

PROVINCE OF BRITISH COLUMBIA

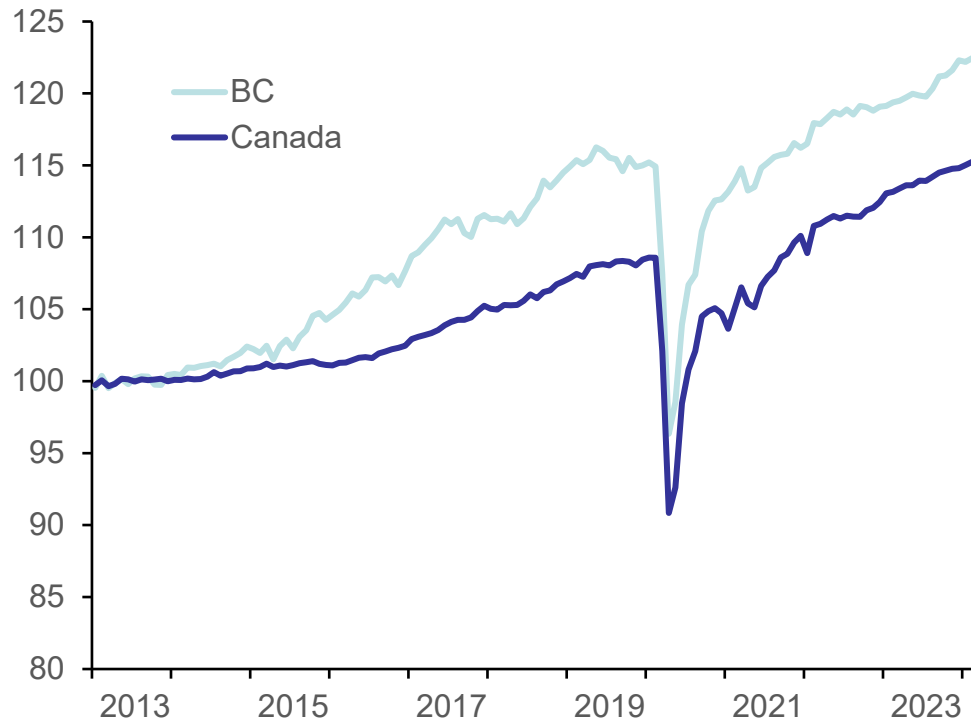
Pacific Northwest Tour - 2024



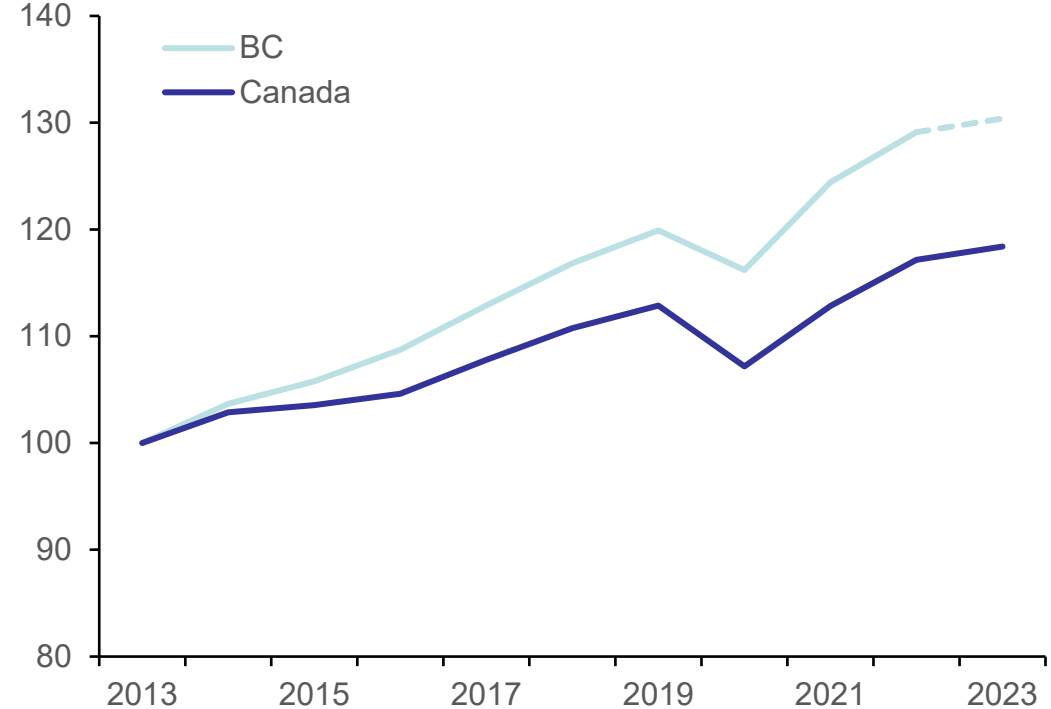
Ministry of
Finance

BC's economy outperforms over last decade

Employment Index
(2013 = 100)



