

Investor Presentation

First Nations Finance Authority – February 2022



Issuer Profile

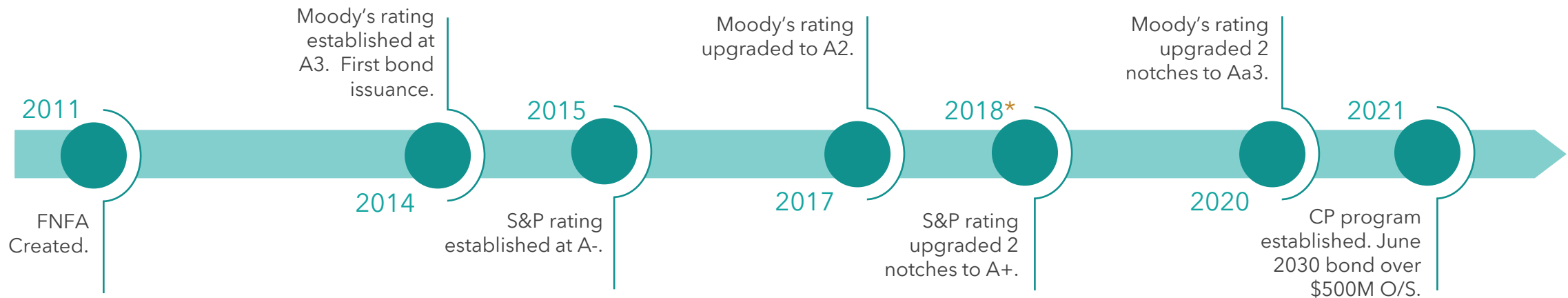
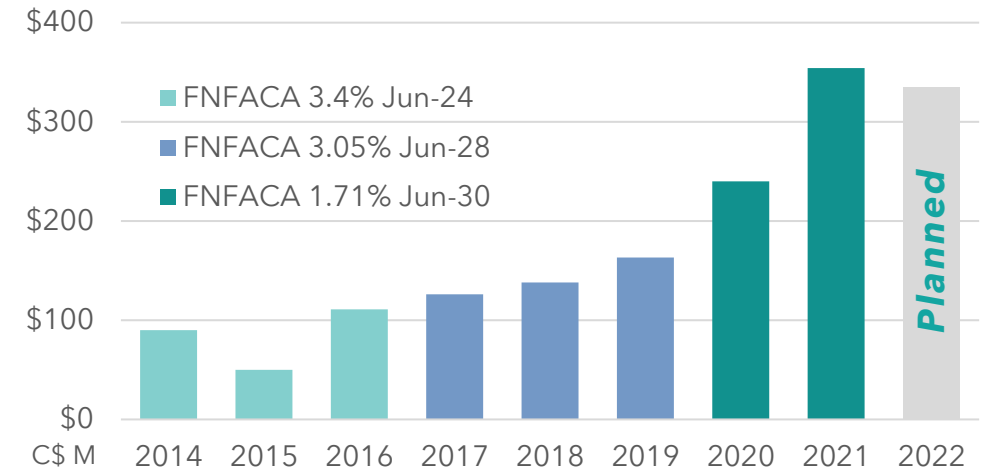
ABOUT FNFA

- Established by Federal Legislation under the First Nations Fiscal Management Act in 2005 and operates under the Financing Secured by Other Revenues Regulation (2011).
- FNFA operates as a not-for-profit and offers pooled financing to its borrowing members (First Nation governments).
- 321 First Nations across every province and one territory are scheduled to the Act (140 have completed FNFA membership).
- FNFA onlends the Commercial Paper proceeds to its members, and once this loan portfolio achieves desired size, FNFA refinances into a debenture.

