约束力，并获得执行，除非：（1）依赖该仲裁裁决或申请其执行的一方未遵守上述法案的要求，或（2）该仲裁裁决的承认或执行根据上述法案被驳回。有关上述法案要求及驳回承认或执行仲裁裁决的理由的详情请参阅第三章“本债券清偿顺序的说明”。此外，针对发行人的外国仲裁裁决的承认与执行还受到第三章“本债券清偿顺序的说明”载明的若干其他限制。因此，发行人不能保证贸仲做出的任何针对发行人的仲裁裁决均可在不列颠哥伦比亚省法院成功地得以强制执行。

## 第五章 发行条款及发行安排

### 一、本期债券主要发行条款

#### 1、本期债券名称

加拿大不列颠哥伦比亚省 2016 年度第一期人民币债券。

#### 2、发行人

Province of British Columbia（加拿大不列颠哥伦比亚省），为加拿大的一个自治主权省政府，具有标准普尔 AAA 级和穆迪 Aaa 级信用评级。

#### 3、联席主承销商

中国银行股份有限公司和汇丰银行（中国）有限公司。

#### 4、簿记管理人

中国银行股份有限公司

#### 5、接受注册文号

中市协注[2015]RB1 号

#### 6、本项目注册金额

人民币 60 亿元。

#### 7、本期发行金额

**【30】** 亿元人民币。

#### 8、本期债券期限

**【3】** 年。

#### 9、本期债券性质

本期债券为发行人合法、有效、具约束力、直接且无抵押的债务。本期债券之间以及本期债券与发行人所有其他无抵押债务之间（无抵押的次级债务除外）的清偿顺序相同，不存在任何优先权，但法律规定具有优先权的债务除外。除通过偿债基金或其他偿付方式以外，本期债券本金及利息的清偿，将以不列颠哥伦比亚省的合并收入资金进行偿还。

#### 10、本期债券担保事项

本期债券不设第三方担保。

## 11、本期债券形式

本期债券采用实名制记账方式发行，由托管机构统一托管。

## 12、资金用途

本期债券的募集资金净额将作为发行人的合并收入资金（在某些情况下将全部或部分兑换为其他货币）并可为发行人的利益使用，或用以向不列颠哥伦比亚省的政府机构发放贷款。

## 13、本期债券面值

本期债券将按人民币 100 元发行，即每一记账单位对应的债券本金为人民币 100 元。

## 14、发行价格

本期债券按面值 100 元，以平价发行。

## 15、最小认购金额

本期债券认购人认购的本期债券金额应当是人民币 100 万元的整数倍且不少于人民币 500 万元。

## 16、计息方式

本期债券采用固定利率方式，采用单利按年计息，不计复利。付息款项自付息首日起不另计利息，本金自兑付首日起不另计利息。

利息按全年 365 日（对于非闰年）或 366 日（对于闰年）的实际天数计算。

## 17、利率

本期债券采用固定利率形式，最终票面利率将由发行人根据簿记建档结果确定并在发行情况公告中指明，在本期债券存续期内固定不变。

## 18、承销方式

本期债券由联席主承销商根据承销协议余额包销。

## 19、发行首日/簿记建档日

2016 年 1 月【21】日。

## 20、债权债务登记日

2016 年 1 月【25】日。

## 21、缴款日

2016年1月【25】日。

## 22、起息日

2016年1月【25】日。

## 23、上市流通日

从2016年1月【26】日。

## 24、付息日

本期债券的付息日为2017年至2019年每年的1月[25]日，最后一期的付息日为[2019]年1月[25]日。如遇公共假期或周六及周日，则顺延至其后的第一个工作日；每次顺延期间付息款项不另计利息。

## 25、兑付日

本期债券的兑付日为【2019】年1月【25】日。如遇公共假期或周六及周日，则兑付顺延至下一个工作日，顺延期间本金不另计息。

## 26、付息兑付方式

本期债券按年付息，到期还本。年度付息款项自付息首日起不另计利息，本金自兑付首日起不另计利息。

## 27、本期债券本息兑付办法

本期债券于付息日支付利息。本期债券到期时于兑付日一次性偿还本金。本期债券存续期限内，付息日前5个工作日或兑付日（视情况而定），由发行人按有关规定在交易商协会指定的信息媒体上刊登“付息公告”或“兑付公告”。本期债券的付息和兑付，按照托管机构的有关规定，由托管机构代理完成。发行人向托管机构或其代理人做出或代表发行人做出、对托管机构登记的本期债券的账户持有人的支付，即构成发行人在所有方面在本期债券下对上述支付金额的所有义务和负债的绝对、无条件的免除及完成。

## 28、美元等价物的兑付

如发行人本应以人民币偿还本期债券，但由于人民币不可转移性、不可兑换性或流通性不足的原因，导致发行人不能或者无法实现以人民币偿还，发行人可以于本期债券应付日前至少5日且至多30日向持有人发出不可撤销的通知，以与人民币面值等值的美元等价物（全部或部分）偿还本期债券。如发行人已取得中国人民银行许可，能够从中国银行间外汇市场按届时的市场汇价获得需偿付的相应人民币金额，则发行人将以人民币偿还本期债券。



任何在此情形下以美元进行的偿付行为将不被视为本期债券发行条款第 39 条所述的违约清偿事件。

所有由计算代理机构依据本条规定所作出的通知、意见、决定、证明、计算及引用将对发行人和所有持有人具有约束力，存在故意违约、不真实、明显错误或已被证实错误的除外。

## 29、发行方式

本期债券通过在北金所集中簿记建档的方式公开发行。

## 30、发行对象

银行间市场的机构投资者（相关国家法律、法规禁止的购买者除外）。

## 31、提前赎回

### （1）因税务原因而导致的提前赎回

如果在发行首日后因加拿大或不列颠哥伦比亚或其有税收权利的任何有权部门或机构的任何法律、法规或规定的变化，或者对该等任何法律、法规或规定的解释或执行有任何变化，导致发行人有义务为其依据本期债券发行条款第 36 条应付给持有人的任何本金或利息支付额外的款项或额外预提任何税费，发行人有权选择向持有人发出不少于 30 日并且不多于 60 日的提前通知，赎回全部（但不得部分赎回）于通知中所述日期的债券余额，根据本条规定需支付的赎回价格为截至其赎回日本期债券尚未偿还的本金及届时已累计的利息总额。

### （2）因不可抗力而导致的提前赎回

如果发行人履行本期债券项下的任何义务（以及发行人或发行人的任何关联机构履行其与本期债券相关的任何对冲或融资安排项下的义务）将全部或就任何部分不再合法或事实上不能实行，包括但不限于由于遵守任何适用的现有的或将来的政府、行政机构、立法或司法部门或机构的法律、法规、规定、判决、命令或指令或其任何要求或请求而导致的不再合法或事实上不能实行，则发行人有权不再履行该等义务。在该等情况下，发行人有权选择以提前赎回本期债券前（而不是发生导致提前赎回本期债券的事件发生前）本期债券的公平市场价值（由发行人全权自行决定）并充分考虑由该等事件导致的发行人及其关联机构与履行其在本期债券项下义务或与本期债券相关的任何对冲或融资安排（包括但不限于持有任何基础及/或掉期交易或其他任何类型的对冲发行人在本期债券项下义务的工具）项下义务相关的成本及费用（包括但不限于清盘任何该等相关掉期或融资安排）等调整因素后的价格赎回本期债券。

## 32、回售权

投资者不能向发行人回售本期债券。

### 33、债券评级

本期债券未被中国评级机构评级。

### 34、上市交易

本期债券发行结束后，在债权债务关系确立，并在托管机构登记完毕后，即可按照银行间市场债券交易的有关规定进行交易。

### 35、本期债券的托管机构

银行间市场清算所股份有限公司。

### 36、税务提示

所有发行人支付的本金和利息都不存在由加拿大政府或其任何省级、地域、政治区域或其具有征税权力的任何权力机关、机构征收或代理征收的，扣缴、减免或以税收为名义的，现有或未来的税金、关税、估价或费用，除非该等税金、关税、估价或费用的扣缴或减免是法律或其他相关解释或执行所要求的。在此情况下，发行人将支付必要的额外费用以确保持有人所收到的在扣缴或减免相关费用后的债券本金和利息净额不少于债券在无扣缴或减免情况下应有的总额，持有人由于存在持有本期债券之外的其他与加拿大关联的因素而使其需要承担税金或关税，则发行人无需对持有人（或代表持有人的第三人）支付上述额外费用。在上述发行人将支付额外费用的情况下，发行人有权选择根据本期债券发行条款第 31 条提前赎回全部（但不得赎回部分）未偿还的本期债券。

根据有关适用税收法律、法规的规定，持有人投资本期债券所应缴纳的其他税款由持有人承担。

### 37、适用法律

中国法律。

### 38、争议解决

凡因本期债券引起的或与之有关的任何争议，均应提交贸仲，并根据以下条款在北京进行仲裁：

(1) 除非各方另有约定，仲裁应按照截至本募集说明书发布之日现行有效的《中国国际经济贸易仲裁委员会仲裁规则（2015 版）》进行。

(2) 仲裁法律应为中国法。

(3) 语言

仲裁语言为英文和中文，且除非各方另有约定：

(a) 所有口述陈词必须以英文或者中文进行，并配有同声传译，各方应共同承担同声传译的费用；

(b) 所有递交和提交的文件（包括书面材料和证人证言）均应为英文和中文双语形式。两个语言版本的文件均应同时向另一方和仲裁员提交。各方应自行承担其就提供准确的申报和提交文件的中英文翻译的所需费用；

(c) 任何一方希望使用英文和中文以外的语言版本制作的文件或证人证言，均应在提供原语言版本的同时向另一方和仲裁员提交对其准确的中英文翻译；以及

(d) 如果缺少英文及/或中文的翻译，任何拟用于递交和提交的文件均不被采用。

(4) 仲裁庭应由三名仲裁员组成，每一仲裁员不应具有或曾经有中国或加拿大国籍。所有受指派的仲裁员均掌握流利英文和中文。

(5) 各方同意可以在贸仲仲裁员名册之外选定仲裁员。当由于任何一方未能提名仲裁员、或者各方未能共同提名首席仲裁员或未能提交其各自推荐的首席仲裁员候选名单，而导致由贸仲主任受托或必须指派仲裁员时，贸仲主任仅可从贸仲仲裁员名册中的“外籍仲裁员”中选择并指派，但该仲裁员亦需满足以上其他要求。

(6) 仲裁裁决是终局的，对各方均有约束力。

### 39、违约清偿事件

如果未在本期债券相关本金或利息的到期日向持有人支付本期债券的本金或任何到期应付利息并且该等未支付行为持续 14 天（以下简称“**违约清偿事件**”），则持有人有权以书面通知发行人的形式宣布本期债券尚未偿还的本金及届时已累计的利息立即到期应付，在此情况下，相关款项应立即成为到期应付款项，但发行人基于如下情形未支付或拒绝支付任何款项不应被视为违约清偿事件：

(1) 为了遵守适用于该等付款的任何财政或其他法律法规或执行适用于该等付款的任何有权司法管辖区域的法院命令；

(2) 在发行人根据本期债券发行条款第 28 条以美元等价物支付人民币计价款项金额的情况下，如果发行人未进行支付仅由于人民币不可转移性、不可兑换性或流通性不足的原因；或者

(3) 如果发行人未进行支付仅由于发行人、托管机构的代理人或者向该代理人转账的相关银行而导致的行政错误，在持有人向发行人发出未支付通知后 3 个工作日发行人仍未进行支付的情况除外。

### 40、修改、弃权或替代

在如下情况下，发行人可以不经任何持有人同意修改本期债券发行条款，及豁免或授权相关事项：

(1) 对本期债券发行条款的修改、豁免或授权不会损害持有人的权益；或

(2) 对本期债券发行条款的修改只是形式上的、细微的或技术性的修改，或只是纠正明显错误的修改，或是按照强制性的法律规定作出的修改、豁免或授权。

#### 41、持有人会议

*持有人可参考本募集说明书第十六章“投资者保护机制”中所载的有关持有人就考虑影响其利益的事件召开会议的规定，包括通过特别决议批准此类条款规定的修改或其他安排。*

此类会议由发行人或持有不少于当时债券本金金额的 10% 的持有人要求监督人中国银行股份有限公司召集。任何在持有人会议上有效通过的决议对所有持有人具有约束力，无论持有人是否出席该会议。召开特别决议会议的法定人数为两名或两名以上持有或代表当时本期债券未偿还本金金额 50% 以上的持有人或其代表，或任何延期会议上，法定人数为两名或两名以上持有或代表当时未偿还本金金额不少于 25% 的持有人或其代表，除非此类会议包括提议审议（1）修改债券本金的到期日或债券应付利息日期，（2）减少或撤销债券本金，或赎回债券的应付赎回价款，或债券利息，（3）更改债券的支付货币，（4）修改关于持有人会议所需的法定人数或需大多数通过特别决议的规定，（5）就需经特定法定人数（定义如下）通过的特别决议所授予或作出债券条款要求的任何权限、指示或批准，或（6）修改上述（1）至（5）项的任何部分，在该情况下，必要的法定人数为两名或两名以上持有或代表不少于当时债券本金金额 75% 的人员（以下简称“特定法定人数”），或延期会议上持有不少于当时债券本金金额的 50%。上述第（1）至第（6）项事项需经发行人同意方能生效。

由持有当时债券本金金额的 75% 以上的持有人或其代表签署的书面决议应同持有人如期召开和举行的会议上通过的特别决议一样有效。该书面决议可以相同内容包含于一个文件或多个文件中，且应由一个或以上的持有人或代表其签署。

## 二、认购与托管

1、本债券采用在北金所集中簿记建档的方式公开发行。投资者参与本债券簿记配售的具体办法和要求已在簿记管理人发布的加拿大不列颠哥伦比亚省 2016 年元人民币债券《加拿大不列颠哥伦比亚省 2016 年人民币债券申购区间与申购提示性说明》中规定。任一联席主承销商在发行期内可向其他投资者分销本债券。

2、银行间市场成员凭加盖其公章的营业执照（副本）或其它法人资格证明文件、经办人身份证及《加拿大不列颠哥伦比亚省 2016 年人民币债券投资者申购要约文件》认购本债券。如法律、法规对本条所述另有规定，按照相关规定执行。

3、本债券认购人认购的债券份额应当是人民币 100 万元的整数倍且不少于人民币 500 万元。

4、本债券形式为实名制记账方式发行，投资者认购的本债券在其于托管机构开立的托管账户中托管记载。

5、本债券发行结束后，依据承销协议，由联席主承销商向托管机构统一办理本债券的登记托管工作。

6、投资者办理认购、登记和托管手续时，不需缴纳任何附加费用。在办理登记和托管手续时，须遵循托管机构的有关规定或程序。

7、若上述有关债券认购与托管之规定与任何现行或不时修订、颁布的法律、法规、托管机构有关规定产生任何冲突或抵触，应以该等现行或不时修订、颁布的法律、法规、托管机构的有关规定为准。

### 三、发行人的声明与保证

发行人根据特定一期本债券发行时存在的事实和情况，在本债券发行时向持有人声明和保证如下：

1、发行人是加拿大宪法规定下的加拿大省级主权政府；

2、发行人有充分的权力、权利和授权从事本募集说明书规定的发债行为，并已具有本债券发行所必需的内部授权；

3、发行人发行本债券或履行本债券项下的任何义务或行使发行人在本债券项下的任何权利将不会与适用于发行人的任何法律、法规、条例、判决、命令、授权、协议或义务相抵触从而对发行人偿付能力造成重大负面影响，或如果存在相抵触的情况，发行人已经取得有关监管机关和/或有关主管部门的有效豁免，并且这些豁免根据中国法律合法、有效，并可以强制执行；

4、就本债券而言，发行人已经按照监管机关、有关主管部门和其它有关机构的要求，按时将所有的报告、决议、申报表或其它要求递交的文件以适当的形式向其递交、登记或备案；以及

5、根据《预算透明与责任法案》的要求，发行人“简明财务报告”是根据加拿大政府会计准则编制的，该财务报表于编制时在所有重大方面均真实而公允地分别反映了

发行人于上述财务报表编制时的财务状况以及发行人在上述年度的运营结果、净负债变化和现金流。

#### 四、投资者的认购承诺

购买本债券的投资者被视为作出以下承诺：

- 1、投资者具有银行间债券市场成员资格；
- 2、投资者有充分的权力、授权和法定权利购买本债券，并已采取购买本债券所必需的法人行为和其他行为；
- 3、投资者购买本债券或履行与本债券相关的任何义务或行使其于本债券项下的任何权利将不会与对其适用的任何法律、法规、条例、判决、命令、授权、协议或义务相抵触；
- 4、投资者购买本债券已充分了解并认真考虑了本债券的各项风险，包括但不限于发行公告和本募集说明书所描述的风险因素；
- 5、投资者已充分了解并接受本募集说明书、募集说明书更新报告（如有）对本债券项下权利义务的所有规定并受其约束，并已征询法律或其他专业顾问意见；
- 6、本债券发行完成后，发行人根据日后业务经营的需要并经交易商协会注册后，可能继续增发新的与本债券偿还顺序相同的债券，或偿还顺序优先于本债券的其他债务，而无需征得本债券投资者的同意；
- 7、本债券的发行人依有关法律、法规的规定发生合法变更，在经交易商协会注册（如适用）后并依法就该等变更进行信息披露时，投资者同意并接受该等变更。

## 第六章 发行人介绍

### 一、发行人信息

英文名称: Province of British Columbia

中文名称: 加拿大不列颠哥伦比亚省

地址: PO Box 9414 Stn Prov Govt, Victoria, British Columbia, V8W 9V1 Minister of Finance: Honourable Michael de Jong (中文译名: 加拿大不列颠哥伦比亚省维多利亚市省政府9414号邮箱, 财政部长Michael de Jong阁下, 邮编V8W 9V1)

联络人: 省财务部助理副部长 Jim Hopkins 先生

电话: +1 250 387 5729

传真: +1 250 387 6577

网址: <http://www2.gov.bc.ca>

### 二、发行人介绍

不列颠哥伦比亚省是加拿大的一个行政省, 西临太平洋。加拿大于渥太华设联邦政府, 另设有十个行政省政府及三个地区政府。每个省在加拿大行政区划中均具有独立的司法管辖权。根据《加拿大宪法》(Canadian Constitution), 本省是宪法规定的自治区域(即独立于加拿大联邦政府), 省政府享有宪法所赋予的权力, 联邦政府无权更改。本省享有不受约束的直接征税(包括所得税、消费税、自然资源特许权使用费等)权力, 并对开支决定享有完全自主的决策权, 使本省在财政管理方面具有必要的灵活性。本省在健康、教育及社会福祉等事务上负有专属的宪法义务, 这也是本省的主要支出领域。综上所述, 本省为加拿大自治主权省政府, 并且这一地位在本省发行债券的所有加拿大境外其他司法管辖权区内均被认可和接受。

本省是加拿大人口第三大省, 根据 2015 年 7 月 1 日的数据, 本省总人口约为 468 万, 约占加拿大总人口的 13.1%。

本省面积为 9,500 万公顷, 约占加拿大陆地总面积的 9.5%。本省陆地半数为森林覆盖, 森林是本省的主要自然资源之一。

在过去的几十年中, 本省的经济在结构、就业、生产力及贸易方面都呈现更加多样化发展的态势。一方面, 林业及其他传统资源主导产业(如渔业及矿业)仍得以继续发展, 另一方面, 天然气开采业、二次制造业得到蓬勃发展, 服务业板块(包括技术、旅游、影视产品产业等)也不断开拓, 构成了经济发展的新领域。

大温哥华地区作为加拿大主要的船运、制造及服务中心，是省内城市人口最多的地区，是加拿大全境人口第三大城市。根据 2014 年 7 月 1 日的数据，总人口约 247 万。维多利亚是本省的省会，位于温哥华岛。根据 2014 年 7 月 1 日的人口普查数据，其总人口约 36 万。

### **加拿大简介**

加拿大是世界第二大国家，总面积 9,984,670 平方公里，其中淡水湖面积为 891,163 平方公里。耕地面积约占总面积的 7%，商用林业用地面积约占总面积 30%。截至 2015 年 7 月 1 日，加拿大人口总数约为 3,590 万人。三分之二以上的人口居住在都市区域，其中多伦多、蒙特利尔和温哥华地区最为集中。

加拿大是一个有十个省和三个地区组成的联邦，十个省分别是安大略、魁北克、新斯科舍、纽布伦斯威克、曼尼托巴、不列颠哥伦比亚、爱德华王子岛、萨斯喀彻温、阿尔伯塔、纽芬兰和拉布拉多。三个地区分别为育空、西北和努纳武特地区。

《英属北美法案》(加拿大)（更名为 1867 年《宪法法案》）赋予加拿大国会立法权处理所有除不专属授予给各省立法的事项。这些权力包括防卫权、通过税收系统或方式征收款项、规范贸易和商业活动、公共债务、货币和银行、利息、汇票和本票、航海和运输、跨省级交通、航空和电信通讯（某些例外情形除外）。省立法机构在如下领域有专属管辖权：教育、市政机构、财产和人身权利、司法行政、为省内目的直接征税和其他纯属省级或本地的事务。

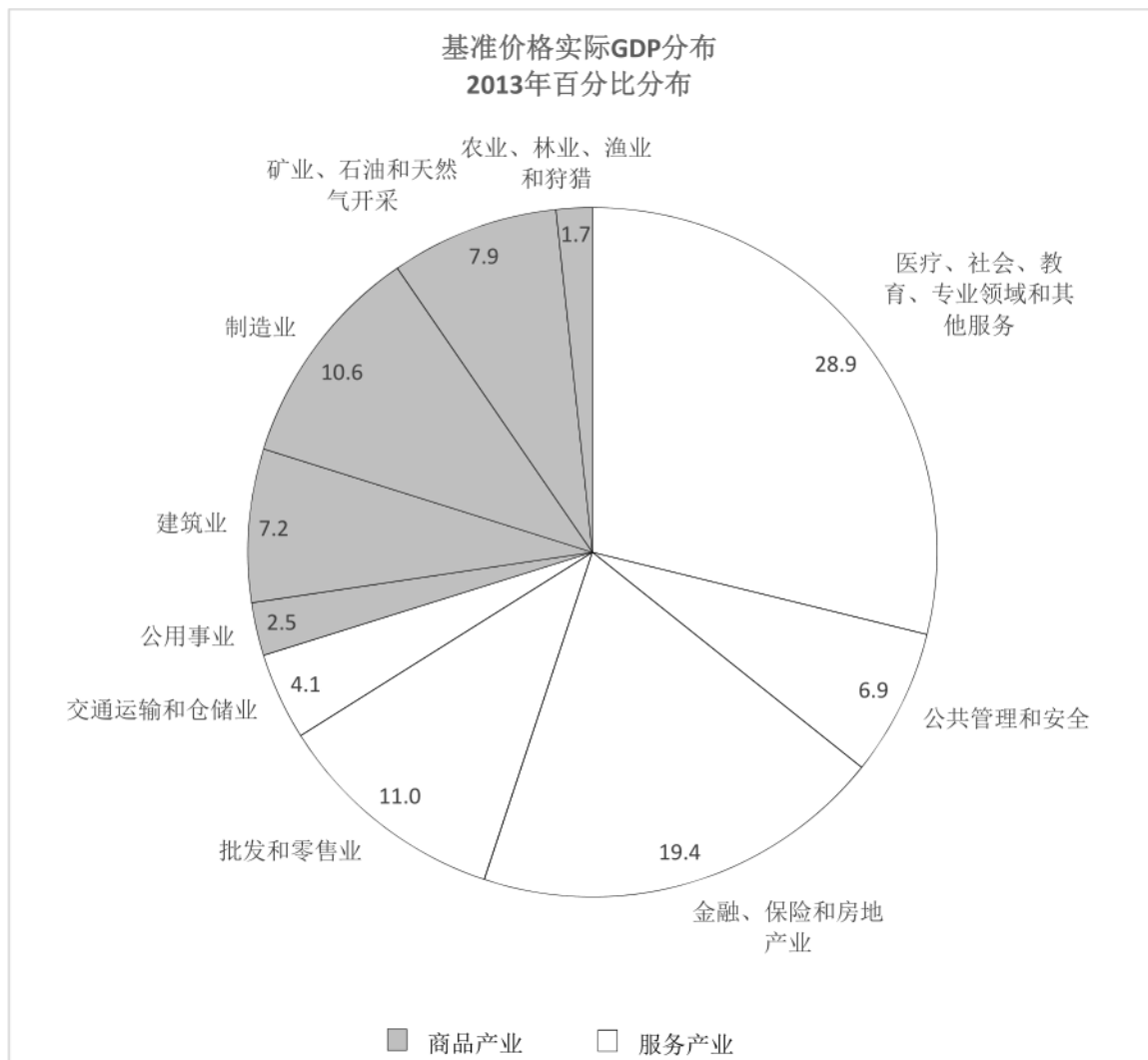
英女王享有联邦政府的行政权，该权力由加拿大总督代为行使，总督听取联邦内阁的意见行使该权力并对众议院负责。国会作为联邦层面的立法机构，包括女王政府、参议院和众议院。总督一般会邀请在大选中赢得最多席位的政党领袖担任总理并组建政府。总理在众议院和参议院（实际中几乎全部从众议院选出）成员中挑选联邦内阁的成员。众议院成员任期为 5 年，《加拿大选举法案》（加拿大）规定自 2007 年 5 月起，大选日期定于上次大选 4 年后的 10 月份的第 3 个星期一。

加拿大政府的司法部门由根据联邦和省级法律设立的多个法院组成。联邦层面的两个主要法院为加拿大最高法院（亦为加拿大最高上诉法院）和受理涉及联邦收入法律及与政府诉讼的案件的加拿大联邦法院。总督根据联邦内阁的意见任命两个联邦级及其省级及区级联邦法院的法官。省级政府任命地方法院（亦为省级法院）的法官。

### **加拿大经济**

下表为 2013 年基于基础价（2007 定值加元）实际国内生产总值的分布构成，显示了加拿大的经济结构。





数据来源：加拿大统计局，按产业划分的国内生产总值

注：四舍五入及基准重定或导致加总的总和与所示总数不同

农业、林业、渔业和、狩猎业、矿业和石油及天然气开采业均包含其辅助活动。

以下讨论中的各行业和产业的生产总值显示了以“定值加元”作为计量单位得出的各行业占国内生产总值的比例。2013年服务业占国内生产总值的70.2%，商品制造业占国内生产总值的29.8%。

下表载列了2004年及2009至2013年间按行业分类的基于基准价格（2007定值加元）加拿大实际国内生产总值的构成。

按行业分类的基于基准价格实际 GDP

截至 12 月 31 日止年度

	2013	2012	2011	2010	2009	2004	2013	2009	2004
	2007 年定值加元 (百万加元)						百分比占比 <sup>(3)</sup>		
农业 <sup>(1)</sup>	21,784	19,240	18,895	18,730	18,927	16,825	1.4	1.3	1.2
林业、渔业和狩猎	5,112	4,944	4,942	4,739	4,190	6,015	0.3	0.3	0.4
矿业、石油和天然气开采	125,088	121,175	120,295	113,912	107,901	116,617	7.9	7.5	8.6
制造业	167,855	168,660	164,814	159,994	152,580	190,998	10.6	10.6	14.1
建筑业	115,072	113,007	106,101	1,027,771	95,461	84,135	7.2	6.6	6.2
公用事业	39,245	37,873	37,749	36,851	35,999	32,620	2.5	2.5	2.4
交通运输和仓储业	65,658	64,891	64,064	61,990	59,693	56,335	4.1	4.2	4.2
批发和零售业	174,196	170,577	167,525	160,525	152,531	135,781	11.0	10.6	10.0
金融、保险和房地产业	307,796	298,178	290,977	290,977	273,693	238,469	19.4	19.1	17.6
公共管理	109,084	109,105	108,859	108,859	104,216	89,452	6.9	7.3	6.6
医疗、社会、教育、专业领域和其他服务	458,559	450,784	442,980	442,980	431,091	375,015	28.9	30.0	27.7
总计 <sup>(2)</sup>	1,589,449	1,558,434	1,527,201	1,527,201	1,436,282	1,353,979	100	100	100

数据来源：加拿大统计局，行业审计部门

(1) 农业包括农业、林业、渔业和狩猎业的辅助活动。

(2) 四舍五入或导致无法加为总数

(3) 基数重定或导致无法加为总数

服务业在实际国内生产总值的占比自 2004 年的 66.1% 增长到 2013 年的 70.2%。金融、保险和房地产行业增速最快，2004 年至 2013 年间的平均年增速为 2.9%，而整体服务行业实际国内生产总值（2007 定值加元）的平均年增速为 2.5%。商品制造业在实际国内生产总值（基于基准价格）的占比由 2004 年的 33.9% 下降至 2013 年的 29.8%，制造业在国内生产总值的占比下降最快，自 2004 年的 14.1% 下降至 2013 年的 10.6%。

加拿大 2008 年的实际国内生产总值增长率为 1.0%，随后于 2009 年下降 3.0%，这主要是由加拿大历史上最严重的经济危机导致。随后，实际国内生产总值转为积极增速发展，年增长率于 2010 年为 3.3%，2011 年为 3.0%，2012 年为 2.0%，2013 年为 2.0%，2014 年为 2.5%。最终国内需求继上年增长后，2014 年持续增长 1.6%。

因货物支出上升 3.4%、服务支出上升 2.2%，2014 年家庭最终消费支出上升 2.8%。耐用品支出上升 5.3%，半耐用品支出上升 3.6%，非耐用品支出上升 2.4%。2013 年家庭支出上升幅度为 2.5%。

商业总固定资本形成继 2013 年增长 0.8% 后，于 2014 年增长 0.9%，此前三年的平均增长率为 8.9%。住宅建设商业投资于 2013 年减少 0.4% 后，于 2014 年增长 2.8%。

住宅翻新及新建支出分别增长 3.9%及 0.5%。厂房及设备商业投资小幅增长 0.1%，增速连续四年下降。

本省政府的总固定资本形成连续四年下降，本年度下降 2.3%。

货物出口增长 6.0%，服务出口增长 2.3%。总体上，出口继 2013 年增长 2.0%后，于 2014 年持续增长 5.4%。2013 年货物出口的增长额为 2.4%，部分被服务出口减少 1.3%所抵消。总体上，进口继 2013 年增长 1.3%后，于 2014 年增长 1.7%。

2009 年制造业产量下降 13.5%，制造业现已在复苏，2010 年的增长率为 4.9%，2011 年为 3.0%，2012 年为 2.3%。2013 年制造业产量下降 0.5%。

2013 年时建筑业为加拿大第三大商品制造业，建筑业活动于 2009 年下降 3.5%。建筑业于 2010 年开始复苏，当年增长率为 7.7%，2011 年为 3.2%，2012 年为 6.5%，2013 年为 1.8%。

2009 年矿业和石油及天然气开采业的产量下降 10.3%，于随后 4 年开始复苏，2010 年产量的年增长率为 5.6%，2011 年为 5.6%，2012 年为 0.7%，2013 年为 3.2%。

尽管 2013 年农业产量只占实际国内生产总值（2007 定值加元）的 1.4%，农业仍是加拿大经济重要组成部分并对加拿大外汇收入有重大贡献。小麦是加拿大主要的农作物，也是出口额最大的商品。2009 年小麦产量为 2,690 万吨，2010 年为 2,330 万吨，2011 年为 2,530 万吨，2012 年为 2,720 万吨，2013 年为 3,750 万吨。

除农林业外，所有主要产业部门 2014 年的产业增加值均有所增长。

2014 年，采矿及油气开采业以及制造业的增长为货物产出总体增长（2.4%）的主要来源。建筑业及公用事业行业亦有所增长。上述增长被谷物产出在 2013 年大幅增长后的回落导致的农林业货物产出减少所部分抵消。服务业的增长（2.4%）来自于批发及零售贸易业、金融及保险业、公共部门（教育、卫生及公共管理）、交通及仓储服务业、专业服务业以及住宿及餐饮服务业的增长。

家庭可支配收入（按加元现值计算）增长 3.4%，为五年来最低增速。因此，家庭储蓄比率由 2013 年的 5.2%降至 2014 年的 4.0%。

实际 GDP 继 2013 年增长 2.0%后，于 2014 年增长 2.1%。加拿大的贸易条件指数于 2013 年稍有增长后，于 2014 年回落 1.3%。

加拿大生产的货物及服务价格于 2014 年增长 1.8%，而 2013 年增幅为 1.4%。国内需求价格继上年增长 1.7%后，于 2014 年增长 2.2%。

### **加拿大近期经济发展**

2014 年及 2015 年初，加拿大的经济表现主要受两大因素影响，即全球经济持续疲软及全球商品价格下降，以及原油价格下跌带来的重大影响。

2014 年，全球经济增长依然不足，反映出欧元区及日本的增长疲软以及中国增长放缓。外部需求不足对加拿大的出口造成影响。在全球需求增长不足的情况下，加拿大企业对于扩张产能持谨慎态度。因此，实际商业投资增速于 2012 年中期至 2014 年底放缓，年度增幅约为 1%。

自 2014 年中以来原油价格迅速下跌进一步影响了加拿大经济，特别是在 2015 年初。对于加拿大这一原油生产国及净出口国而言，低油价对于名义 GDP 增长具有净负面影响，而名义 GDP 为税基最广泛的计量方法。特别是，加拿大 2014 年第二季度（油价下跌前）的原油出口为 1,000 亿加元，占 GDP 总量 5.1%。原油出口价下跌导致截至 2015 年第一季度出口总额的减少超过 450 亿加元（占 GDP 总量 2.3%），并进而导致名义 GDP 减少，而出口量总体保持不变。此外，低油价导致油气行业的实际商业投资于 2015 年一季度减少。

由于油价下跌，名义 GDP 增长率由 2014 年前三季度的 4.9% 降至第四季度的 0.4%。于 2015 年第一季度，名义 GDP 下降 2.9%。

以年化比率计算，2015 年第二季度实际 GDP 于 2015 第二季度减少 0.5%，于第一季度减少 0.8%。相比而言，美国实际 GDP 于第二季度增长 3.7%。

2014 年失业率为 6.9%，与 2013 年的 7.1% 相比有所下降。

### **不列颠哥伦比亚省对华贸易和投资**

为加深互惠贸易、投资及文化交流，本省与中国于 2014 年 4 月 14 日签署了一份协议。本省国际贸易厅厅长屈洁冰（Teresa Wat）女士与中华人民共和国驻温哥华总领事刘菲女士签署了《谅解备忘录》（“《谅解备忘录》”）。

屈洁冰厅长与刘菲总领事就本省与中国建立一系列高层正式对话、构建人民友谊、社会及商贸关系交流等方面达成共识。《谅解备忘录》明确了双方的初期合作领域，包括自然资源（天然气、林业、矿业）、农业食品、技术（包括清洁技术及绿色经济）、国际教育、交通基建及旅游等。

中国是本省第二大贸易伙伴。2014 年，本省对中国出口贸易总值约 64 亿加元，占全省货物出口总额的 18.0%。上述对华贸易及投资有关的拓展活动由本省驻北京、广州、上海及香港的国际贸易及投资代表处组成的网络开展并运作。

## **三、发行人的政治和政府结构**

### **（一）政府及政治体系和法律框架**

不列颠哥伦比亚省的政府结构仿照英国的政府结构，由立法、行政和司法三个主要分支构成。

### 1、立法

不列颠哥伦比亚省的立法机构为一个任期为四年的单独立法议事庭。作为加拿大第一个有立法规定选举日程的省份，不列颠哥伦比亚省规定每隔四年的五月的第二个周二为选举日。若政府在立法会上丢失信任票时，亦可临时召开选举。

立法会由副总督和 85 名立法会代表组成，立法会代表不列颠哥伦比亚省人民参与省内事务。法律规定立法会每年需要召开至少一次会议，一般性会议时间长达数月。根据政府事务的性质，特殊性会议可以持续若干天或几个月。

### 2、行政

行政机构由副总督和行政委员会构成，作为英国女王在不列颠哥伦比亚省的代表，副总督在现代省政府中更多是一个仪式性的职位。根据惯例，副总督由加拿大总督任命，任期一般为五年。

副总督根据总理的建议任命行政委员会的成员，只要行政委员会拥有立法会的信任票就可以指导副总督。在一般选举结束后，副总督会委派获得选票最多的政党的领袖作为总理并组建省政府。

根据总理的推荐，副总督可召集立法会，宣布立法会的休会和散会，在所有法案和规定通过并成为法律之前，须副总督授予御准。

行政委员会，亦为内阁，由总理领导和执政党的若干成员所组成，各部门的部长一般为内阁成员。

内阁有权决定政府的政策并对省政府的运行向立法会负责。内阁任命各副部长，副部长是各部事务运行的主要负责人，负责执行政府政策和管理其负责的部门事务。

### 3、司法

司法机构是确保社会法治运行的核心，法官审理刑事诉讼、民事争议和政府与个人的争议，并作出判决。

法官在作出判决时适用判例法（即“普通法”）、加拿大议会立法及省级立法。司法机构越来越多地被要求参与裁判政府制定的法律是否符合加拿大人权和自由宪章的精神。

不列颠哥伦比亚省的司法机构由不列颠哥伦比亚省级法院、不列颠哥伦比亚省最高法院和不列颠哥伦比亚省上诉法院构成。省级法院包括小额索赔庭、成人刑事庭和

青少年和家庭法庭。省级政府任命省级法院的法官，联邦政府任命不列颠哥伦比亚省上诉法院和不列颠哥伦比亚省最高法院的法官。

联邦司法系统包括加拿大税务法院、加拿大联邦法院（上诉庭和审判庭）和加拿大最高法院。联邦法院只受理涉及联邦司法的案件，例如审阅由加拿大劳资关系委员会等联邦法庭作出的决定。加拿大最高法院作为终审法院，受理来自联邦上诉法院和省级上诉法院的案件。

