

Announcement: [Municipal Fin. Authority of British Columbia](#)

MOODY'S ISSUES ANNUAL REPORT ON MUNICIPAL FINANCE AUTHORITY OF BRITISH COLUMBIA

Toronto, March 23, 2006 -- In its annual report on the Municipal Finance Authority of British Columbia (MFA), Moody's Investors Service says the MFA's Aaa rating and stable outlook are supported by a strong institutional framework and substantial liquidity.

"Significant security for bondholders is provided by the institutional framework, including the joint and several liability of members of regional districts that, in turn, borrow from the MFA and the authority to levy a tax on all taxable properties within the province, combined with substantial liquidity provided by a general sinking fund," says Moody's Senior Credit Officer David Rubinoff, author of the report.

The primary source of security for debentures issued by the MFA is payments made by members pursuant to loan agreements, which include amounts designated for principal and interest, and required contributions to a Debt Reserve Fund.

"Provincial oversight ensures that municipalities remain fiscally conservative," says Mr. Rubinoff, "as a result, municipal reserves have been increasing and their debt outstanding is, on average, small relative to the limits prescribed in provincial legislation."

In recent years, the MFA has taken on greater responsibility for borrowing on behalf of the Greater Vancouver Regional District's (GVRD) regional transit system, Translink. Loans to the GVRD now represent over 50% of the MFA's outstanding loan portfolio. While this share is likely to increase in the coming years, Moody's does not expect that this change will result in any significant deterioration of the MFA's credit quality and notes that concentration risk is significantly reduced as loans to GVRD are supported by the joint and several liability of all 21 municipalities that make up the region.

The rating agency's report, "Municipal Finance Authority of British Columbia 2006 Credit Analysis," is a yearly update to the markets and is not a rating action.

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