Moody's **Aa3**
(Stable)

STANDARD & POOR'S **A+**
(Stable)

DEBT ISSUANCES



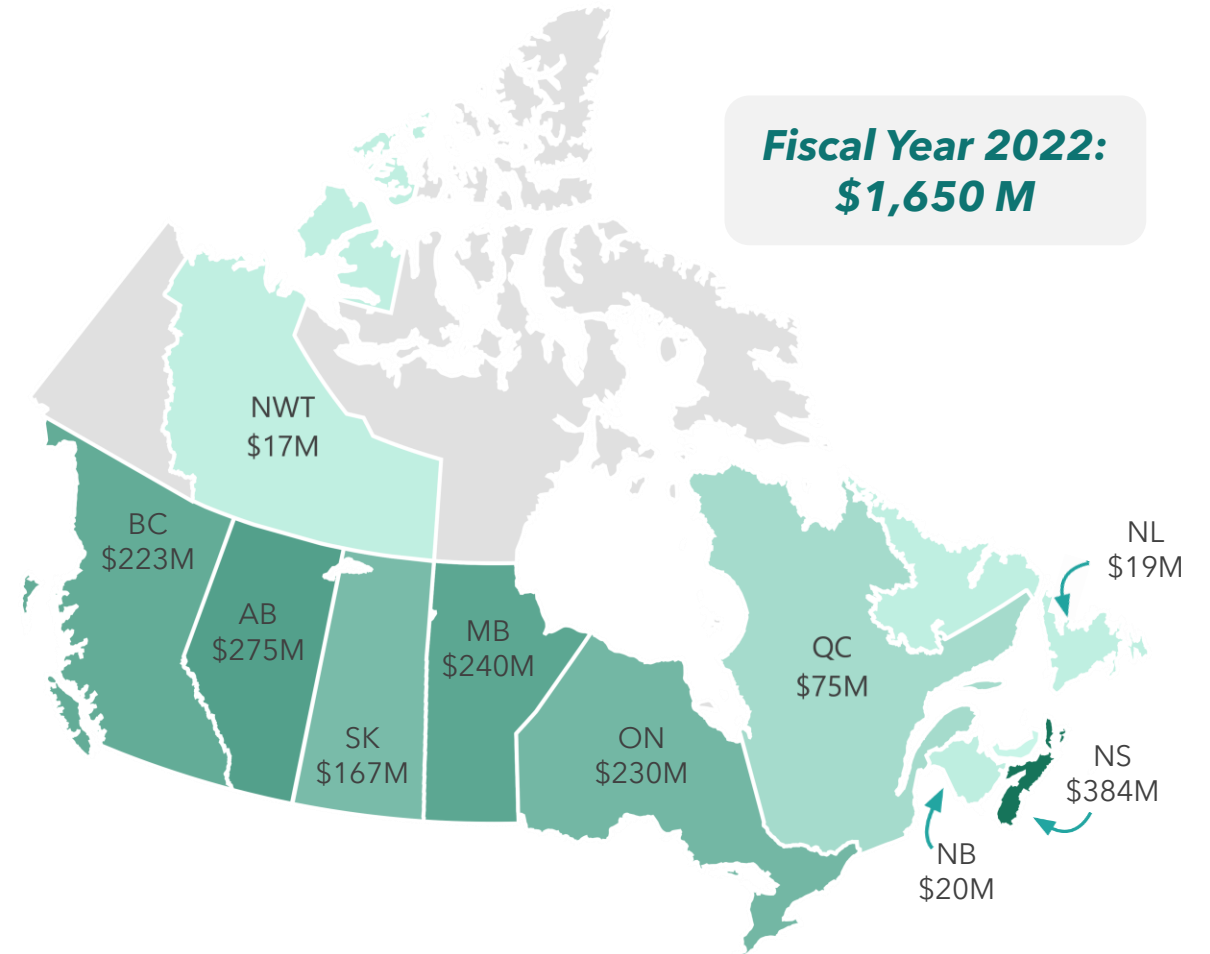
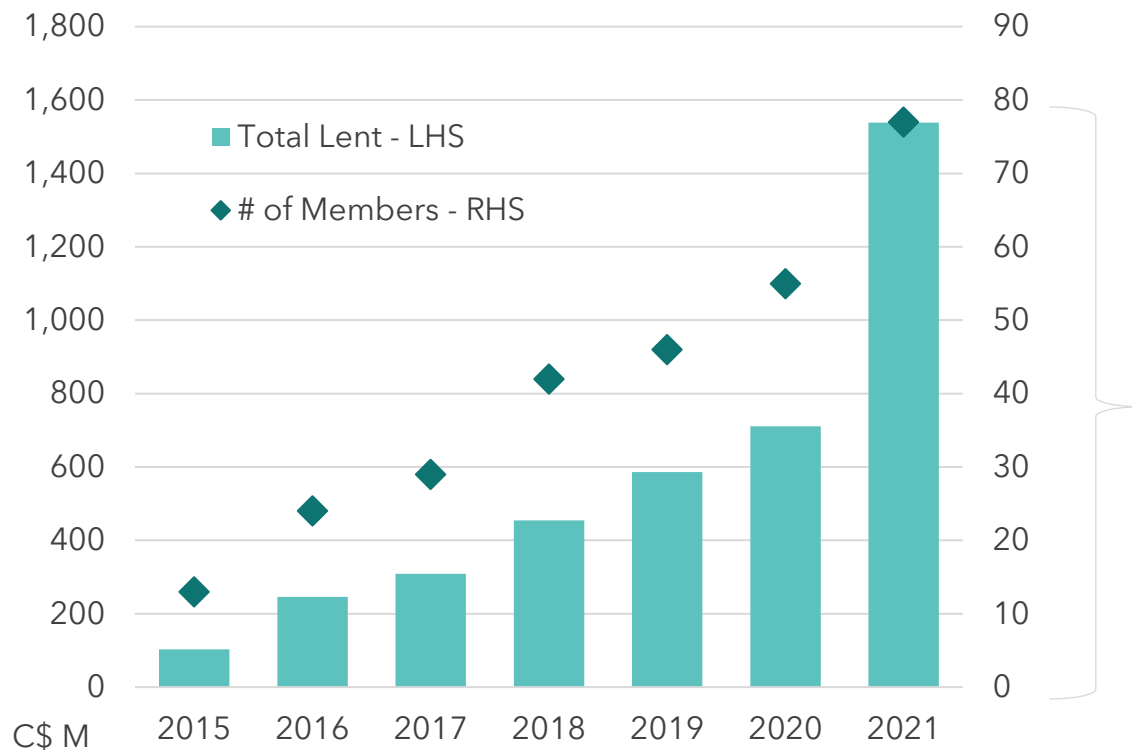
* In 2018, **FNFA was the recipient of the Governor General's Innovation Award for finance** for developing an innovative funding regime that cuts borrowing cost and provides interest rate certainty for First Nations communities. <https://innovation.gg.ca/winner/first-nations-finance-authority/>