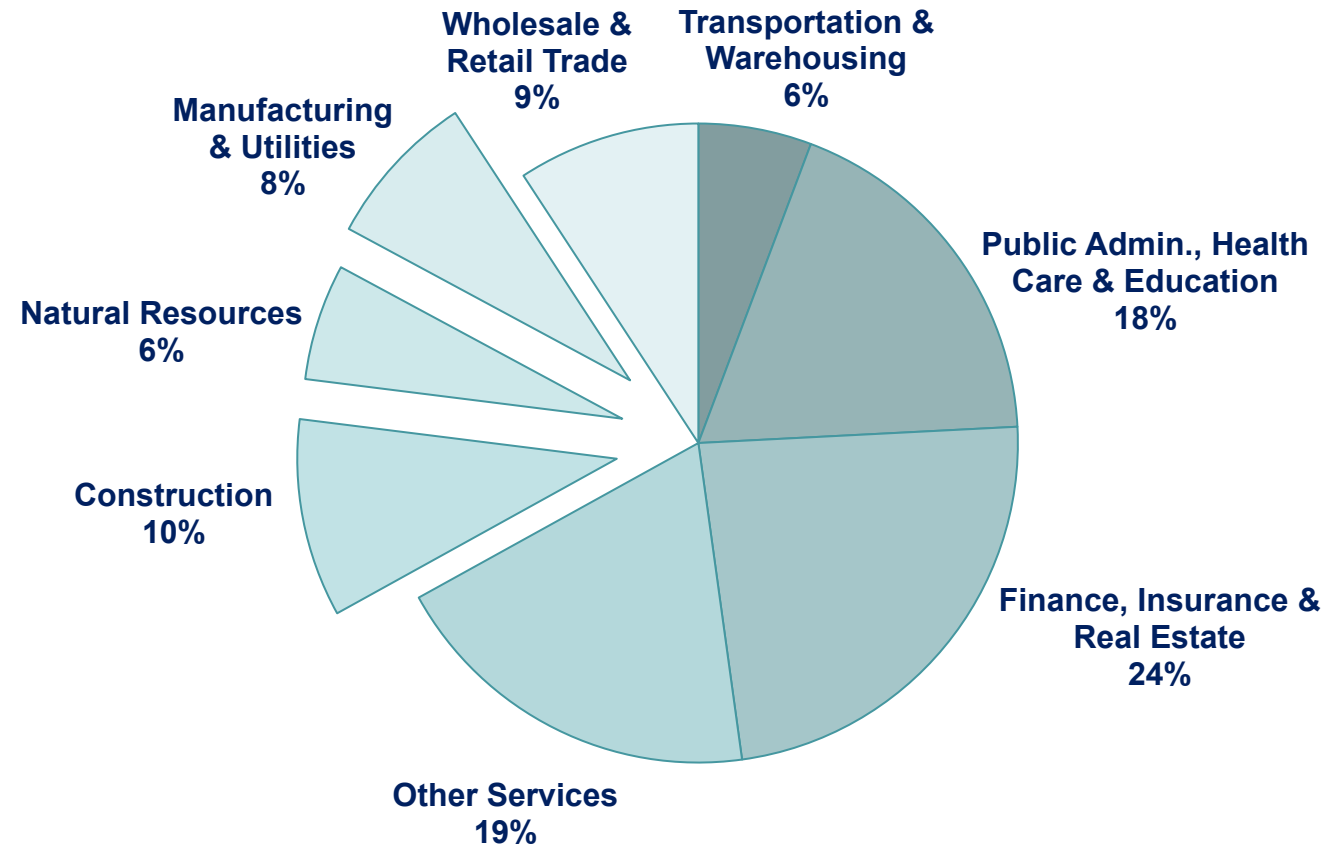
Real GDP Index
(2013 = 100)



Sources: Statistics Canada; Haver Analytics; 2023 BC Real GDP figure is the *Budget 2024* estimate; Ministry of Finance calculations

BC's Diversified Economy

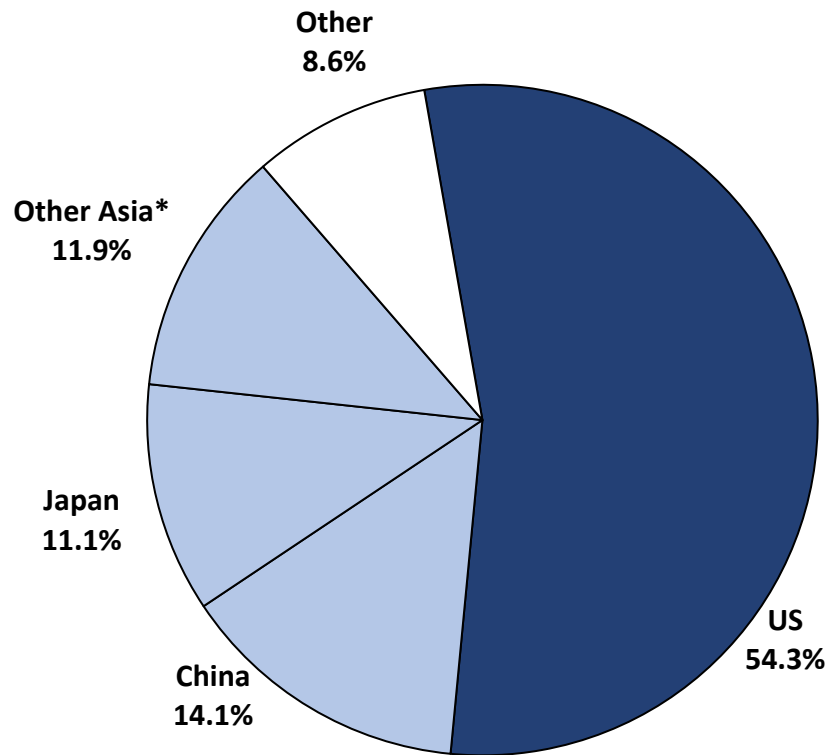
BC's GDP by Major Industry



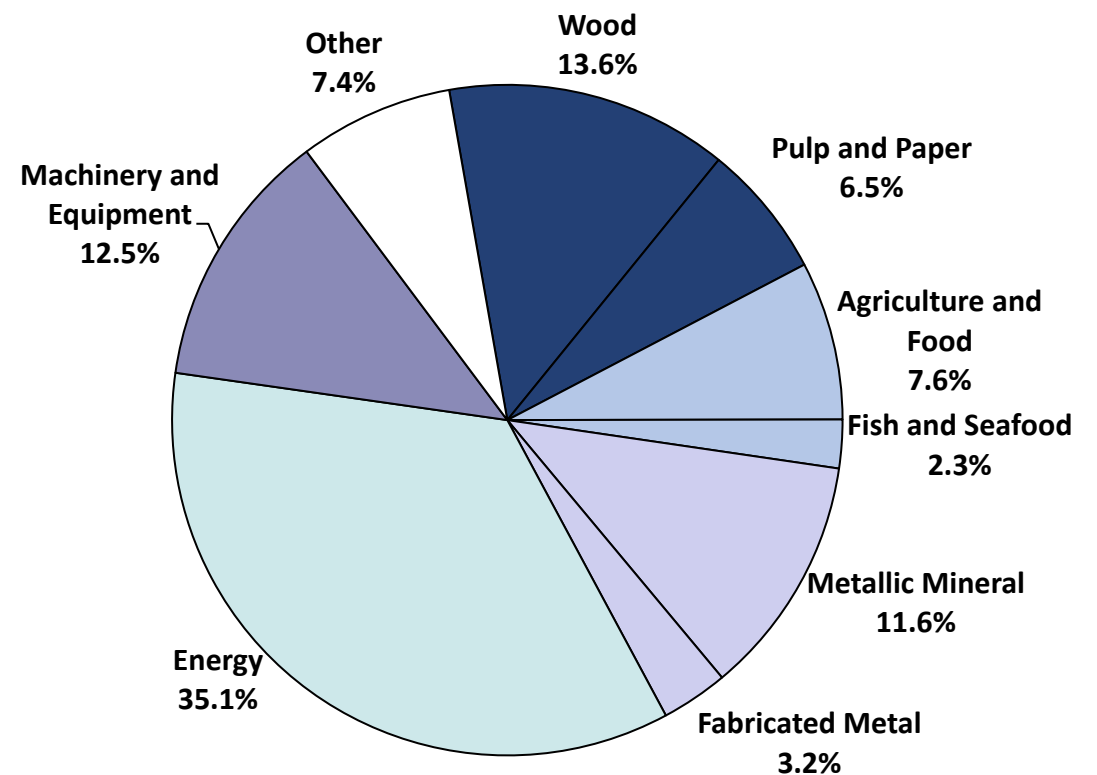
Source: 2023 shares of BC GDP at basic prices by major industry; Statistics Canada (may not add to 100 per cent due to rounding)