## （二）法律授权

加拿大作为联邦国家，联邦和省级政府各自行使其立法权。

根据加拿大的宪法框架，不列颠哥伦比亚省拥有其自然资源的所有权和管辖权，不列颠哥伦比亚省负责其教育、社保、公共机构、财产、人权、司法和其他纯粹省级事务或本地事务的管理。

## （三）现任政府

现任政府由 Christy Clark 总理所领导的自由党执政，Michael de Jong 阁下为现任财政部长。自由党自 2001 年春季赢得选举后连续赢得大选，一直为执政党。根据立法规定，下次大选将于 2017 年 5 月 15 日举行。

## 四、经济介绍

### （一）经济结构

不列颠哥伦比亚省的经济主要基于其丰富的自然资源而建立。林业、矿业和渔业长久以来提供了许多就业机会，这些行业目前在不列颠哥伦比亚省仍然非常重要。与此同时，东北地区的石油和天然气等其他依靠资源的行业也在不断地发展。

不列颠哥伦比亚省的经济目前主要依靠服务行业，每 5 份岗位就有 4 个是服务行业岗位。服务行业主要涉及金融、保险、房地产、交通运输、批发零售、旅行和医疗健康等领域。其他重要的行业包括科技、教育和制造业。

不列颠哥伦比亚省在 2014 年中提供就业的主要行业包括：

- 批发和零售贸易；
- 医疗护理和社会救助；
- 建筑业；
- 专业领域、科学和技术服务；及

- 酒店和餐饮服务

不列颠哥伦比亚省分为八个区。一些区，例如汤普森欧垦娜根（Thompson-Okanagan）为农业地区；其他地区，例如东北地区，因为开采石油和天然气而逐渐繁荣。温哥华和低陆平原是重要的商业、人口居住和交通运输中心，也是不列颠哥伦比亚省与亚洲国家的重要沟通渠道。

不列颠哥伦比亚省的经济不断发展。该省通过不断发展液态天然气行业吸引了大量国际投资对省内项目进行投资。与日本、中国、韩国和印度的密切往来也使得不列颠哥伦比亚省在商品、服务和人才往来等方面成为北美地区和亚洲交流的重要窗口。

## （二）主要行业

不列颠哥伦比亚省的主要行业可分为商品制造业和服务业，包括：

### 1、商品制造：

- 农业
- 依靠自然资源的行业（林业、渔业、矿业、采石业、石油和天然气）
- 公用事业
- 建筑业
- 制造业

### 2、服务业：

- 贸易
- 交通运输和仓储
- 金融、保险、房地产和租赁
- 专业领域、科学和技术服务
- 商业、建设和其他支持辅助服务
- 教育服务
- 医疗和社会服务
- 信息、文化和娱乐
- 酒店和餐饮服务
- 其他服务
- 公共管理

有关不列颠哥伦比亚省八大区域主要行业的信息，详见下文：

3、**卡里布 (Cariboo)** - 卡里布位于不列颠哥伦比亚省中部，面积广阔并有大量风光及户外娱乐的机会。林业、矿业和牧业等依靠自然资源的行业是该地区的重要行业，旅游业也日趋成为一个重要的行业。

4、**库特尼 (Kootenay)** - 库特尼位于不列颠哥伦比亚省东南地区，与美国和阿尔伯特省接壤。该地区是全国著名的适宜户外活动的地区。该地区经济主要依赖林业、煤炭业、矿业、水电发电和旅游业。该地区有五个重要煤矿。Teck 公司的锌熔炼厂是一个主要的用人单位。林业、户外娱乐、全年度假和旅游都是该地区经济的发展重点。

5、**尼查科 (Nechako)** - 尼查科是不列颠哥伦比亚省第二大地区，也是人口最少的地区。该地区的经济主要依赖为矿业和林业等依靠自然资源的行业。许多公司在该地区投资勘探矿产，随着木材和钢铁价格的上涨，该地区会吸引越来越多的投资。

6、**北部海岸 (North Coast)** - 北部海岸紧靠太平洋，该地区有大量森林、山区和崎岖的海岸线。该地区发展林业、矿业和渔业历史悠久。近年来，该地区开始偏于侧重对基础建设、交通运输和矿业的投资。例如，扩大后的鲁伯特港使得该地区的交通运输和仓储行业变得活跃，鲁伯特港是北美发展最快的港口，也是加拿大第三大的港口。该港口是全球最深的自然不冻港，且有往来于亚洲和北美的最短航线。

7、**东北地区 (Northeast)** - 东北地区与其北部的育空省和西北地区接壤，西依落基山脉，东接阿伯特省。尽管是人口最少的地区之一，该地区却因得益于能源产业的迅猛发展而成为全省发展最快的地方之一。能源经济的繁荣对该地区发展十分重要，全省将近 10% 涉及林业、矿业、天然气和油气、渔业、和狩猎活动的岗位是在该地区。为支持该地区不断发展的能源经济，该地区有许多提供如机械修理等各式服务的企业。公用事业是该地区的另一重要支柱。该地区有许多发电站在规划阶段，包括正在施工中的造价 83 亿加元的 BC 水力站 C 项目。其他重要行业包括伐木，木材制造和农业。

8、**汤普森欧垦娜根 (Thompson-Okanagan)** - 汤普森欧垦娜根位于不列颠哥伦比亚省中心，是著名的观光胜地。农业、旅游业、林业和制造业是该地区的主要产业。因为该地区有大量果园、酒庄和牧场，农业对该地区的经济贡献显著。作为一个观光胜地，该地区在酒店餐饮行业的就职人数占比高于不列颠哥伦比亚省的平均值。该地区有不少从事医疗护理行业的人。该地区的房屋建造随着各城市人数的增长亦在增多。制造业主要为木材加工和食品饮料制造。

9、**低陆平原/西南地区 (Mainland/Southwest)** - 低陆平原/西南地区是不列颠哥伦比亚省人口最密集的地区，人口为 280 万，约占全省人口的 61%。作为加拿大种族最多元化的地区，低陆平原/西南地区包括温哥华市和围绕该市的都市地区（亦称温哥华大都市）、东部菲沙河谷的社区、北边的斯阔米什和惠斯勒城镇，和阳光海岸。该地



区曾举办 2010 年温哥华冬季奥运会和残运会。服务行业对该地区贡献很大，约有 82% 的人就业于服务行业。该地区的服务行业多是支持对本地贡献显著的商业、银行和其他企业。例如，全省超过 70% 涉及金融、保险、房地产和租赁业的岗位是在该地区，全省约 72% 涉及专业领域和科学技术的岗位是在该地区。此外，零售贸易业在该地区提供了超过 15% 的工作岗位。

**10、温哥华岛/沿海经济区(Vancouver Island/Coast economic region) - 温哥华岛/沿海经济区**地区位于不列颠哥伦比亚省西岸，包括整个温哥华岛、海湾群岛和部分低陆平原地区的沿海地区。服务行业是该地区的重要产业，约 83% 的岗位是在服务行业，服务业从业人员的占比高于全省平均值的 80%。不列颠哥伦比亚省首府维多利亚市位于该地区，因此这一地区有许多涉及公共管理的岗位。该地区提供全省约四分之一的公共管理岗位。医疗健康行业也是这地区的主要产业，温润宜人的气候和众多小型社区使得该地区成为养老退休的首选地，故对医疗健康相关服务有很大的需求。依靠自然资源的行业对该地区也十分重要，尤其是该地区比较偏远的地方。

### (三) 按照发行人的经济部门细分的前两个财政年度国内生产总值<sup>1</sup>

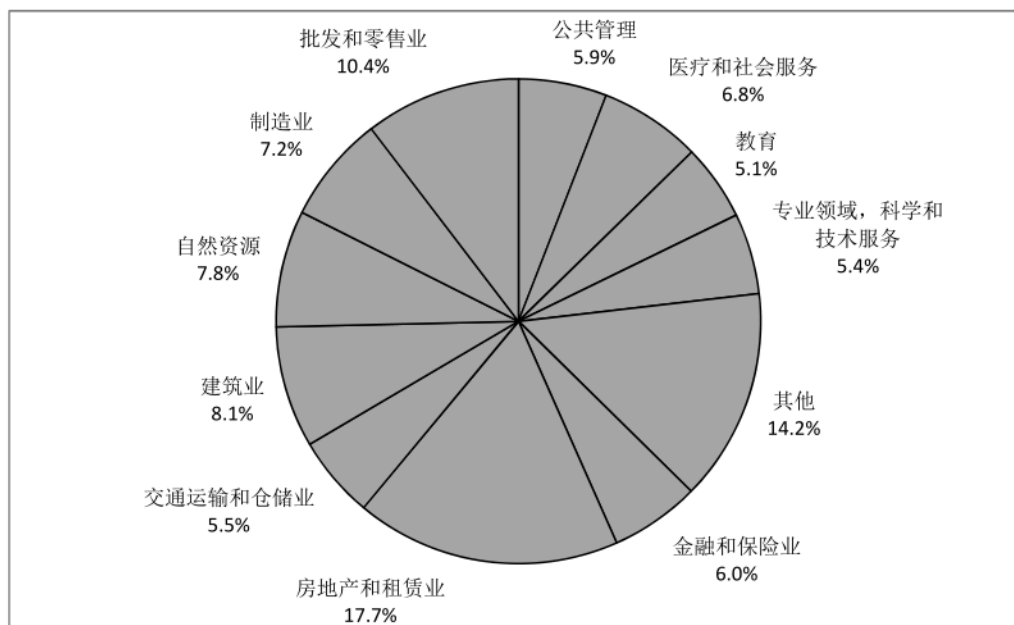
不列颠哥伦比亚省 2014 年实际 GDP（基于 2014 年基准价格）的 75% 是服务行业贡献的，商品制造业创造了约 25% 的实际 GDP。房地产和租赁行业为省级经济最大组成部分（约占 17.7%）。与此同时，建筑业是商品制造业的支柱，占不列颠哥伦比亚省 2014 年实际 GDP 的 8.1%。

---

<sup>1</sup>数据来源：年度数据 – 2015 年不列颠哥伦比亚省财政和经济评论：月度劳动力调查 – 加拿大数据库

## 不列颠哥伦比亚省实际 GDP 按照行业的构成图

2014 年不列颠哥伦比亚省实际 GDP（基于 2014 年主要行业的基准价格）占比



数据来源：加拿大统计局（百分比有调整）

不列颠哥伦比亚省以基础价格计算的 2013 年的实际国内生产总值为 1,982.78 亿加元，2014 年为 2,033.35 亿加元，分别比上年增长 2.6% 和 2.1%。商品制造和服务业与 2013 年相比均有增长。

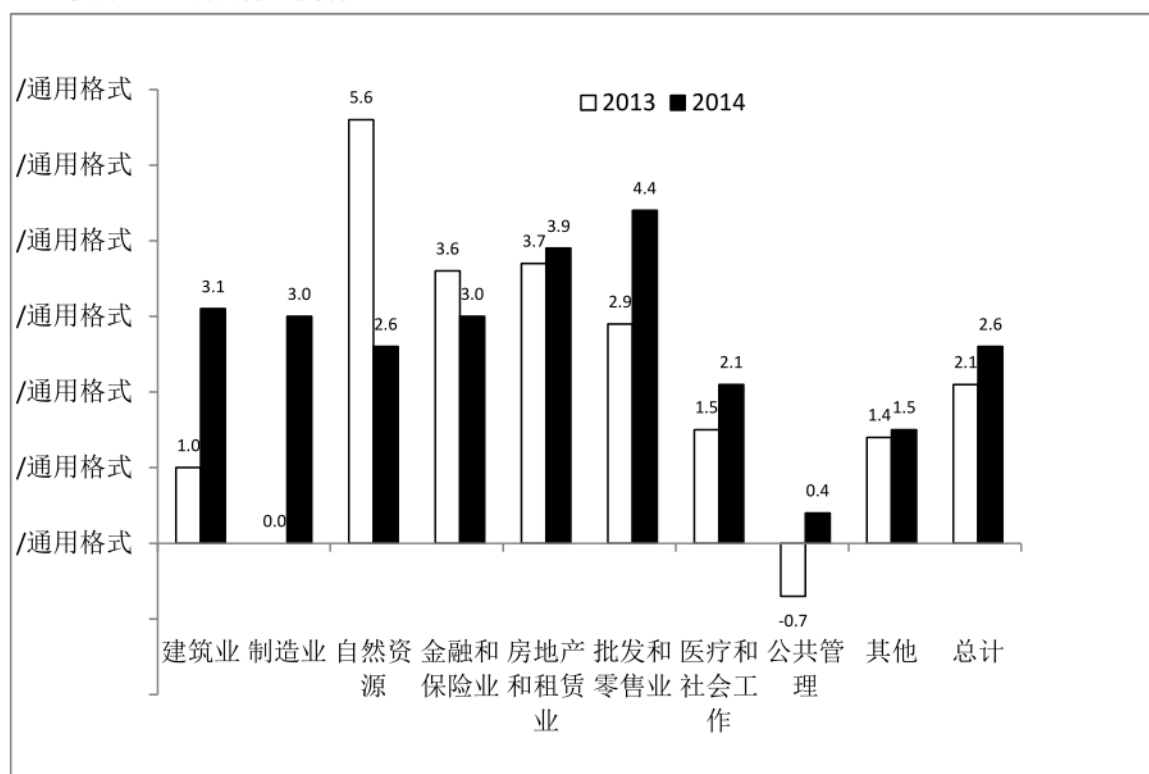
不列颠哥伦比亚省 2014 年按基础价格计算的人均实际国内生产总值为 43,837 加元（2007 定值加元）加元，2013 年为 43,267 加元（2007 定值加元）。不列颠哥伦比亚省总人口数于 2014 年为 4,638,415 人，2013 年为 4,582,607 人。

不列颠哥伦比亚省 2014 年实际 GDP 在服务行业年增长率为 2.6%，2013 年年增长率为 2.2%。批发和零售贸易有显著的年增长（增长 4.4%），房地产和租赁业增长了 3.9%，交通运输和仓储业增长了 3.6%。

不列颠哥伦比亚省 2014 年的商品制造业产量年增长率为 2.4%，较 2013 年的年增长率 1.5% 有所增长。各行各业都对年增长做出了贡献，最为显著的是建筑业（增长了 3.1%）。

## 按行业划分的不列颠哥伦比亚省实际 GDP

实际 GDP 的百分比变动



数据来源：加拿大统计局，2015年4月初步工业统计

注：其他包括：交通运输和仓储、教育业及专业领域，科学和技术服务

### （四）就业

截止 2015 年 9 月，不列颠哥伦比亚省内年满及超过 15 周岁的人约有 3,889,900 人，其中 2,321,500 人有工作，失业率为 6.3%。

不列颠哥伦比亚省 2014 年的就业情况在经过 2013 年 0.1% 的增长后不断改善，不列颠哥伦比亚省的经济在 2014 年创造了 12,800 个岗位（年增长率为 0.6%），包括 6,100 个全职岗位和 6,800 个兼职岗位。不列颠哥伦比亚省 2014 年的平均失业率为 6.1%，低于 2013 年的 6.6%。失业率的下降是因为劳动力增加的放缓，不列颠哥伦比亚省的劳动力在 2013 至 2014 年间增长相对平稳。

商品制造业在 2014 年对岗位增加做出了最显著的贡献，较 2013 年多提供了 7,800 个岗位（约占 1.8%）。制造业的发展使得全省多了 9,700 个岗位，弥补了建筑业（减少了 3,900 个岗位）和自然资源产业（减少了 500 个岗位）岗位的减少。

不列颠哥伦比亚省 2014 年的服务行业的发展为就业市场较 2013 年多提供了 5,000 个岗位（或增长 0.3%），交通运输及仓储行业提供了 6,500 个岗位，酒店餐饮服务业提供了 5,800 个岗位，这两个行业对改善就业市场做出了重大贡献。前述行业的发展有

效弥补了商业，建设和其他支持服务业（减少 10,900 个岗位）和零售批发贸易（减少 2,500 个岗位）的颓势给就业市场带来的不利影响。

截止 2015 年 9 月，不列颠哥伦比亚省各主要行业就业人数如下表所示：

不列颠哥伦比亚省经季节调整的不同行业的就业情况

	2014 年 9 月	2015 年 8 月	2015 年 9 月	2015 年 8 月 -2015 年 9 月	2014 年 9 月 -2015 年 9 月
	就业人数 (千)			百分比变动	
不列颠哥伦比亚省-合计	2,274.8	2,309.1	2,321.5	0.5	2.1
商品制造业部门	444.6	452.8	467.6	3.3	5.2
农业	23.1	19.9	22.3	12.1	-3.5
林业、渔业、采矿业、石油和天然气	50.6	49.8	48.4	-2.8	-4.3
公用事业	12.2	13.4	13.6	1.5	11.5
建筑业	195.3	200.2	208.4	4.1	6.7
制造业	163.4	169.5	175.0	3.2	7.1
服务业部门	1,830.1	1,856.3	1,853.8	-0.1	1.3
贸易	357.3	351.4	357.0	1.6	-0.1
交通运输和仓储业	136.9	140.2	138.2	-1.4	0.9
金融业、保险业、房地产业和租赁业	136.4	130	126.1	-3.0	-7.6
专业领域、科研和技术服务	177.4	191.7	184.4	-3.8	3.9
商业、建设和其他支持辅助服务	85.5	97.7	94.4	-3.4	10.4
教育业	165.6	168.7	162.6	-3.6	-1.8
医疗和社会服务	267.1	295.0	293.9	-0.4	10.0
信息、文化和娱乐业	106.1	109.1	118.2	8.3	11.4
住宿和餐饮业	189.2	175.8	177.0	0.7	-6.4
其他服务业	106.4	101.0	104.1	3.1	-2.2
公共管理	102.4	95.6	97.8	2.3	-4.5

数据来源：加拿大统计局，CANISM table 282-0088

### （五）通货膨胀

不列颠哥伦比亚省的消费者物价指数于 2014 年为 118.9，2013 年为 117.7（以 2002 年的消费者物价指数为 100 作为基准计算）。2013 年不列颠哥伦比亚省通货膨胀率下降 0.1%，于 2014 年，其通货膨胀率上升 1.0%。2014 年，半耐用品、非耐用品及服务的价格上升，而耐用品的价格保持平稳。2014 年非耐用品的平均价格也有所上升。与此同时，2014 年的耐用品价格保持不变。

## （六）对外投资

加拿大数据库按全国口径统计对外投资，并不公布各省份的数据。

## 五、对外贸易和收支明细

### （一）对外贸易

不列颠哥伦比亚省的产品和服务享誉全球，国际市场需求很大。不列颠哥伦比亚省的制造商和服务提供商成功的进入如中国、印度、日本、韩国、欧洲和美国等全球最重要的市场。

下图显示了不列颠哥伦比亚省自 2013 年至 2014 年间向不同地区市场区域出口的情况：

不列颠哥伦比亚省的国际出口（按照市场区域显示）

	2012	2013	2014	2013- 2014 的 百分比 变动	2013 年 的份额	2014 年 的份额
	(百万加元)				(百分比)	
英国	328	336	384	14.0	1.0	1.1
德国	248	224	252	12.3	0.7	0.7
中国大陆	5,752	6,607	6,427	(2.7)	19.8	18.0
香港	219	201	250	24.3	0.6	0.7
台湾	656	600	543	(9.6)	1.8	1.5
日本	4,139	4,051	3,656	(9.7)	12.1	10.2
韩国	1,891	1,816	2,089	15.0	5.4	5.8
印度	322	468	590	26.1	1.4	1.6
澳大利亚	371	310	321	3.6	0.9	0.9
墨西哥	101	125	111	(10.9)	0.4	0.3
美国	14,031	15,522	17,953	15.7	46.4	50.2
其他	3,426	3,165	3,214	1.5	9.5	9.0
总计	<b>31,484</b>	<b>33,426</b>	<b>35,790</b>	<b>7.1</b>	<b>100.0</b>	<b>100.0</b>
市场区域						
西欧 <sup>1</sup>	1,802	1,525	1,520	(0.3)	4.6	4.2
环太平洋 <sup>2</sup>	13,651	14,338	14,236	(0.7)	42.9	39.8

<sup>1</sup> 奥地利、比利时、丹麦、芬兰、法国、德国、希腊、冰岛、爱尔兰、意大利、卢森堡、马耳他、摩洛哥、荷兰、挪威、葡萄牙、西班牙、瑞典、瑞士和英国

<sup>2</sup> 澳大利亚、文莱、中国、斐济、香港、印度尼西亚、日本、老挝、澳门、马来西亚、蒙古、新西兰、朝鲜、菲律宾、新加坡、韩国、台湾、泰国和越南

数据来源：加拿大统计局，国际贸易统计选择性摘录，2015 年 5 月数据。数据经四舍五入。

尽管全球经济不振，不列颠哥伦比亚省的国际商品出口还是在 2014 年录得了历史最高记录，较前一年增长了 7.1%，并在 2013 年取得 6.2% 的年增长率。

继 2013 年取得年增长率 10.6% 之后，不列颠哥伦比亚省 2014 年向美国的出口商品价值增长了 15.7%。对美国的出口增加显示了不列颠哥伦比亚省出口的在众多方面都有所增长，其中天然气出口有 46.4% 的增长，软木木材有 19.2% 的增长。

不列颠哥伦比亚省对中国出口连续八年以两位数增长，却在 2014 年有 2.7% 的减少。2014 年的减少主要是因为煤炭出口的大幅降低（下降 33.4%），这一大幅下降抵消了纸浆（增长 7.9%）、机械器材（增长 44.7%）和铜矿及其精矿（2.4%）的出口增长。随着美国经济的逐渐复苏，不列颠哥伦比亚省 2014 年对美国的出口不断增长，占对加拿大边境以南地区出口总额的 50.2%。与此同时，对环太平洋地区的出口占不列颠哥伦比亚省 2014 年出口总额的 42.9%。

## （二）对华贸易

中国是不列颠哥伦比亚省第二大贸易伙伴。2014 年，本省对中国出口贸易总值约 64 亿加元，占全省货物出口总额的 18.0%。这一数字持续上升，自 2005 至 2014 年间的年平均增速近 20%。

下表载列 2014 年不列颠哥伦比亚省对中国出口的前五大原产商品类型：

不列颠哥伦比亚省对中国出口的前五大原产商品	金额 (百万加元)	份额
1.碱木浆或硫酸盐木浆，溶解级除外	1,527.4	24%
2.木材，厚度≤6mm	1,409.8	22%
3.煤和煤制固体燃料	845.2	13%
4.铜矿及其精矿	712.1	11%
5.未加工木材	414.5	7%

数据来源：加拿大统计局和国际贸易中心

尽管中国的经济从过去几十年保持两位数的增长速度有所放缓，不列颠哥伦比亚省的企业有着加强与中国贸易往来的潜力。

潜在的出口机遇包括：

1、林业 — 作为世界最大的木材消费国、生产国和进口国之一，中国对不列颠哥伦比亚省林业相关的产品和服务有着巨大的消费潜力。不列颠哥伦比亚省已经成为中国软木木材的主要供应商，2014 年对中国的出口额超过 14 亿加元，占中国软木木材进口总额的 43%。不列颠哥伦比亚省的林业产品企业也积极准备继续满足中国在建筑和再制造业对木材的需求。

2、**矿业** — 由于快速发展的经济以及作为制造业中心的国际地位，中国消费了大量的矿产资源。作为国际公认的矿业及相关领域的专业中心，不列颠哥伦比亚省在矿产勘探开发生产领域拥有一流的专业技术。并且，不列颠哥伦比亚省矿产资源储量丰富，开发其矿产资源有利于满足中国对冶金煤、铜、镍、金和其他矿产的需求。

3、**国际教育** — 中国在教育上的创新计划十分重视学生的交流合作。不列颠哥伦比亚省向中国的学校提供不列颠哥伦比亚省认可的课程方案，同时欢迎更多的中国学生来不列颠哥伦比亚省学习。

4、**科技** — 中国的高科技产业为不列颠哥伦比亚省的企业提供了很好的商业机遇 — 特别是在信息通信技术、清洁技术、航空航天以及电影、电视和数字媒体领域。

5、**农产品** — 在接下来的二十年，中国预计将成为全球最大的农产品和食品进口国。农产品生产商和出口商可以利用不列颠哥伦比亚省在安全且高品质的水产品 and 农产品之上的良好声誉，以吸引中国快速增长的需求。

6、**液化天然气** — 中国是世界增长最快的液化天然气进口国，并将可能在 21 世纪 20 年代末期成为世界第二大液化天然气市场。不列颠哥伦比亚省可以供应这一资源，以及为液化天然气设施服务和运营领域提供国际公认的专业技术支持。

7、**交通运输** — 中国快速发展的经济增加了其对交通运输相关的产品和服务的需求。不列颠哥伦比亚省可以利用在航空航天制造和维修领域公认的优势，帮助中国满足这方面的需求。

### (三) 国际收支平衡

加拿大数据库按全国口径统计国际收支平衡，并不公布各省份的数据。

### (四) 贸易收支

#### *出口和进口 (均为名义价值)*

根据 2014 年 11 月发布的 2013 年省经济账户估测，不列颠哥伦比亚省 2013 年度的商品和服务出口总额为 883 亿加元，国际出口额为 499 亿加元，占不列颠哥伦比亚省出口总额的 56.5%，占加拿大国际出口总额的 8.7%。不列颠哥伦比亚省省际出口额为 384 亿加元，占全省出口总额的 43.5%。不列颠哥伦比亚省商品和服务进口总额为 1,101 亿加元，其中 617 亿加元 (占进口总额的 56.1%) 为国际进口，483 亿加元 (占进口总额的 43.9%) 为省际进口。

本省的进口总额占加拿大进口总额的 10.3%。2013 年，不列颠哥伦比亚省的贸易赤字为 218 亿加元，其中 118 亿加元为国际贸易赤字，99 亿加元为省际贸易赤字。

2012年，不列颠哥伦比亚省的贸易赤字为230亿加元，其中132亿加元为国际贸易赤字，98亿加元为省际贸易赤字。

2014年，来自不列颠哥伦比亚省的商品国际出口额（通过不列颠哥伦比亚省政府常用计算数据的计算所得）为358亿加元，较2013年时的334亿加元增长了7.1%。增长主要是因为天然气和铜矿及其精矿出口的价格较去年分别上涨了46.4%和29.7%。

美国目前仍然是不列颠哥伦比亚省最主要的国际贸易市场，占其商品国际出口总额的50.2%。

#### （五）外汇储备（包括远期外汇和衍生品）

自二十世纪八十年代初起，本省在国际资本市场上表现活跃，主要通过全球两大融资平台进行：一是本省的欧洲发债项目（European Debt Issuance Programme），二是本省根据美国“储架注册制度”（US Shelf Registration）进行的债券发行。本省也根据澳大利亚中期票据项目（Australian Medium Term Note Programme）从澳大利亚进行融资。

截止至2015年10月15日，本省国际市场未偿债务约为118亿加元（合人民币583亿元）。在过去几年中，本省已发行了以美元、欧元、瑞士法郎、澳元及离岸人民币计值的债券，约占本省未偿还债务总量的19.8%。2013年，本省成为首个成功发行以离岸人民币计值债券的主权政府，共募得人民币25亿元。2014年，本省发行第二期离岸人民币债券，募得人民币30亿元，与英国并列离岸人民币国债发行规模最大的发行人（主权政府类）。除2014年发行的离岸人民币债券及1.25亿美元债务外，本省发行的所有以外币计价的债券均通过衍生工具互换为以加币计价的债务。

本省大部分融资需求主要由加拿大国内融资市场满足。但在有竞争力的机会出现时，本省也活跃于国际资本市场。本省极为看重投资者的多样化与全球化（包括各国央行及官方机构），希望能从加拿大境外流动性较高的金融市场上进行融资。

本省希望在中国境内发行人民币债券，以满足融资渠道多样化要求，并借此进入中国这一极具竞争力和重要性的国际资本市场。本省正在考虑将该境内人民币债券所募得的资金纳入到本省的外汇储备管理系统中。

## 六、税收和预算制度

### （一）税收制度

加拿大宪法规定，不列颠哥伦比亚省政府享有不受约束的直接征税权利（包括个人或企业收入所得税、消费税、自然资源特许权使用费）。不列颠哥伦比亚省的大部分收入来源于直接税收，也有部分来自联邦政府对社会项目的拨款。有关不列颠哥伦



比亚省收入来源的完整说明和分析，请见本募集说明书第七章（发行人的财务状况）和第八章（发行人财务状况分析）。

联邦政府的供款占全省 2014/15 年度收入的 15.9%，较 2010/11 年度的 20% 有所下降。不列颠哥伦比亚省自有收入占比很大并为本省的财政能力的主要来源。然而，如果加拿大经济衰退及联邦政府财政能力重大减弱，可能会造成联邦政府对本省的供款减少。

不列颠哥伦比亚省的企业收入所得税税率为 11%，为全国最低。不列颠哥伦比亚省亦征收销售税和其他消费税，包括碳排放税和财产转让税。自然资源特许权使用费主要针对伐木业、矿业、和天然气及石油开采业进行征收。

## （二）预算制度

不列颠哥伦比亚省的《预算透明和责任法案》概述了不列颠哥伦比亚省在财务周期的报告要求，并规定了具体的报告截止日期或发布日期。例如法律明确规定提交预算，季度和年度报告的日期。

在《预算透明和责任法案》之下，省政府将预算和报告都放在一个汇总账户中。《预算透明和责任法案》的要求包括报告经济预测委员的建议；依据规则制定组织制定的并由财政委员会（即内阁）所认可的通用会计准则（GAAP）公布年度《估计》、《预算和财政计划》、《季度报告》以及《公共账册》；发布修改预期后的《季度报告》；政府各部门和各个政府组织发布年度三年服务计划及报告；以及发布年度三年政府战略规划及报告。

### **计划和编制预算**

财政委员会审查收入、支出、资本和负债的长期估算，并在政府整体战略规划下建立初步的财务计划。各部门、服务机构和国家公司准备三年服务计划，包括绩效评估的方法和目标、运营和资本预算，以供政府审查。财政委员会向内阁建议对各部门和机构的预算拨款，并在财务计划之下评估商业国家公司净利润基准。在这个过程中，财政委员会会在每年 9 月 15 日发布咨询文件，邀请公众对政府财政和服务计划提供意见，并由立法委员会举行全省范围内的公众听证会。每年 11 月 15 日，政府将向公众出台一份报告，概述预算咨询程序的结果。

### **执行和报告**

政府未来三个财政年度的收入、支出和资本计划，及其他政府财政信息，都将写在名为《预算和财政计划》的预算文件中，由财政部长提交至立法会。下一个财政年度的财政计划也包括在名为《估计》的文件中，该文件记录了由立法会表决的单项行政拨款。政府战略计划、服务计划和主要投资项目（政府投资超过 5,000 千万加元的）

的报告必须由立法机关通过。在接下来的一整年，按照《估计》和部门服务计划，被批准的资金将会用于项目和服务之上。国家公司在其董事会的领导下遵守被批准的服务计划。包括一整年预测在内的《季度报告》，将会在法定日期发布，从而定期向公众提供关于政府财政的更新。

### 评估

在财政年度末，《公共账册》将由总计长编写、总审计长审查，以保证财务报告正确反应了政府的财政状况。《公共账册》将由《不列颠哥伦比亚省财政和经济评论》发布，该文件对每年和历年的财政和经济状况进行概述。此外，每年的服务计划报告将公布各部门和国家公司的绩效目标与实际结果的比较。

### 问责

《公共账册》会提交到立法会，并且由立法会的两个委员会（《公共账册》常设委员会和国家公司常设委员会）进行审查。同时，《部长责任报告》也会详细公布内阁成员的个人和整体财政绩效，以及由政务部长和财政部长达成的绩效和收入状况。财政部长也要向立法会提交与《碳排放税法案》中不影响收入为目标有关的计划、报告和说明。此外，同时或在这之后不久，《公共账册》将会由立法会表决，各部门和大部分国家公司将详细披露上一财政年度服务计划报告。关于政府战略计划的报告也会提交。

## 七、法律及仲裁程序以及或有负债

不列颠哥伦比亚省日常涉及申索。该等申索于法律程序（未决或预期将发生）中提出，涉及事项包括征收、合同及税务纠纷。于2015年3月31日，发行人因针对其自身超过10万加元的预期或已知上述类型的申索而产生的或有债务共4.54亿加元。由于该等法律程序的结果不确定，该等申索对发行人产生的实际支出（如有）亦无法确定。发行人于本募集说明书日期前12个月中，未涉及任何对其财务状况将会或在近期已经产生重大影响的政府、法律或诉讼程序（包括未决程序及发行人已知预期会发生的程序），除以下：

### （一）诉讼

发行人就征收、合同以及税务纠纷等事项作为被告涉及法律诉讼。该等事项有可能导致未来的负债。

截至2015年3月31日，发行人预计或已知诉讼金额超过10万加元的或有负债如下，但支付的可能性尚未确定。

	百万加元
--	------

	2015 年	2014 年
	\$	\$
不动产进入纠纷	303	304
税务纠纷	111	88
侵犯人身或财产	17	18
合同纠纷	12	11
过失及杂项	11	6
	<b>454</b>	<b>427</b>

当责任确定可能存在，且其金额可以合理估计时，该金额记为应计负债和费用。截至 2015 年 3 月 31 日，未决诉讼的应计负债为 0.68 亿加元（2014 年为 1.2 亿加元）。

## （二）税收上诉

在 2015 年财政年度，发行人收到的基于各种税务法律的上诉总额为 0.5 亿加元（2014 财政年度为 0.6 亿加元）。由于该等上诉的结果不确定，因此发行人的支出无法确定。

## （三）保证金及偿付

发行人还有偿付、非直接保证以及未决追索等形式的或有债务，该等或有债务的金额在此时不明确或无法合理估计。

## （四）环境清理

发行人对省内多处不再具有经济生产价值的污染区域的治理负责。

对于发行人直接负责或者已承诺负责治理的区域，发行人已基于初步环境评估，或对于无法进行评估的区域，基于对未来清理成本的估计，计提以下未来清理成本的准备金。该等准备金记为应计负债。

	百万加元	
	2015 年	2014 年
	\$	\$
采矿用地	275	288
交通基础设施	38	42
工业用地	24	20
纸浆厂	18	19

盐库	5	5
维修场	4	3
其他	33	28
	<b>397</b>	<b>405</b>

对于以经评估的已知区域或已有充分信息作出估计成本的区域，未来清洁成本准备金为估计的最低治理成本；对于缺乏信息无法作出估计的区域，则参考相似区域的估计成本估算。如某区域需要持续治理、检测或维护，则全部估计未来成本的现值按发行人的加权平均资金成本折现。

为了进行监控，其他曾有工业活动的区域已被确定，但尚未进行评估。于[2015年3月31日]，30个区域由于既往的工业用途已被认定为潜在污染区域。对于该等区域，由于数据尚不充分，无法决定是否可能出现了超过相关环境标准的污染状况，或是否需要进行治疗。对于这些区域治理的未来成本和责任目前尚无法确定。

截至2015年3月31日止财政年度，政府业务企业的其他环境负债包括由不列颠哥伦比亚水利电力局所计的3.68亿加元（2014年为3.33亿加元）以及不列颠哥伦比亚铁路公司所计的0.92亿加元（2014年为0.92亿加元）。

#### （五）原住民土地要求

发行人、加拿大及原住民之间的协定谈判于1994年开始。本省预期该等谈判将达成现代化的协定，定义原住民协定土地的界限和本质。截至2015年3月31日，共有65个原住民族参与不同阶段的谈判，占不列颠哥伦比亚省原住民的三分之二。

发行人签订协议的支出于协定获各方批准时计入《公共账册》中。上述支出根据最终协定的实质内容入账。

与耶鲁原住民的最终协定于2011年3月获耶鲁原住民批准，于2011年6月2日获本省政府批准，于2013年6月19日获加拿大国会批准。耶鲁原住民目前正在协商协定的执行。各方已同意协议于2016年4月1日生效。通过该协定，发行人向耶鲁原住民提供250万加元资本付款、110万加元经济发展资金以及1,179公顷本省国家土地。

与塔拉门原住民的最终协定于2012年7月10日获塔拉门原住民批准，于2013年3月5日获本省政府批准，于2014年6月19日获加拿大国会批准。塔拉门原住民目前正在协商协定的执行。各方已同意协议于2016年4月5日生效。通过该协定，发行人向塔拉门原住民提供100万加元一次性付款、6,406公顷本省国家土地，并于未来50年内分享资源收入。

