

**Announcement: Moody's Issues Annual Report on Municipal Finance Authority of British Columbia**

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Toronto, March 14, 2011 -- In its annual report on the Municipal Finance Authority of British Columbia (MFABC), Moody's Investors Service says that the Authority's Aaa rating reflects a strong institutional framework and substantial liquidity. Moody's also assigns a Prime-1 (P-1) rating to MFABC's commercial paper program.

"MFABC's strong institutional framework provides significant debenture holder security, including the joint and several liability of members of regional districts that borrow from MFABC and the unlimited taxing powers on all taxable properties in the province of British Columbia," says Moody's Assistant Vice President Jennifer Wong, lead analyst for MFABC and co-author of the report. Furthermore, as in other Canadian provinces, British Columbia exercises a high degree of oversight over municipal financial activities, resulting in strong municipal finance performance and balance sheets.

MFABC's Aaa rating is also supported by substantial liquidity. The Authority's total cash and investments (excluding the Debt Reserve Fund) measured C\$1.6 billion at December 31, 2010, equivalent to roughly 25% of MFABC's total debt outstanding. The Municipal Finance Authority Act of British Columbia also requires that MFABC's clients make contributions to a Debt Reserve Fund, which amounted to an additional C\$108 million at the end of 2010. Although the MFABC has never had to rely on the Debt Reserve Fund, this additional liquidity provides further security in the event of non-payment by a participating municipality.

MFABC is a non-share capital corporation that was created in 1970 by the Canadian province of British Columbia. MFABC acts as the central borrowing agency for financing capital requirements of municipalities and regional districts, including hospital districts, in British Columbia.

The rating agency's report is a yearly update to the markets and does not constitute a rating action.

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