Loan Portfolio: Distribution

As FNFA's loan portfolio has grown, our geographic distribution has also developed.

Historical Loan Growth and Membership





Safeguards for Investors

1. FNFA's members are **Joint & Several** supporting annual debenture service payments.
2. FNFA's Act obligates the FNFA to **intercept the revenues** from the payor source (77% are Federal/Provincial).
3. DRF (**Debt Reserve Fund**): the Act obligates a 5% withholding from each loan issued.
4. CEF (**Credit Enhancement Fund**): Canada funded at \$42.5 M, backstops the Debt Reserve Fund.
5. NEW - **Contingency Fund** : A further \$32.5M provided to FNFA from Canada. This Fund provides 0% loans, and are outside the normal FNFA loan programs. To protect against senior government actions impacting revenue streams (i.e., COVID).
6. Mandatory **sinking funds** for each debenture.
7. Debentures are "**pari passu**" backwards and forwards.
8. FNFA's Board must be **unanimous** in approving each new member's loan requests.
9. FNFA annually **monitors** (trend lines and ratio analysis) members' financial performance and revenue intercept, etc.
10. FNFA has **intervention rights** over each member should a loan service not occur (see Note 12 below).
11. Section 13 (b) of the Securitization of Other Revenues Regulations states "**the rights and powers of the FMB (FNFA's sister organization) are to be read to include the power to act in place of the council of the First Nation (i) in relation to assets of the First Nation generating the other revenues, and (ii) ... to manage all other revenues of the First Nation**".
12. Section 13(b) includes intervention over revenues not intercepted, and all future revenue streams.
 1. Members' 2021 audited financial statements showed Operating Surpluses of \$208.9 M, and
 2. Non-intercepted revenues of an additional \$1,029 M.