所有原则性协议中的付款预期均由加拿大提供。目前，为所有最终协议及新增协定的本省国家土地承诺如下：

- 殷沙克奇，9,477公顷
- 黑格里滩，3,416公顷
- 瑟切尔特，933公顷
- 雅克彻，5,960公顷
- 克奥莫克斯，1,733公顷
- 塔拉奥奎阿特，47公顷
- 娜孜克，172公顷
- 特麦克斯维（马拉海特、斯亚纽、斯诺艾斯、桑黑斯和索科），186公顷
- 第媞达特，420公顷
- 帕彻达特，596公顷
- 斯努木克斯，877公顷
- 卡图纳克萨民族议会，245公顷
- 巴比涅湖民族（仅限于不列颠哥伦比亚省内），511公顷以及2万加元一次性付款
- 卡斯卡迪娜委员会，607公顷
- 浩姆阿克，822公顷

协定生效时将产生执行费用，并可能对第三方进行赔偿。该等成本目前尚无法确定。

与原住民谈判成本80%的资金为加拿大的贷款并可用协定结算款项偿付。发行人承诺偿还加拿大提供的任何谈判支持贷款中违约部分的50%，以及应计利息的50%。截至2015年3月31日，加拿大发放予原住民的贷款约为5.06亿加元（2014年为4.86亿加元）。发行人任何负债的金额目前尚无法确定。

某些原住民未选择按照不列颠哥伦比亚协定委员会的正式程序进行协商。若干原住民选择通过诉讼提出自己的主张。该等主张包括对原住民权利和所有权、商业权利的声明，对于协商和安置充分性的质疑，以及不当侵权的损失赔偿。发行人任何负债的金额目前尚无法确定。

#### （六）国家公司及机构，以及学区、大学、学院、学术机构及卫生组织

1、扣除因资本项目产生的未决追索目前累计的预计和解费用后，截至 2015 年 3 月 31 日，不列颠哥伦比亚省交通融资局共有 1.2 亿加元的或有债务（2014 年为 1.23 亿加元），其中 1.04 亿加元（2014 年为 1.01 亿加元）与征收追索有关。

2、对于设施上存在的已知危害，不列颠哥伦比亚普威连公司（The B.C. Pavilion Corporation）及其物业的前任所有者须承担环境及再利用方面责任。管理层未了解其设施存在可能导致不列颠哥伦比亚普威连公司承担重大责任的环保问题。

### **协议协商和新关系**

不列颠哥伦比亚政府持续与多个原住民洽谈协议及新增协定，尽管与现行最终协议的解释及与之有关的安置费用已计入财政计划，其他协议的协商结果以及与其确认程序须在财政计划内处理。

不列颠哥伦比亚省政府就收益分配协议和其他和解协议积极展开与原住民的新协商，旨在使自然资源使用决定的过程流程化、为投资人提供更确定的投资环境并为原住民的社区带来新的经济机会。该等协议已经归纳在财政计划中，该等费用的成本已经计入财政规划，任何未来的协议都必须要在财政计划范围内处理。

不列颠哥伦比亚省与原住民之间存在有关原住民权利的诉讼。对该等问题的处理，无论是通过厅内诉讼还是调解方式，都将导致政府额外的成本。

### **未决诉讼**

根据《国家诉讼法》，司法厅的支出计划依据可能产生的预期诉求、判决结果和调解产生的相关费用，包含赔偿准备金。可能会出现在制定财政计划时无法预料到的诉讼发展（例如高过预期的案件数量、诉求金额和调解和判决的时间）。该等发展可能影响政府收益或/和其他部门的支出。

法院曾判定政府于2002年颁布的教师合同中特定条款侵犯了不列颠哥伦比亚教师联盟成员的自由，政府后根据《2012年教育改善法案》对该判决予以回复并上诉至不列颠哥伦比亚省最高法院并于2014年1月27日赢得诉讼。对这一判决的上诉可能由不列颠哥伦比亚教师联盟提请转交至加拿大最高法院，这一项判决可能会对财政计划产生影响。

## 第七章 发行人的财务状况

### 一、 发行人截至 2013 年、2014 年及 2015 年 3 月 31 日止年度的“简明财务报告”

#### (一) 会计原则

发行人对其“简明财务报告”的完整性及客观性负责。除不列颠哥伦比亚省《预算透明及责任法案》第23.1章规定的情况外，不列颠哥伦比亚省财政总长根据适用于加拿大高级政府的公认会计准则编制发行人的财务报告。截至本募集说明书日，上述法案规定的替代性会计准则（1）使适用于政府并在其合并收入资金中体现的准则和指引同样适用于在政府“简明财务报告”中列示的财政性组织，以及（2）于2012年通过美国财务会计准则委员会第980号准则（包括其不时之修改、补充或替代），使适用于不列颠哥伦比亚水利电力局的监管比率报告准则和指引持续适用。发行人的财政年度自每年4月1日开始，次年3月31日结束。

截至2015年3月31日、2014年3月31日及2013年3月29日，由中国人民银行授权中国外汇交易中心发布的加元对人民币中间价分别为1加元兑换人民币4.8452元、人民币5.5683元及人民币6.1711元。

[来源：

<http://www.pbc.gov.cn/zhengcehuobisi/125207/125217/125925/2811347/index.html>

<http://www.pbc.gov.cn/zhengcehuobisi/125207/125217/125925/2929357/2875014/index.html>

<http://www.pbc.gov.cn/zhengcehuobisi/125207/125217/125925/2929357/2866470/index.html>]

#### (二) 发行人截至 2013 年、2014 年及 2015 年 3 月 31 日之“简明财务报告”

除另有说明外，在本募集说明书中2013年、2014年及2015年的财务数字引自发行人的经审计“简明财务报告”。下述信息应与发行人“简明财务报告”及本募集说明书中披露的其他信息一并阅读。

#### 合并财务状况表

单位：百万加元

	于3月31日		
	2015年	2014年	2013年

	于3月31日		
	2015年	2014年	2013年
<b>金融资产</b>			
现金及现金等价物	3,237	2,382	2,209
临时投资	439	420	965
应收账款	3,489	3,449	2,456
待转售库存	85	75	60
应收其他政府款项	896	790	926
应收自负盈亏国家公司及机构款项	633	848	422
自负盈亏国家公司及机构中权益	8,271	7,839	7,541
应收贷款、垫款及按揭	1,902	1,824	1,681
其他投资	2,131	2,350	2,641
偿债基金投资	977	835	1,778
可于机构收回的、用于购买资产的贷款	20,317	18,921	16,907
<b>金融资产总值</b>	<b>42,377</b>	<b>39,733</b>	<b>37,586</b>
<b>负债</b>			
应付款项及应计负债	5,369	5,134	4,898
未来职工福利	1,921	1,870	1,793
应付其他政府款项	711	1,042	2,007
应付国家公司、机构及信托基金款项	50	38	39
递延收入	9,809	9,718	9,861
职工退休福利计划	261	214	165
财政性债务	42,693	41,761	39,828
自负盈亏债务	20,465	19,041	17,011
<b>负债总额</b>	<b>81,279</b>	<b>78,818</b>	<b>75,602</b>
<b>净资产/(负债)</b>	<b>(38,902)</b>	<b>(39,085)</b>	<b>(38,016)</b>
<b>非金融资产</b>			
有形资本资产	39,028	37,778	36,762
受限资产	1,553	1,493	1,442
预付项目支出	866	775	690
其他资产	707	866	577
<b>非金融资产总值</b>	<b>42,154</b>	<b>40,912</b>	<b>39,471</b>
<b>累计盈余/(赤字)</b>	<b>3,252</b>	<b>1,827</b>	<b>1,455</b>
计量不确定性			
或有负债及合同债务			

### 合并运营表

单位：百万加元

	截至3月31日至财政年度			
	2015年		2014年	2013年
	预算	实际	实际	实际
<b>收入</b>				
税收	22,157	23,056	20,930	21,050
联邦政府供款	7,363	7,326	7,502	7,044



	截至3月31日至财政年度			
	2015年		2014年	2013年
	预算	实际	实际	实际
收费及发放许可	5,336	5,425	5,210	4,907
自然资源	3,010	2,937	2,955	2,473
杂项	2,958	2,804	3,194	2,626
自负盈亏国家公司及机构净利润	2,885	3,371	2,701	2,776
投资收入	1,091	1,203	1,236	1,173
<b>收入总额</b>	<b>44,800</b>	<b>46,122</b>	<b>43,728</b>	<b>42,049</b>
支出				
卫生	18,683	18,370	17,862	17,502
教育	11,899	11,827	11,827	11,528
社会服务	3,703	3,847	3,805	3,990
利息	2,578	2,498	2,482	2,390
自然资源与经济发展	1,757	2,191	1,755	2,092
交通	1,629	1,608	1,580	1,552
其他	1,594	1,288	1,184	1,346
人身及财产保护	1,393	1,451	1,520	1,539
一般政府活动	1,180	1,359	1,386	1,262
<b>支出总额</b>	<b>44,416</b>	<b>44,439</b>	<b>43,401</b>	<b>43,201</b>
非经常项目前当年盈余/(赤字)	384	1,683	327	(1,152)
预测准备	(200)			
<b>当年盈余/(赤字)</b>	<b>184</b>	<b>1,683</b>	<b>327</b>	<b>(1,152)</b>
累计盈余/(赤字) - 年初重述		1,346	1,019	2,453
<b>其他综合收入前累计盈余/(赤字)</b>		<b>3,029</b>	<b>1,346</b>	<b>1,301</b>
自负盈亏国家公司及机构累计其他综合收益 - 年初		481	154	73
自负盈亏国家公司及机构其他综合收益		(258)	327	81
<b>自负盈亏国家公司及机构累计其他综合收益 - 年末</b>		<b>223</b>	<b>481</b>	<b>154</b>
<b>累计盈余/(赤字) - 年末</b>		<b>3,252</b>	<b>1,827</b>	<b>1,455</b>

### 合并净负债变动表

单位：百万加元

	于3月31日			
	2015年		2014年	2013年
	预算	实际	实际	实际
本年盈余/(赤字)	184	1,683	327	(1,152)
以下有形资本资产变动的影响：				
收购有形资本资产	(4,030)	(3,407)	(3,151)	(3,279)
出售有形资本资产(收益)/损失	(168)	(135)	(601)	(13)
有形资本资产摊销	2,147	2,080	2,071	2,065
处置及估值调整	226	212	665	157
<b>小计</b>	<b>(1,825)</b>	<b>(1,250)</b>	<b>(1,016)</b>	<b>(1,070)</b>

	于3月31日			
	2015年		2014年	2013年
	预算	实际	实际	实际
以下项目变动的的影响:				
受限资产	(53)	(60)	(51)	(65)
预付项目支出	(1)	(91)	(85)	(54)
其他资产	4	159	(289)	2
小计	(50)	8	(425)	(117)
自负盈亏国家公司及机构其他综合收益	(175)	(258)	327	81
净负债减少/(增加)额	(1,866)	183	(787)	(2,258)
净(负债) - 年初	(39,220)	(39,085)	(38,298)	(35,758)
净(负债) - 年末	<b>(41,086)</b>	<b>(38,902)</b>	<b>(39,085)</b>	<b>(38,016)</b>

### 合并现金流量表

单位: 百万加元

	截至3月31日至财政年度				
	2015年			2014年	2013年
	流入	流出	净流量	净流量	净流量
<b>经营活动</b>					
本年盈余/(赤字)			1,683	327	(1,152)
盈余/(赤字)中所含非现金项目:					
有形资本资产摊销			2,080	2,071	2,065
公共债务递延收入及递延费用摊销			(356)	(365)	27
特许贷款调整(减少)			(12)	(3)	(55)
出售有形资本资产(收益)/亏损			(135)	(601)	(13)
估值调整			204	224	271
自负盈亏国家公司及机构净利润			(3,371)	(2,701)	(2,776)
临时投资(增加)/减少			(19)	545	109
应收款项(增加)			(210)	(1,172)	(253)
应收其他政府款项(增加)/减少			(106)	136	17
应收自负盈亏国家公司及机构款项减少/(增加)			215	(426)	97
应付款项增加/(减少)			235	(11)	69
未来职工福利增加			51	77	103
应付其他政府款项(减少)			(331)	(965)	(186)
应付国家公司及机构款项增加/(减少)			12	(1)	(13)
职工退休福利计划增加			47	49	55
待摊至未来经营款项增加/(减少)			104	(611)	(683)
自负盈亏国家公司及机构供款			2,651	2,516	2,314
<b>经营所产生/(所用)的现金</b>			<b>2,742</b>	<b>(911)</b>	<b>(4)</b>
<b>资本活动</b>					

	截至3月31日至财政年度				
	2015年			2014年	2013年
	流入	流出	净流量	净流量	净流量
有形资本资产处置/(收购)	211	(3,407)	(3,196)	(2,489)	(3,125)
<b>资本活动(所用)的现金</b>	<b>211</b>	<b>(3,407)</b>	<b>(3,196)</b>	<b>(2,489)</b>	<b>(3,125)</b>
<b>投资活动</b>					
投资于自负盈亏国家公司及机构	30		30	214	
(新发放)应收贷款、垫款及按揭	227	(325)	(98)	(181)	(64)
其他投资-净减少额	218		218	291	(239)
受限资产-净(增加)额		(60)	(60)	(51)	(65)
偿债基金投资-净(增加)额	558	(700)	(142)	943	(287)
<b>投资活动(所用)/所产生的现金</b>	<b>1,033</b>	<b>(1,085)</b>	<b>(52)</b>	<b>1,216</b>	<b>(655)</b>
现金(需求)小计			(506)	(2,184)	(3,784)
上期累计现金(需求)小计			(506)	(2,184)	(3,784)
<b>筹资活动</b>					
公共债务增加	31,105	(28,347)	2,758	4,372	5,901
(用于)购买资产, 并可从政府机构收回的款项	12,069	(13,466)	(1,397)	(2,015)	(2,069)
<b>筹资活动所产生的现金</b>	<b>43,174</b>	<b>(41,813)</b>	<b>1,361</b>	<b>2,357</b>	<b>3,832</b>
现金及现金等价物增加			855	173	48
现金及现金等价物-年初			2,382	2,209	2,161
<b>现金及现金等价物-年末</b>			<b>3,237</b>	<b>2,382</b>	<b>2,209</b>
现金及现金等价物组成:					
现金			2,499	1,143	1,582
现金等价物			738	1,239	627
<b>现金及现金等价物总值</b>			<b>3,237</b>	<b>2,382</b>	<b>2,209</b>

## 二、 本省债务

发行人省政府、国家公司及机构以及政府组织均举借债务, 为满足其运营及为资本项目融资。发行人的债务按照以下分类列示:

1、财政性债务: 包括政府为其运营和资本目的直接举借的负债, 以及需要省政府提供运营或偿债补贴, 且全部并入发行人的“简明财务报告”的主体(包括国家公司及机构、学区、大学、学院、学术机构以及卫生组织)举借的债务; 以及

2、自负盈亏债务: 包括商业国家公司及机构(见以下描述)举借的债务, 以及储式借债项目。商业国家公司及机构为具有充足收入, 可偿付债务利息并偿还本金, 并可能会向本省派发股息的国有公司和机构。

于 2015 年 3 月 31 日，发行人本省债务总额为 629 亿加元。发行人举债的主要驱动为资本支出，在政府负债中超过 85%均用于为基础设施提供资金。此外，发行人债务总额的 33%为通过国家公司商业活动偿还的自负盈亏债务。

下表总结了发行人于2015年3月31日的本省负债情况<sup>2</sup>。

单位：百万加元

	2014年 预算	期初余额 调整 <sup>3</sup>	2014年 更新预算	2014/15年 实际	2013/14年 实际
财政性债务					
省政府直接运营	9,828	(703)	9,125	9,280	10,223
其他财政性债务（主要为资本项目）					
教育设施	12,265	(48)	12,217	12,118	11,631
卫生设施	6,516	(7)	6,509	6,522	6,038
高速公路及公共交通	11,048	(2)	11,046	10,725	10,229
其他	3,418	(47)	3,371	3,235	2,947
小计	33,247	(104)	33,143	32,600	30,845
财政性债务总额	43,075	(807)	42,268	41,880	41,068
自负盈亏债务					
发电及输电	17,320	(79)	17,241	17,308	16,029
高速公路及公共交通	3,420	(57)	3,363	3,335	3,209
其他	723	(7)	716	397	387
自负盈亏债务总额	21,463	(143)	21,320	21,040	19,625
预测准备	200	-	200	-	-
发行人债务总额	64,738	(950)	63,788	62,920	60,693
负债对GDP比率					
财政性债务	18.4%		17.7% <sup>4</sup>	17.5%	17.9%
总债务	27.7%		26.7% <sup>3</sup>	26.4%	26.4%

财政性债务对GDP比率常被投资者及信用评级机构用作分析政府管理负债总量的能力。发行人的该比率于2015年3月31日为17.5%，相较2014年3月31日下降0.4个百分点

<sup>2</sup> 下表中债务为扣除偿债基金及未经摊销贴现的净额。债务金额包括即期部分，但不含应计利息。应计利息作为应付账款在发行人的合并财务状况表上列示。

<sup>3</sup> 期初余额调整反映了 2014 年 3 月 31 日的实际余额。2014 年预算中对于期初余额的预估是基于 2013/2014 财政年度预测。

<sup>4</sup> 为反映 2014 年 11 月 5 日发布的《加拿大统计局各省经济状况更新》已做修改。

点。发行人的财政性债务对GDP比率为加拿大最低之一，因此获得了较好的国际信用评级（中国境外评级）和较低的债务融资成本。此外，发行人的债务对收入比率于2014/15年度为94.1%，相较2013/14年度下降2.0个百分点。

下表列载于2015年3月31日发行人的财政性债务概况，包括到期日和计值货币<sup>5</sup>。

单位：百万加元或等值

	到期年份	加元	美元 <sup>6</sup>	其他货币 <sup>5</sup>	2015年	2014年
					总额	总额
短期本票	2015				0	2,529
	2016	3,692			3,692	0
债务票据、债券及债务凭证 <sup>7</sup>	2015				0	2,223
	2016	246	1,500		1,746	1,857
	2017	726	1,442		2,168	1,930
	2018	692	1,240	359	2,291	2,290
	2019	2,221		298	2,519	2,523
	2020	2,164			2,164	2,085
	2021–2025	9,881	2,223	712	12,816	12,043
	2026–2030	4,018			4,018	3,228
	2031–2035	1,848		96	1,944	1,907
	2036–2040	3,663		56	3,719	3,663
	2041–2045	4,812			4,812	4,694
	2046–2050	198			198	197
	2051–2055				0	0
	2056–2060	130			130	130
	2061–2063	181			181	181
资本性租赁	2015–2048	196			196	176
债务票面总额		<b>34,668</b>	<b>6,405</b>	<b>1,521</b>	42,594	41,656
未经摊销溢价					99	105
财政性债务总额					<b>42,693</b>	<b>41,761</b>
于3月31日上述债务的（加权）有效利率						
2015年					3.76%	
2014年						3.98%

<sup>5</sup> 表中的债务的余额及利率反映了相关衍生品合同的影响。

<sup>6</sup> 于2015年3月31日的外币债务包括：65亿美元债务，完全对冲为64.05亿加元；7亿瑞士法郎债务，完全对冲为7.53亿加元；4,000万欧元债务，完全对冲为5,600万加元；7亿澳元债务，完全对冲为7.12亿加元；以及无对冲30亿人民币债务（合6.14亿加元）。

<sup>7</sup> 票据及债券包括25.86亿加元公私合伙债务（2014年为23.18亿加元）及4000万加元其他贷款（2014年为4,600万加元）。

下表列载发行人截至2015年3月31日的的自负盈亏债务概况，包括到期日和计值货币<sup>8</sup>。

单位：百万加元或等值

	到期年份	加元	美元 <sup>9</sup>	2015年	2014年
				总额	总额
短期本票	2015			0	4,795
	2016	3,416	1,248	4,664	0
债务票据、债券及债务凭证	2015			0	325
	2016	150		150	150
	2017			0	0
	2018	40		40	40
	2019	1,030	204	1,234	1,234
	2020	675		675	675
	2021–2025	2,726		2,726	2,726
	2026–2030	1,850	635	2,485	2,159
	2031–2035	1,260		1,260	1,260
	2036–2040	78	372	450	438
	2041–2045	6,369		6,369	4,669
	2046–2050	420		420	420
	2051–2055			0	0
	2056–2060	60		60	60
	2061–2063	50		50	50
<b>债务票面总额</b>		<b>18,124</b>	<b>2,459</b>	20,583	19,001
未经摊销溢价/(贴现)				(114)	6
未实现外汇收益/(损失)				(4)	34
<b>自负盈亏债务总额</b>				<b>20,465</b>	<b>19,041</b>
<b>于3月31日上述债务的（加权）有效利率</b>					
2015年				4.01%	
2014年					4.16%

发行人从未就其债务对他方违约。

上述两个表格列示财务报告债务，而非第一个表格列示的总债务。总债务包括自负盈亏国家公司及机构中权益，并扣减偿债基金投资。财务报告债务与总债务之间的对账见2014/15年度《公共账册》第130页。

<sup>8</sup> 表中债务的余额及利率反映了衍生品合同的影响。

<sup>9</sup> 于2015年3月31日的外币债务包括：20.13亿美元债务（合24.59亿加元），其中17.86亿美元完全对冲为21.71亿加元，其他2.27亿美元（合2.88亿加元）无对冲。

### 三、“简明财务报告”的审计意见

发行人截至2013年、2014年及2015年3月31日止三年的财务报告已由审计总长办公室（不列颠哥伦比亚省的独立审计师）审计。对于截至2013年、2014年及2015年3月31日止年度的财务报告，审计总长均发表了保留意见。上述保留意见的基础如下：

#### （一）截至 2015 年 3 月 31 日止年度

##### 不当递延收入

政府对于来自其他政府的收入及自非政府来源获得的外部受限资金的会计处理为，首先记为递延收入（作为负债），然后或以与所产生相关开支相同的基准在运营表中确认为收入，或就购置或建设资本资产的资金，以与相关资产摊销的相同基准在运营表中确认收入。

就此，简明财务报告不符合加拿大公共部门会计准则，该准则要求 (i) 来自其他政府的转移支付应记为收入，转移支付对于收款政府而言满足负债定义的除外，以及 (ii) 自非政府来源获得的外部受限资金应于该等资金用于列明用途的期间记为收入。

若政府得知该问题之初，对其收到且审计总长认为不满足负债定义的或已用于列明用途的资金作出调整，其于 2015 年 3 月 31 日的负债应减少 42.41 亿加元，年初累计盈余应增加 40.50 亿加元，而当年收入应增加 1.91 亿加元。

#### （二）截至 2014 年 3 月 31 日止年度

##### 不当递延收入

政府对于来自其他政府的收入及自非政府来源获得的外部受限资金的会计处理为，首先记为递延收入（作为负债），然后，或以与所产生相关开支相同的基准在运营表中确认为收入，或就购置或建设资本资产的资金，以与相关资产摊销的相同基准在运营表中确认收入。

就此，简明财务报告不符合加拿大公共部门会计准则，该准则要求 (i) 来自其他政府的转移支付应记为收入，转移支付对于收款政府而言满足负债定义的除外，以及 (ii) 自非政府来源获得的外部受限资金应于该等资金用于列明用途的期间记为收入。

若政府得知该问题之初，对其收到且审计总长认为为不符合负债定义的或已用于列明用途的资金作出调整，其于 2014 年 3 月 31 日的负债应减少 38.34 亿加元，年初累计盈余应增加 36.02 亿加元，而当年收入应增加 2.32 亿加元。

##### 交通投资公司现为政府业务企业

如审计总长对 2013 年 3 月 31 日简明财务状况表发表的意见中所述，交通投资公司（Transportation Investment Corporation）被错误的分类为政府业务企业，构成与加拿大公共部门会计准则的偏差。该事项导致审计总长修改了对该年度财务报告的意见。

就截至 2014 年 3 月 31 日止年度，交通投资公司现已达到根据加拿大公共部门会计准则分类为政府业务企业的标准。然而，审计总长的意见作出修改是因为交通投资公司于 2013 年 3 月 31 日及截至该日止年度的比较数字中被错误的反映为政府业务企业。

### (三) 截至 2013 年 3 月 31 日止年度

#### 交通投资公司需完全并表

政府将交通投资公司归类为政府业务企业，以修正权益法并入该简明财务报告（见附注 1(c)）。根据加拿大公共部门会计准则，组织需以政府报告主体以外的收入来源维持其运营并承担负债，方可分类为政府业务企业。截至 2013 年 3 月 31 日，交通投资公司不具备上述特点，因此将其分类为政府业务企业是不当的。若上述组织正确分类，则应使用完全并表法记录，且某些财务报告科目会有重大金额变化。

若交通投资公司完全并表，该简明财务报告应有如下变化：

	增加/(减少) 百万加元	
	2013 年	2012 年
<b>合并财务状况表</b>		
金融资产	(2,326)	(1,628)
负债	286	393
净负债	2,612	2,021
非金融资产	2,684	2,133
<b>累计盈余</b>	<b>72</b>	<b>112</b>
<b>合并运营表</b>		
收入	(35)	(82)
支出	25	15
<b>本年赤字</b>	<b>60</b>	<b>97</b>

本年赤字的增加与利率对冲交易已实现损失有关。如全部并表，上述已实现损失则应记为支出。

2012/13 年度《公共账册》第 88 页至第 95 页的按部门划分简明财务报告以及 2012/13 年度《公共账册》第 96 页至第 99 页的自负盈亏国家公司及机构报告等支持性报告也受到上述交通投资公司不当分类及上述简明财务报告变化的影响。

#### 不当递延政府间转移支付收入

对于截至 2013 年 3 月 31 日止年度，加拿大公共部门会计准则的变化现已要求将来自其他政府的转移支付于其获准且全部适用标准均已满足的期间内确认为收入，转移支付导致收款政府产生满足负债定义的义务的除外。上述变化适用于截至 2013 年 3 月 31 日止财政年度收到的转移支付，以及以往年度收到但尚未确认为收入的转移支付。



然而，政府对于来自其他政府的资金的会计处理为：递延该等转移支付，并以与所产生相关开支相同的基准在运营表中确认为收入，或就购置或建设资本资产的资金，以与相关资产摊销的相同基准在运营表中确认为收入。就此，简明财务报告不符合加拿大公共部门会计准则。

政府已选择就未来收入采用此新的会计准则。若对未来作出调整，以反映适用新准则带来的影响，于 2013 年 3 月 31 日的负债应减少 19.45 亿加元，收入应增加 19.45 亿加元，当年净负债应减少 19.45 亿加元，截至该日止年度赤字应减少 19.45 亿加元。

#### **受限收入不当递延**

政府对于来自非政府来源的外部受限资金的会计处理方式为将其递延，并以与确认相关支出发生相同的基准在运营表中确认为收入，或就购买或建设资本资产的资金而言，以与相关资产摊销的相同基准在运营表中确认为收入。就此，简明财务报告不符合加拿大公共部门会计准则。该准则要求，自非政府来源获得的外部受限资金应于该等资金用于列明用途的期间记为收入。

若已做出对未来的调整，于 2013 年 3 月 31 日，负债应减少 10.10 亿加元，收入应增加 10.10 亿加元，当年净负债应减少 10.10 亿加元，截至该日止年度赤字应减少 10.10 亿加元。

## 第八章 发行人财务状况分析

### 一、发行人 2014/15 年度财务状况分析

#### (一) 摘要

本概要部分以2014/15年度《公共账册》中“简明财务报告”及“本省债务概要”中的信息为基础，总结了影响财务报告的关键事件。预算数字摘自2014/15年度《公共账册》第122页、第124页、第127页、第130页及第132页的《2014/15年度至2016/17年度预算及财政计划》。

#### 2014/15 年度预算及实际结果

单位：百万加元

	2014/15 年度预算	2014/15更 新预测	2014/15 实际	2013/14 实际	偏离	
					2014/15年度 实际对比预测	2014/15年度 对比 2013/14年度
收入	44,800	45,772	46,122	43,728	1,322	2,394
支出	(44,416)	(44,793)	(44,439)	(43,401)	(23)	(1,038)
预测准备前盈余 /(赤字)	<b>384</b>	<b>979</b>	<b>1,683</b>	<b>327</b>	<b>1,299</b>	<b>1,356</b>
预测准备	(200)	(100)			200	
本年度盈余/(赤 字)	<b>184</b>	<b>879</b>	<b>1,683</b>	<b>327</b>	<b>1,499</b>	<b>1,356</b>
资本开支						
财政性资本开 支	4,030	3,637	3,407	3,151	(623)	256
自负盈亏资本 开支	2,590	2,604	2,491	2,519	(99)	(28)
资本开支总额	<b>6,620</b>	<b>6,241</b>	<b>5,898</b>	<b>5,670</b>	<b>(722)</b>	<b>238</b>
本省债务						
财政性	43,075	42,302	41,880	41,068	(1,195)	812
自负盈亏	21,463	21,428	21,040	19,625	(423)	1,415
本省债务总额	<b>64,538</b>	<b>63,730</b>	<b>62,920</b>	<b>60,693</b>	<b>(1,618)</b>	<b>2,227</b>
财政性债务对 GDP比率	18.4%	17.7%	17.5%	18.2%	(0.9)	(0.7)

## 1、账户盈余/(赤字)概要

本省该年末结余16.83亿加元，高于《2014/15年度至2016/17年度预算及财政计划》14.99亿加元。2014/15年度的16.83亿加元盈余相较2013/14年度的3.27亿加元盈余增长13.56亿加元。

2014/15年度的收入增长了5.5%（财政计划期间预期平均年增长率为2.6%），开支增加了2.4%（财政计划期间预期年增长率为2.2%）。

## 2、资本开支

就亿元、学校、高中级以上设施、交通以及道路的财政性基础设施开支2014/15年度总额为34.07亿加元。就发电、传输及分配工程、曼港大桥项目以及其他资本资产的自负盈亏基础设施开支2014/15年度总额为24.91亿加元。

## 3、本省债务

于2014/15年度，财政性债务增长8.12亿加元，自负盈亏债务增长14.15亿加元。本省债务总额共增长22.27亿加元，较预算债务增加总额少16.18亿加元。财政性债务对GDP比率这一关键指标为17.5%，低于预算中预测的18.4%。

## （二） 讨论与分析

本节为有关2014/15年度《公共账册》中运营表、财务状况表及本省债务表的重大趋势概览。

### 1、收入分析

收入分析有助于投资者在收入来源方面了解发行人的财务，并允许投资者衡量发行人获取收入的能力。

#### 按来源划分的收入分类情况

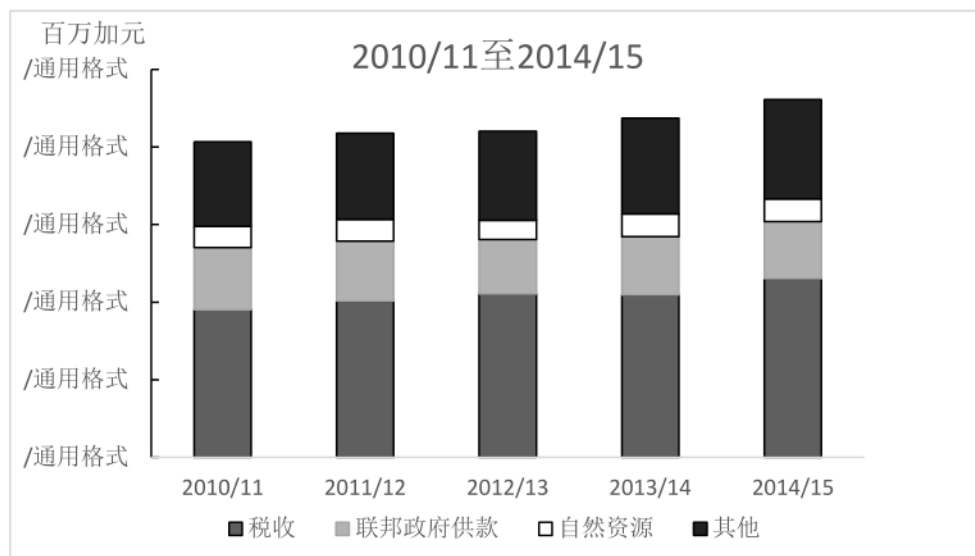
按来源的收入分类情况概括了发行人收入的主要来源，以及上述来源的业绩随时间推移而变化的情况。收入分类为税收、联邦政府供款、自然资源以及其他来源。其他来源包括收费及许可、自负盈亏国家公司供款以及投资收入。

单位：百万加元

	2010/11 年度实际	2011/12 年度实际	2012/13 年度实际	2013/14 年度实际	2014/15 年度实际
税收	19,031	20,145	21,050	20,930	23,056
联邦政府供款	8,009	7,718	7,044	7,502	7,326
收费及许可	4,440	4,735	4,907	5,210	5,425
自然资源	2,729	2,812	2,473	2,955	2,937
杂项	2,687	2,673	2,613	3,194	2,804

	2010/11 年度实际	2011/12 年度实际	2012/13 年度实际	2013/14 年度实际	2014/15 年度实际
自负盈亏国家公司净利润	2,940	2,691	2,776	2,701	3,371
投资收入	843	1,022	1,173	1,236	1,203
收入总额	<b>40,679</b>	<b>41,796</b>	<b>42,036</b>	<b>43,728</b>	<b>46,122</b>

发行人的收入于2014/15年度增长了23.94亿加元。上述收入增长主要是由于税收收入显著增长21.26亿加元所致。自负盈亏国家公司净利润增长了6.7亿加元，收费及许可收入增长了2.15亿加元。上述重要收入来源的增长被联邦政府供款及其他收入来源共6.17亿加元的减少所抵消。



2014/15年度，税收收入增长了21.26亿加元（增长率为10.2%）。个人所得税收入增长12.14亿加元（增长率为17.7%），企业所得税收入增长2.08亿加元（增长率为8.6%）。本省消费税增长3.22亿加元（增长率为5.8%），物业转让税收入增长1.28亿加元（增长率为13.7%），烟草税收入增长0.28亿加元（增长率为3.9%）。所有其他税收收入同期增长2.26亿加元。

2014/15年度，自负盈亏国家公司（包括不列颠哥伦比亚省水利电力局、不列颠哥伦比亚彩票公司及不列颠哥伦比亚省酒类配销局）的净利润增长6.7亿加元。

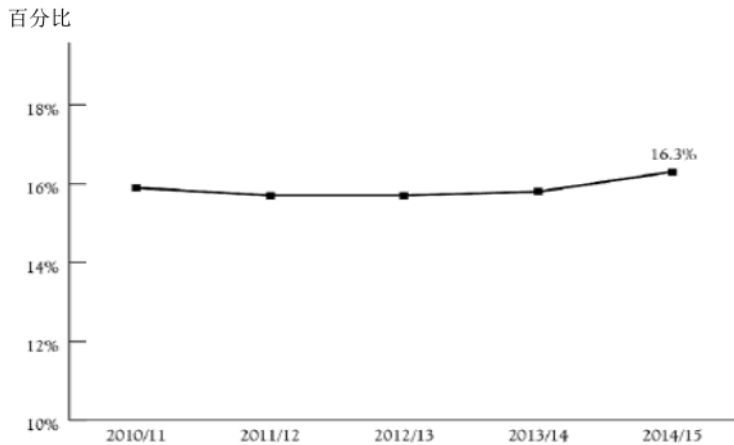
联邦政府供款较2013/14年度所得减少1.76亿加元。上述减少主要是由于发行人应得的加拿大医保及社保转移支付年度份额调整所致。

2014/15年度，自然资源收入减少0.18亿加元（减少0.6%）。石油、天然气及矿产特许费增长0.21亿加元（增长率为1.3%），森林收入增长0.35亿加元（增长率为4.9%），其他自然资源收入来源减少0.74亿加元（减少11.2%）。

#### 自有收入来源对GDP比率

自有收入来源对GDP比率指发行人省政府以税收、自然资源收入、自负盈亏国家公司利润以及使用费及许可费的形式，于本省经济取得的收入的金额占本省经济的比率。自有收入来源指除联邦政府转移支付以外的所有收入。