Trade Diversity

BC's annual share of international goods exports by country, 2023



BC's annual share of international goods exports by commodity, 2023

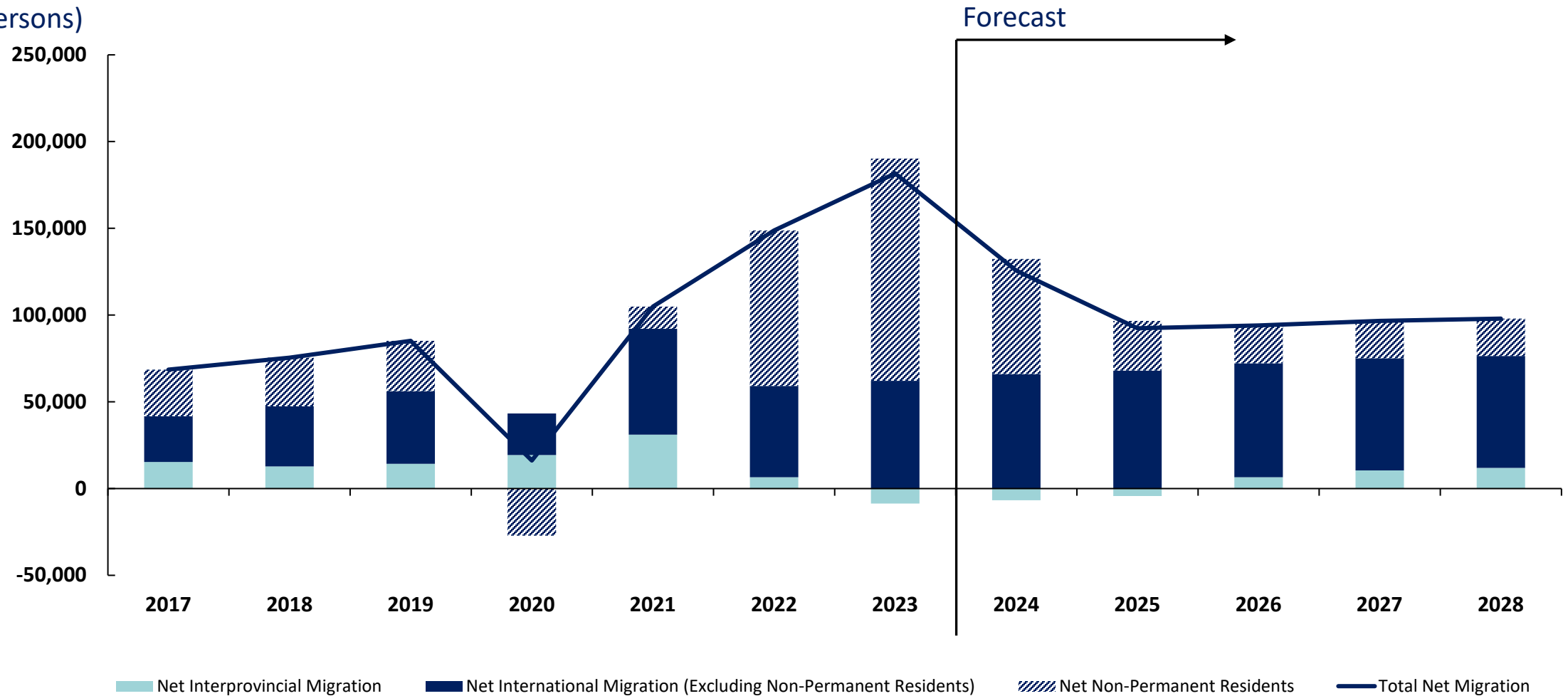


*Other Asia includes Hong Kong, Taiwan, South Korea, India and ASEAN member countries
Source: BC Stats (may not add to 100 per cent due to rounding)

Source: BC Stats (may not add to 100 per cent due to rounding)

Total Net Migration

BC total net migration trend
(persons)