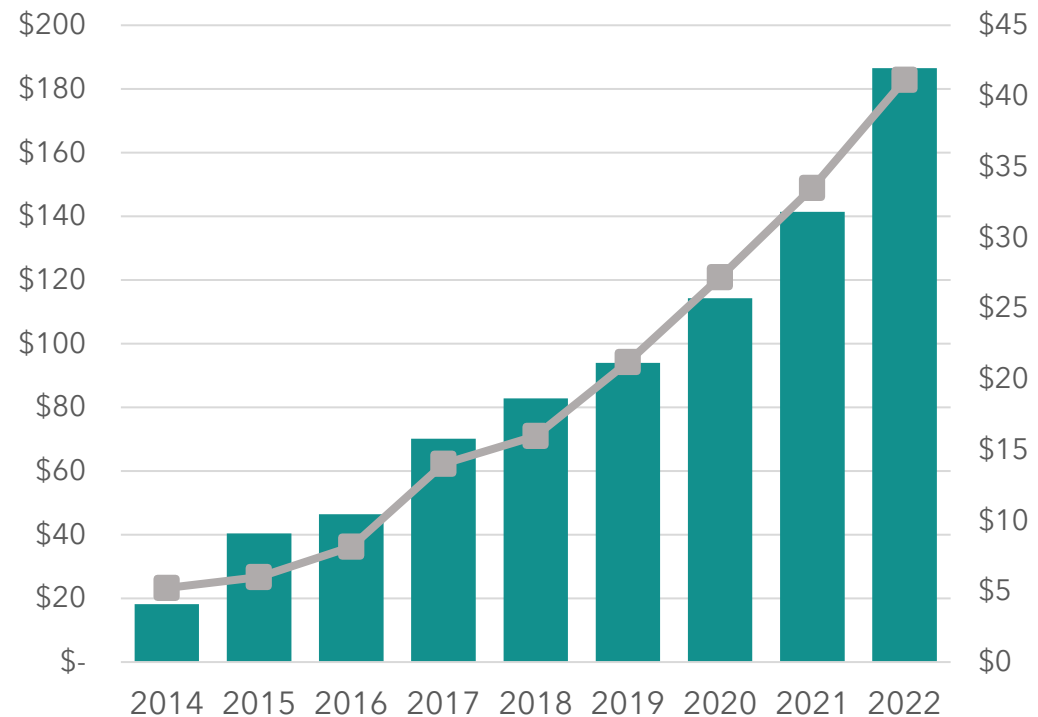


Intercepted Revenues Supporting FNFA Loans

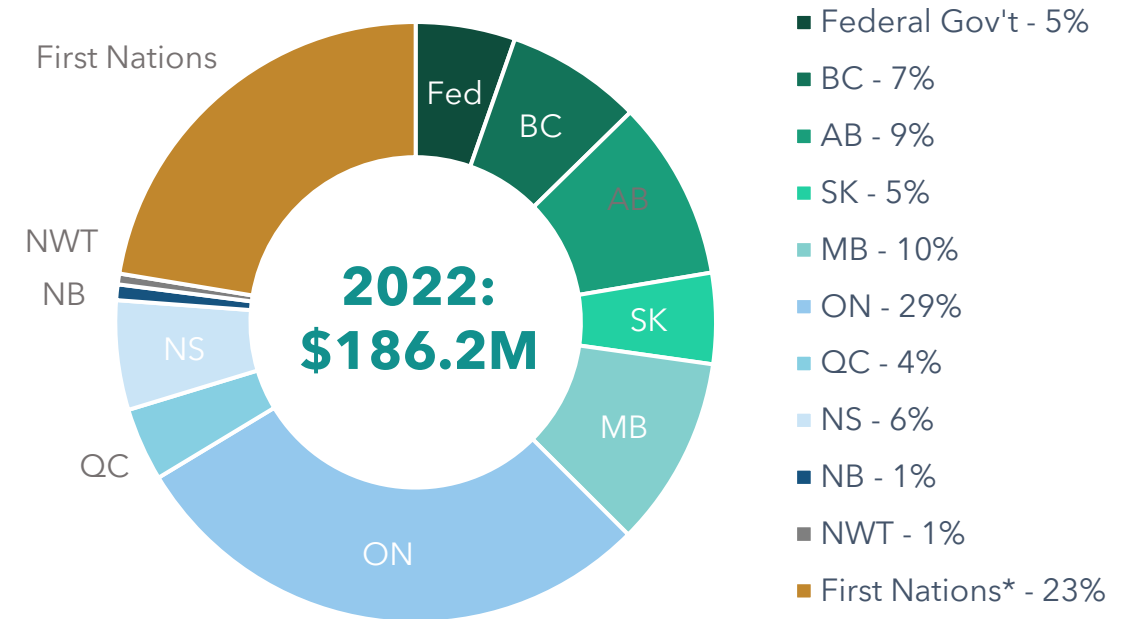
The Act mandates FNFA to intercept the revenue stream(s) supporting each loan.

