



Commercial Paper Program Launch

First Nations Finance Authority – September, 2021

FNFA Overview

Establishment: Established by Federal Legislation under the First Nations Fiscal Management Act in 2005 and operates under the Financing Secured by Other Revenues Regulation.

What we do: FNFA offers pooled financing to First Nation governments across Canada for capital, infrastructure, and economic development projects.

Federal Support:

Credit Enhancement Fund: \$45 mm from the Federal government to provide additional debenture obligation support and bolster FNFA's credit (up from \$10 mm just five years ago)

Market presence:

FNFA has issued annual debentures since 2014; we currently have a \$1.54 bln loan portfolio



Why Invest?

Liquidity:

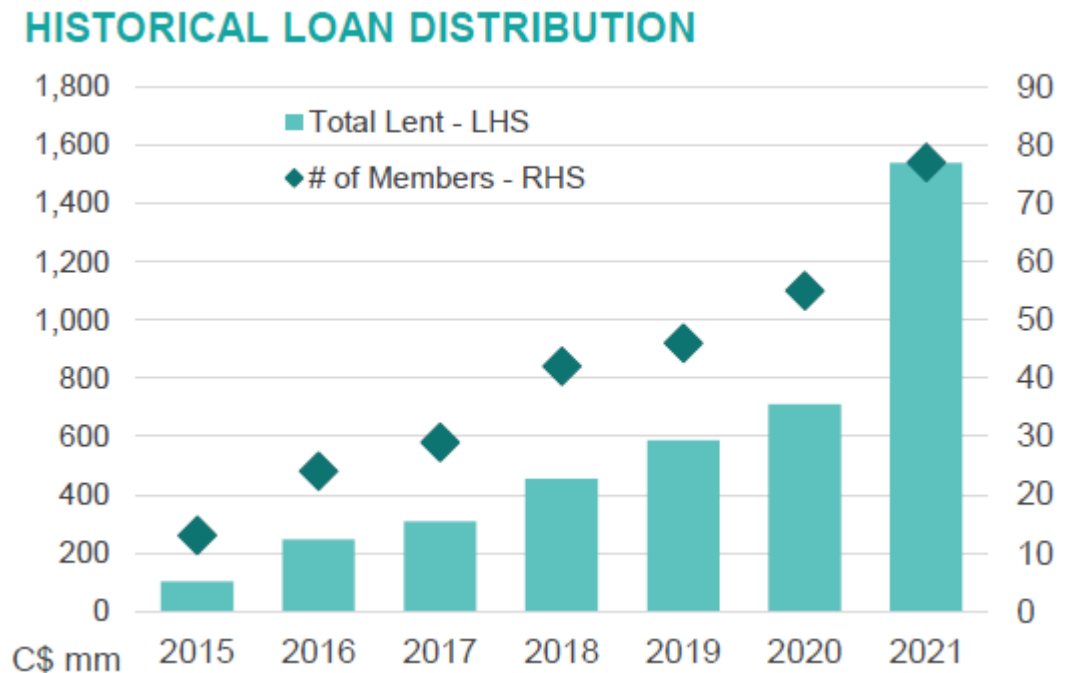
Revenue stream intercept: Borrowers pledged revenues to cover loan payments are intercepted at the source; FNFA sends the excess back to the First Nation after collecting the loan payments

Interest coverage ratio: Annual pledged revenues received from all borrowers collectively are 4x the annual interest obligation; ratio has exceeded 4.00 since 2014 (year of first debenture issuance)

Revenue quality: 70% of revenue streams pledged are federal/provincial sources
(ie. revenue sharing contracts, etc.)

Debt Reserve Fund: 5% of each loan principal is withheld until loan is repaid

Unanimous board approval required for all new members; existing members are annually monitored.



Commercial Paper

Program Size: C\$400 million authorized

Rating: R-1 (middle)

Security: Backstopped (1:1) by credit facility with syndicate of six Chartered Banks

Issuance size: C\$100 - C\$200 million

Term: Under 90 days with preference for 30 days

Market presence: bi-weekly

Initial Launch:

- **September 23 - \$200 mm; 28 days**
- **September 29 - \$200 mm; 36 days**
- **Price: BA +1-2 bps**



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