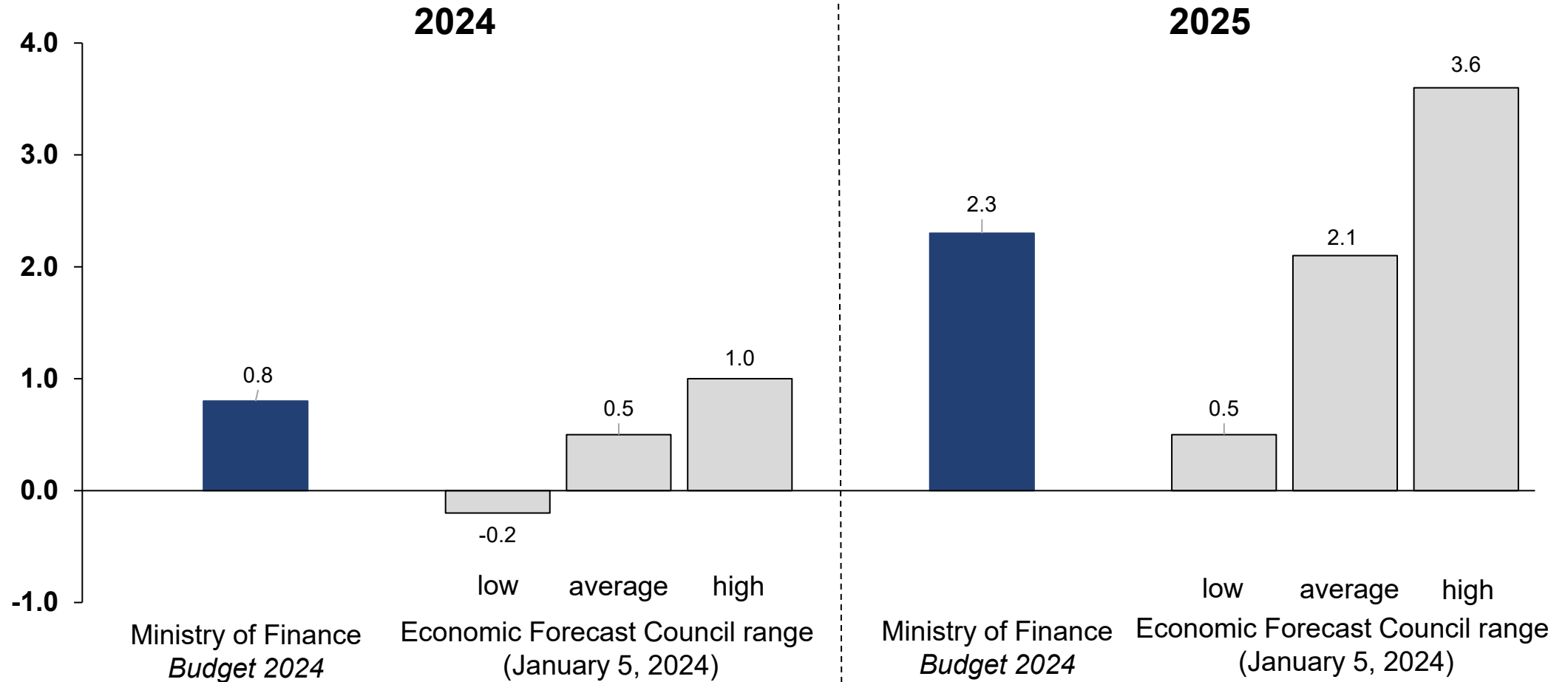


Summary of Current Economic Situation

| Indicator | Performance |
|----------------------------|--|
| Labour Market | Employment is up by 2.8% in 2024; unemployment rate at 5.6% in May 2024 |
| Population | International migration reached a record-high in 2023, while interprovincial migration posted a small decline |
| Consumer Spending | Retail sales are down 0.7% so far in 2024 |
| Inflation & Interest Rates | Inflation was 2.9% in April 2024; housing costs remain high; further interest rate cuts are expected this year |
| Housing Market | Housing starts reached a record high of 50,490 units in 2023; home sales activity remains subdued in 2024 |
| Exports | The value of merchandise exports is down 3.8% in 2024, largely due to lower prices for key commodities |

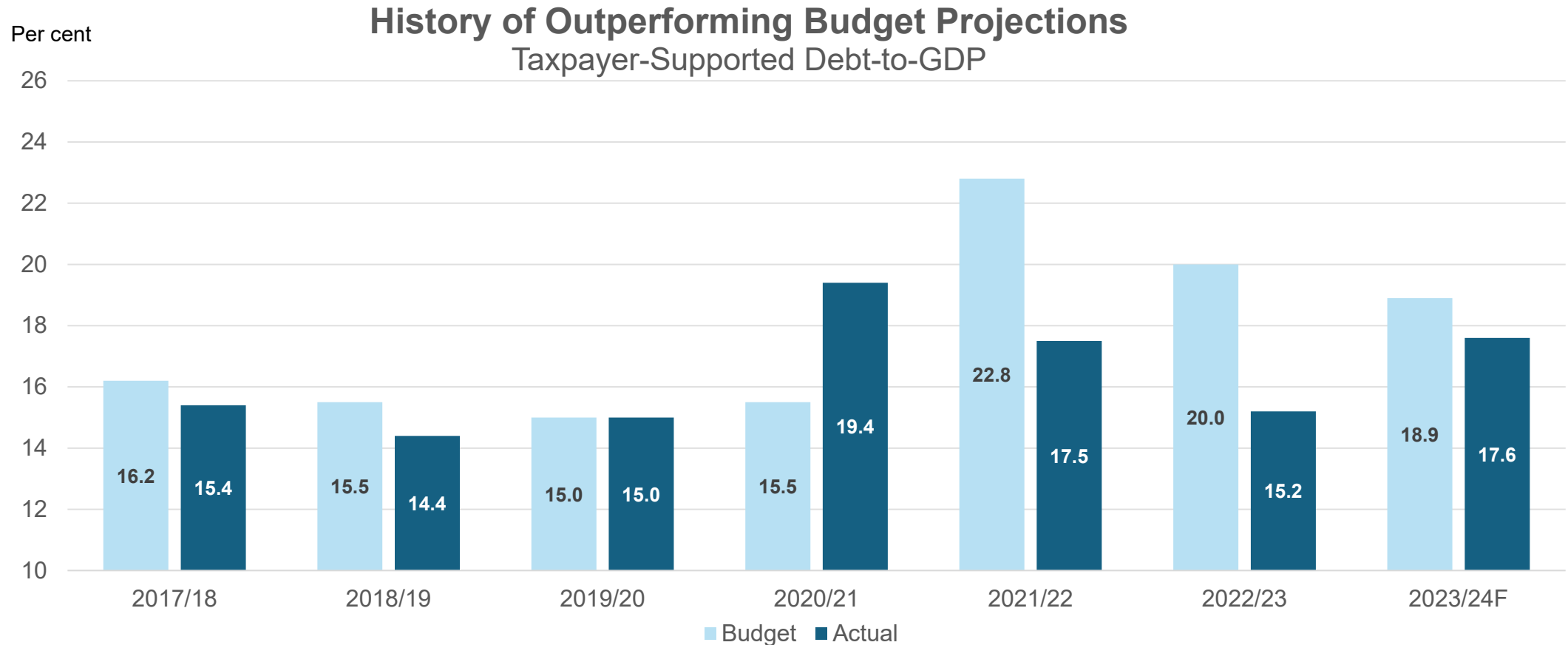
Budget 2024 BC Economic Outlook

BC real GDP (annual per cent change)