HISTORICAL FNFA INTERCEPTIONS (\$M's)

■ Aggregate Intercepted Revenues (LHS) ■ Interest Liability (RHS)



2022 INTERCEPTED REVENUE SOURCES



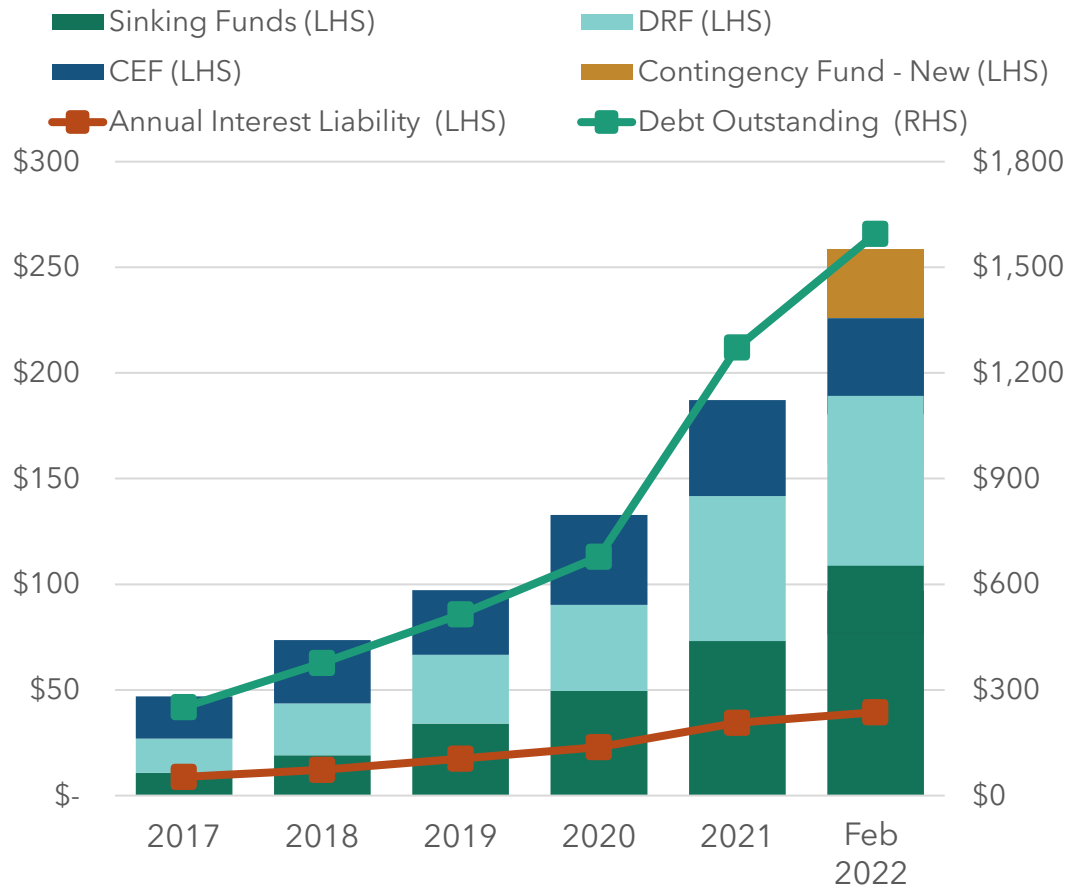
* First Nations: Businesses + Contracts/Leases