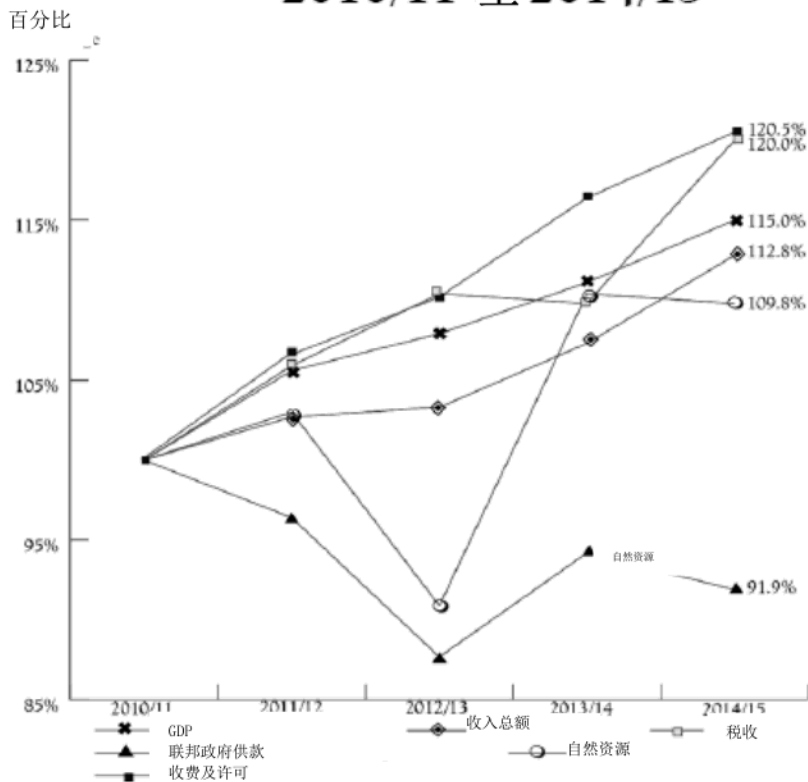
### 2010/11 至 2014/15



### 收入占比变化

对收入的趋势分析可向投资者提供关于收入随时间变化以及在各来源之间的显著变动相关的信息，有助于投资者评估历史表现，并评估对未来的潜在影响。

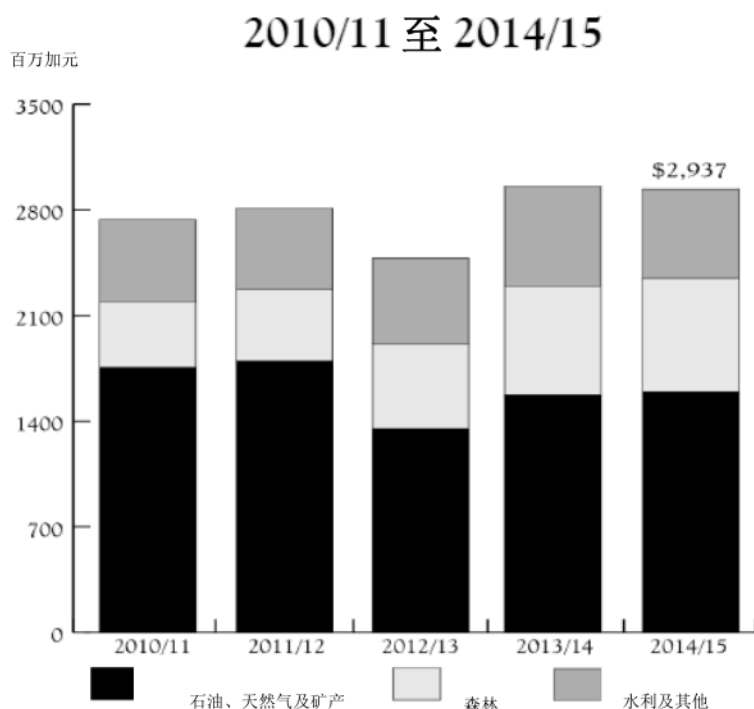
### 2010/11 至 2014/15



自2010/11年度以来五年，收入总额随GDP增长而提高。收费及许可收入以及税收收入的增长超过了GDP的增长，而自然资源收入增长于稍逊于GDP的增长。过去五年中，仅有联邦政府供款减少至2010/11年度的91.9%。

### 自然资源收入

下图为根据资源类型划分的自然资源收入，展示了自然资源收入总额及各主要类别的历史趋势。



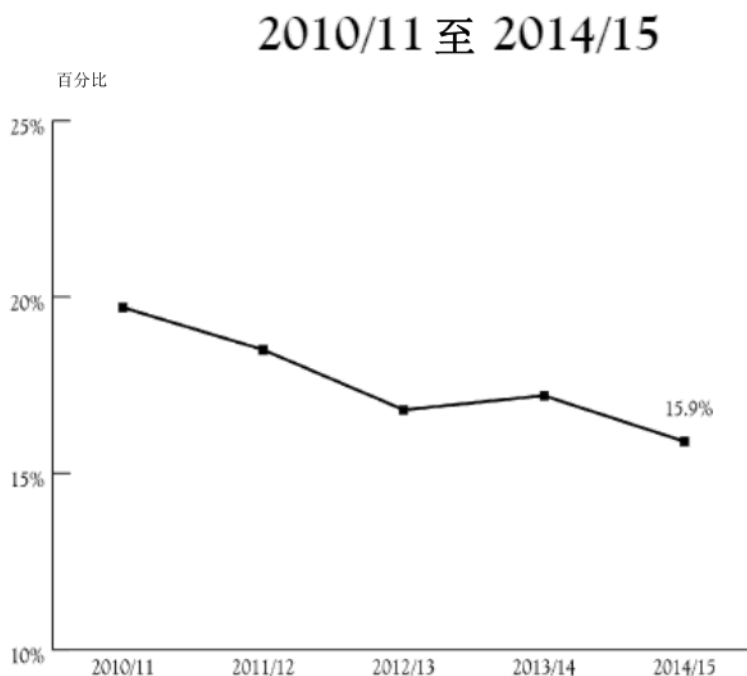
石油、天然气及矿产收入相较2013/14年度增长0.21亿加元。上述类别的自然资源于2014/15年度占自然资源收入的54.3%，而于2013/14年度占自然资源收入的53.2%。

森林收入于2014/15年度增长0.35亿加元，占自然资源收入的比例由2013/14年度的24.4%增长至2014/15年度的25.6%。

本年水利及其他资源收入减少0.74亿加元，占发行人自然资源收入的20.1%。

## 政府间转移支付占总收入比率

政府间转移支付占总收入比率显示了发行人依赖联邦政府转移支付的程度。该比率上升表明依赖程度提高，该比率下降表明依赖程度降低。



联邦转移支付于2014/15年度减少1.76亿加元，主要是由于发行人应得的加拿大医保及社保转移支付年度份额调整所致。

## 2、支出分析

以下分析有助于投资者了解发行人的开支对经济的影响、发行人对资源的分配与利用以及发行人项目的支出。

### 按职能划分的支出分类情况

按职能划分的支出分类概括了发行人的主要开支领域，以及随时间的开支变化情况。各职能由加拿大统计局政府统计财务管理系统规定，用于表示支出的目的。发行人使用如下职能分类：卫生、教育、社会服务、利息、自然资源与经济发展、交通、其他、人身及财产保护，以及一般政府活动。卫生、教育及社会服务职能占发行人总运营支出的约四分之三。

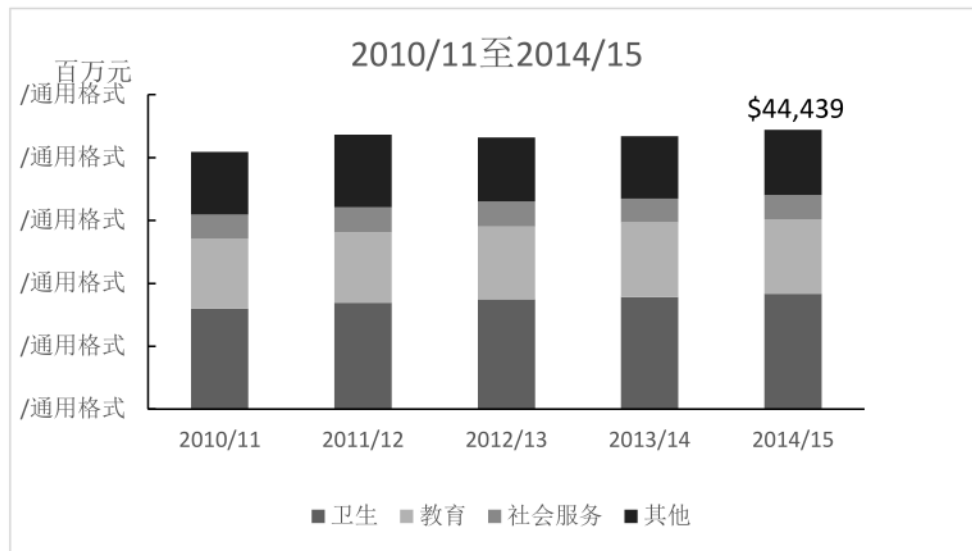
单位：百万加元

	2010/11 年度实际	2011/12 年度实际	2012/13 年度实际	2013/14 年度实际	2014/15 年度实际
卫生	15,992	16,917	17,502	17,862	18,370
教育	11,165	11,227	11,528	11,827	11,827
社会服务	3,786	3,940	3,990	3,805	3,847

	2010/11 年度实际	2011/12 年度实际	2012/13 年度实际	2013/14 年度实际	2014/15 年度实际
利息	2,252	2,383	2,390	2,482	2,498
自然资源与经济发展	2,349	1,873	2,092	1,755	2,191
交通	1,580	1,545	1,555	1,580	1,608
其他	1,208	1,415	1,346	1,184	1,288
人身及财产保护	1,448	1,512	1,539	1,520	1,451
一般政府活动	1,146	2,834	1,262	1,386	1,359
<b>支出总额</b>	<b>40,926</b>	<b>43,646</b>	<b>43,204</b>	<b>43,401</b>	<b>44,439</b>

政府项目支出于2014/15年度增加10.38亿加元。

发行人卫生方面的支出增加5.08亿加元（增长率为2.8%），自然资源与经济发展部门支出增加4.36亿加元（增长率为24.8%），社会服务部门支出增加0.42亿加元（增长率为1.1%）。其他所有部门支出相较2013/14年度增加0.52亿加元。

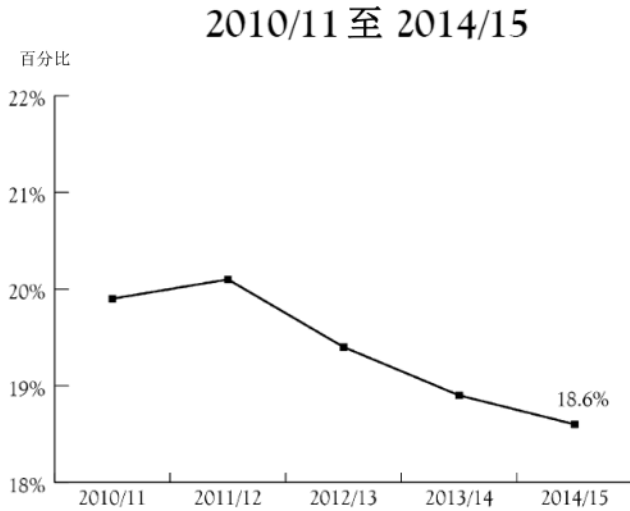


于2014/15年度，发行人的运营支出为444.39亿加元，相较2013/14年度增加10.38亿加元（增长率为2.4%）。自2010/11年度起，项目开支增加35.13亿加元（增长率为8.6%）。相比而言，同期GDP增长率为15.9%。



## 支出对GDP比率

支出对GDP比率指发行人的开支与本省总体经济的比率。



发行人的开支占GDP的比率于2014/15年度由18.9%降至18.6%，表明发行人开支的增速持续低于GDP所代表的经济增长。

### 3、2013/14 年度与 2014/15 年度实际运营结果变化

单位：百万加元

	收入	支出	盈余
<b>2013/14年度盈余</b>	<b>43,728</b>	<b>43,401</b>	<b>327</b>
实际运营结果			
税收收入增加	2,126		2,126
自负盈亏国家公司利润增加	670		670
收费及许可收入增加	215		215
其他收入减少	(617)		(617)
卫生开支增加		508	(508)
自然资源与经济发展开支增加		436	(436)
社会服务开支增加		42	(42)
其他项目支出增加		52	(52)
实际运营结果变化小计	2,394	1,038	1,356
	46,122	44,439	
<b>2014/15年度盈余</b>			<b>1,683</b>
<b>2013/14年度累计盈余</b>			<b>1,346</b>
<b>2014/15年度其他综合收益前累计盈余</b>			<b>3,029</b>
自负盈亏国家公司及机构累计其他综合收益			223
<b>2014/15年度累计盈余</b>			<b>3,252</b>

收入总额年度增长为23.94亿加元，被支出总额的增长10.38亿加元所抵消，导致盈余较2013/14年度增长13.56亿加元。累计盈余由2013/14年度的13.46亿加元增至2014/15年度末的32.52亿加元。

#### 4、与 2014/15 年度预算相比的变化

单位：百万加元

	收入	支出	预测 准备金	盈余
<b>根据2014年3月预算的盈余</b>	<b>44,800</b>	<b>44,416</b>	<b>(200)</b>	<b>184</b>
实际运营结果与预算相比：	899			899
税收收入增加	486			486
自负盈亏国家公司利润增加	89			89
收费及许可增加	112			112
投资收入增加	(264)			(264)
其他收入减少		144		(144)
社会服务开支增加				
自然资源与经济发展开支增加		434		(434)
卫生开支减少		(313)		313
其他项目开支减少		(242)		242
预测准备金			200	200
实际运营结果与预算相比变化小计	1,322	23	200	1,499
<b>实际运营结果</b>	<b>46,122</b>	<b>44,439</b>	<b>0</b>	<b>1,683</b>

收入较预算金额448亿加元高出13.22亿加元（3%），而支出仅略微高出0.23亿加元。

#### 5、净负债及累计盈余

根据加拿大公认会计准则，2014/15年度《公共账册》中的发行人合并财务状况表以净负债法列示。净负债指由过去的交易或事件导致的未来现金净流出。对净负债及累计盈余的分析有助于投资者了解发行人的整体财务状况以及偿还过去交易与事件所需的未来收入。

单位：百万加元

	2014/15 年度预算	2014/15 年度实际	2013/14 年度实际	偏离	
				2014/15年度预 算对比实际	2014/15年度 对比 2013/14年度
金融资产	41,588	42,377	39,733	789	2,644
减：负债	(82,674)	(81,279)	(78,818)	1,395	(2,461)
<b>净负债</b>	<b>(41,086)</b>	<b>(38,902)</b>	<b>(39,085)</b>	<b>2,184</b>	<b>183</b>
减：非金融资产	42,843	42,154	40,912	(689)	1,242
<b>累计盈余</b>	<b>1,757</b>	<b>3,252</b>	<b>1,827</b>	<b>1,495</b>	<b>1,425</b>

累计盈余指本年及以往年度运营结果之和，以及其他综合收益的累计变动。于2015年3月31日，发行人的累计盈余为32.52亿加元，较预算高出14.95亿加元。

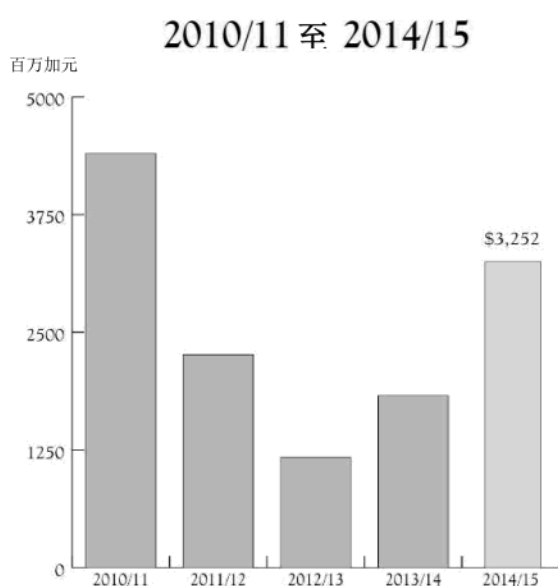
由于现金及现金等价物以及临时投资增长8.74亿加元、自负盈亏国际公司及机构中权益增长4.32亿加元、可回收资本贷款增长13.96亿加元，发行人的金融资产较2013/14年度增长26.44亿加元。上述增长被其他金融资产减少0.58亿加元所抵消。

负债较2013/14年度增加24.61亿加元。为提供基础建设项目资金、对自负盈亏国家公司及机构提供资本支持以及满足运营资本需求，自负盈亏债务增加14.24亿加元财政性负债增加9.32亿加元。其他负债，包括应付账款及递延收入，较2013/14年增长1.05亿加元。

非金融资产通常指有形资本资产等发行人可以于未来利用其提供服务的资源。非金融资产较2013/14年度增长12.42亿加元，是由于发行人投资于基础设施所致。

### 累计盈余

累计盈余指当年及所有以往年度的运营结果。于2014/15年度，发行人累计盈余为32.52亿加元。较2013/14年度高出14.25亿加元。以往年度及本年度的运营正结余为保持核心公共服务提供了灵活性。



## 6、净负债的组成

### 金融资产

对金融资产的趋势分析为投资者提供了与发行人可转换为现金用以偿债或支持运营的可获资源有关的信息。

单位：百万加元

	2010/11 年度实际	2011/12 年度实际	2012/13 年度实际	2013/14 年度实际	2014/15 年度实际
现金、现金等价物、临时投资及储式投资	3,060	3,235	3,174	2,802	3,676
应收账款	2,342	2,408	2,456	3,449	3,489
自负盈亏国家公司及机构中权益	7,093	6,998	7,541	7,839	8,271
可于机构收回用于购买资产的贷款	12,947	14,846	16,907	18,921	20,317
其他金融资产	7,057	7,021	7,508	6,722	6,624
<b>金融资产总额</b>	<b>32,499</b>	<b>34,508</b>	<b>37,586</b>	<b>39,733</b>	<b>42,377</b>

于2014/15年度，金融资产增长26.44亿加元，主要是由于发放予国家机构的资本贷款增加所致。因发行人向其所有并控制的国家机构提供资金用以支持资本项目，可回收资本贷款增长了13.96亿加元。自负盈亏国家公司中权益增长了4.32亿加元。所有其他金融资产增长了8.16亿加元。

### 负债

对负债的趋势分析为投资者提供了用以了解及评估发行人对金融资产的需求以及获取收入的能力有关的信息。

单位：百万加元

	2010/11 年度实际	2011/12 年度实际	2012/13 年度实际	2013/14 年度实际	2014/15 年度实际
财政性债务	33,079	36,012	39,828	41,761	42,693
自负盈亏债务	13,030	14,942	17,011	19,041	20,465
<b>财务报告债务总额</b>	<b>46,109</b>	<b>50,954</b>	<b>56,839</b>	<b>60,802</b>	<b>63,158</b>
应付款项及其他负债	7,919	9,119	9,149	8,298	8,312
递延收入	10,750	10,459	9,896	9,718	9,809
<b>总负债</b>	<b>64,778</b>	<b>70,532</b>	<b>75,884</b>	<b>78,818</b>	<b>81,279</b>

于2014/15年度，总债务增加24.61亿加元。负债指未来必须以资产的转移或使用进行结算的义务。于2014/15年度，财政性债务增加9.32亿加元，自负盈亏债务增加14.24亿加元。有关发行人债务管理的信息见于本节第7部分中对本省债务总额的详细分析。递延收入增加0.91亿加元，应付账款及其它负债增加0.14亿加元。

### 非金融资产

对非金融资产的趋势分析为投资者提供了用于评估政府对基础设施及长期非金融资产的管理的信息。

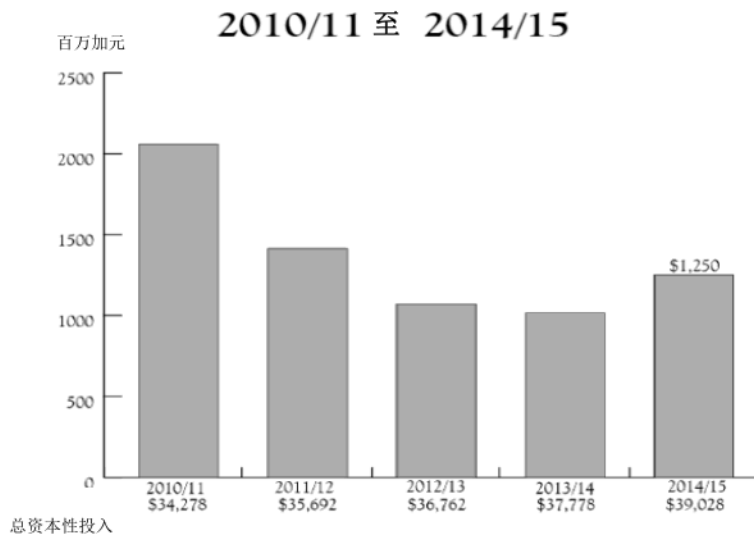
单位：百万加元

	2010/11 年度实际	2011/12 年度实际	2012/13 年度实际	2013/14 年度实际	2014/15 年度实际
有形资本资产	34,278	35,692	36,762	37,778	39,028
其他非金融资产	2,398	2,592	2,709	3,134	3,126
<b>非金融资产总额</b>	<b>36,676</b>	<b>38,284</b>	<b>39,471</b>	<b>40,912</b>	<b>42,154</b>

非金融资产的管理对于政府能够为其民众提供的服务的水平和质量有直接影响。非金融资产通常指政府可以于未来利用其提供服务的资源。于2015年3月31日，发行人的非金融资产共421.54亿加元，较2013/14年度高12.42亿加元，较2010/11年度高54.78亿加元。发行人的主要非金融资产为扣减摊销的有形资本资产支出。发行人于2014/15年度新增基础设施投资12.5亿加元，以确保其潜在服务能力可于未来期间内提供项目与服务。资本支出不包含于2014/15年度《公共账册》中的合并运营表中，且对当期盈余无影响。资本支出在资产的潜在服务能力用于提供项目及服务时，以摊销费用的方式冲抵未来盈余。

### 资本性投入变动

本方法列示发行人实体资本投入的净变动情况。正值表示对基础设施的投资，以替换现存资本并在未来期间提供潜在服务能力。



发行人于2014/15年度的资本净投资额为12.5亿加元，自2010/11年度以来的资本净投资额为68.09亿加元。资本性投入总额于期内稳步增长，表明资本基础设施可于未来继续提供项目于服务。

### 净负债及累计盈余

单位：百万加元

	2010/11 年度实际	2011/12 年度实际	2012/13 年度实际	2013/14 年度实际	2014/15 年度实际
金融资产	32,499	34,508	37,586	39,733	42,377

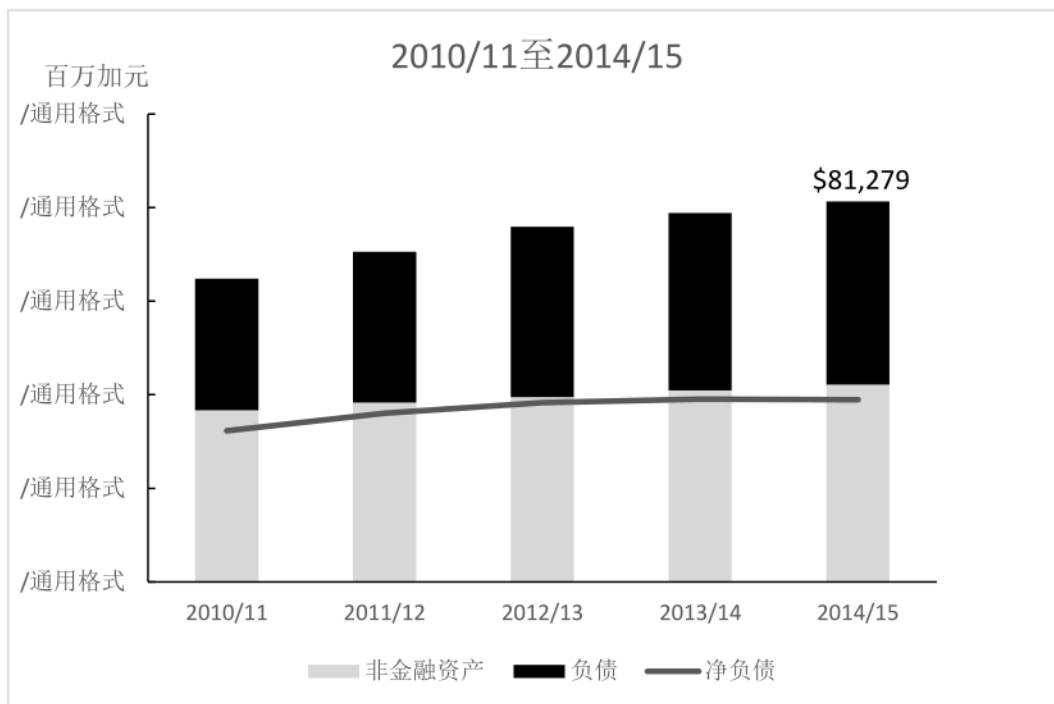
	2010/11 年度实际	2011/12 年度实际	2012/13 年度实际	2013/14 年度实际	2014/15 年度实际
减：负债	(64,778)	(70,532)	(75,884)	(78,818)	(81,279)
净负债	(32,279)	(36,024)	(38,298)	(39,085)	(38,902)
减：非金融资产	36,676	38,284	39,471	40,912	42,154
累计盈余	4,397	2,260	1,173	1,827	3,252

于2014/15年度，净负债减少1.83亿加元，是由于基础设施投资减少。负债包括递延收入98.09亿加元，为将于未来期间确认为收入的未获收入及受限供款。

净负债的财务规模保持稳定，基础设施投资有所增加，导致累计盈余增加。于2014/15年度末，发行人的累计盈余为32.52亿加元，表明以往所有年度的盈余和赤字的累计为正，发行人财务状况为盈余。

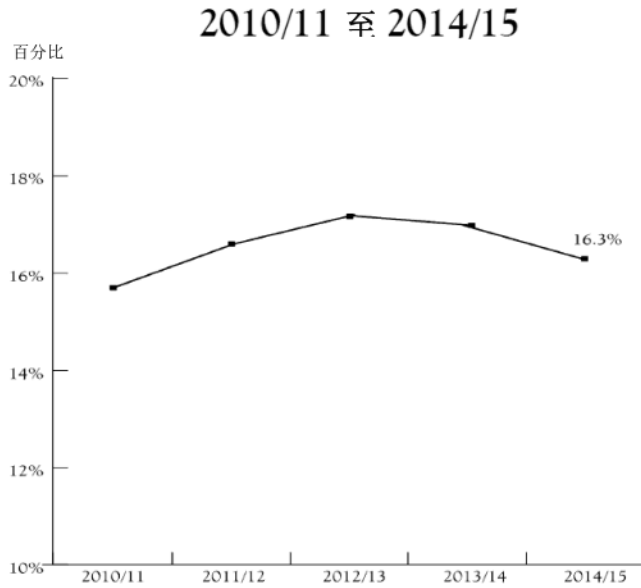
### 非金融资产占负债的比例

下图表示负债中的哪一部分用于支持资本基础设施，而非用于支持运营资本需求（包括应付账款及其他运营负债，以及递延至未来期间的收入）。于过去五年内，非金融资产有所增长，而净负债规模保持稳定。



### 净负债对GDP比率

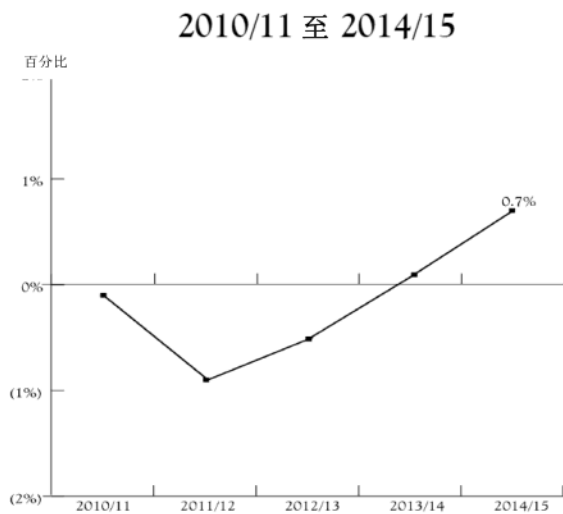
净负债对GDP比率代表发行人无需新增经济整体的债务负担即可保持现有项目并满足现有债务人要求的能力。



净负债对GDP比率下降，是由于2014/15年度净负债保持低于GDP所代表的经济增长。净负债包括将于未来期间确认为收入的递延收入，以及对他方的义务（包括应付账款及债务）。

### 盈余/(赤字)对GDP比率

盈余/(赤字)对GDP比率是将发行人的财务业绩与经济的总体情况比较的可持续性指标。该比率为正，表示经济增速快于政府净开支。



## 7、本省债务总额

发行人债务总额分析有助于投资者评估长期负债的程度，以及发行人满足未来债务的能力。

单位：百万加元

	2010/11 年度实际	2011/12 年度实际	2012/13 年度实际	2013/14 年度实际	2014/15 年度实际
债务总额	46,109	50,954	56,839	60,802	63,158
减：偿债基金资产	(1,410)	(1,491)	(1,778)	(835)	(977)
第三方保证及非保证债务	455	730	755	726	739
<b>本省债务总额</b>	<b>45,154</b>	<b>50,193</b>	<b>55,816</b>	<b>60,693</b>	<b>62,920</b>

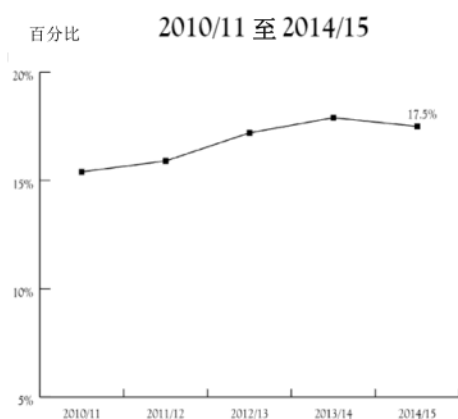
在向评级机构报告时，发行人将财务报告中的债务加上全部债务保证，以及自负盈亏国家公司直接发生的债务，并减去偿债基金资产。上述余额被称为本省债务总额。

减去持有用于清偿债务的偿债基金并包括保证债务和及自负盈亏国家公司债务的本省债务总额较发行人财务报告中的债务金额低2.38亿加元。总体，因为发行人举借债务为资本项目提供资金并满足运营资本要求上，本省债务总额于2014/15年度增加22.27亿加元。

自负盈亏国家公司债务的最大增加为不列颠哥伦比亚省水利电力局的负债增加9.85亿加元，以及交通投资公司负债增加1.26亿加元。财政性负债整张，是因为不列颠哥伦比亚交通融资局负债增加5.16亿加元、卫生部门负债增加4.84亿加元、教育部门负债增加4.87亿加元以及其他财政性负债增加2.68亿加元。发行人省政府直接运营债务较2013/14年度增加9.43亿加元。

### 财政性债务对GDP比率

财政性债务对GDP比率是财务分析师和投资者评估一省偿还债务能力的重要手段，同时也是债券评级机构监测的重要指标。该比率上升表示负债的增加快于GDP代表的经济增长。





于2014/15年度末，财政性债务对GDP比率17.5%，低于预算水平的18.4%。

## 8、良好信用评级

发行人于目前使用的全部三家信用评级机构均维持有良好稳定的信用评级，反映了发行人的财政表现。于2014/15年度，穆迪投资者服务公司给予发行人Aaa级主体信用评级（2014年为Aaa级），标准普尔给予发行人AAA级主体信用评级（2014年为AAA级），多美年债券评级服务机构给予发行人AA（高）级主体信用评级（2014年为AA（高）级）。

### 2015年5月信用评级

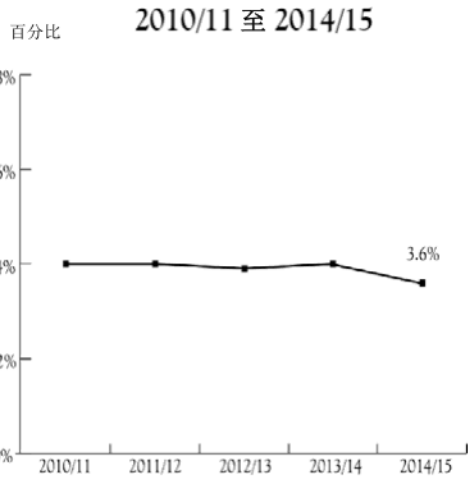
司法区	评级机构 <sup>10</sup>		
	穆迪投资者服务公司	标准普尔	多美年债券评级服务
不列颠哥伦比亚	Aaa	AAA	AA（高）
亚伯达	Aaa	AAA	AAA
萨斯喀彻温	Aaa	AAA	AA
曼尼托巴	Aa1	AA	A（高）
安大略	Aa2	AA-	AA（低）
魁北克	Aa2	A+	A（高）
新不伦瑞克	Aa2	A+	A（高）
新斯科舍	Aa2	A+	A（高）
爱德华王子岛	Aa2	A	A（低）
纽芬兰	Aa2	A+	A
加拿大	Aaa	AAA	AAA

有关本省债务更加全面的概览，包括主要债务指标，见于2014/15年《公共账册》第127页至第140页。

## 9、公共债务负担对收入比率（利息侵蚀）

公共债务负担对收入比率常称为“利息侵蚀”。该比率向投资者表明发行人收入用于偿还债务利息的比例。该比率对债务成本（利息升高或债务增加）以及收入的减少较为敏感。

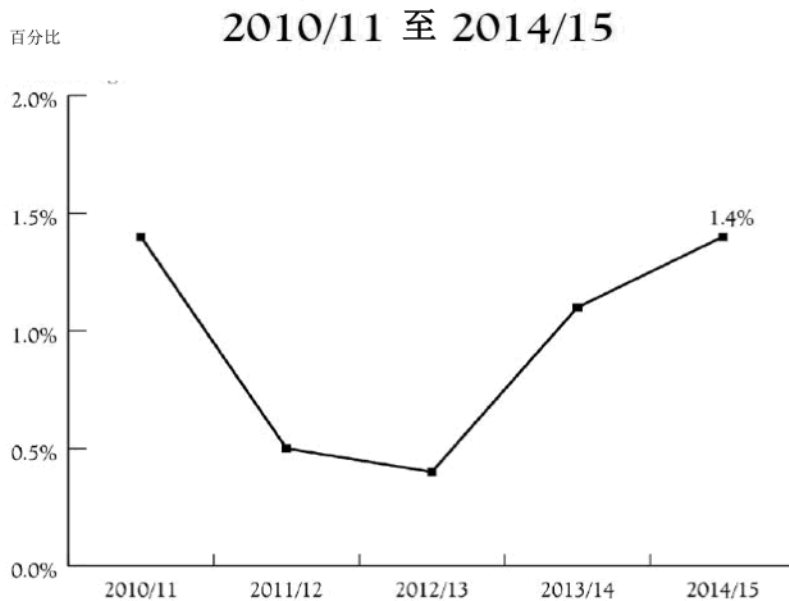
<sup>10</sup> 评级机构以字母对融资人评级。主要分类有（按信用等级降序）：AAA/Aaa、AA/Aa、BBB/Baa、BB/Ba以及B。“1”、“2”、“3”、“高”、“低”、“-”及“+”等符号表示于上述主要分类中的相对位置。如，AA+高于AA。



若一省收入越来越高的比率需用于偿还该省债务的利息，余下用于提供核心公共服务的资金就会减少。利息侵蚀于过去五年中，由2010/11年度的4.0%有所减少。于2014/15年度，发行人3.6%的收入用于偿还本省债务的利息。

### 10、无对冲外币债务对本省债务总额比率

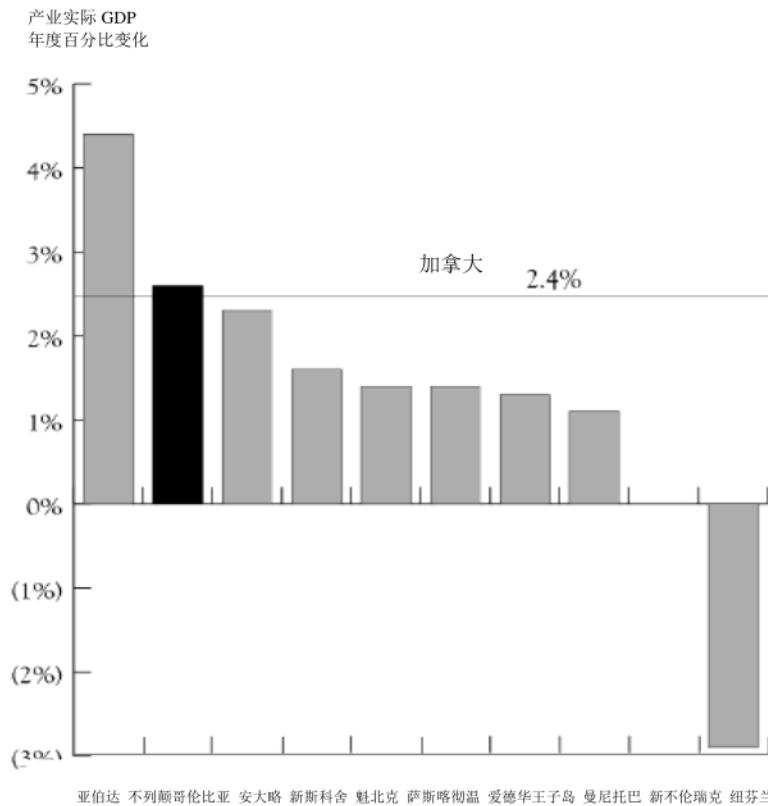
无对冲外币债务对本省债务总额比率代表政府公共债务头寸对利率变化的敏感性。



### (三) 经济概要

根据加拿大统计局按行业数据分类的初步GDP数据，不列颠哥伦比亚省的经济与2014年以约2.6%的速度增长，在加拿大全国所有省份中为第二高，且高于加拿大全国平均2.4%的增速。上述约2.6%的增速高于2015年政府预算所估计的2.2%的增速。