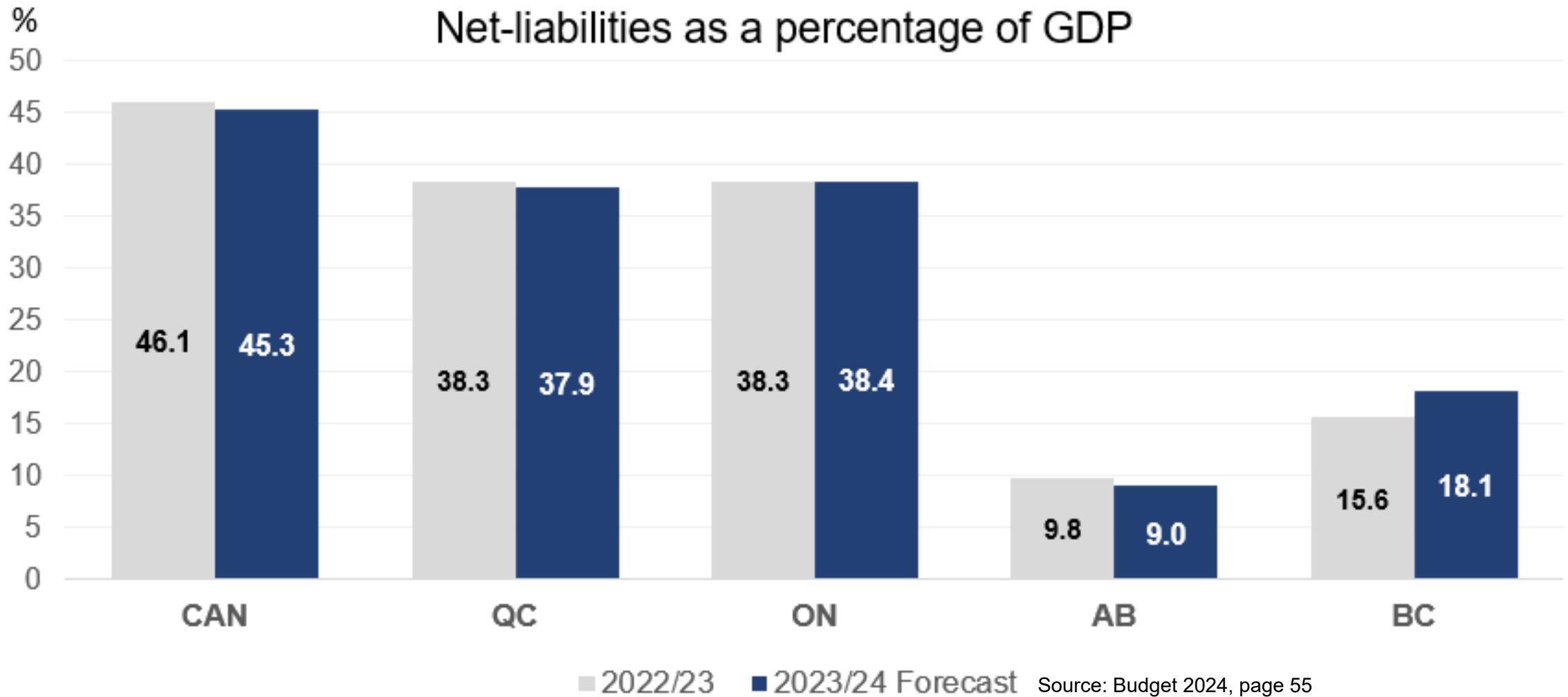
Sources: BC Ministry of Finance; Economic Forecast Council range (low/average/high of Economic Forecast Council).

Strong Fiscal Management



- Strong history of achieving or exceeding fiscal targets including reporting surpluses in 8 of the last 10 years and outperforming debt metric projections

Debt Sustainability



Fiscal Plan Summary

| (\$ millions) | Updated Forecast 2023/24 | Budget Estimate 2024/25 | Plan 2025/26 | Plan 2026/27 |
|--|-----------------------------|----------------------------|-----------------|-----------------|
| Revenue | 77,320 | 81,523 | 82,838 | 86,408 |
| Expense | (77,734) | (85,549) | (87,591) | (88,966) |
| Contingencies | (5,500) | (3,885) | (3,020) | (3,730) |
| Deficit | (5,914) | (7,911) | (7,773) | (6,288) |
| Capital spending: | | | | |
| Taxpayer-supported capital spending | 10,107 | 14,104 | 15,082 | 14,083 |
| Self-supported capital spending | 4,752 | 4,652 | 3,955 | 4,623 |
| Total capital spending | 14,859 | 18,756 | 19,037 | 18,706 |
| Provincial Debt: | | | | |
| Taxpayer-supported debt | 71,863 | 88,639 | 109,182 | 126,499 |
| Self-supported debt | 31,920 | 34,628 | 36,078 | 38,474 |
| Total debt | 103,783 | 123,267 | 145,260 | 164,973 |
| Taxpayer-supported debt-to-GDP ratio | 17.6% | 21.0% | 24.8% | 27.5% |
| Taxpayer-supported debt-to-revenue ratio | 95.1% | 111.8% | 136.2% | 151.2% |
| Taxpayer-supported interest bite | 3.2 | 3.8 | 4.6 | 5.4 |
| Economic Forecast: | | | | |
| Real GDP growth | 2023 | 2024 | 2025 | 2026 |
| Nominal GDP growth | 1.0% | 0.8% | 2.3% | 2.4% |
| | 3.2% | 3.3% | 4.4% | 4.5% |