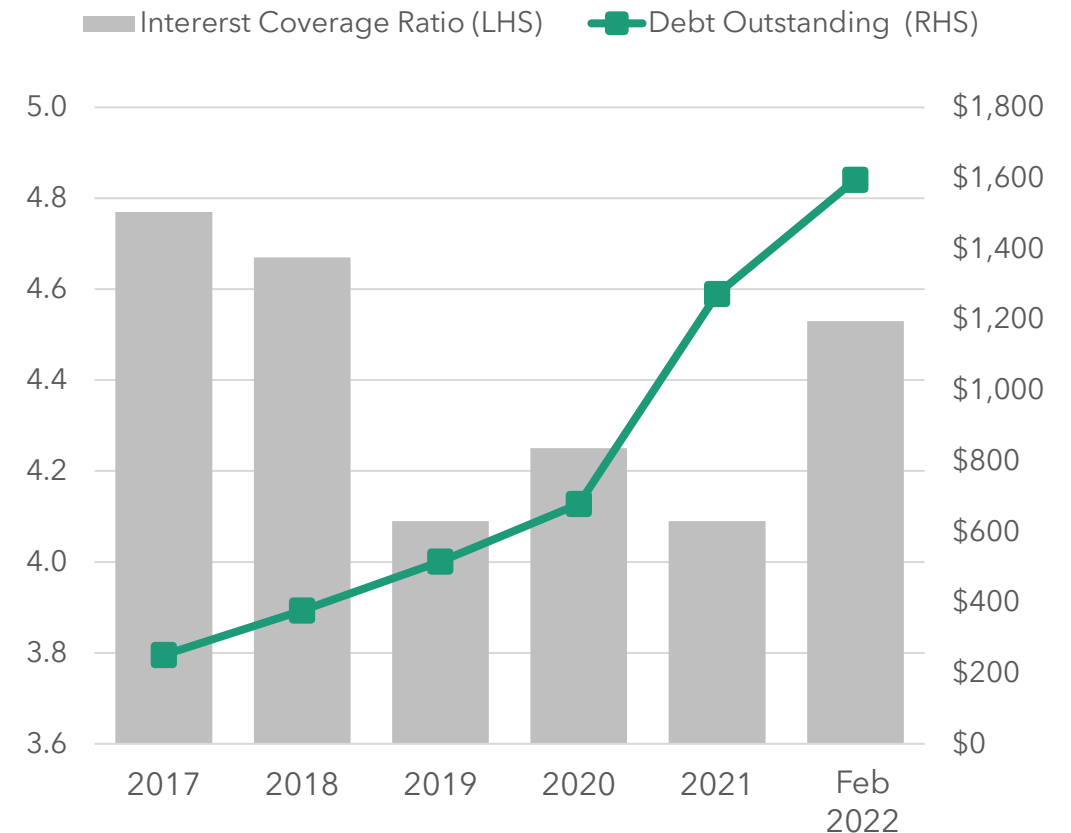
Multi-Year Recap: Liquidity (steady at approx. 4.5X annual Interest due)

March 31st Year-Ends (\$ M's)