## 各省比较



来源：加拿大统计局

### 1、2014 年实际 GDP

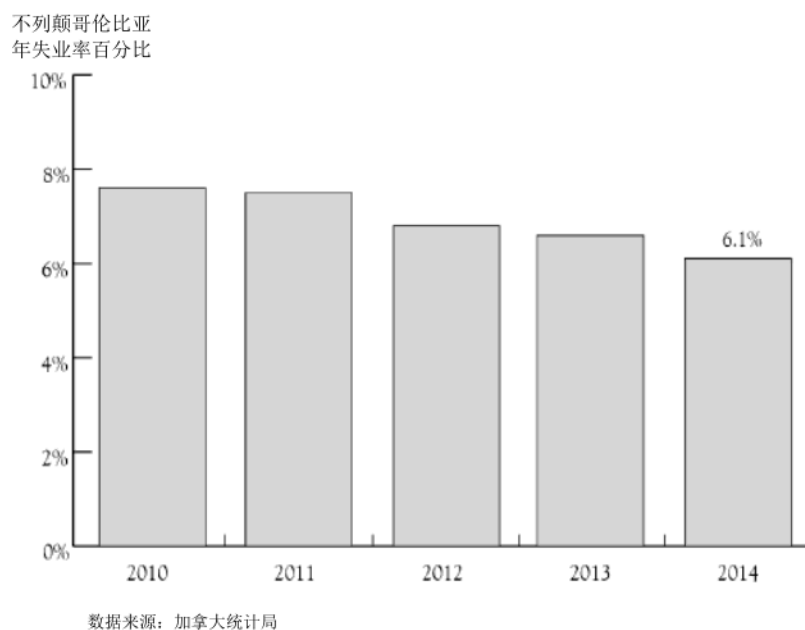
多数主要行业于2014均有增长，教育服务业（下降4.0%）、农林渔猎业（下降3.7%）、公用事业（下降1.4%）以及信息及文化产业（下降0.2%）除外。2014年，各行业中增长最快的为采矿、采石及油气开采业（增长4.6%），零售贸易（增长4.6%）以及地产、出租及租赁服务业（增长3.9%）。建筑业、制造业以及交通和仓储业也于2014年稳步增长。

零售业销售额作为消费者开支的指征，于2014年增长5.6%。同时，尽管对不列颠哥伦比亚省的外部需求不均衡，不列颠哥伦比亚省的商品出口额于2014年增长7.1%。

## 2、2014年失业率

不列颠哥伦比亚省的年度失业率于2014年有所下降，由2013年的6.6%降至2014年的6.1%，低于6.9%的全国平均水平。2014年，平均雇佣程度高于2008年经济衰退前数据（高出约36,500个岗位）。

### 2010至2014



## 3、风险及不确定性

发行人对于风险及不确定性的主要敞口为发行人无法直接控制的变量所引起。上述变量包括：

- 收入及国家公司预测的基础假设，如经济因素、商品价格及天气条件；
- 诉讼、仲裁及与第三方谈判的结果；
- 联邦转移支付的分配、与联邦政府费用分担协议的潜在变化，以及联邦税务政策和预算变化对本省所得税税基的影响；
- 政府服务（如医疗、儿童和家庭服务以及收入补助）的利用率；
- 对利率波动、汇率及信用风险的敞口；以及
- 加拿大公认会计准则的变化。

以下为部分主要变量变动对盈余的大致影响：

#### 关键财政敏感因素

变量	增量	年度财政影响 (百万加元)
名义GDP	1%	150 – 250
木材价格 (美元/千板英尺)	50美元	75 – 100 <sup>11</sup>
天然气价格 (加拿大元/千兆焦耳)	0.5加元	140 <sup>12</sup>
美元汇率 (美分/加拿大元)	1美分	(25) – (50)
利率	1百分点	(91)
债务	5亿加元	(16)

尽管无法直接控制上述变量，但发行人已执行策略缓解上述风险及不确定因素。发行人为加强不列颠哥伦比亚省作为吸引投资的区域的定位及创造新岗位，因而发展税务、金融以及公司监管政策，该等举措将有助于抵消由于经济及金融市场全球化带来的吸引投资方面的竞争加剧。如同以往年份一样，发行人在预算中使用预测准备金来反映收入及支出以及国家公司、学区、大学、学院、学术机构以及卫生组织预测中的风险。预测准备金的使用在预测未来经济发展的过程中确认了不确定性。

有关债务的风险管理的讨论见2014/15年度《公共账册》中所含简明合并财务报告附注第68页的附注20。

## 二、 发行人 2013/14 年度财务状况分析

### (一) 概要

本概要部分以2013/14年度《公共账册》中“简明财务报告”及《本省债务概要》中的信息为基础，总结了影响财务报告的关键事件。预算数字摘自《2013年6月27日呈交立法会之截至2014年3月31日止财政年度估计》第3页至第7页。

- 发行人本年末盈余3.53亿加元，而预算盈余为1.53亿加元。收入低于预算估计5.11亿加元，被预算中政府开支的5.61亿加元缩减所抵消。1.5亿加元的预算准备金未动用。
- 于2013/14年度，发行人建设及改造学校、大学、学院、医院、道路及桥梁的净投资为10.16亿加元。资本投资以债务、与私人部门合伙以及与合作伙伴（如联邦及地方政府）费用共担的组合方式提供资金。

<sup>11</sup> 敏感性仅与立木收入有关。立木收入的变化可被边境税收入抵消（取决于市场情况）。

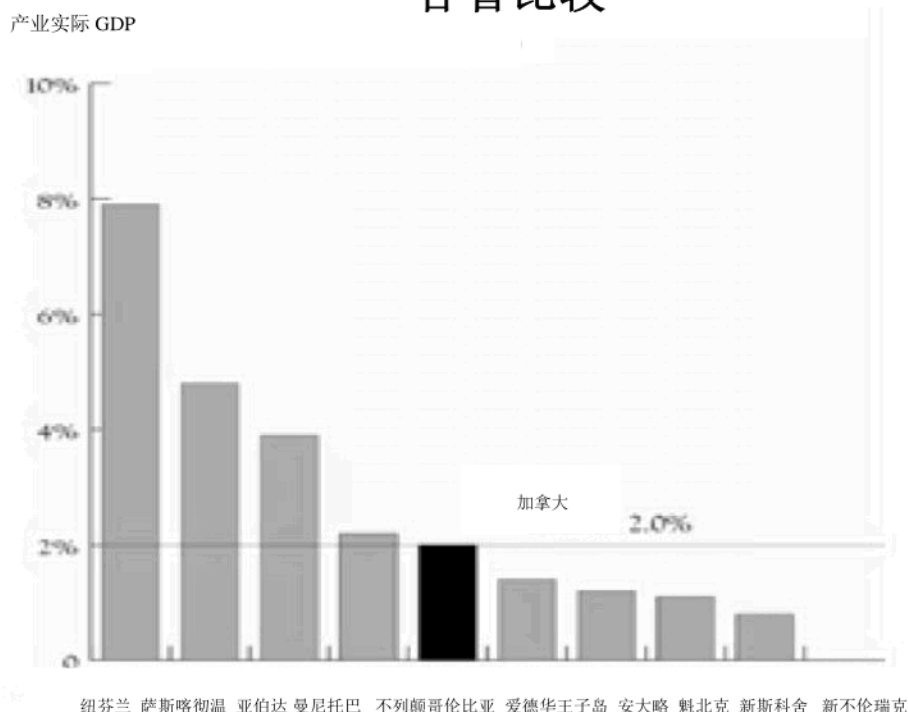
<sup>12</sup> 敏感性可能大幅变化，对于低价情况而言。

- 本省债务总额（计量债务的最常用手段）于2013/14年度增加48.77亿加元，用于为资本基础设施提供资金并支持项目及行动的运营资本要求。从会计角度而言，财务报告债务于2013/14年度增加39.63亿加元。本省债务总额于财务报告债务之间的对账见于2013/14年度《公共账册》第132页。
- 于2013年，按实际GDP计算，发行人经济增长2.0%，与加拿大全国2.0%的平均水平相等。发行人的净负债对GDP比率为17.2%。
- 发行人于使用的全部三家主要离岸信用评级机构继续保持良好信用评级。多美年债券评级服务机构确认发行人AA（高）级主体信用评级，标准普尔确认发行人AAA级主体信用评级，穆迪投资者服务公司给予发行人Aaa级主体信用评级（2014年为AAA级）。

## （二） 经济概要

根据加拿大统计局按照行业数据的初步GDP数据，于2013年，不列颠哥伦比亚省经济增长约2.0%，于加拿大全国所有省份内排名第五，与加拿大全国2.0%的平均水平相当。发行人2013年2.0%的增长率高于2014年预算中1.4%的预计。

### 各省比较



来源：加拿大统计局

#### 1、2013 年实际 GDP

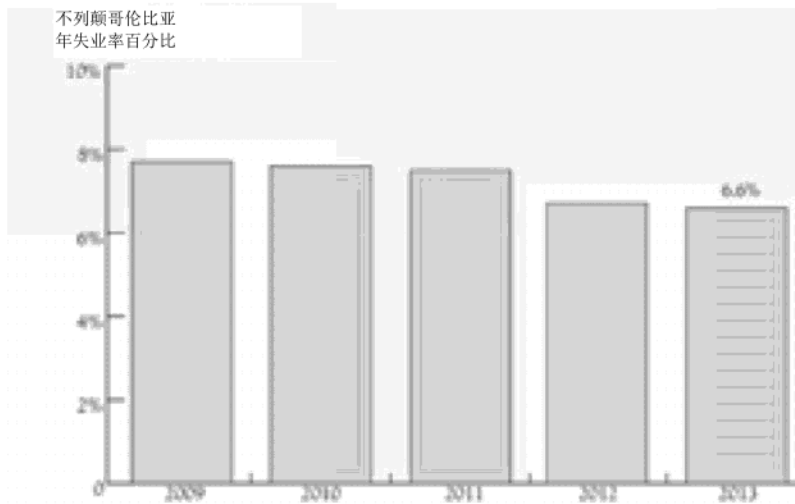
多数主要行业于2013均有增长，仅有公用事业（下降2.9%）、公共管理业（下降1.0%）以及制造业（下降0.2%）有所下降。2013年，各行业中增长最快的为采矿、采石及油气开采业（增长5.1%），金融及保险服务（增长3.8%）以及地产、出租及租赁服务业（增长3.7%）。批发及零售贸易、建筑业以及住宿及餐饮服务业也于2013年稳步增长。

零售业销售额作为消费者开支的指征，于2013年增长2.4%。此外，由于对不列颠哥伦比亚省的外部需求强劲，不列颠哥伦比亚省的商品出口额于2013年增长6.3%。

## 2、2013 年失业率

不列颠哥伦比亚省的年度失业率于2013年略有下降，由2012年的6.7%降至2013年的6.6%。不列颠哥伦比亚省的失业率低于7.1%的全国平均水平。2013年，平均雇佣程度高于2008年衰退前数据（高出约41,700个岗位）。

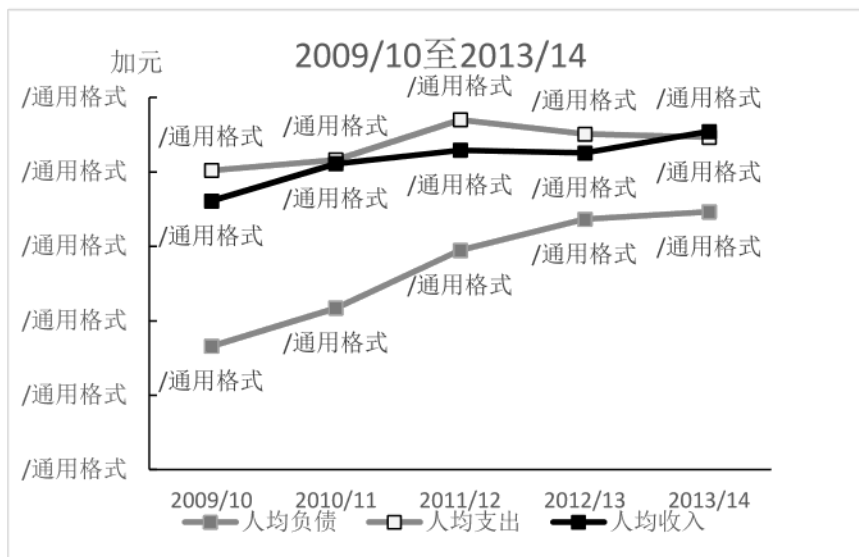
### 2009 至 2013



数据来源：加拿大统计局

## 3、人均信息

人均信息描述本省内每人于过去五年内所得收入、所花费开支以及所产生的净负债。人均支出及人均净负债于本年内保持稳定，而人均收入有9,256加元略增至9,543加元。



### (三) 讨论与分析



本节为有关2013/14年度《公共账册》中运营表、财务状况表及本省债务表的重大趋势概览。

## 1、账户盈余概要

单位：百万加元

	2013/14 年度预算	2013/14 年度实际	2012/13 年度实际	偏离	
				2013/14年度 实际比预算	2013/14年度 比 2012/13年度
财政性项目及机构					
收入	41,424	41,027	39,273	(397)	1,754
支出	(43,936)	(43,375)	(43,201)	561	(174)
财政性净利润	<b>(2,512)</b>	<b>(2,348)</b>	<b>(3,928)</b>	<b>164</b>	<b>1,580</b>
自负盈亏国家公司净利润	2,815	2,701	2,776	(114)	(75)
非经常项目前盈余/(赤字)	303	353	(1,152)	50	1,505
预测准备金	(150)			150	0
本年盈余/(赤字)	<b>153</b>	<b>353</b>	<b>(1,152)</b>	<b>200</b>	<b>1,505</b>

发行人2013/14财政年度盈余3.53亿加元，较《2013/14年度至2015/16年度预算及财政计划》中盈余预测高出2亿加元。2013/14年度的3.53亿加元盈余较2012/13年度11.52亿加元赤字而言高出15.05亿加元。

于2013/14财政年度，发行人持续对资本项目投资。对基础设施的投资包括心内和外科中心、湖区医院重建、北岛医院项目、儿童及妇女医院再开发项目、素里纪念医院急诊室和重症看护大楼项目、昆特伦理工大学设计学院、奥肯那根学院贸易培训设施扩建和替换项目、公共交通系统投资、卡里布连接项目、坎卢普斯至亚伯达边境一号高速公路升级项目，以及教育部门 and 发电输电各项设施的升级和改善项目。该等投资保证了不列颠哥伦比亚省备有必要的基础设施，以提供关键服务并支持经济发展。

## 2、收入分析

收入分析有助于投资者在收入来源方面了解发行人的财务，并允许投资者衡量发行人获取收入的能力。

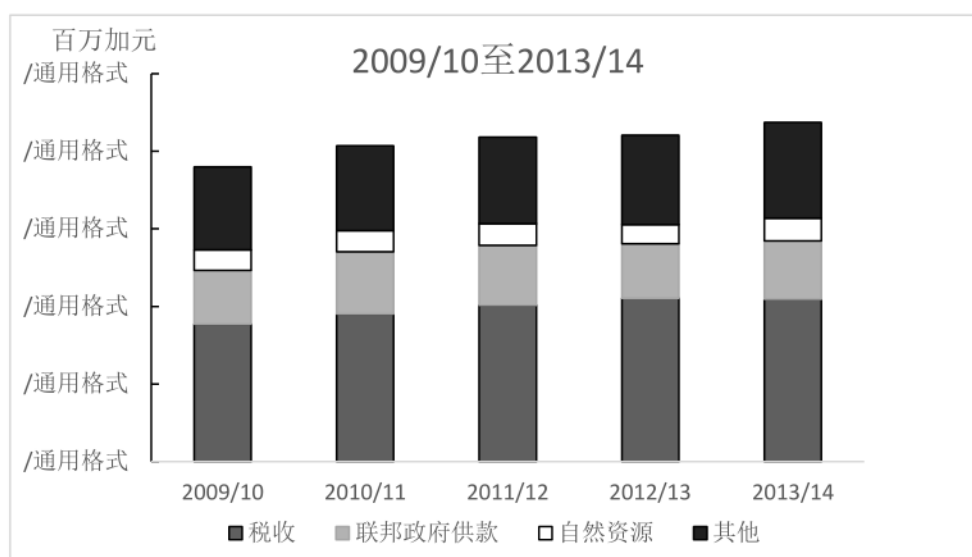
## 按来源划分的收入分类情况

按来源的收入分类情况概括了发行人收入的主要来源，以及上述来源的业绩随时间推移而变化的情况。收入分类为税收、联邦政府供款、自然资源以及其他来源。其他来源包括收费及许可、自负盈亏国家公司供款以及投资收入。

单位：百万加元

	2009/10 年度实际	2010/11 年度实际	2011/12 年度实际	2012/13 年度实际	2013/14 年度实际
税收	17,702	19,031	20,145	21,050	20,930
联邦政府供款	6,927	8,009	7,718	7,044	7,502
收费及许可	4,121	4,440	4,735	4,907	5,210
自然资源	2,615	2,696	2,685	2,626	3,194
杂项	2,649	2,729	2,812	2,473	2,955
自负盈亏国家公司净利润	3,033	2,940	2,691	2,776	2,701
投资收入	931	843	1,022	1,173	1,236
收入总额	37,978	40,688	41,808	42,049	43,728

发行人的收入于2013/14年度增长了16.79亿加元。上述增长是由于联邦政府供款、自然资源收入以及收费和许可收入的增加所致。上述主要来源的收入增加被税收及自负盈亏国家公司利润的减少所抵消。



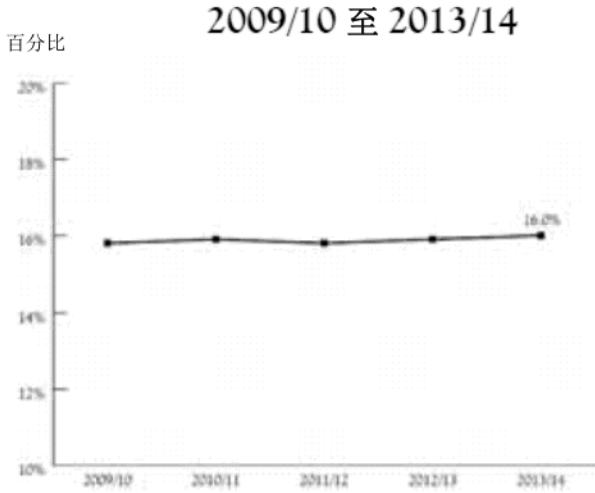
2013/14年度，税收收入减少了1.2亿加元（减少0.6%）。个人所得税收入减少了1.15亿加元（减少1.6%），但企业所得税收入增加了2.23亿加元（增长率为10.1%）。本年内，统一销售税被本省销售税所替换，本省销售税收入较2012/13年度的统一销售税收入减少6.77亿加元（减少11.3%），其中包括对上年度预计金额2.5亿加元的调整。烟草税增长1.09亿加元（增长率为17.7%），物业转让税较2012/13年度增长1.79亿加元（增长率为23.6%）。所有其他种类税收收入于同期增长1.61亿加元。

联邦政府供款较2012/13年度增加了4.58亿加元。该增加是由于加拿大医保及社保转移支付的各省人均份额逐年增加所致。

2013/14年度，自然资源收入较2012/13年度增长4.82亿加元（增长率为19.5%）。石油、天然气及矿产特许费较2012/13年度高2.3亿加元（增长率为17.1%）。森林收入较2012/13年度增长1.57亿加元（增长率为27.9%），其他自然资源收入来源增长0.95亿加元（增长率为16.7%）。

**自有收入来源对GDP比率**

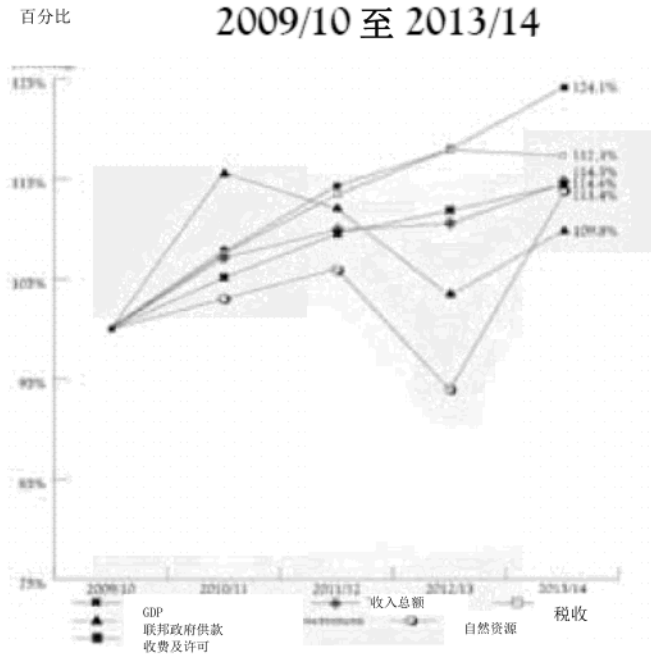
自有收入来源对GDP比率指发行人省政府以税收、自然资源收入、自负盈亏国家公司利润以及使用费及许可费的形式，于本省经济取得的收入的金额占本省经济的比率。自有收入来源指除联邦政府转移支付以外的所有收入。



于2013/14年度，自有收入来源对GDP比率稍有增长，截至年度末为16.0%。

## 收入占比变化

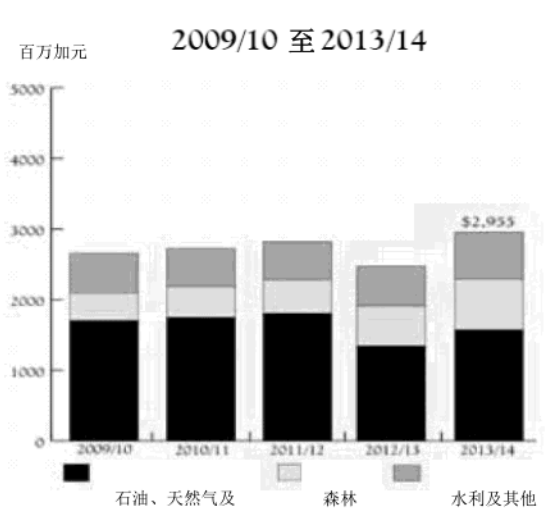
对收入的趋势分析可向投资者提供关于收入随时间变化以及在各来源之间的显著变动相关的信息，有助于投资者评估历史表现，并评估对未来的潜在影响。



于2013/14年度，收入总额有所增加。上述变化是由于联邦政府供款、自然资源收入及出售盈余资产收入的增加所致。

## 自然资源收入

下图为根据资源类型划分的自然资源收入，展示了自然资源收入总额及各主要类别的历史趋势。因易受商品价格的的市场波动影响，自然资源收入为发行人最不稳定的收入来源之一。



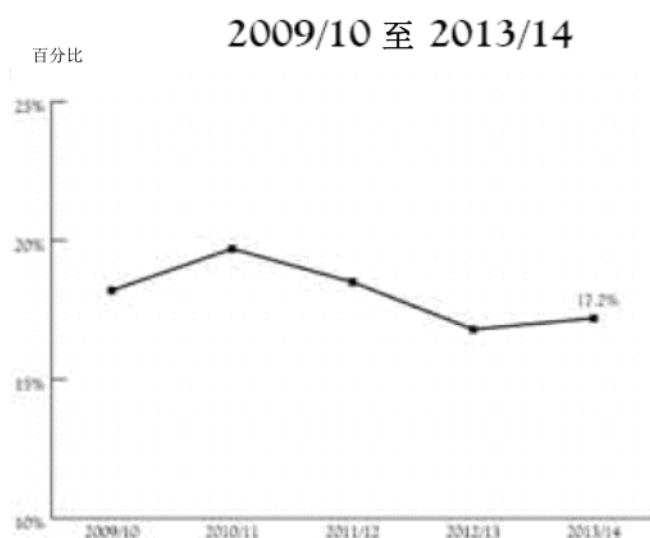
石油、天然气及矿产收入较2012/13年度增长2.3亿加元。上述类别的自然资源于2013/14年度占自然资源收入的53.2%，而于2012/13年度占自然资源收入的54.3%。

森林收入于2013/14年度增长1.57亿加元，占自然资源收入的比例由2012/13年度的22.7%增长至2013/14年度的24.3%。

本年水利及其他资源收入增长0.95亿加元。

### 政府间转移支付占总收入比率

政府间转移支付占总收入比率显示了发行人依赖联邦政府转移支付的程度。该比率上升表明依赖程度提高，该比率下降表明依赖程度降低。



联邦转移支付于2013/14年度增长4.58亿加元，是由于发行人应得的加拿大医保及社保转移支付人均份额调整所致。

### 3、支出分析

以下分析有助于投资者了解发行人的支出对经济的影响、发行人对资源的分配与利用以及发行人项目的支出。

#### 按职能划分的支出分类情况

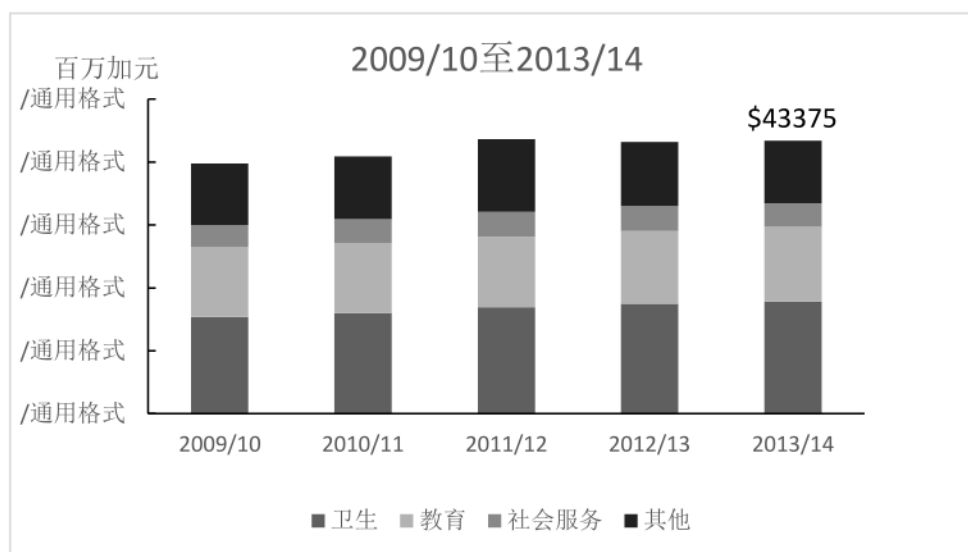
按职能划分的支出分类概括了发行人的主要开支领域，以及随时间的开支变化情况。各职能由加拿大统计局政府统计财务管理系统规定，用于表示支出的目的。发行人使用如下职能分类：卫生、教育、社会服务、利息、自然资源与经济发展、交通、其他、人身及财产保护，以及一般政府活动。卫生、教育及社会服务职能占发行人总运营支出的约四分之三。

单位：百万加元

	2009/10 年度实际	2010/11 年度实际	2011/12 年度实际	2012/13 年度实际	2013/14 年度实际
卫生	15,385	15,992	16,917	17,502	17,862
教育	11,052	11,165	11,227	11,528	11,827
社会服务	3,573	3,786	3,940	3,990	3,805
利息	2,197	2,252	2,383	2,390	2,482
自然资源与经济发展	2,264	2,349	1,873	2,092	1,755
交通	1,474	1,580	1,544	1,552	1,554
其他	1,407	1,208	1,415	1,346	1,184
人身及财产保护	1,535	1,448	1,512	1,539	1,520
一般政府活动	903	1,146	2,834	1,262	1,386
支出总额	39,790	40,926	43,645	43,201	43,375

政府项目支出于2013/14年度增加1.74亿加元。

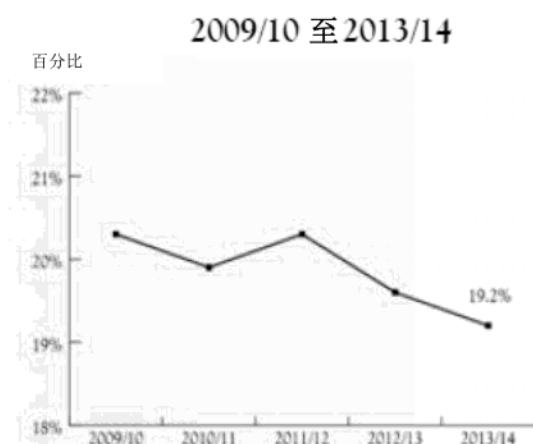
于2013/14年度，发行人的卫生部门开支增加3.6亿加元（增长率为2.1%），教育部门开支增加2.99亿加元（增长率为2.6%）。上述增长被自然资源部门开支减少3.37亿加元（减少16.1%）以及社会服务部门开支减少1.85亿加元（减少4.6%）所抵消。其他所有部门的开支于2013/14年度增加0.37亿加元。



于2013/14年度，发行人的运营支出为433.75亿加元，相较2012/13年度增加1.74亿加元（增长率为0.4%）。自2009/10年度起，项目开支增加35.85亿加元（增长率为9.0%）。相比而言，同期GDP增长率为15.2%。

## 支出对GDP比率

支出对GDP比率指发行人的开支与本省总体经济的比率。



发行人的开支占GDP的比率于2013/14年度由19.6%降至19.2%，表明发行人开支的增速低于GDP所代表的经济增长。

## 4、2012/13 年度与 2013/14 年度实际运营结果变化

单位：百万加元

	收入	支出	盈余
<b>2012/13年度盈余</b>	<b>42,049</b>	<b>43,201</b>	<b>(1,152)</b>
实际运营结果			
税收收入减少	(120)		(120)
联邦供款增加	458		458
收费及许可收入增加	303		303
自然资源收入增加	482		482
其他收入增加	556		556
卫生开支增加		360	(360)
教育开支增加		299	(299)
社会服务开支减少		(185)	185
自然资源与经济发展开支减少		(337)	337
其他服务开支增加		37	(37)
实际运营结果变化小计	1,679	174	1,505
	<b>43,728</b>	<b>43,375</b>	
2013/14年度盈余			353
2012/13年度累计盈余			1,301
<b>2013/14年度其他综合收益前盈余</b>			<b>1,654</b>
自负盈亏国家公司及机构累计其他综合收益			481
<b>2013/14年度累计盈余</b>			<b>2,135</b>

收入总额增加16.79亿加元，被支出总额增加1.74亿加元所抵消，导致盈余较2012/13年度高出15.05亿加元。2012/13年度累计盈余为13.01亿加元，2013/14年度盈余

增加了3.53亿加元，国家公司及机构的其他综合累计收益入4.81亿加元，最终2013/14年度累计盈余为21.35亿加元。

#### 5、与 2013/14 年度预算相比的变化

单位：百万加元

	收入	支出	预测 准备金	盈余
根据2013年3月预算的盈余	<b>44,239</b>	<b>43,936</b>	<b>(150)</b>	<b>153</b>
实际运营结果与预算相比：				
税收收入减少	(402)			(402)
自负盈亏国家公司利润减少	(114)			(114)
自然资源收入增加	109			109
投资收入增加	55			55
其他收入减少	(159)			(159)
卫生开支减少		(564)		564
社会服务开支增加		164		(164)
人身及财产保护开支增加		142		(142)
其他项目开支减少		(303)		303
预测准备金			150	150
实际运营结果与预算相比变化小计	(511)	(561)	150	200
<b>实际运营结果</b>	<b>43,728</b>	<b>43,375</b>	<b>0</b>	<b>353</b>

收入较预算中的442.39亿元少加元5.11亿加元（1.2%），支出较预算总额中的439.36亿加元低5.61亿加元（1.3%）。



## 6、净负债及累计盈余

根据加拿大公认会计准则，2013/14年度《公共账册》中的发行人合并财务状况表以净负债法列示。净负债指由过去的交易或事件导致的未来现金净流出。对净负债及累计盈余的分析有助于投资者了解发行人的整体财务状况以及偿还过去交易与事件所需的未来收入。

单位：百万加元

	2013/14 年度预算	2013/14 年度实际	2012/13 年度实际	偏离	
				2013/14年度预 算对比实际	2013/14年度 对比 2012/13年度
金融资产	40,503	39,733	37,586	(770)	2,147
减：负债	(80,070)	(78,510)	(75,602)	1,560	(2,908)
净负债	(39,567)	(38,777)	(38,016)	790	(761)
减：非金融资产	41,226	40,912	39,471	(314)	1,441
累计盈余	<b>1,659</b>	<b>2,135</b>	<b>1,455</b>	<b>476</b>	<b>680</b>

累计盈余指本年及以往年度运营结果之和，以及其他综合收益的累计变动。截至2014年3月31日，发行人的累计盈余为21.35亿加元，较预算高出4.76亿加元。累计盈余较2012/13年度高出6.8亿加元，反映了本年度盈余3.53亿加元加上自负盈亏国家公司其他综合收益增加3.27亿加元的影响。

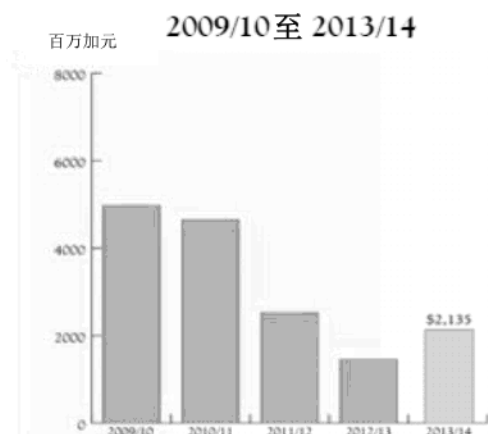
金融资产较2012/13年度高出21.47亿加元。相较2012/13年度，现金及现金等价物以及临时投资减少3.72亿加元，其他金融资产减少7.86亿加元。上述减损被应收账款增加9.93亿加元、自负盈亏国家公司及机构中权益增加2.98亿加元以及可于机构回收用于购买资产的贷款增加20.14亿加元所抵销。

负债较2012/13年度减少29.8亿加元。为提供基础建设项目资金、对自负盈亏国家公司及机构提供资本支持以及满足运营资本需求，自负盈亏债务增加20.3亿加元，财政性负债增加19.33亿加元。其他债务，包括应付账款及递延收入，较2012/13年度减少10.55亿加元。

非金融资产通常指有形资本资产等发行人可以于未来利用其提供服务的资源。非金融资产较2012/13年度增长14.41亿加元，是由于发行人投资于医院及卫生设施、交通基础设施及高中及以上教育机构所致。

## 累计盈余

累计盈余指当年及所有以往年度的运营结果。于2013/14年度，发行人累计盈余为21.35亿加元，较2012/13年度高出6.8亿加元。以往年度及本年度的运营正结余为保持核心公共服务提供了灵活性。



## 7、净负债的组成

### 金融资产

对金融资产的趋势分析为投资者提供了与发行人可转换为现金用以偿债或支持运营的可获资源有关的信息。

单位：百万加元

	2009/10 年度实际	2010/11 年度实际	2011/12 年度实际	2012/13 年度实际	2013/14 年度实际
现金、现金等价物、临时投资及储式投资	2,911	3,060	3,235	3,174	2,802
应收账款	2,537	2,342	2,408	2,456	3,449
自负盈亏国家公司及机构中权益	7,459	7,093	6,998	7,541	7,839
可于机构收回用于购买资产的贷款	11,471	12,947	14,846	16,907	18,921
其他金融资产	5,962	7,057	7,021	7,508	6,722
<b>金融资产总额</b>	<b>30,340</b>	<b>32,499</b>	<b>34,508</b>	<b>37,586</b>	<b>39,733</b>

于2013/14年度，金融资产较2012/13年度增加21.47亿加元，主要是由于对国家机构的资本贷款增加所致。由于发行人向国家机构的资本项目提供资金支持，可收回资本贷款增加20.14亿加元。自负盈亏国家公司中权益增加2.98亿加元，所有其他金融资产减少1.65亿加元。

### 负债

对负债的趋势分析向投资者提供了用以了解和评估发行人对金融资产的需求以及获取收入的能力的信息。

单位：百万加元

	2009/10 年度实际	2010/11 年度实际	2011/12 年度实际	2012/13 年度实际	2013/14 年度实际
财政性债务	31,116	33,079	36,012	39,828	41,761
自负盈亏债务	11,552	13,030	14,942	17,011	19,041
<b>财务报告债务总额</b>	<b>42,668</b>	<b>46,109</b>	<b>50,954</b>	<b>56,839</b>	<b>60,802</b>
应付款项及应计负债	7,044	7,675	8,874	8,902	8,024
递延收入	10,000	10,741	10,438	9,861	9,684
<b>负债总额</b>	<b>59,712</b>	<b>64,525</b>	<b>70,266</b>	<b>75,602</b>	<b>78,510</b>

于2013/14年度，负债总额较2012/13年度增了29.08亿加元。负债指未来必须以资产的转移或使用进行结算的义务。于2013/14年度，财政性负债增加了19.33亿加元，自负盈亏债务增加20.30亿加元。有关发行人债务管理的信息见于本节第8部分中对本省债务总额的详细分析。递延收入减少1.77亿加元，应付账款及其他负债减少8.78亿加元。