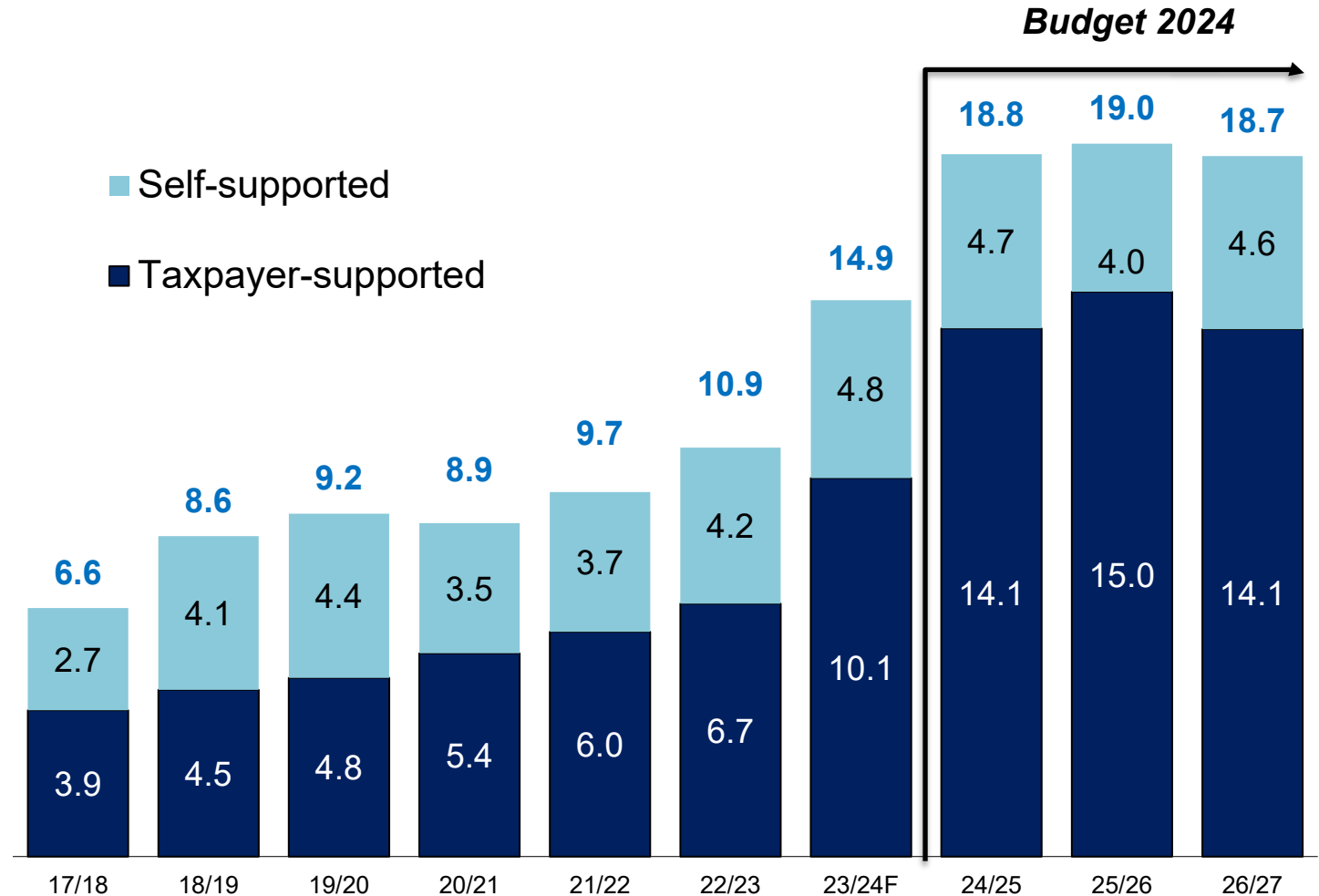
- Prudent fiscal plan that fully funded public sector wage mandate and includes substantial contingencies
- Provides targeted new funding in priority areas including health, housing and the clean economy to support a growing population
- Provincial debt metrics are expected to grow but will remain affordable

Budget 2024

Capital Spending Plan

\$ billions

- \$56.5 billion over the next three years to deliver the critical infrastructure to support a growing population
- Funding supports more schools, health care facilities, housing, transportation infrastructure and hydro-electric projects and upgrades