CAPITAL vs. DEBT OUTSTANDING



ICR vs. DEBT OUTSTANDING

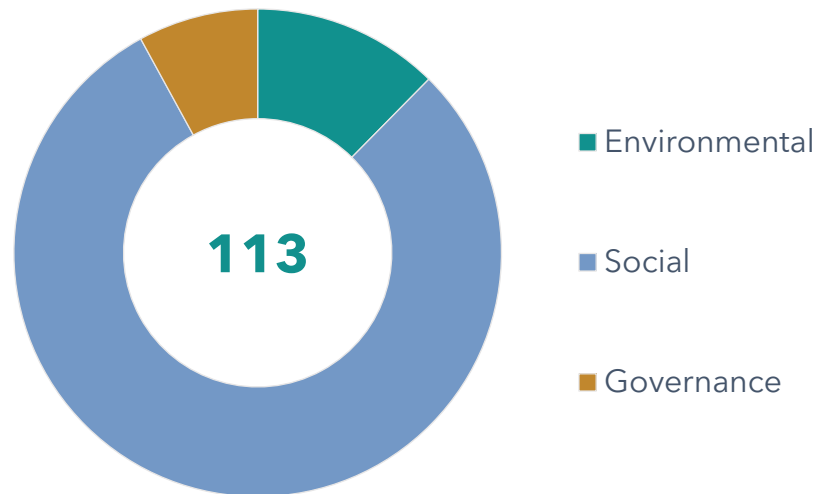




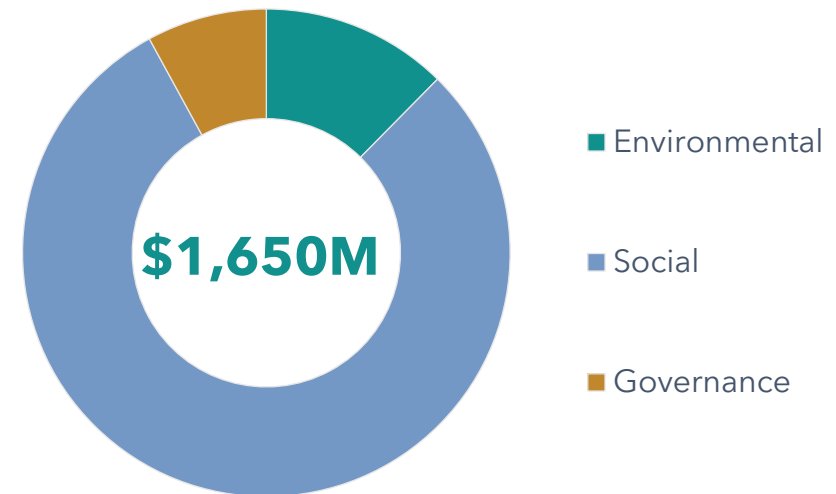
ESG update – FNFA Loan Portfolio

- FNFA's lending portfolio supports key projects delivering environmental and social benefits for First Nations communities and our lending process is underpinned by strong governance and safeguards.
- FNFA's review of its 113 loans indicates: 14 are Environmental (Green Energy), 90 are Social, and 9 are Governance.
- FNFA is now re-writing its financial software to better capture all ESG/Gender information useful for investor analysts.