### 非金融资产

对非金融资产的趋势分析为投资者提供了用于评估政府对基础设施及长期非金融资产的管理的信息。

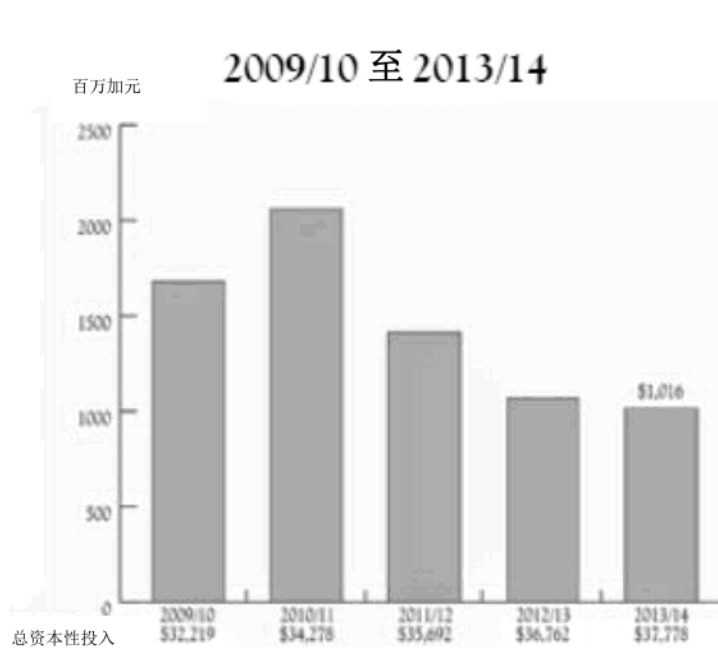
单位：百万加元

	2009/10 年度实际	2010/11 年度实际	2011/12 年度实际	2012/13 年度实际	2013/14 年度实际
有形资本资产	32,219	34,278	35,692	36,762	37,778
其他非金融资产	2,137	2,398	2,592	2,709	3,134
<b>非金融资产总额</b>	<b>34,356</b>	<b>36,676</b>	<b>38,284</b>	<b>39,471</b>	<b>40,912</b>

非金融资产的管理对于政府能够为其民众提供的服务的水平和质量有直接影响。非金融资产通常指政府可以于未来利用其提供服务的资源。于2014年3月31日，发行人的非金融资产共409.12亿加元，较2012/13年度高14.41亿加元，较2009/10年度高65.56亿加元。发行人的主要非金融资产为扣减摊销的有形资本资产支出。发行人于2013/14年度新增有形资本资产投入10.16亿加元，以确保其潜在服务能力可于未来提供项目与服务。资本支出不包含于2013/14年度《公共账册》中的合并运营表中，且对当期盈余无影响。资本支出在资产的潜在服务能力用于提供项目及服务时，以摊销费用的方式冲抵未来盈余。

## 资本性投入变动

本方法列示发行人实体资本投入的净变动情况。正值表示对基础设施的投资，以替换现存资本并在未来期间提供潜在服务能力。



发行人于2013/14年度的资本净投资为10.16亿加元，自2009/10年度以来的净投资额为72.40亿加元。资本性投入总额于期内稳步增长，表明资本基础设施可于未来继续提供项目于服务。

## 净负债及累计盈余

单位：百万加元

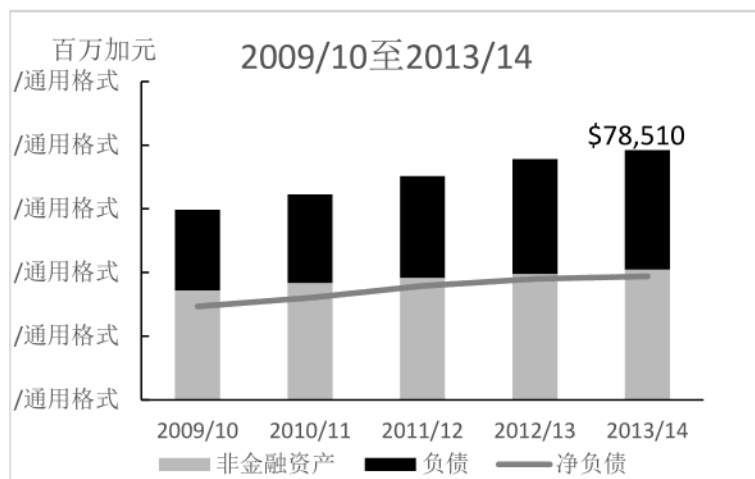
	2009/10 年度实际	2010/11 年度实际	2011/12 年度实际	2012/13 年度实际	2013/14 年度实际
金融资产	30,340	32,499	34,508	37,586	39,733
减：负债	(59,712)	(64,525)	(70,266)	(75,602)	(78,510)
净负债	(29,372)	(32,026)	(35,758)	(38,016)	(38,777)
减：非金融资产	34,356	36,676	38,284	39,471	40,912
累计盈余	4,984	4,650	2,526	1,455	2,135

于2013/14年度，净负债增加7.61亿加元，是由于基础设施投资增加所致。负债包括递延收入96.84亿加元，为将于未来期间确认为收入的未获收入及受限供款。

净资产的财务规模虽有增加，但发行人的财务状况保持为正值，是由于包括金融资产及资本性投入在内的发行人资产总额高于其负债总额。于2013/14年度末，发行人的累计盈余为21.35亿加元，表明以往所有年度的盈余和赤字的累计为正，发行人财务状况为盈余。

## 非金融资产占负债的比例

下图表示负债中的哪一部分用于支持资本基础设施，而非用于支持运营资本需求（包括应付账款及其他运营负债，以及递延至未来期间的收入）。于过去五年内，负债中用于支持资本基础设施的比例由2009/10年度的57.5%下降至2013/14年度的52.1%。



## 净负债对GDP比率

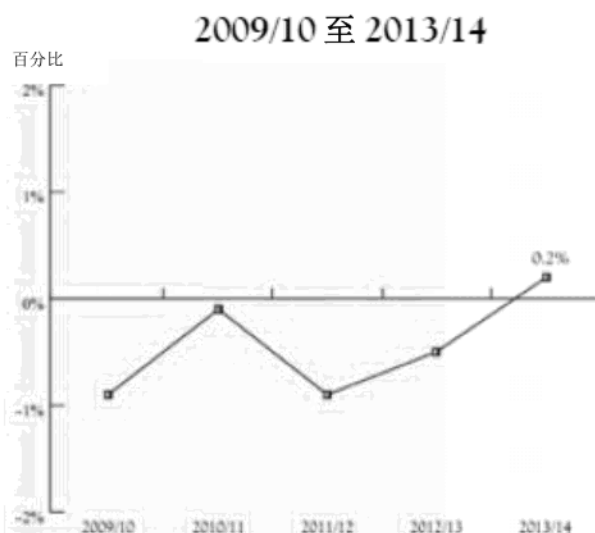
净负债对GDP比率代表发行人无需新增经济整体的债务负担即可保持现有项目并满足现有债务人要求的能力。



净负债对GDP比率保持稳定，是由于2013/14年度净负债的增加于GDP所代表的经济增长保持一致。净负债包括将于未来期间确认为收入的递延收入，以及对他的义务（包括应付账款及债务）。

## 盈余/(赤字)对GDP比率

盈余/(赤字)对GDP比率是将发行人的财务业绩与经济的总体情况比较的可持续性指标。该比率为正，表示经济增速快于政府净开支。



## 8、本省债务总额

发行人债务总额分析有助于投资者评估长期负债的程度，以及发行人满足未来债务的能力。

单位：百万加元

	2009/10 年度实际	2010/11 年度实际	2011/12 年度实际	2012/13 年度实际	2013/14 年度实际
债务总额	42,668	46,109	50,954	56,839	60,802
减：偿债基金资产	(1,329)	(1,410)	(1,491)	(1,778)	(835)
第三方保证及非保证债务	546	455	730	755	726
<b>本省债务总额</b>	<b>41,885</b>	<b>45,154</b>	<b>50,193</b>	<b>55,816</b>	<b>60,693</b>

在向评级机构报告时，发行人将财务报告中的债务加上全部债务保证，以及自负盈亏国家公司直接发生的债务，并减去偿债基金资产。上述余额被称为本省债务总额。

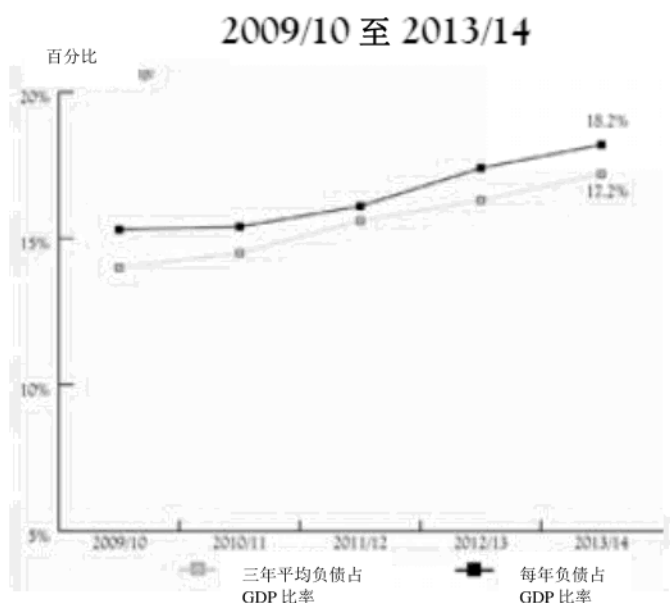
减去持有用于清偿债务的偿债基金，并包括保证债务和及自负盈亏国家公司债务的本省债务总额较发行人财务报告中的债务金额低1.09亿加元。总体上，因为发行人举借债务为资本项目提供资金并满足运营资本要求，本省债务总额于2013/14年度增加48.77亿加元。

自负盈亏国家公司债务的最大增加为不列颠哥伦比亚省水利电力局的负债增加13.92亿加元，以及交通投资公司负债增加5.99亿加元。不列颠哥伦比亚交通融资局债

务增加8.28亿加元，卫生部门债务增加3.47亿加元，教育部门债务增加4.86亿加元，其他财政性实体债务增加4.10亿加元。发行人省政府直接运营债务较2012/13年度增加8.15亿加元。

### 财政性债务对GDP比率

财政性债务对GDP比率是财务分析师和投资者评估一省偿还债务能力的重要手段，同时也是债券评级机构监测的重要指标。该比率上升表示负债的增加快于GDP代表的经济增长。



于2013/14年度末，财政性债务对GDP比率18.2%，低于预算水平的18.4%。

### 9、良好信用评级

发行人于目前使用的全部三家信用评级机构均维持有良好稳定的信用评级，反映了发行人的财政表现。于2013/14年度，穆迪投资者服务公司给予发行人Aaa级主体信用评级（2013年为Aaa级），标准普尔给予发行人AAA级主体信用评级（2013年为AAA级），多美年债券评级服务机构给予发行人AA（高）级主体信用评级（2013年为AA（高）级）。

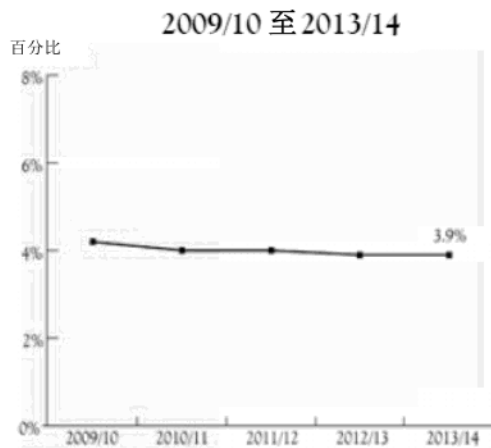
## 2014年5月信用评级

评级机构 <sup>13</sup>			
司法区	穆迪投资者服务公司	标准普尔	多美年债券评级服务
不列颠哥伦比亚	Aaa	AAA	AA（高）
亚伯达	Aaa	AAA	AAA
萨斯喀彻温	Aa1	AAA	AA
曼尼托巴	Aa1	AA	A（高）
安大略	Aa2	AA-	AA（低）
魁北克	Aa2	A+	A（高）
新不伦瑞克	Aa2	A+	A（高）
新斯科舍	Aa2	A+	A（高）
爱德华王子岛	Aa2	A	A（低）
纽芬兰	Aa2	A+	A
加拿大	Aaa	AAA	AAA

有关本省债务更加全面的概览，包括主要债务指标，见于2013/14年《公共账册》第129页至第142页。

### 10、公共债务负担对收入比率（利息侵蚀）

公共债务负担对收入比率常称为“利息侵蚀”，用以向投资者表明发行人收入用于偿还债务利息的比例。该比率对债务成本（利息升高或债务增加）以及收入的减少较为敏感。



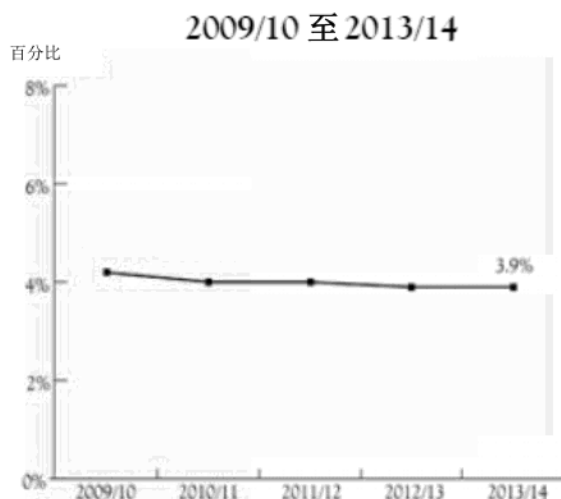
<sup>13</sup> 评级机构以字母对融资人评级。主要分类有（按信用等级降序）：AAA/Aaa、AA/Aa、BBB/Baa、BB/Ba 以及 B。“1”、“2”、“3”、“高”、“低”、“-”及“+”等符号表示于上述主要分类中的相对位置。如，AA+高于 AA。



若一省收入越来越高的比率需用于偿还该省债务的利息，余下用于提供核心公共服务的资金就会减少。利息侵蚀于过去五年中，由2009/10年度的4.2%有所减少。于2013/14年度，发行人3.9%的收入用于偿还本省债务。

## 11、无对冲外币债务对本省债务总额比率

无对冲外币债务对本省债务总额比率代表政府公共债务头寸对利率变化的敏感性。



自2009/10年度以来，发行人减少了外币债务，因而其对于汇率变动的敏感性降低。

### （四） 风险及不确定性

发行人对于风险及不确定性的主要敞口为发行人无法直接控制的变量所引起。上述变量包括：

- 收入及国家公司预测的基础假设，如经济因素、商品价格及天气条件；
- 诉讼、仲裁及与第三方谈判的结果；
- 联邦转移支付的分配、与联邦政府费用分担协议的潜在变化，以及联邦税务政策和预算变化对本省所得税税基的影响；
- 政府服务（如医疗、儿童和家庭服务以及收入补助）的利用率；
- 对利率波动、汇率及信用风险的敞口；以及
- 加拿大公认会计准则的变化。

以下为部分主要变量变动对盈余的大致影响：

#### 关键财政敏感因素

变量	增量	年度财政影响 (百万加元)
名义GDP	1%	150 – 250
木材价格 (美元/千板英尺)	50美元	25 – 50 <sup>14</sup>
天然气价格 (加拿大元/千兆焦耳)	50分	117 – 125 <sup>15</sup>
美元汇率 (美分/加拿大元)	1美分	(25) – (50)
利率	1百分点	(93)
债务	5亿加元	(12)

尽管无法直接控制上述变量，但发行人已执行策略缓解上述风险及不确定因素。发行人为加强不列颠哥伦比亚省作为吸引投资的区域的定位及创造新岗位，因而发展税务、金融以及公司监管政策，该等举措将有助于抵消由于经济及金融市场全球化带来的吸引投资方面的竞争加剧。如同以往年份一样，发行人在预算中使用预测准备金来反映收入及支出以及国家公司、学区、大学、学院、学术机构以及卫生组织预测中的风险。预测准备金的使用在预测未来经济发展的过程中确认了不确定性，

有关债务的风险管理的讨论见2013/14年度《公共账册》中所含简明合并财务报告附注第68页的附注20。

### 三、 发行人 2012/13 年度财务状况分析

#### (一) 概要

本概要部分以2012/13年度《公共账册》中“简明财务报告”及“本省债务概要”中的信息为基础，总结了影响财务报告的关键事件。预算数字摘自《截至2013年3月31日止财政年度估计》第3页至第7页。

- 本省该年度末赤字11.46亿加元，而预算赤字为9.68亿加元。本年度收入为10.46亿加元，少于预算估计，但被政府开支较预算少6.68亿加元所抵消。2.00亿加元的预测准备未使用。
- 于2012/13年度，本省持续投资于资本基础设施建设。于2012/13年度，本省就建设及升级学校、大学、学院、医院、道路及桥梁的投资净额为10,70亿加元。

<sup>14</sup> 敏感性仅与立木收入有关。立木收入的变化可被边境税收入抵消（取决于市场情况）。

<sup>15</sup> 敏感性可能大幅变化，尤其对于低价情况而言。

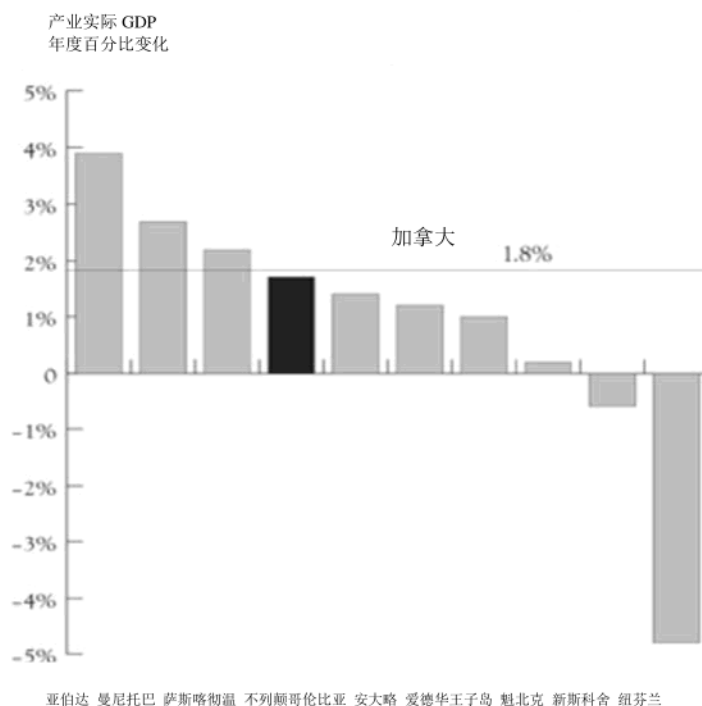
资本投资以债务、与私人部门合伙以及与合作伙伴（如联邦及地方政府）费用共担的组合方式提供资金。

- 本省债务总额（计量债务的最常用手段）于2012/13年度增加56.32亿加元，用于为资本基础设施提供资金并支持项目及行动的运营资本要求。从会计角度而言，财务报告债务于2012/13年度增加58.85亿加元。本省债务总额于财务报告债务之间的对账见于2012/13年度《公共账册》第132页。
- 于2012年，按实际GDP计算，发行人经济增长1.7%，与加拿大全国1.8%的平均水平相比略低。发行人的净负债对GDP比率为17.2%，保持稳定。
- 发行人于使用的全部三家主要离岸信用评级机构继续保持良好信用评级。多美年债券评级服务机构确认发行人AA（高）级主体信用评级，标准普尔确认发行人AAA级主体信用评级，穆迪投资者服务公司给予发行人Aaa级主体信用评级（2014年为AAA级）。

## （二） 经济概要

根据加拿大统计局按照行业数据的初步GDP数据，于2012年，不列颠哥伦比亚省经济增长约1.7%，于加拿大全国所有省份内排名第四，低于加拿大全国1.8%的平均水平。发行人2012年1.7%的增长率低于2013年预算中1.8%的预计。

## 各省比较



来源：加拿大统计局

## 1、2013 年实际 GDP

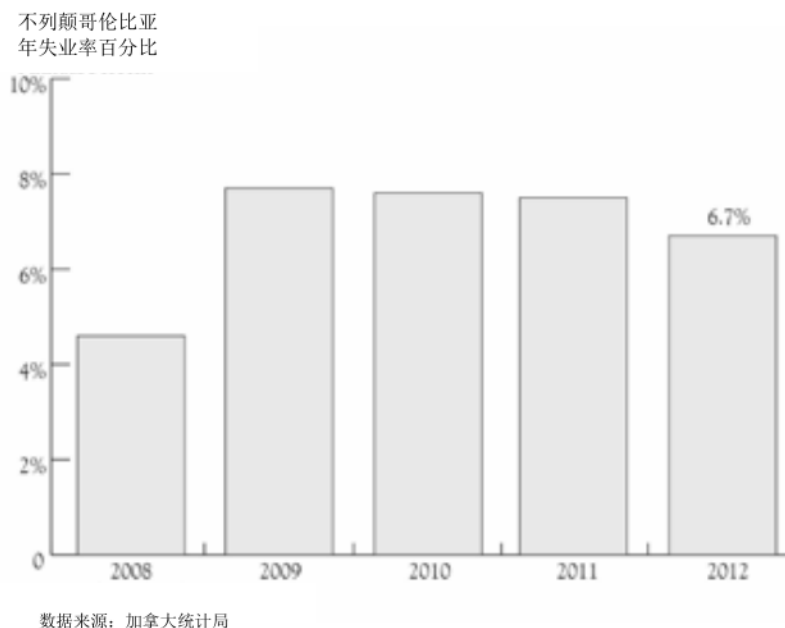
多数主要行业于2013均有增长，仅有农林渔猎业（下降1.9%），采矿、采石及油气开采业（下降0.5%）以及公共管理业（下降0.2%）有所下降。2012年，各行业中增长最快的为建筑业（增长4.5%），地产、出租及租赁服务业（增长2.7%）以及专业及科学技术服务业（增长2.7%）。批发及零售贸易以及交通和仓储业也于2012年稳步增长。

零售业销售额作为消费者开支的指征，于2012年增长1.9%。然而，由于全球需求放缓以及若干关键商品价格的下降，不列颠哥伦比亚出口货物总值于2012年减少4.2%。

## 2、2012 年失业率

不列颠哥伦比亚省的年度失业率于由2011年的7.5%降至2012年的6.7%。不列颠哥伦比亚省的失业率低于7.2%的全国平均水平。2012年，平均雇佣程度高于2008年衰退前数据（高出约46,100个岗位）。

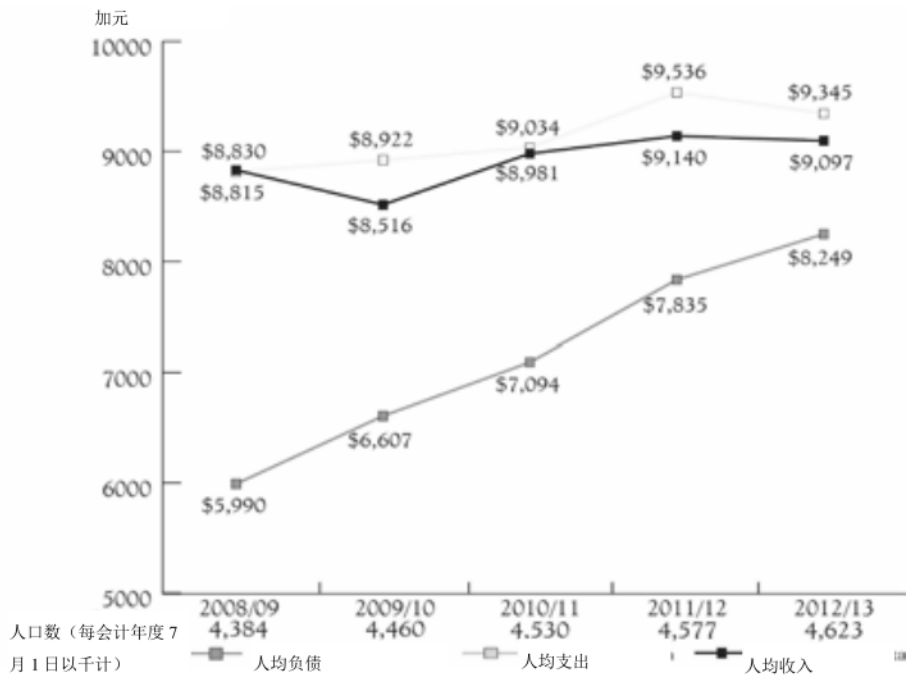
2008 至 2012



## 3、人均信息

人均信息描述本省内每人于过去五年内所得收入、所花费开支以及所产生的净负债。人均支出及人均净负债于本年内均下降。

## 2008/09 至 2012/13



### (三) 讨论与分析

本节为有关2012/13年度《公共账册》中运营表、财务状况表及本省债务表的重大趋势概览。

#### 1、账户盈余概要

单位：百万加元

	2012/13 年度预算	2012/13 年度实际	2011/12 年度实际	偏离	
				2012/13年度 实际比预算	2012/13年度 比 2011/12年度
财政性项目及机构					
收入	40,384	39,257	39,126	(1,127)	131
支出	(43,869)	(43,201)	(43,646)	668	445
财政性净利润	(3,485)	(3,944)	(4,520)	(459)	576
自负盈亏国家公司净利润	2,717	2,798	2,706	81	92
非经常项目前盈余/(赤字)	(768)	(1,146)	(1,814)	(378)	668
预测准备金	(200)			200	0
本年盈余/(赤字)	(968)	(1,146)	(1,814)	(178)	668

发行人2012/13财政年度赤字11.46亿加元，超出《2012/13年度至2014/15年度预算及财政计划》中赤字预测1.78亿加元。2012/13年度的11.46亿加元赤字较2011/12年度18.14亿加元赤字而言少6.68亿加元。

于2012/13财政年度，发行人持续对资本项目投资。对基础设施的投资包括圣约翰堡医院及居民保健中心、吉姆·帕丁森门诊及手术中心、心内和外科中心、基隆拿总医院及弗农禧年亿元扩建，北部癌症中心、乔治王子、儿童及妇女医院再开发项目、电子医疗、素里纪念医院急诊室和重症看护大楼项目、UBC-V药学研究教员及药物研发中心大楼、南弗雷泽边境公路、不列颠哥伦比亚广场开发，以及教育部门 and 发电输电各项设施的升级和改善项目。该等投资保证了不列颠哥伦比亚省备有必要的基础设施，以提供关键服务并支持经济稳定。

## 2、收入分析

收入分析有助于投资者在收入来源方面了解发行人的财务，并允许投资者衡量发行人获取收入的能力。

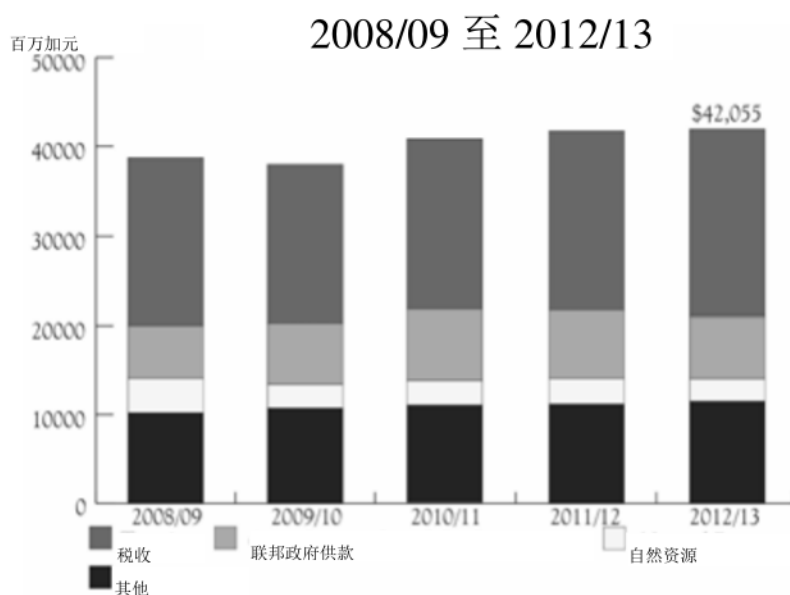
### 按来源划分的收入分类情况

按来源的收入分类情况概括了发行人收入的主要来源，以及上述来源的业绩随时间推移而变化的情况。收入分类为税收、联邦政府供款、自然资源以及其他来源。其他来源包括收费及许可、自负盈亏国家公司供款以及投资收入。

单位：百万加元

	2008/09 年度实际	2009/10 年度实际	2010/11 年度实际	2011/12 年度实际	2012/13 年度实际
税收	18,706	17,702	19,031	20,145	21,050
联邦政府供款	5,985	6,917	7,997	7,707	7,042
收费及许可	4,008	4,121	4,434	4,725	5,896
自然资源	2,504	2,627	2,700	2,715	2,623
杂项	3,810	2,649	2,729	2,812	2,473
自负盈亏国家公司净利润	2,880	3,033	2,951	2,706	2,798
投资收入	818	931	843	1,022	1,173
收入总额	<b>38,711</b>	<b>37,980</b>	<b>40,685</b>	<b>41,832</b>	<b>42,055</b>

发行人的收入于2012/13年度增长了2.23亿加元。上述收入增长主要是由于税收收入增长，以及收费及许可、自负盈亏国家公司净利润以及投资收入的小幅增长所致。上述重要收入来源的增长被联邦政府供款及自然资源收入减少所抵消。



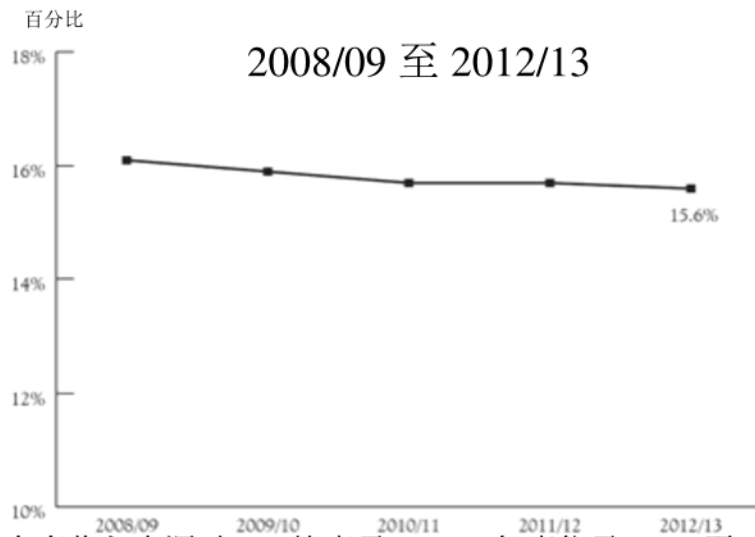
2012/13年度，税收收入增长了9.05亿加元（增长率为4.5%）。个人所得税收入增长5.50亿加元，企业所得税收入增长2.02亿加元，统一消费税增长1.71亿加元。上述增长被物业转让税收入较2011/12年度减少1.86亿加元所抵消。所有其他税收收入同期增长1.68亿加元。

联邦政府供款较2011/12年度所得减少6.65亿加元。发行人2012/13年度未获得统一消费税过渡资金，而2011/12年度获得统一消费税过渡资金5.80亿加元。基础设施项目供款较2011/12年度减少0.94亿加元，联邦灾害财政援助较2011/12年度减少0.57亿加元。包括加拿大医保及社保转移支付在内的联邦政府对其他项目的供款增长了0.66亿加元。

2012/13年度自然资源收入较2011/12年度减少3.39亿加元（减少12.1%）。石油天然气特许费较2011/12年度减少2.40亿加元，矿产收入较2011/12年度减少2.14亿加元。上述收入减少被森林收入较2011/12年度增长0.88亿元所抵消。所有其他自然资源收入较2011/12年度增长0.27亿元。

### 自有收入来源对GDP比率

自有收入来源对GDP比率指发行人省政府以税收、自然资源收入、使用费及销售的形式，于本省经济取得的收入的金额占本省经济的比率。（自有收入来源指除联邦政府转移支付以外的所有收入）。

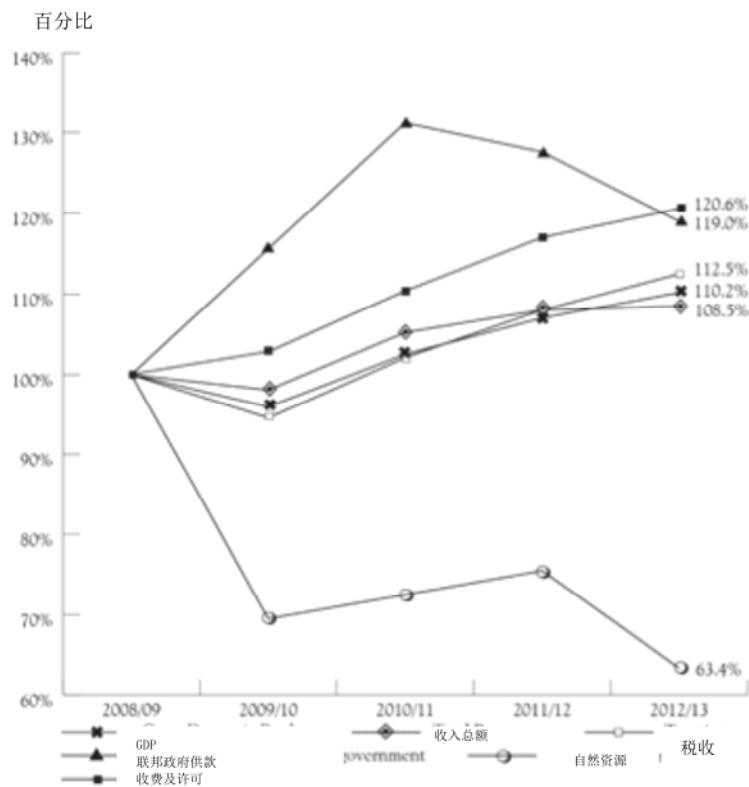


自有收入来源对GDP比率于2011/12年度位于15.7%至16.1%之间，2012/13年度有所下降，于年末稳定于15.6%。

#### 收入占比变化

对收入的趋势分析可向投资者提供关于收入随时间变化以及在各来源之间的显著变动相关的信息，有助于投资者评估历史表现，并评估对未来的潜在影响。

### 2008/09 至2012/13



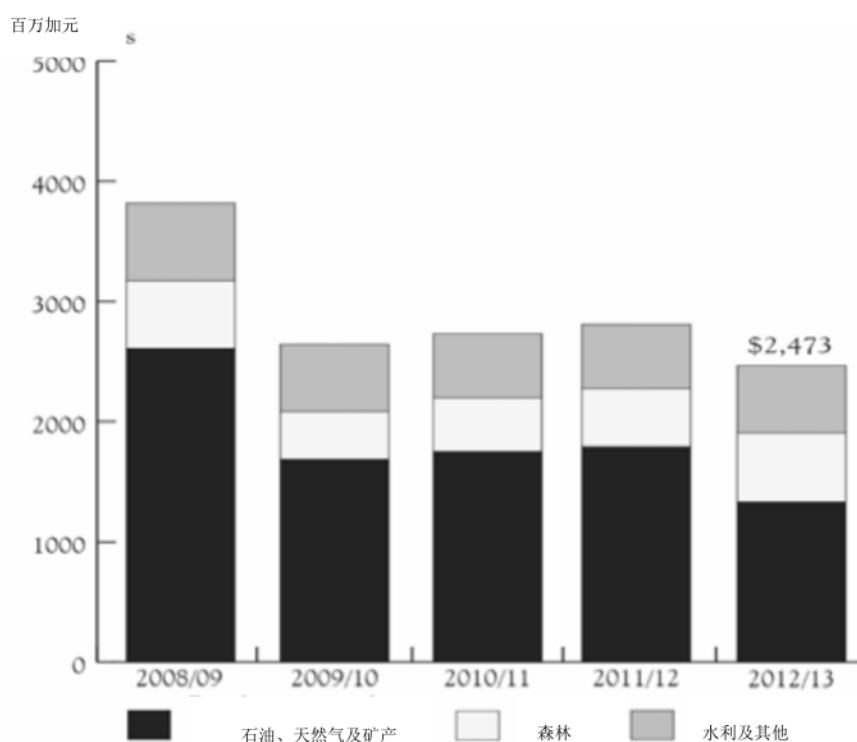


2012/13年度收入总额有所增长，是由于税收及其他收入（包括收费及许可收入以及自负盈亏国家公司利润）增长所致，但被自然资源收入及联邦政府供款的减少所抵消。

### 自然资源收入

下图展示了自然资源收入总额及各主要类别的历史趋势。因易受商品价格的市场波动影响，自然资源收入为发行人最不稳定的收入来源之一。

#### 2008/09 至2012/13



石油、天然气及矿产收入相较2011/12年度减少4.54亿加元。上述类别的自然资源于2012/13年度占自然资源收入的54%，而于2011/12年度占自然资源收入的64%。

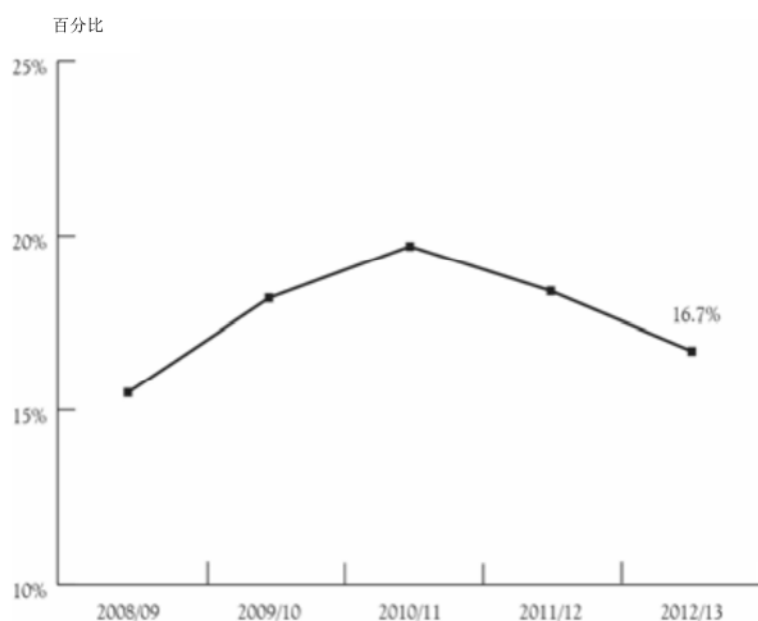
森林收入于2012/13年度增长0.88亿加元，占自然资源收入的比例由2011/12年度的17%增长至2012/13年度的23%。