Strategic Investments

StrongerBC Investment Framework

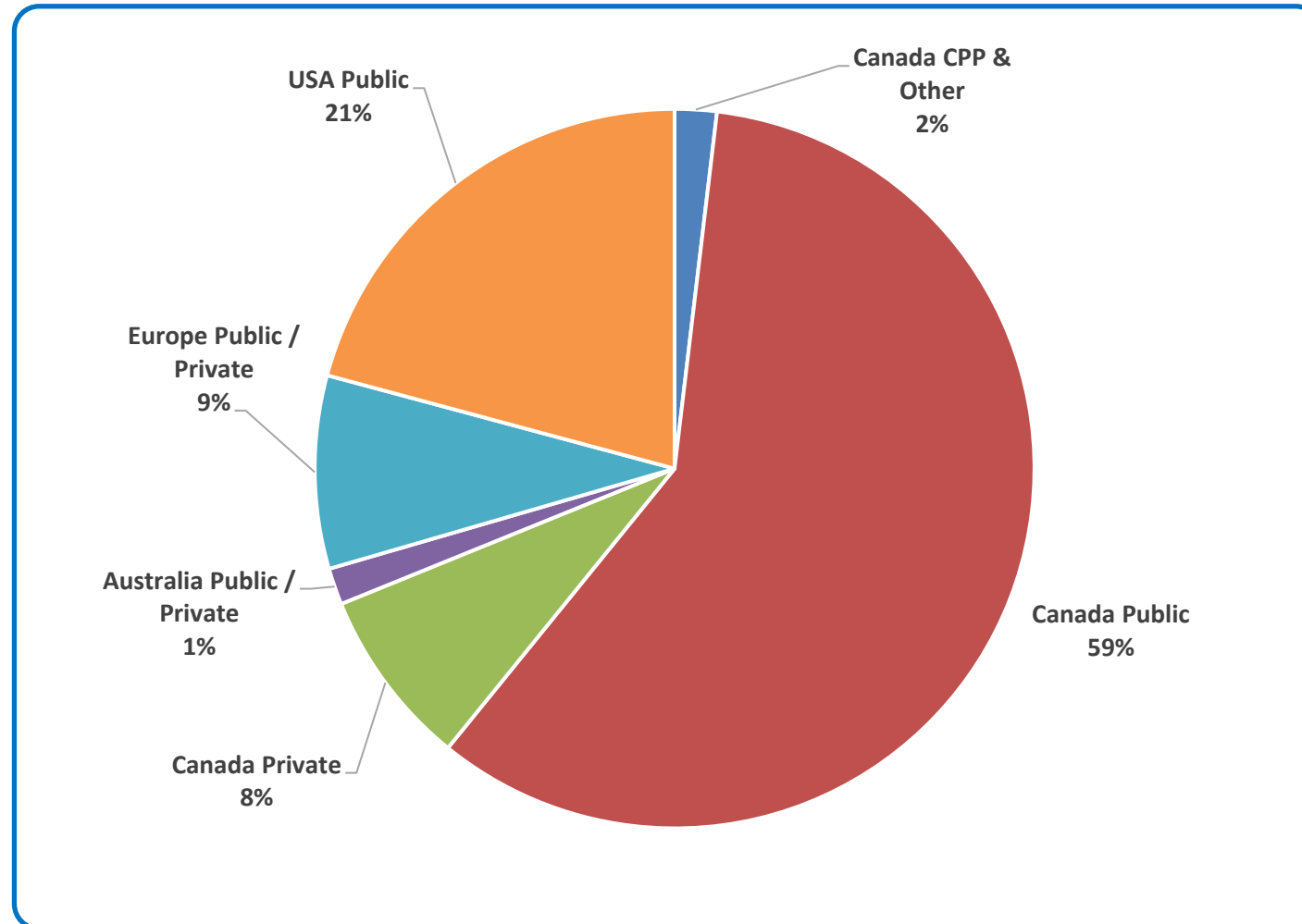
| Business (agreement year) | Total Project Funding | BC Contribution | Canada Contribution | Sector | Est. New Jobs |
|--------------------------------------|----------------------------------|----------------------------|--------------------------------|---------------------|--------------------------|
| Stemcell Technologies (2018) | \$138M | \$22.5M | \$22.5M | Life sciences | 675 |
| AbCellera (2023) | \$701M | \$75M | \$225M | Life sciences | 400 |
| E-One Moli (2024) | \$1.05B | \$80M | \$204M | Clean technology | 450 |

Strategic Investments (continued)

- **Manufacturing Jobs Fund**
- **First Nations Equity Financing Framework**
- **Innovate BC**
- **InBC**
- **New made-in-B.C. Critical Mineral Strategy**
- **BC Hydro Power Pathway**
- **Future Ready Action Plan**

Gross Debt Outstanding by Source at June 18, 2024

Gross Debt Outstanding: \$116.7 Billion



Debt Management



2024/2025 Borrowing Program: C\$24.2 billion (Budget 2024)
-approx. C\$14.3 billion borrowed to date

2025/2026 and 2026/2027 Borrowing Programs: C\$29.5 billion and C\$28.4 billion

Manageable borrowing program

Will rely on province's significant access to domestic and international capital markets

B.C.'s Strong Credit Rating

| Agency | Rating | Outlook |
|--------------------------|---------------|----------------|
| Moody's Investor Service | Aaa | Negative |
| Fitch | AA+ | Stable |
| Morningstar DBRS | AA (high) | Stable |
| Standard and Poor's | AA- | Negative |

BC GOVERNMENT'S APPROACH TO ESG

2023 Climate Change Accountability Report



cleanBC
our nature. our power. our future.



Ministry of
Finance



B.C. Environmental, Social
and Governance (ESG)
Summary Report

Powering a sustainable B.C.

ENVIRONMENTAL, SOCIAL,
AND GOVERNANCE REPORT
FISCAL YEAR 2023

BC Hydro
Power smart



**ESG CENTRE
of Excellence**

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APPENDIX

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Pension Plan Positions

| Pension Plan | Number of Members | Most recent Valuation | Actuarial Basis (millions) | Accrued Basis (millions) |
|-----------------------|--------------------------|------------------------------|-----------------------------------|---------------------------------|
| Teachers' | 104,926 | Dec 31, 2020 | \$1,584 - 105.3% + \$892 RSA | \$3,096 - 114% |
| College | 34,588 | Aug 31, 2021 | \$202 – 103.2% + \$146 RSA | \$477 – 111% |
| Municipal | 421,666 | Dec 31, 2021 | \$3,761 - 105.3% + \$3,185 RSA | \$9,742M – 120.9% |
| Public Service | 150,210 | March 31, 2023 | \$4,491 – 113% + \$1,672 RSA | \$7,006 – 127% |

RSA = Rate Stabilization Account – funds set aside to mitigate future contribution rate increases

Fiscal Plan Measures

- **Measures to incent housing supply and help home buyers**
 - \$198 million over three years in operating and capital funding for BC Builds to deliver more rental homes for people, faster
 - Property transfer tax exemption for new, eligible purpose-built rental buildings between Jan 1, 2025 and Dec 31, 2030 to lower costs and encourage development of rentals
 - \$102 million per year in lower costs for first-time home buyers and people buying a newly built home through increased property tax transfer exemption measures
 - New tax to discourage short-term speculation that inflates housing costs, starting January 1, 2025
- **Support for small and growing businesses**
 - Over \$100 million per year to support small and growing businesses through an Employer Health Tax exemption threshold increase from \$500,000 to \$1 million