本年度水利及其他资源收入增长0.27亿加元。

### 政府间转移支付占总收入比率

政府间转移支付占总收入比率显示了发行人依赖联邦政府转移支付的程度。该比率上升表明依赖程度提高，该比率下降表明依赖程度降低。

## 2008/09 至2012/13



联邦转移支付于2012/13年度减少6.65亿加元，主要是由于发行人从统一消费税过渡资金、基础设施及灾害财政援助所得的联邦资金的减少所致。上述趋势表明，在联邦供款下降到历史水平的同时，发行人对联邦供款的依赖程度降低。

### 3、支出分析

以下分析有助于投资者了解发行人的支出对经济的影响、发行人对资源的分配与利用以及发行人项目的支出。

#### 按职能划分的支出分类情况

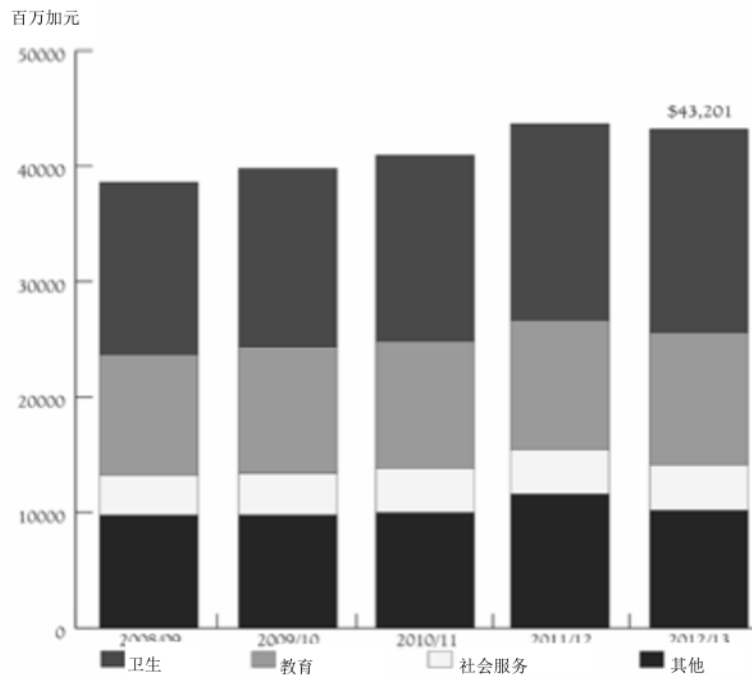
按职能划分的支出分类概括了发行人的主要开支领域，以及随时间的开支变化情况。各职能由加拿大统计局政府统计财务管理系统规定，用于表示支出的目的。发行人使用如下职能分类：卫生、教育、社会服务、利息、自然资源与经济发展、交通、其他、人身及财产保护，以及一般政府活动。卫生、教育及社会服务职能占发行人总运营支出的约四分之三。

	2008/09 年度实际	2009/10 年度实际	2010/11 年度实际	2011/12 年度实际	2012/13 年度实际
卫生	14,980	15,385	15,992	16,917	17,502
教育	10,485	11,052	11,165	11,228	11,528
社会服务	3,420	3,573	3,786	3,940	3,990
利息	2,158	2,197	2,252	2,383	2,390
自然资源与经济发展	1,991	2,264	2,349	1,873	2,092
交通	1,422	1,474	1,580	1,544	1,552
其他	1,674	1,407	1,208	1,415	1,346

人身及财产保护	1,588	1,535	1,448	1,512	1,539
一般政府活动	929	903	1,146	2,834	1,262
支出总额	38,647	39,790	40,926	43,646	43,201

政府项目开支于2012/13年度增加11.54亿加元，而总支出减少了4.45亿加元。总支出减少是由于15.99亿加元统一销售税过渡资金的偿付于2011/12年度计入总支出所致。

## 2008/09 至2012/13



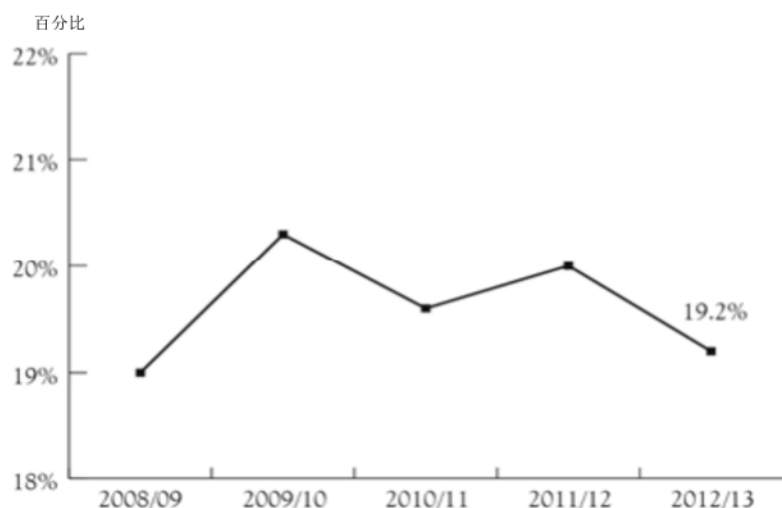
于2012/13年度，发行人的卫生部门开支增加5.85亿加元（增长率为3.5%），教育部门开支增加3亿加元（增长率为2.7%），社会服务部门开支增加0.5亿加元（增长率为1.3%），自然资源部门与经济发展部门开支增加2.19亿加元。其他所有部门开支的变动相互抵消，不影响2012/13年度总支出。

于2012/13年度，发行人的运营支出为432.01亿加元，相较2011/12年度减少4.45亿加元（减少1.0%）。自2008/09年度起，随着政府承诺保障包括医疗、教育和社会服务在内的核心公共服务，项目开支已增加了45.54亿加元（增长率为11.8%）。

### 支出对GDP比率

支出对GDP比率指发行人的开支与本省总体经济的比率。

## 2008/09 至2012/13



政府开支占GDP比率于2012/13年度有所下降，表明发行人开支的增速持续低于GDP所代表的经济增长。开支的减少主要是由于2011/12年度确认的统一销售税过渡资金一次性偿付所致。

### 4、2011/12 年度与 2012/13 年度实际运营结果变化

	收入	支出	盈余
<b>2011/12年度(赤字)</b>	41,832	43,646	(1,814)
实际运营结果			
税收收入增加	905		905
联邦供款减少	(665)		(665)
收费及许可收入减少	(339)		(339)
其他收入净增加	322		322
卫生开支增加		585	(585)
教育开支增加		300	(300)
社会服务开支减少		50	(50)
自然资源与经济发展开支增加		219	(219)
统一销售税过渡资金一次性偿付		(1,599)	1,599
实际运营结果变化小计	223	(445)	668
	42,055	43,201	
<b>2012/13年度(赤字)</b>			(1,146)
<b>2011/12年度累计盈余</b>			2,428
自负盈亏国家公司及机构累计其他综合收益			103
<b>2012/13年度累计盈余</b>			1,385

2012/13年度收入总额较上年增长2.23亿加元，支出总额较上年减少4.45亿加元，导致年度赤字较2011/12年度减少6.68亿加元。2012/13年度11.46亿加元的赤字被自负盈亏国家公司及机构其他累计综合收入1.03亿加元所抵消，导致2012/13年度最终累计盈余为13.85亿加元。

## 5、与 2012/13 年度预算相比的变化

	收入	支出	预测 准备金	盈余
根据2012年3月预算的盈余	43,101	43,869	(200)	(968)
<b>实际运营结果与预算相比:</b>				
自然资源收入减少	(513)			(513)
联邦转移支付减少	(215)			(215)
其他收入减少	(318)			(318)
卫生开支减少		(468)		468
教育开支减少		(233)		233
社会服务开支增加		62		(62)
自然资源与经济发展开支增加		260		(260)
其他项目开支减少		(289)		289
预测准备金			200	200
实际运营结果与预算相比变化小计	(1,046)	(668)	200	(178)
<b>实际运营结果</b>	<b>42,055</b>	<b>43,201</b>	<b>0</b>	<b>(1,146)</b>

收入较预算金额432.01亿加元低10.46亿加元（2.4%），而支出较预算金额438.69亿加元低6.68亿加元（1.5%）。

## 6、净负债及累计盈余

根据加拿大公认会计准则，2012/13年度《公共账册》中的发行人合并财务状况表以净负债法列示。净负债指由过去的交易或事件导致的未来现金净流出。对净负债及累计盈余的分析有助于投资者了解发行人的整体财务状况以及偿还过去交易与事件所需的未来收入。

单位：百万加元

	2012/13 年度预算	2012/13 年度实际	2011/12 年度实际	偏离	
				2012/13年度预 算对比实际	2012/13年度 对比 2011/12年度
金融资产	38,469	37,528	34,454	(941)	3,074
减：负债	(76,470)	(75,664)	(70,316)	806	(5,348)
<b>净负债</b>	<b>(38,001)</b>	<b>(38,136)</b>	<b>(35,862)</b>	<b>(135)</b>	<b>(2,274)</b>
减：非金融资产	39,101	39,521	38,334	420	1,187
<b>累计盈余</b>	<b>1,100</b>	<b>1,385</b>	<b>2,472</b>	<b>285</b>	<b>(1,087)</b>

累计盈余指本年及以往年度运营结果之和。于2013年3月31日，发行人的累计盈余为13.85亿加元，较预算高出2.85亿加元。累计盈余相较2011/12年度减少10.87亿加元，反应了11.46亿加元的年度赤字，以及自负盈亏国家公司综合收入增加0.59亿加元。

金融资产较2011/12年度增长30.74亿加元。相较2011/12年度，现金及现金等价物以及临时投资减少了0.74亿加元。上述减少被自负盈亏国家公司及机构中权益增加5.4亿加元、可于机构回收用于购买资本资产贷款增加20.61亿加元，以及其他金融资产增加5.47亿加元所抵消。

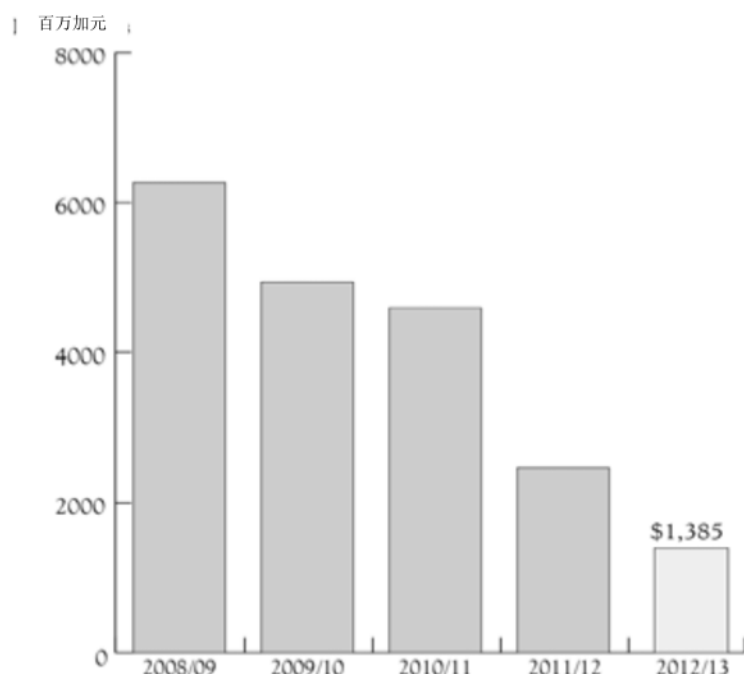
负债较2011/12年度增加53.48亿加元。相较2011/12年度，为提供基础建设项目资金、对自负盈亏国家公司及机构提供资本支持以及满足运营资本需求，自负盈亏债务增加20.69亿加元，财政性负债增加38.16亿加元。其他负债，包括应付账款及递延收入，较2011/12年减少5.37亿加元。

非金融资产通常指有形资本资产等发行人可以于未来利用其提供服务的资源。非金融资产较2011/12年度增长11.87亿加元，是由于发行人投资于医院和卫生设施、交通建设及高中及以上教育机构所致。

### 累计盈余

累计盈余指当年及所有以往年度的运营结果。于2012/13年度，发行人累计盈余为13.85亿加元，较2011/12年度下降10.87亿加元。虽然存在年度亏损，但发行人保持了财务状况正结余。以往年度的运营正结余为保持核心公共服务提供了灵活性。

## 2008/09 至2012/13



## 7、净负债的组成

### 金融资产

对金融资产的趋势分析为投资者提供了与发行人可转换为现金用以偿债或支持运营的可获资源有关的信息。

单位：百万加元

	2008/09 年度实际	2009/10 年度实际	2010/11 年度实际	2011/12 年度实际	2012/13 年度实际
现金、现金等价物、临时投资及储式投资	7,248	2,893	3,048	3,223	3,149
应收账款	2,551	2,530	2,334	2,398	2,445
自负盈亏国家公司及机构中权益	5,952	7,457	7,090	6,994	7,534
可于机构收回用于购买资产的贷款	9,149	11,471	12,947	14,846	16,907
其他金融资产	5,426	5,937	7,028	6,993	7,493
<b>金融资产总额</b>	<b>30,326</b>	<b>30,288</b>	<b>32,447</b>	<b>34,454</b>	<b>37,528</b>

于2012/13年度，金融资产相较2011/12年度增长30.74亿加元，主要是由于发放予国家机构的资本贷款增加所致。因发行人向国家机构提供资金用以支持资本项目，可回收资本贷款增长了20.61亿加元。自负盈亏国家公司中权益增长了5.40亿加元。所有其他金融资产增长了4.73亿加元。

### 负债

对负债的趋势分析为投资者提供了用以了解及评估发行人对金融资产的需求以及获取收入的能力有关的信息。

	2008/09 年度实际	2009/10 年度实际	2010/11 年度实际	2011/12 年度实际	2012/13 年度实际
财政性债务	28,322	31,116	33,079	36,012	39,828
自负盈亏债务	11,330	11,552	13,030	14,942	17,011
<b>财务报告债务总额</b>	<b>39,652</b>	<b>42,668</b>	<b>46,109</b>	<b>50,954</b>	<b>56,839</b>
应付款项及应计负债	7,452	7,043	7,675	8,874	8,902
递延收入	9,480	10,045	10,798	10,488	9,923
<b>负债总额</b>	<b>56,584</b>	<b>59,756</b>	<b>64,582</b>	<b>70,316</b>	<b>75,664</b>

于2012/13年度，总债务相较2011/12年度增加53.48亿加元。负债指未来必须以资产的转移或使用进行结算的义务。于2012/13年度，财政性债务增加38.16亿加元，自负盈亏债务增加20.69亿加元。有关发行人债务管理的信息见于本节第8部分中对本省债务总额的详细分析。递延收入减少5.65亿加元，应付账款及其它负债增加0.28亿加元。

### 非金融资产

对非金融资产的趋势分析为投资者提供了用于评估政府对基础设施及长期非金融资产的管理的信息。

	2008/09	2009/10	2010/11	2011/12	2012/13
--	---------	---------	---------	---------	---------

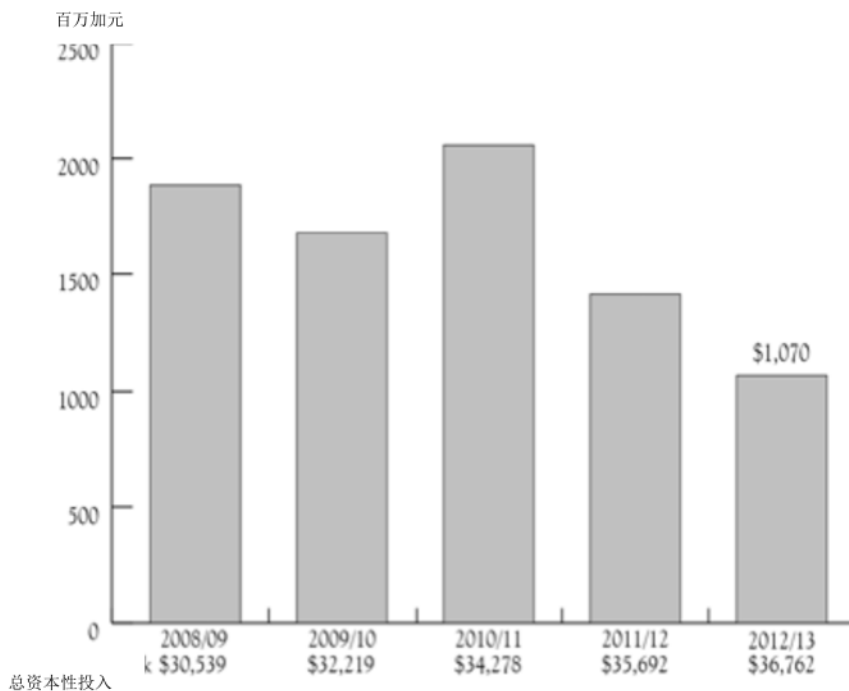
	年度实际	年度实际	年度实际	年度实际	年度实际
有形资本资产	30,539	32,219	34,278	35,692	36,762
其他非金融资产	1,986	2,187	2,448	2,642	2,759
非金融资产总额	32,525	34,406	36,726	38,334	39,521

非金融资产的管理对于政府能够为其民众提供的服务的水平和质量有直接影响。非金融资产通常指政府可以于未来利用其提供服务的资源。于2013年3月31日，发行人的非金融资产共395.21亿加元，较2011/12年度高11.87亿加元，较2008/09年度高69.96亿加元。发行人的主要非金融资产为扣减摊销的有形资本资产支出。发行人新增有形资本资产投资2012/13年度为10.7亿加元，2011/12年度为14.14亿加元，2010/11年度为20.59亿加元，2009/10年度为16.8亿加元，2008/09年度为18.88亿加元，以确保其潜在服务能力可于未来期间内提供项目与服务。资本支出不包含于合并运营表中，且对当期盈余无影响。资本支出在资产的潜在服务能力用于提供项目及服务时，以摊销费用的方式冲抵未来盈余。

### 资本性投入变动

本方法列示发行人实体资本投入的净变动情况。正值表示对基础设施的投资，以替换现存资本并在未来期间提供潜在服务能力。

### 2008/09 至2012/13





发行人于2012/13年度的年度资本净投资额为10.7亿加元，自2008/09年度以来的资本净投资额为81.11亿加元。资本性投入总额于期内稳步增长，表明资本基础设施可于未来继续提供项目于服务。

### 净负债与累计盈余

单位：百万加元

	2008/09 年度实际	2009/10 年度实际	2010/11 年度实际	2011/12 年度实际	2012/13 年度实际
金融资产	30,326	30,288	32,447	34,454	37,528
减：负债	(56,584)	(59,756)	(64,582)	(70,316)	(75,664)
净负债	(26,258)	(29,468)	(32,135)	(35,862)	(38,136)
减：非金融资产	32,525	34,406	36,726	38,334	39,521
累计盈余	6,267	4,938	4,591	2,472	1,385

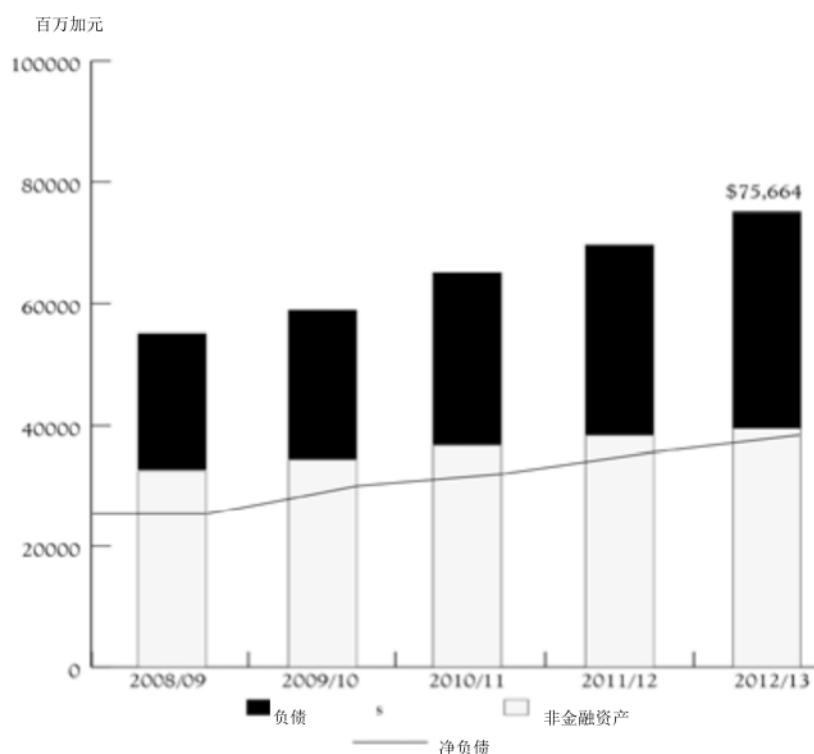
于2012/13年度，净负债增加22.74亿加元，是由于公共服务开支增加及投资于基础设施建设所致。负债包括递延收入99.23亿加元，为将于提供服务的义务完成时，在未来期间确认为收入的受限供款。

净资产的财务规模虽有增加，但发行人的财务状况保持为正值，是由于包括金融资产及资本性投入在内的发行人资产总额高于其负债总额。于2012/13年度末，发行人的累计盈余为13.85亿加元，表明以往所有年度的盈余和赤字的累计为正，发行人财务状况为盈余。

### 非金融资产占负债的比例

下图表示负债中的哪一部分用于支持资本基础设施，而非用于支持运营资本需求（包括应付账款及其他运营负债，以及递延至未来期间的收入）。于过去五年内，负债中用于支持资本基础设施的比例由2008/09年度的57.5%下降至2012/13年度的52.2%。

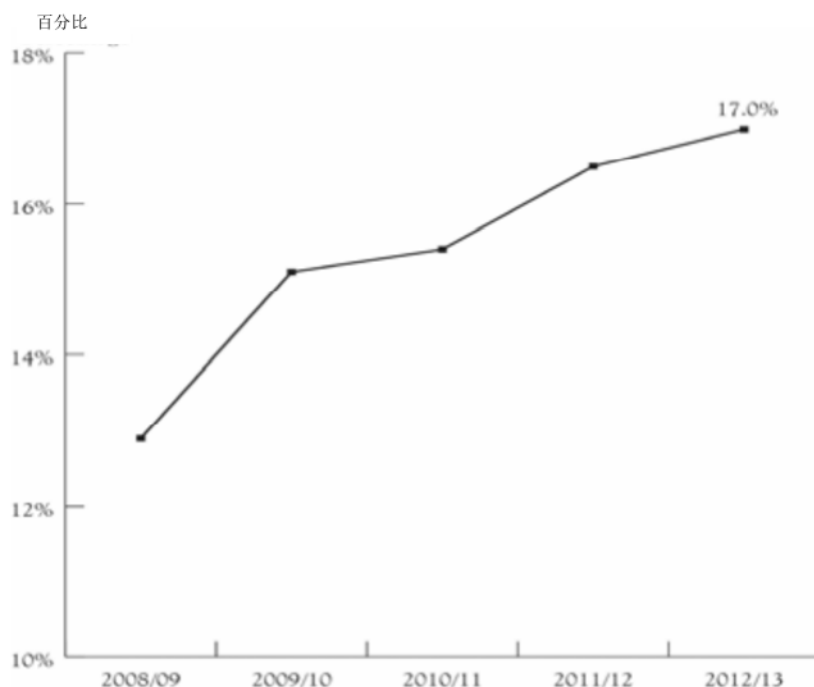
## 2008/09 至2012/13



### 净负债对GDP比率

净负债对GDP比率代表发行人无需新增经济整体的债务负担即可保持现有项目并满足现有债务人要求的能力。

## 2008/09 至2012/13

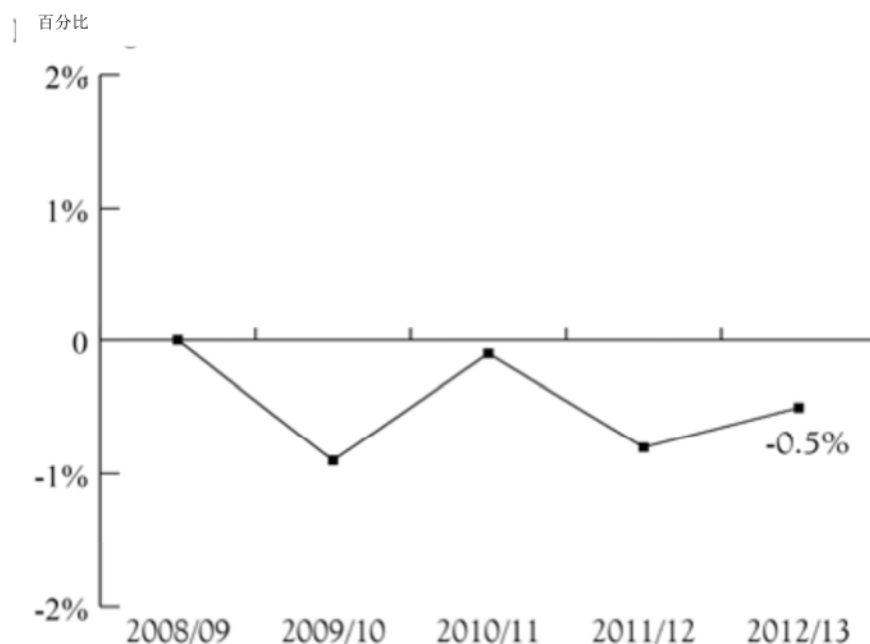


净负债对GDP比率上升，是由于净负债增速高于GDP所代表的经济增速。净负债包括将于未来期间确认为收入的递延收入，以及对他方的义务（包括应付账款及债务）。

## 盈余/(赤字)对GDP比率

盈余/(赤字)对GDP比率是将发行人的财务业绩与经济的总体情况比较的可持续性指标。该比率为负，表示政府为支持其运营，需自GDP中更多的获取资金，减少债务附带，或投资于基础设施建设。

2008/09 至2012/13



## 8、本省债务总额

发行人债务总额分析有助于投资者评估长期负债的程度，以及发行人满足未来债务的能力。

单位：百万加元

	2008/09 年度实际	2009/10 年度实际	2010/11 年度实际	2011/12 年度实际	2012/13 年度实际
债务总额	39,652	42,668	46,109	50,954	56,839
减：偿债基金资产	(2,134)	(1,329)	(1,410)	(1,491)	(1,778)
第三方保证及非保证债务	496	546	455	730	755
<b>本省债务总额</b>	<b>38,014</b>	<b>41,885</b>	<b>45,154</b>	<b>50,193</b>	<b>55,816</b>

在向评级机构报告时，发行人将财务报告中的债务加上全部债务保证，以及自负盈亏国家公司直接发生的债务，并减去偿债基金资产。上述余额被称为本省债务总额。

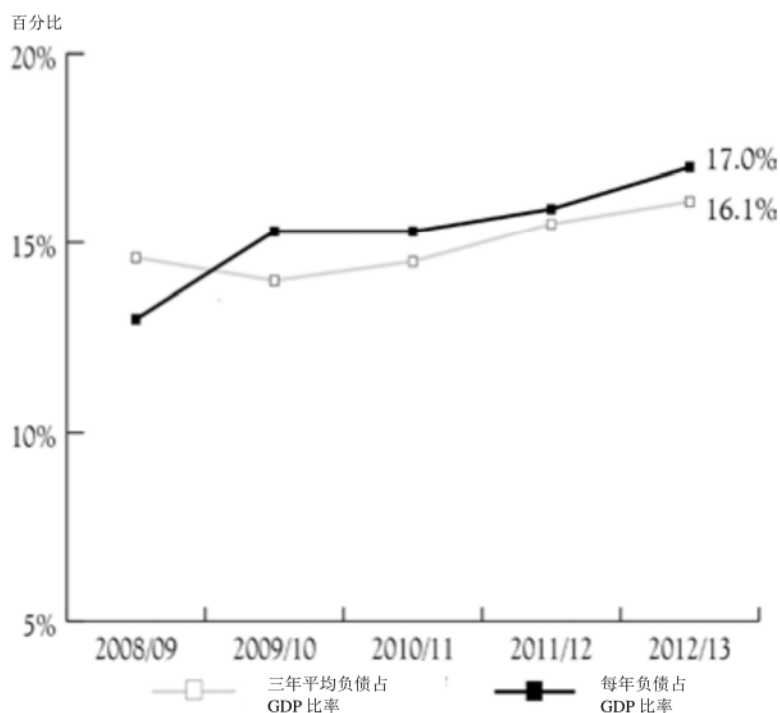
减去持有用于清偿债务的偿债基金，并包括保证债务和及自负盈亏国家公司债务的本省债务总额较发行人财务报告中的债务金额低10.23亿加元。总体上，因为发行人举借债务为资本项目提供资金并满足运营资本要求，本省债务总额于2012/13年度增加56.23亿加元。

自负盈亏国家公司债务的最大增加为不列颠哥伦比亚省水利电力局的负债增加11.89亿加元，以及交通投资公司负债增加8.31亿加元。不列颠哥伦比亚交通融资局债务增加7.97亿加元，卫生部门债务增加3.98亿加元，教育部门债务增加5.53亿加元，其他财政性实体债务增加1.80亿加元。发行人省政府直接运营债务较2011/12年度增加15.95亿加元。

### 财政性债务对GDP比率

财政性债务对GDP比率是财务分析师和投资者评估一省偿还债务能力的重要手段，同时也是债券评级机构监测的重要指标。该比率上升表示负债的增加快于GDP代表的经济增长。

#### 2008/09 至2012/13



### 9、良好信用评级

发行人于目前使用的全部三家信用评级机构均维持有良好稳定的信用评级，反映了发行人的财政表现。于2012/13年度，穆迪投资者服务公司给予发行人Aaa级主体信用评级（2012年为Aaa级），标准普尔给予发行人AAA级主体信用评级（2012年为AAA级），多美年债券评级服务机构给予发行人AA（高）级主体信用评级（2012年为AA（高）级）。

## 2013年5月信用评级

评级机构 <sup>16</sup>			
司法区	穆迪投资者服务公司	标准普尔	多美年债券评级服务
不列颠哥伦比亚	Aaa	AAA	AA（高）
亚伯达	Aaa	AAA	AAA
萨斯喀彻温	Aa1	AAA	AA
曼尼托巴	Aa1	AA	A（高）
安大略	Aa2	AA-	AA（低）
魁北克	Aa2	A+	A（高）
新不伦瑞克	Aa2	AA-	A（高）
新斯科舍	Aa2	A+	A
爱德华王子岛	Aa2	A	A（低）
纽芬兰	Aa2	A+	A
加拿大	Aaa	AAA	AAA

有关本省债务更加全面的概览，包括主要债务指标，见于2012/13年《公共账册》第129页至第142页。

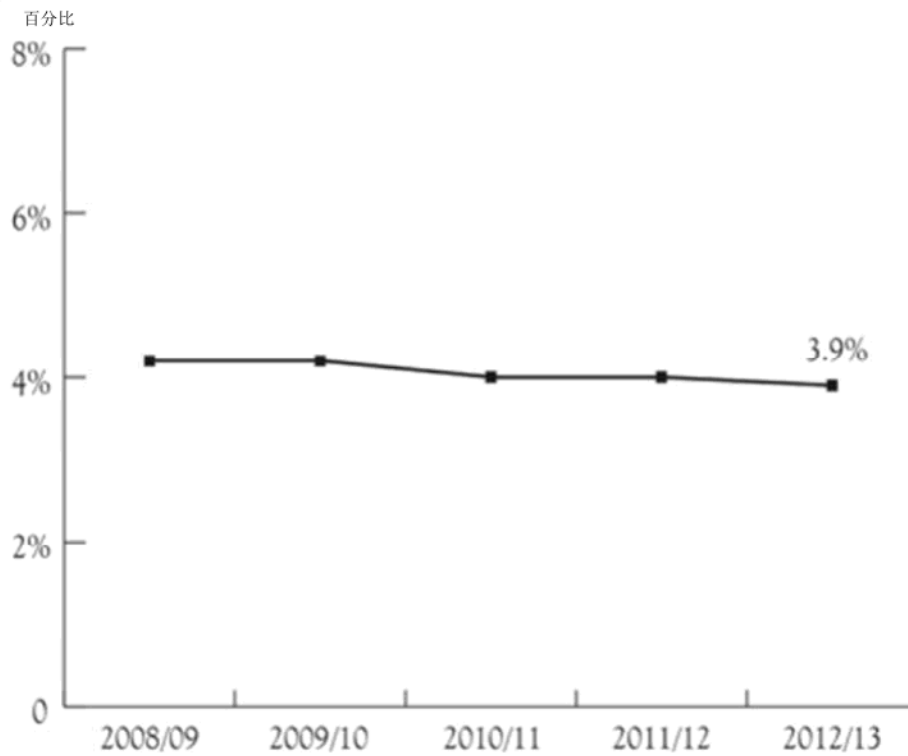
### 10、公共债务负担对收入比率（利息侵蚀）

公共债务负担对收入比率常称为“利息侵蚀”，用以向投资者表明发行人收入用于偿还债务利息的比例。该比率对债务成本（利息升高或债务增加）以及收入的减少较为敏感。

---

<sup>16</sup> 评级机构以字母对融资人评级。主要分类有（按信用等级降序）：AAA/Aaa、AA/Aa、BBB/Baa、BB/Ba以及B。“1”、“2”、“3”、“高”、“低”、“-”及“+”等符号表示于上述主要分类中的相对位置。如，AA+高于AA。

## 2008/09 至 2012/13

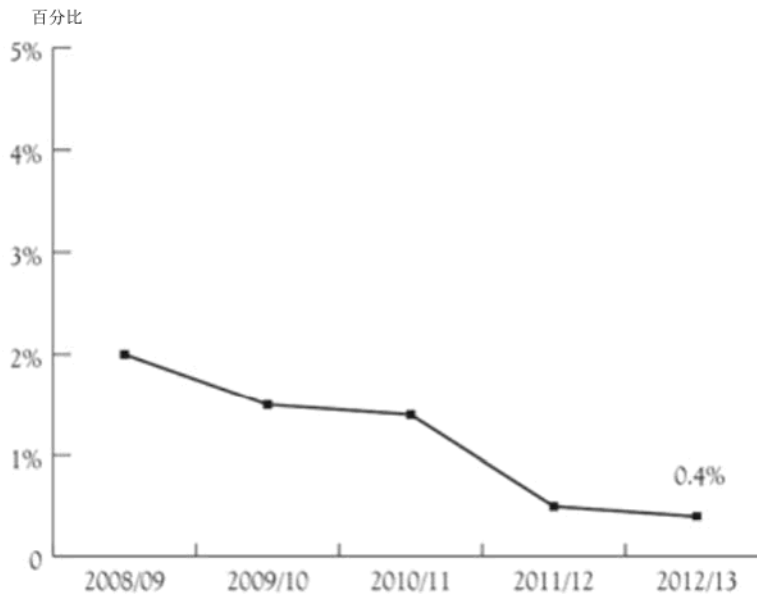


若一省收入越来越高的比率需用于偿还该省债务的利息，余下用于提供核心公共服务的资金就会减少。利息侵蚀于过去五年中保持稳定。于2012/13年度，发行人3.9%的收入用于偿还本省债务。

### 11、无对冲外币债务对本省债务总额比率

无对冲外币债务对本省债务总额比率代表政府公共债务头寸对利率变化的敏感性。

## 2008/09 至 2012/13



自2008/09年度以来，发行人已显著减少了外币债务，因而其对于汇率变动的敏感性降低。

#### （四） 风险及不确定性

发行人对于风险及不确定性的主要敞口为发行人无法直接控制的变量所引起。上述变量包括：

- 收入及国家公司预测的基础假设，如经济因素、商品价格及天气条件；
- 诉讼、仲裁及与第三方谈判的结果；
- 联邦转移支付的分配、与联邦政府费用分担协议的潜在变化，以及联邦税务政策和预算变化对本省所得税税基的影响；
- 政府服务（如医疗、儿童和家庭服务以及收入补助）的利用率；
- 对利率波动、汇率及信用风险的敞口；以及
- 加拿大公认会计准则的变化。

以下为部分主要变量变动对盈余的大致影响：

### 关键财政敏感因素

变量	增量	年度财政影响 (百万加元)
名义GDP	1%	150 – 250
木材价格 (美元/千板英尺)	50美元	25 – 50 <sup>17</sup>
天然气价格 (加拿大元/千兆焦耳)	50分	117 – 125 <sup>18</sup>
美元汇率 (美分/加拿大元)	1美分	(25) – (50)
利率	1百分点	(97)
债务	5亿加元	(14)

尽管无法直接控制上述变量，但发行人已执行策略缓解上述风险及不确定因素。发行人为加强不列颠哥伦比亚省作为吸引投资的区域的定位及创造新岗位，因而发展税务、金融以及公司监管政策，该等举措将有助于抵消由于经济及金融市场全球化带来的吸引投资方面的竞争加剧。如同以往年份一样，发行人在预算中使用预测准备金来反映收入及支出以及国家公司、学区、大学、学院、学术机构以及卫生组织预测中的风险。预测准备金的使用在预测未来经济发展的过程中确认了不确定性，

有关债务的风险管理的讨论见2012/13年度《公共账册》中所含简明合并财务报告附注第69页的附注19。

---

<sup>17</sup> 敏感性仅与立木收入有关。立木收入的变化可被边境税收入抵消（取决于市场情况）。

<sup>18</sup> 敏感性可能大幅变化，尤其对于低价情况而言。



## 第九章 募集资金用途

本债券的募集资金净额将作为发行人的合并收入资金（在某些情况下将全部或部分兑换为其他货币）并可为发行人的利益使用，或用以向不列颠哥伦比亚省《金融管理法》定义的不列颠哥伦比亚省政府机构发放贷款。

## 第十章 销售条款

### 一、总则

本募集说明书或任何发行资料的分发、以及本债券的发行、销售或交付，需要遵循相关司法管辖区的法律作出的限制性规定。因此，建议本募集说明书或任何发行资料的潜在持有人向其法律顾问咨询了解其适用哪些限制性规定，并且建议该等潜在持有人遵循其适用的限制性规定。本募集说明书不可在未经授权的情况下用作要约或邀请。

本债券仅在中国银行间市场发行，除为该等发行而获得的交易商协会对本项目以及本债券发行的注册外，为在中国境内的上海证券交易所、深圳证券交易所以及除中国外的其他任何国家或司法管辖区公开发行人本债券、持有或分发本募集说明书、或本募集说明书的修订文件或补充文件、或者与本债券相关的任何其他发行资料或公告资料而必须采取一定措施的，该等措施尚未在任何司法管辖区采取、并且将来也不会采取。

### 二、中国

本债券仅在中国向银行间市场的机构投资者（国家法律、法规及本销售限制条款禁止购买者除外）发售或销售，并且本债券仅可在银行间市场的机构投资者（国家法律、法规及本销售限制条款禁止购买者除外）间交易和流通。

### 三、美国

本债券尚未根据1933年《美国证券法》进行注册，并且将来也不会根据《美国证券法》进行注册；本债券不可在美国境内发行和销售，也不可向美国人、以美国人的名义或为美国人的利益发行和销售，但在《美国证券法》规定的注册要求被豁免或者不需要遵循《美国证券法》规定的注册要求的情形下除外。前一句中的术语具有《美国证券法》S条例规定的含义。

(1) 在承销过程中的任何时候，或者(2) 在本债券承销完成后的40日前（承销完成由该联席主承销商确定、或由该联席主承销商向发行和支付代理人或发行人证明），本债券发行和交付会遵循《美国证券法》S条例903规则；并且该联席主承销商将安排向在本债券承销合规期内从该联席主承销商购买本债券的每个交易商发送关于限制本债券在美国境内、向美国人、以美国人的名义或为美国人的利益发行和销售的确认书或其他通知。本段中的术语具有《美国证券法》S条例规定的含义。

#### 四、香港

(一) 本债券没有且也不会 在香港境内通过任何文件形式发售或销售，但下列情形除外：

1、向《香港证券及期货条例》及其项下颁布的规则所定义的“专业投资者”发售和销售；

2、具有香港《公司（清盘及杂项条文）条例》（香港法例第 32 章）规定的，不导致该文件构成“发行说明书”的其他情形，或该条例规定的不构成向公众发行的其他情形；及

(二) 任何以香港公众为目标的或内容有相当可能会被香港公众读取或阅读的，与本债券相关的任何广告、邀请或文件（香港证券法律允许的除外）没有且也不会 在香港境内或香港境外被发布，或以发布为目的而已被持有或将被持有，但与仅向或旨在仅向香港境外的人士或《香港证券及期货条例》及其项下颁布的规则所定义的“专业投资者”处置的本债券相关的广告、邀请和文件除外。

## 第十一章 本债券税务等相关问题分析

以下关于本债券购买、拥有以及处置所引发的相关税务后果的概要是基于本募集说明书签署之日有效的法律、行政法规、规定和决定（在日后可能发生变更，且可能具有追溯力）。但是，本概要并不是对决定购买、拥有或处置本债券时应考虑的所有税务因素的全面描述，也并非适用于所有类型的潜在投资者（某些潜在投资者会适用特别的规定）。有意购买本债券的投资者就本债券可能涉及的税务问题应向其税务顾问进行咨询。

### 一、中国内地税务

#### 1、营业税及附加

根据《中华人民共和国营业税暂行条例》及《中华人民共和国营业税暂行条例实施细则》，债券转让应以卖出价减去买入价后的余额作为营业额，按照《中华人民共和国营业税暂行条例》的规定，适用的营业税率为5%。同时，凡是营业税纳税人均需按规定缴纳城市维护建设税、教育费附加和地方教育附加，分别为营业税额的7%、3%和2%。

#### 2、所得税

根据中国税收法律，债券和债券的收入并不能被豁免所得税。根据《中华人民共和国企业所得税法》，债券拥有者应当就债券利息收入和转让或出售债券取得的收入缴纳所得税，所得税税率通常为25%。

#### 3、印花税

根据《中华人民共和国印花税法暂行条例》（以下简称“印花税法”）及其实施办法，在中国境内书立财产转让书据的人应缴纳印花税。目前根据印花税法及其实施办法，债券的转让不需要缴纳印花税。但是，无法预测国家是否或将会于何时决定对有关债券交易征收印花税，以及如果征收，债券交易将会适用的印花税法税率水平如何。

### 二、加拿大税务

#### 加拿大所得税因素

以下是关于截至本募集说明书签署之日加拿大的所得税法案（以下简称“联邦税法”）及不列颠哥伦比亚省的所得税法案（以下简称“不列颠哥伦比亚省税法”）的主要所得税考虑因素的概要。上述法规适用于持有人根据联邦税法和任何适用的所得税协定或条约，在所有相关时间里，不是加拿大居民且不被认为是加拿大居民，且该持有人在加拿大经营产业时并不使用或持有债券，且不被认为使用或持有债券，并且不是在加拿大或别处经营保险业的承保人（以下简称“非居民持有者”）。

本概要基于联邦税法、不列颠哥伦比亚省税法的条款及本募集说明书发布之日届时有效的上述法案下的法规，在本募集说明书发布之日前以公开方式公布的法案拟议修正案，以及法律顾问对目前加拿大税务局以书面形式公开发布的有关管理和评估惯例和政策的理解。本概要假定所有的拟议修正案将会以拟议内容制定。但是，并不能保证拟议修正案都将会被制定或以拟议内容制定。本概要并未考虑或预测因立法、政府或司法行为导致法律的变化，也并未考虑除了加拿大之外其他国家，除了不列颠哥伦比亚省之外的其他省以及除了加拿大和其他国家的公约或条约之外的其他公约或条约。后续法律的发展可能对本概要有重大影响。

如果适用于某些本债券的加拿大联邦或不列颠哥伦比亚省的所得税考虑因素在募集说明书的更新报告中得以描述，就其所述关于债券税务的内容，以募集说明书的更新报告为准。

当发生债券偿还、购买或赎回时，债券发行人通常并不被要求为非居民持有者预扣就债券的相关税收，税收来源于已付或贷记的利息或本金或者被认为为了联邦法案之目的已付或贷记的利息或本金（包括账户金额或替代利息支付或为满足利息），除非所有或部分已付或应付债券利息（除下文所述“法定义务”之外）会依赖于加拿大财产的使用和产出情况不同而不同，或者是通过参考收入、利润、现金流、商品价格、其他类似标准或者参考已付或应付给任何类别股东或某一种类别公司股票的股息来计算（以下简称“参与债务利息”）。“法定义务”是一种债务义务，其条款列明了在支付义务存续期间对应付金额参考货币购买力的变化进行调节的机制，且除参考货币购买力决定的支付金额外，所有金额均不取决于或依赖于加拿大境内财产的使用或产出，或参照参与债务利息的定义中描述的任何标准来计算。如果任何已付或贷记利息或被认为是因债券而支付或贷记的利息是按照指数或者公式进行计算，则以上利息可能要缴纳加拿大利息预扣税。

根据联邦税法和不列颠哥伦比亚省税法，非居民债券持有者不会因为本债券或其利息、折扣、额外费用而被征收收入或资本利得税。

以上的加拿大税务概要仅为一般介绍，不是也不能被解释为对特定持有人的法律或税务建议。有意持有人应就适用于其的所得税考虑因素向其税务顾问进行咨询。

## 第十二章 本债券信用评级情况

本债券未被中国评级机构评级。

### 第十三章 本债券信用增进情况

本债券无信用增进安排。

## 第十四章 信息披露安排

在本债券发行过程及存续期间，发行人将按照交易商协会的要求，通过托管机构网站和中国货币网（以下称“指定披露方法”）向银行间市场披露下列第一至四段所列有关信息，并承诺，就以下第二至三段所列有关信息（各段中有其他说明的除外），披露时间不晚于发行人向其他国际监管机构及证券交易所公开披露的时间（或其后合理可行的最早时间）。

### 一、本次发行相关文件

若相关文件尚未以下述第二段指定的披露方法披露，发行人将在不晚于本期债券发行日前 5 个工作日，通过托管机构网站和中国货币网披露如下文件：

- （一）每期债券的发行公告；
- （二）每期债券的补充募集说明书（如有）；
- （三）每期债券的法律意见书（中文，包括任何以英文发表的意见的中文翻译）；
- （四）加拿大不列颠哥伦比亚省最近三年公共账册（英文）及简明财务报告（中文）；及
- （五）加拿大不列颠哥伦比亚省最近一期季度报告（英文）及财政及债务摘要（中文）。

### 二、定期报告

发行人在下述时间内披露以下文件的英文副本：

- （1） 《年度预算和财政计划》（每年 2 月第三个星期二之前公布）；
- （2） 《年度预测》；
- （3） 年度《公共账册》（每年 8 月 31 日前公布）；
- （4） 《年度财政和经济回顾》；以及
- （5） 《季度报告》（分别于每年 9 月 15 日、11 月 30 日、2 月 28 日及 5 月 31 日前分别公布）。

发行人将在本节上述文件公布后 15 个工作日内披露以下有关文件的中英文版本：

- （1） 摘录自年度《公共账册》的“简明财务报表”章节；
- （2） 《财政及债务摘要 — 第一季度报告》；
- （3） 《财政及债务摘要 — 第二季度报告》；以及



(4) 《财政及债务摘要 — 第三季度报告》。

三、重大事件披露：对影响发行人偿债能力的重大事件，本发行人将按照上述时间以英文书面披露该事件有关情况，并以指定披露方法向投资者进行披露。

四、付息兑付：发行人将当在本债券本息兑付日前 5 个工作日，以中文公布本金兑付、付息事项。

## 第十五章 发行人律师的法律意见

北京市金杜律师事务所和加拿大不列颠哥伦比亚省司法厅（Ministry of Justice, Province of British Columbia）根据发行人的要求，就发行人拟在银行间市场设立本项目事宜，分别出具了法律意见书。

### 1、北京市金杜律师事务所法律意见

北京市金杜律师事务所受发行人委托，作为发行人发行本债券的专项法律顾问，就发行人发行本债券出具了中国法下的法律意见（其法律意见系基于律师的适当核查及发行人的保证、确认以及律师的相关声明与假设而出具），其结论性意见如下：发行人为本债券发行制作的《募集说明书》的主要内容符合交易商协会的相关要求；本债券发行的募集资金用途不违反中国人民银行的相关要求；就本债券的发行，发行人尚需取得交易商协会的注册；本债券选择贸仲仲裁作为与本债券相关的争议的最终解决方式，该等争议解决方式的选择不违反中国法律的强制性规定。

### 2、加拿大不列颠哥伦比亚省司法厅法律意见

加拿大不列颠哥伦比亚省司法厅对根据设立本项目相关的若干事项（其中包括发行人的授权及资格）出具加拿大法律意见。投资者可在本债券发行期限内到本募集说明书第十八章“备查文件”所列的地址查阅该法律意见。

## 第十六章 投资者保护机制

### 一、 后续督导机构及相关责任

发行人对本债券在多方面有持续的义务。中国银行股份有限公司已同意担任本行对本债券之各持续义务的监督人。监督人的督导事项包括：

- 1、 督导发行人准确、真实、完整地披露应当披露的信息（见第十四章“信息披露安排”）；
- 2、 督导发行人在发行情况公告中指明票面利率（见本债券发行条款第 17 条）；
- 3、 督导发行人通过交易商协会认可的媒体公布本金兑付、付息事项（见第十四章“信息披露安排”）；
- 4、 督导发行人披露定期报告（见第十四章“信息披露安排”）；
- 5、 督导发行人公布提前赎回安排（见本债券发行条款第 31 条）；
- 6、 召集持有人会议（见本债券发行条款第 41 条）；以及
- 7、 督导发行人披露与发行人或本债券相关的重要变化或重大事件（见第十四章“信息披露安排”）。该等事项应包括违约清偿事件（见本债券发行条款第 39 条）。

### 二、 违约清偿事件

如果发生违约清偿事件，则持有人有权以书面通知发行人的形式宣布本债券尚未偿还的本金及届时已累计的利息立即到期应付，在此情况下，相关款项应立即成为到期应付款项，但发行人基于如下情形未支付或拒绝支付任何款项不应被视为违约清偿事件：（1）为了遵守适用于该等付款的任何财政或其他法律法规或执行适用于该等付款的任何有权司法管辖区域的法院命令；（2）在发行人根据本债券发行条款第 28 条以美元等价物支付人民币计价款项金额的情况下，如果发行人未进行支付仅由于人民币不可转移性、不可兑换性或流通性不足的原因；或者（3）如果发行人未进行支付仅由于发行人、托管机构的代理人或者向该代理人转账的相关银行而导致的行政错误，在持有人向发行人发出未支付通知后 3 个工作日发行人仍未进行支付的情况除外。

### 三、 持有人会议

#### （一） 会议召集及召开

1、 任何持有人可以通过书面形式（以下简称“代理书”）委托任何人（以下简称“代理人”）代表其参加持有人会议，但必须将代理书在持有人会议召开 24 小时之前送交监督人中国银行股份有限公司。代理书格式由发行人的指定办公室提供，并应经持有人签字。若持有人为公司，则应在代理书上加盖公司公章，或由公司授权人员代表公司签署代理书。为避免产生疑义，若未按照本款规定任命为代理人或中国银行股份有限公司未在会议前至少 24 小时收到委任事宜相关通知，该代理人无权在持有人会议上作为持有人的代理人行事。

2、 在委托有效期内并在委托指定的持有人会议上，有权出席持有人会议的持有人根据上述第 1 款委托的代理人应被视为做出该委托的持有人。在本条上述委托所涉及事项的范围，该持有人自身将不再被视为持有人。

3、 发行人可以确定有权出席持有人会议持有人的债权登记日期，但债权登记日期不得早于持有人会议召开日期之前 10 天。持有人会议召开日期应在会议召集通知中确定。于债权登记日期在托管机构的托管名册上登记的持有人应就相关会议之目的被视为有权出席持有人会议的持有人，并受限于第 2 款的规定。

4、 发行人有权在任何时间召集持有人会议。如果总计持有未偿还债券本金金额不少于 10% 的持有人提出召开会议的书面要求，中国银行股份有限公司应召集持有人会议。如中国银行股份有限公司未能召集持有人会议，则持有人可自行召集持有人会议。持有人会议的召开时间与地点须经中国银行股份有限公司同意。

5、 在根据上述第 4 条规定召集持有人会议之前，应至少提前 21 天（不包括通知发出日与会议召开日）通知持有人。召集会议一方（发行人除外）应至少提前 35 天（不包括通知发出日及会议召开日）应将会议通知发送给中国银行股份有限公司，并由中国银行股份有限公司于收到会议通知后按照本条规定向投资者公布及披露会议事宜。通知应列明会议召开的日期、时间与地点，并通过中国外汇交易中心、托管机构以及交易商协会认可的其他网站公布，或按照有关主管部门或监管机构指定的方式向投资者披露。此外，通知应列明拟定决议的性质，并声明持有人有权委托代理人出席持有人会议，但持有人应在持有人会议召开时间前至少 24 小时签署中文代理书并将其交至中国银行股份有限公司的指定办公室。

6、 持有人会议由发行人书面指定的人员（不论该人是否为持有人）担任会议主席。如果发行人没有指定会议主席，或被指定的会议主席在持有人会议召开之后的 30 分钟内未出席会议，则与会的有权出席持有人会议的持有人（或其合法委任的代理人）应从他们中间选任一名会议主席。如果无法选任一名会议主席，则发行人有权指定一名会议主席。若会议延期，则延期会议的主席无须与原先会议的主席为同一人。

## （二）法定人数及会议规定

1、关于会议事项的决议（特别决议除外），会议法定人数为总计持有或代表未偿还债券本金金额 20%以上并亲自出席会议的两名或两名以上有权出席持有人会议的持有人（或其正式任命的代理人）。如果没有达到会议法定人数，不得做出有关会议事项的决议（选任主席除外）。关于本条规定的特别决议，会议法定人数为总计持有或代表未偿还债券本金金额 50%以上并亲自出席会议的两名或两名以上有权出席持有人会议的持有人（或其正式任命的代理人），但是关于下述第 11 款规定的任何事项的决议，会议法定人数应为总计持有或代表未偿还债券的本金金额 75%以上（不含 75%）并亲自出席会议的两名或两名以上有权出席持有人会议的持有人（或其正式任命的代理人）。

2、特别决议是指根据本债券发行条款的规定，在根据规定正式召集的持有人会议上，须经与会的 75%以上表决票数通过的决议，包括但不限于：

（1）批准就持有人就发行人享有的权利（即因债券产生的权利）进行任何修改、代位行使、变更、和解或作出相关安排；

（2）同意对债券条款中的规定作出任何修订；

（3）对发行人违反或拟违反债券条款项下任何义务的行为、或者可能会构成债券条款项下违约清偿事件的任何作为或不作为，作出豁免或许可；

（4）授权任何人同意、签署和作出为执行任何特别决议和使任何特别决议有效而必须的一切契约、文件、行为和事项；

（5）通过特别决议授予或作出债券条款要求的任何权限、指示或批准；

（6）委派任何人（不论其是否为持有人）及成立代表持有人利益的委员会、并且向该等委员会授予持有人自身可通过特别决议行使的任何权利。

其他决议除非另行规定，须经与会的 50%以上表决票数通过。

3、由持有当时债券本金金额的 75%以上的持有人或其代理人签署的书面决议应同持有人如期召开和举行的会议上通过的特别决议一样有效并产生法律效力。该书面决议可以相同内容包含于一个文件或多个文件中，且应由一个或以上的持有人或代表其签署。

4、若会议开始后 30 分钟内，出席人数不足会议法定人数，则（1）如果该会议是根据持有人要求召集的，则该会议应被取消，（2）在其他情况下，该会议应在会议主席规定的日期和地点延期召开。延期召开会议的日期应为原定会议日期后第 14 天与第 42 天之间的时间。

5、在延期会议上，关于会议事项的决议（特别决议除外），延期会议法定人数为总计持有或代表任何未偿还债券本金金额并亲自出席会议的两名或两名以上有权出

席持有人会议的持有人（或其正式任命的代理人）。在上述第 4 款规定情况下延期的会议上，可针对在原本应正常召集的会议上有效通过的事项做出决议。关于上述第 2 款规定的特别决议，其延期会议法定人数为总计持有或代表未偿还债券本金金额不少于 25%（含 25%）并亲自出席会议的两名或两名以上有权出席持有人会议的持有人（或其正式任命的代理人），但是关于下述第 11 款规定所列的任何事项的决议，其延期会议法定人数应为总计持有或代表未偿还债券的本金金额不少于 50%并亲自出席会议的两名或两名以上有权出席持有人会议的持有人（或其正式任命的代理人）。

6、由会议提出并同意后，主席有权决定会议时间及会议地点。在本条的情况下，延期的会议上不得对在原先正常召集的会议上无法批准（因出席人数不足会议法定人数除外）的事项做出决议。

7、若会议因未达到法定人数而延期，则应至少提前 10 日按照与原定会议相同的方式发出通知。该通知应列明延期会议的法定出席人数。除此之外，无须就该延期会议发出任何通知。

8、向会议提交的每一个问题应由与会的有权出席持有人会议的持有人或其正式任命的代理人投票表决。每一张债券（面值为 100 元人民币）拥有一票表决权。

9、在主席或发行人在会议上唱票之后，主席应宣布通过决议、特别多数票通过决议、未通过决议或未经特别多数票通过决议。该宣布为投票结果的最终证据，无须提供赞成或反对该决议的票数或比例的记录。

10、发行人（通过其代表）以及其各自财务与法律顾问可参加持有人会议并在会议上发言。除了前述人员以及有权出席持有人会议的持有人或其正式任命的代理人，任何人不得参加持有人会议或在会议上发言。中国银行股份有限公司在其按照债券条款的规定召集会议的情况下，也可参加持有人会议或在会议上发言，但其仅可就与其作为会议召集人有关的管理性事项发言。

11、受限于本债券发行条款的规定，除本章规定的权利之外，持有人会议还可以通过特别决议决定下述事项。本条规定不影响赋予其他人的任何权利：

- (1) 修改债券本金的到期日或债券应付利息日期；
- (2) 减少或撤销债券本金，或赎回债券的应付赎回价款，或债券利息；
- (3) 更改债券的支付货币；
- (4) 修改关于持有人会议所需的法定人数或需大多数通过特别决议的规定；
- (5) 就需经特定法定人数通过的特别决议所授予或作出债券条款要求的任何权限、指示或批准；或

(6) 修改本条的任何部分。

上述第 1 款中的特定法定人数要求应适用于本募集说明书中本债券发行条款第 41 条中列明的任何提议以及对其法定人数要求的任何修订。该每一事项应当经特别决议批准和发行人同意之后方能生效。

12、若持有人会议决议（包括一般决议和特别决议）根据本章节的规定在正式召集、召开的持有人会议上通过，则应对全部持有人具有约束力，不管持有人是否出席会议，每一位持有人均应使特别决议生效。决议通过即为该决议正当性的最终证明。发行人应在持有人会议通过决议当日后 14 日内通过中国外汇交易中心、托管机构以及交易商协会认可的其他网站公布，或按照有关主管部门或监管机构指定的方式向投资者披露该决议决定，但如果发行人未能在该期限内作出披露，决议不会因此失去效力。

13、每次会议上的决议与召开程序均应予以记录，如果该记录由该次或下一次持有人会议的主席签署，则该记录应为其记载之事项的最终证据。除非有相反证据，若已根据上述方式做出并签署会议记录，则该会议应视为已适当召集、召开，在该会议上通过的决议或召开程序亦应视为适当。

## 第十七章 与本债券发行有关的机构

- 发行人： 加拿大不列颠哥伦比亚省
- 地址： Ministry of Finance, Provincial Treasury, Debt Management Branch, 620 Superior Street, Victoria, British Columbia, Canada
- （中文译名：加拿大不列颠哥伦比亚省维多利亚市，索匹亚大街 620 号，财政部，省资金部，债务管理部门）
- 邮政编码： V8W 9 V1
- 联系人： Jim Hopkins
- 联系电话： +1 250 387 5729
- 传真： +1 250 387 6577
- 联席主承销商： 中国银行股份有限公司
- 地址： 中国北京市复兴门内大街 1 号
- 联系人： 夏季、何帆、何希子
- 联系电话： +86 10 6659 5090、+86 10 6659 2490、+86 10 6659 2195
- 传真： +86 10 6659 1706
- 汇丰银行（中国）有限公司
- 地址： 中国上海市浦东新区世纪大道 8 号上海国金中心汇丰银行大楼 32 层
- 联系人： 王生、虞梦佳
- 联系电话： +86 10 5999 8150、+86 21 3888 3879
- 传真： +86 21 2320 8533
- 承销团  
（排名不分先后）： 国家开发银行股份有限公司
- 注册地址： 北京市西城区阜成门外大街 29 号
- 法定代表人： 胡怀邦
- 联系人： 郭静文



联系电话：010-88303092

传真：010-88303364

邮政编码：100031

中国工商银行股份有限公司

注册地址：北京市西城区复兴门内大街 55 号

法定代表人：姜建清

联系人：王楠

联系电话：010-66107599

传真：010-66108533

邮政编码：100140

中国农业银行股份有限公司

注册地址：北京市东城区建国门内大街 69 号

法定代表人：刘士余

联系人：秦兆

联系电话：010-85607507

传真：010-85126513

邮政编码：100005

中国建设银行股份有限公司

注册地址：北京市西城区金融大街 25 号

法定代表人：王洪章

联系人：刘珂

联系电话：010-88007049

传真：010-67597774

邮政编码：100033

中国交通银行股份有限公司

注册地址：上海市银城中路 188 号

法定代表人：牛锡明

联系人：廖斯颖

联系电话：021-38579202

传真：021-68870216

邮政编码：200120

浦东发展银行股份有限公司

注册地址：上海市中山东一路 12 号

法定代表人：吉晓辉

联系人：尹哲

联系电话：021-61616067

传真：021-63604215

邮政编码：200001

中国民生银行股份有限公司

注册地址：北京市西城区复兴门内大街 2 号

法定代表人：洪崎

联系人：孟林

电话：010-58560666-9618

传真：010-58560742

邮政编码：100031

宁波银行股份有限公司

注册地址：浙江省宁波市鄞州区宁南南路 700 号

法定代表人：陆华裕

联系人：张洋杰

联系电话：021-23262680

传真：021-63586853

邮政编码：200120

中信证券股份有限公司

注册地址：深圳市福田区中心三路 8 号

法定代表人：王东明

联系人：鹿增锐、赵乾甫

联系电话：010-60838307、010-60836513

传真：010-60836513

邮政编码：100026

招商证券股份有限公司

注册地址：深圳市福田区益田路江苏大厦 A 座 38-42 层

法定代表人：宫少林

联系人：康卓颖

电话：021-20398522

传真：021-68407987

邮编：200122

蒙特利尔银行（中国）有限公司

注册地址：北京市朝阳区建国路 77 号华贸中心 3 号写字楼 27 层 03B 单元

法定代表人：余俊明

联系人：区思倍

联系电话：020-38150222

传真：020-38150298

邮政编码：100025

审计机构：

加拿大不列颠哥伦比亚省总审计长办公室

地址：623 Fort Street, Victoria, BC, V8W 1G1, Canada

（中文译名：加拿大不列颠哥伦比亚省维多利亚市福特大街 623 号）

邮编：V8W 1G1

联系人：Russ Jones

联系电话：+1 250 419 6103

发行人律师：

金杜律师事务所

地址：北京市朝阳区东三环中路7号北京财富中心写字楼  
A座40层

联系人：陈已昕

联系电话：+86 10 5878 5588

传真：+86 10 5878 5599

地址：香港中环皇后大道中15号置地广场告罗士打大厦  
13层F

联系人：Richard Mazzochi

联系电话：+852 3443 1000

传真：+852 3443 1299

发行人加拿大法律顾问：

加拿大不列颠哥伦比亚省司法厅

联系人：Homi Bindra

联系电话：+1 250 356 8468

传真：+1 250 387 1010

债券登记和托管机构：

银行间市场清算所股份有限公司

地址：上海市黄浦区北京东路2号

联系人：发行岗

电话：+86 21 2319 8888

传真：+86 21 2319 8866

集中簿记建档系统技术支持机构

北京金融资产交易所有限公司

地址：北京市西城区金融大街乙17号

法定代表人：郭欠

联系人：发行部

电话：010-57896722、010-57896516

传真：010-57896726

邮政编码：100032

## 第十八章 备查文件

### 一、 备查文件

下列文件可在下文“二”所述的地址查阅。

- 1、 交易商协会《接受注册通知书》（中市协注[2015]RB1号）；
- 2、 最新汇编的《不列颠哥伦比亚省金融管理法》副本（英文版）；
- 3、 发行人2014/15年度《公共账册》（英文版）副本，及其中摘录的“简明财务报告”章节的中文译本；
- 4、 发行人2013/14年度《公共账册》（英文版）副本，及其中摘录的“简明财务报告”章节的中文译本；
- 5、 发行人《2015/16年度至2017/18年度预算及财政计划》副本（英文版），以及“财政及债务摘要—2015/16年度至2017/18年度预算及财政计划”副本（英文版）；
- 6、 “截至2016年3月31日止财政年度预测”副本（英文版）；
- 7、 “截至2016年3月31日止财政年度预测补充”副本（英文版）；
- 8、 不列颠哥伦比亚省2015年度《财政及经济回顾》副本（英文版）；
- 9、 《2015/16年度第一季度报告》副本（英文版），以及《财政及债务摘要—2015/16年度至2017/18年度第一季度报告》副本（中英文版）；
- 10、 《2014/15年度第二季度报告》副本（英文版），以及《财政及债务摘要—2014/15年度第二季度报告》副本（中英文版）；
- 11、 北京市金杜律师事务所关于本项目的法律意见书副本；
- 12、 不列颠哥伦比亚司法厅关于设立本项目的法律意见书副本（中英文版）；
- 13、 标准普尔服务有限公司、麦格劳·希尔金融公司的子公司及穆迪投资者服务公司有关发行人的离岸信用评级的最新信用评级报告副本。

有关披露文件将通过发行人在托管机构网站（<http://www.shclearing.com>）及中国货币网（<http://www.chinamoney.com.cn>）发布，并以援引纳入的方式包含于本募集说明书中，详见第十四章“信息披露安排”。更新报告（或者该更新报告所引用的文件）或以援引纳入本募集说明书的任何文件中的任何陈述，无论是英文版本还是中文版本，以及发布于托管机构网站及中国货币网的文件（无论其为英文或中文），应当在适用情况下（是否为明示、暗示或其他）被认作是对本募集说明书中或者是对被本募集说

明书所引用的文件中的陈述的变更或取代。任何被变更或者取代的陈述，除非是按照上述要求变更或者取代的，均不应当构成本募集说明书的一部分。

## 二、 本募集说明书的存放地点

投资者可在下列地点查阅本募集说明书全文和上述其他备查文件：

发行人： 加拿大不列颠哥伦比亚省  
地址： Ministry of Finance, Provincial Treasury, Debt Management Branch, 620 Superior Street, Victoria, British Columbia, Canada V8W 9 V1（中文译名：加拿大不列颠哥伦比亚省维多利亚市，索匹亚大街 620 号，财政部，省资金部，债务管理部门）  
邮政编码： V8W 9 V1  
联系电话： +1 250 387 8815  
传真： +1 250 387 3024

联席主承销商： 中国银行股份有限公司  
地址： 中国北京市复兴门内大街 1 号，投资银行与资产管理部  
邮政编码： 100818  
法定代表： 田国立  
联系人： 何帆、何希子  
联系电话： +86 10 6659 2490、+86 10 6659 2195  
传真： +86 10 6659 1706

联席主承销商： 汇丰银行（中国）有限公司  
地址： 上海市浦东新区世纪大道 8 号上海国金中心汇丰银行大楼 32 层  
邮政编码： 200120  
法定代表： 廖宜建  
联系人： 王生、虞梦佳  
联系电话： +86 10-5999 8150、+86 21-3888 3879  
传真： +86 21-2320 8533

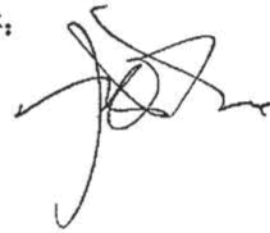
投资者如对本募集说明书以及上述所提到的备查文件有任何疑问，应当咨询自己的证券经纪人、律师、专业会计师或者其他专业顾问。

(本页无正文，为《加拿大不列颠哥伦比亚省 2016 年度第一期债券募集说明书》  
之签署页)

**Province of British Columbia**

(加拿大不列颠哥伦比亚省)

签字:

A handwritten signature in black ink, consisting of several overlapping loops and a long vertical stroke extending downwards.



**So, Herman (HK)**

---

**From:** claire.m.j.yu@hsbc.com.cn  
**Sent:** Wednesday, 20 January 2016 4:10 PM  
**To:** Hopkins, Jim FIN:EX; Mazzochi, Richard (HK); 'hefan@bankofchina.com'; 'hefantz\_hq@mail.notes.bank-of-china.com'; 'JACQUELINEYAM@CA.BOCUSA.COM'; 'dcmhk@bocgroup.com'; 'hexizi\_hq@mail.notes.bank-of-china.com'; 'Michael.Shepherd@gov.bc.ca'; 'Matthew.ORae@gov.bc.ca'; 'Neil.Philadelphia@gov.bc.ca'; 'Jacqueline.Rawluk@gov.bc.ca'; 'David.Latham@gov.bc.ca'; 'Homi.Bindra@gov.bc.ca'; 'Kevin.Redchurch@gov.bc.ca'; Chen, Christine (Yixin) (CN); Siu, Minny (HK); KWM HK Panda 1; projectbeibei@hsbc.com.hk; delphinelee@hsbc.com.hk; simonsavall@hsbc.com.hk  
**Subject:** BC Panda Bond Subscription Instruction Annoucement via Blommberg  
**Categories:** Important

Dear all,

Please kindly find the draft subscription instruction summary for BC. Could you kindly let me know your comments in the **next hour**?

We intend to release the announcement via Bloomberg post publication of the document on Shanghai Clearing House.

+++++

NOT FOR DISTRIBUTION DIRECTLY OR INDIRECTLY IN OR INTO THE UNITED STATES OR TO U.S. PERSONS

LOGISTICS ON HOW TO PARTICIPATE PROVINCE OF BRITISH COLUMBIA ONSHORE RMB BOND

On 20 January 2016, the Province of British Columbia has published its subscription instruction (申购说明) on the websites of the Shanghai Clearing House for its potential onshore RMB bond (the "Bonds") issue (for the full link please see below)

Website Links  
- Shanghai Clearing House:  
[TBC]

**Summarised Subscription Instruction Key Items**

Issuer: Province of British Columbia  
Price Range: 2.70%-3.30%, minimum subscription price digit is 0.01%  
Book Open Period: 9:00 - 16:30pm on 21th January 2016  
Bookrunner: Bank of China Limited  
Joint Lead Underwriters: Bank of China Limited, HSBC Bank (China) Company Limited  
Syndicate Members: CDB, ICBC, CCB, Bocomm, ABC, China Minsheng Bank, SPDB, Bank of Ningbo, CITIC Securities, China Merchants Securities, Bank of Montreal  
Offering Method: Public offering through a centralized Bookbuilding at the Beijing Financial Assets Exchange. Only orders from Joint Lead Underwriters and syndication members will be accepted for this transaction. All other investors please place the order via BOC, HSBC or any member within the syndicate group for the subscription of the bond.

The Bonds will be only offered or distributed to institutional investors of the PRC interbank bonds market (other than purchasers prohibited under PRC laws, regulations and these distribution restriction provisions) and the Bonds will be only traded among institutional investors of the PRC interbank bonds market (other than purchasers prohibited from

the PRC laws, regulations and these distribution restriction provisions).

This communication is not an offer to sell or a solicitation of an offer to buy securities in the United States or any other jurisdiction. The Bonds referred to herein have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act"), or any state securities laws of the United States, and, subject to certain exceptions, may not be offered or sold in the United States or to or for the benefit of U.S. persons (as defined in Regulation S under the Securities Act) absent registration or an applicable exemption from the registration requirements of the Securities Act and applicable state securities laws of the United States. There will be no public offering of the Bonds in the United States. Nothing in this communication shall constitute an offer to sell or the solicitation of an offer to buy the Bonds in any jurisdiction in which such offer or sale would be unlawful. After the completion of the issue of the Bonds and confirmation of the rights and obligations relating to the Bonds, and upon completion of registration with the Interbank Market Clearing House Co., Ltd. ("Shanghai Clearing House"), the Bonds can be traded in the PRC interbank bonds market in accordance with its rules. Potential investors should consult their own advisers (including their onshore RQFII or CIBM custodians as appropriate) to determine eligibility to invest in this deal.

Best regards,

**Claire M J YU**

Associate | Debt Capital Markets | HSBC Bank (China) Company Limited  
Level 32, HSBC Building, Shanghai IFC  
8 Century Avenue, Pudong District, Shanghai, China, 200120

---

Phone +86 21 3888 3879  
Mobile +86 150 2687 6160  
Email [claire.m.j.yu@hsbc.com.cn](mailto:claire.m.j.yu@hsbc.com.cn)

---

\*\*\*\*\*  
HSBC Bank (China) Company Limited  
HSBC Building, Shanghai ifc, 8 Century Avenue, Pudong, Shanghai, China (Postal code: 200120)  
汇丰银行（中国）有限公司  
中国上海市浦东新区世纪大道 8 号上海国金中心汇丰银行大楼（邮政编码：200120）  
\*\*\*\*\*

---

\*\*\*\*\*  
**This e-mail is confidential. It may also be legally privileged.  
If you are not the addressee you may not copy, forward, disclose  
or use any part of it. If you have received this message in error,  
please delete it and all copies from your system and notify the  
sender immediately by return e-mail.**

**Internet communications cannot be guaranteed to be timely,  
secure, error or virus-free. The sender does not accept liability  
for any errors or omissions.**  
\*\*\*\*\*  
**"SAVE PAPER - THINK BEFORE YOU PRINT!"**