Stronger, Cleaner Economy

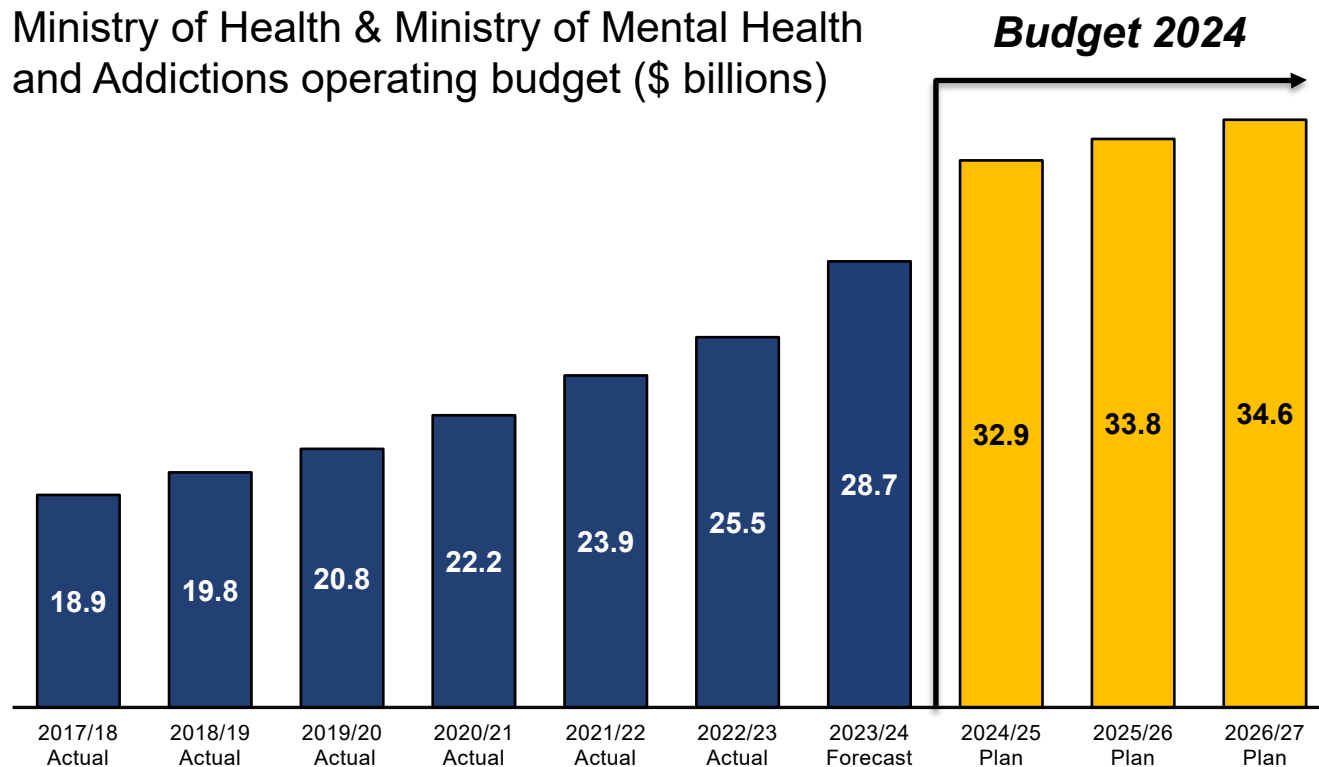
- \$405 million to better prepare for and respond to climate emergencies
- \$435 million for CleanBC and clean economy initiatives including advancing the new made-in-B.C. Critical Mineral Strategy
- \$474 million to support critical transportation networks and community infrastructure
- New tools and planning underway to develop equity financing program framework with First Nations, to support partnerships with industry

Figures represent new spending measures starting in 2023/24 that span the fiscal plan period

Strengthening Health & Mental Health Care

\$6 billion over three years in new health and mental health funding

Ministry of Health & Ministry of Mental Health and Addictions operating budget (\$ billions)



- \$270 million more for cancer care supports
- \$354 million more for home and community care services for seniors
- \$215 million more for mental health, addictions and treatment
- \$68 million to reduce costs for in-vitro fertilization starting in 2025

Figures represent three-year fiscal plan costs

BC's Technology Sector at a Glance

~11,700
BC Tech
Companies

**#1 in Tech
job growth
in NA**

\$45B
Annual
Revenues

~153,000
BC Tech
Workers

\$8.9B
in Exports

#1
Fastest
Growing
Sector in BC

Government Support for Tech and Innovation

- InBC: a new \$500M strategic investment fund for growth of B.C. businesses
- Quantum Algorithms Institute: application of quantum computing technology to real-world problems – government funded
- Innovate BC: Crown Agency delivering programs for entrepreneurs to help start and scale companies
- The BC Knowledge Development Fund: ~ \$862M investment in research infrastructure since 1998
- Michael Smith Foundation for Health Research: \$460M investment since 2001 for Health Research
- \$90M for expanding connectivity throughout the Province

Update on Export Oriented Energy Projects

Natural gas production was approximately 7% higher in 2023 than in 2022.

Upwards of 85% of natural gas production continues to be exported out of the province into Alberta and Washington State.

Exports to commence mid-decade from LNG Canada. Other facilities could come online later in the decade.

Propane exports to Japan and South Korea continue to grow.



B.C.'s ESG Profile

ENVIRONMENTAL

Clean BC – 40% reduction of 2007 GHG emissions by 2030

Carbon Tax – first in North America

Climate Change Accountability Act and Report

LNG – cleanest facilities in the world

Carbon Neutral government operations – including schools, hospitals, universities and core government

Great Bear Rainforest Funding

\$1 billion to protect BC from the effects of climate change (Budget 2024)

SOCIAL

Reconciliation with Indigenous Peoples

Budget 2024 makes \$43.3 billion commitment to capital investments in health, transportation housing and education sectors (over 3 years)

Pandemic Action Plan

Social Infrastructure Investment

Affordable Housing

Robust & Diversified Economy

Poverty Reduction

Child Care

First Nation Equity Finance

Earthquake/Fire Prevention, Preparedness & Response

GOVERNANCE

Declaration on the Rights of Indigenous Peoples Act

Gender Equality / Pay Transparency Reporting

Rule of Law

Budget Transparency & Accountability Act

Balanced Budget & Ministerial Accountability Act

Freedom of Information and Privacy Act

Ethics Advisor

Public Interest Disclosure Act

Information Security

B.C.'s ESG Scores

| Agency | Score | Scale |
|-----------------------------|---|---|
| Moody's Investor's Service* | Credit Impact Score: CIS-2 (neutral-to-low impact) | 1 – 5 (Positive to very highly negative) |
| Fitch* | Credit-Relevant ESG Score: 3 (minimally relevant) | 1 – 5 (Irrelevant to highly relevant to the credit rating) |
| Morningstar DBRS* | No ESG factors cited as credit relevant | n/a |
| MSCI | ESG Rating: AA | CCC to AAA (worst to best) |

*relevance of Province of BC's ESG risk exposure to the credit rating 28

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