Number of Loans by ESG Theme



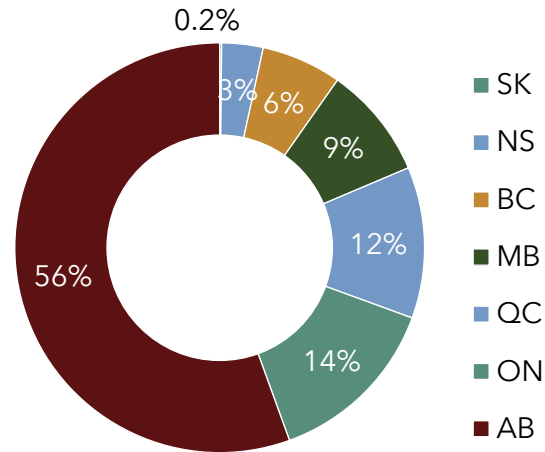
Loans Outstanding by ESG Theme



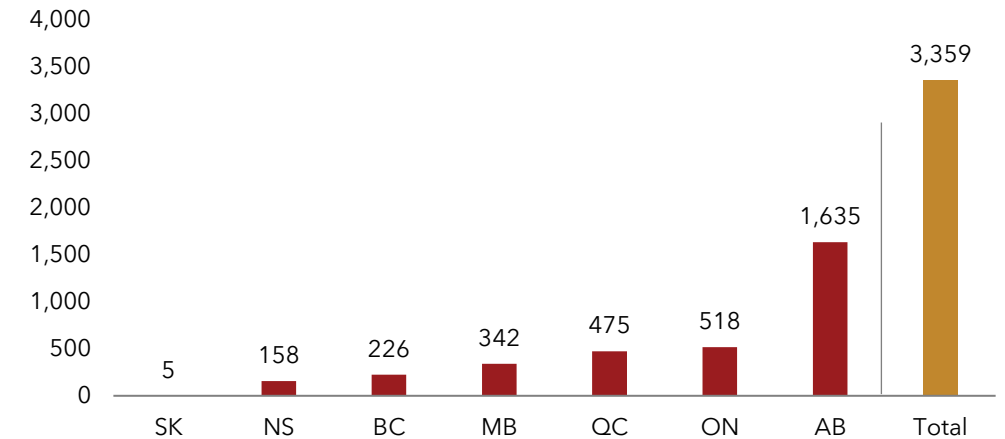


ESG Information – Debenture #9 only

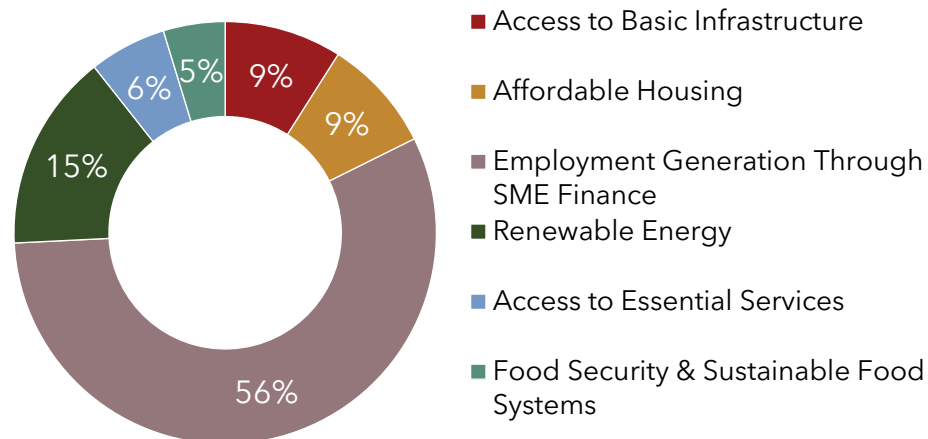
FNFA Members' Loans by Province



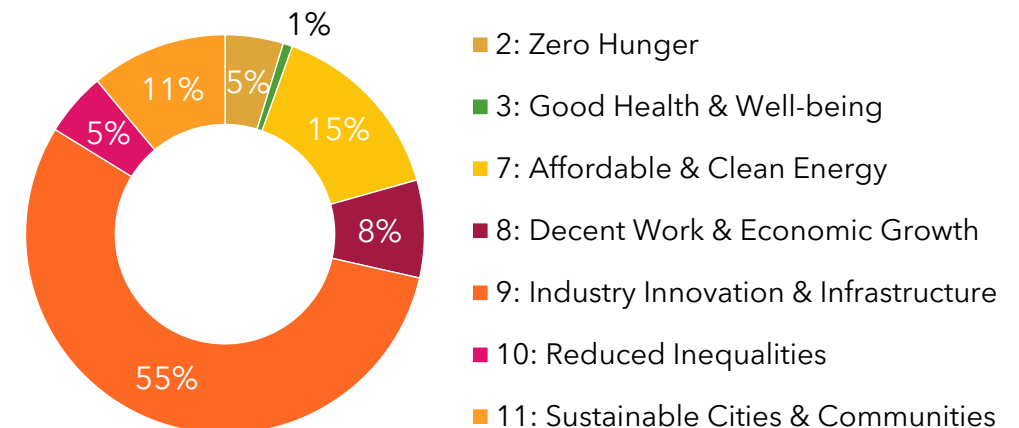
Jobs Created from Loans Deb. #9



Loans by Green & Social Project Category























Loans by Primary SDG Contribution





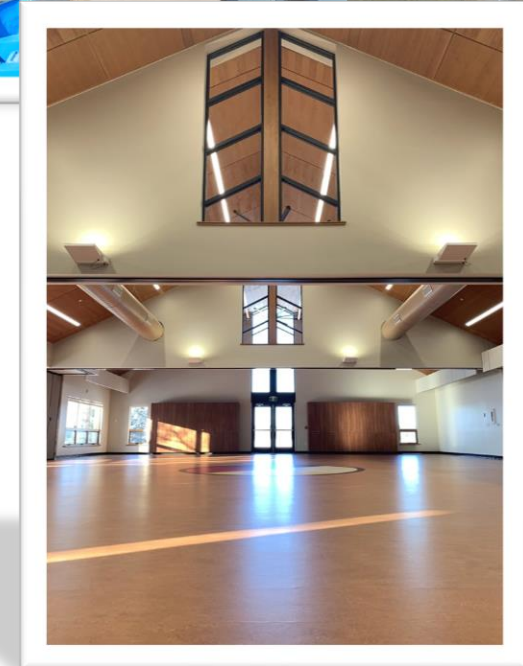
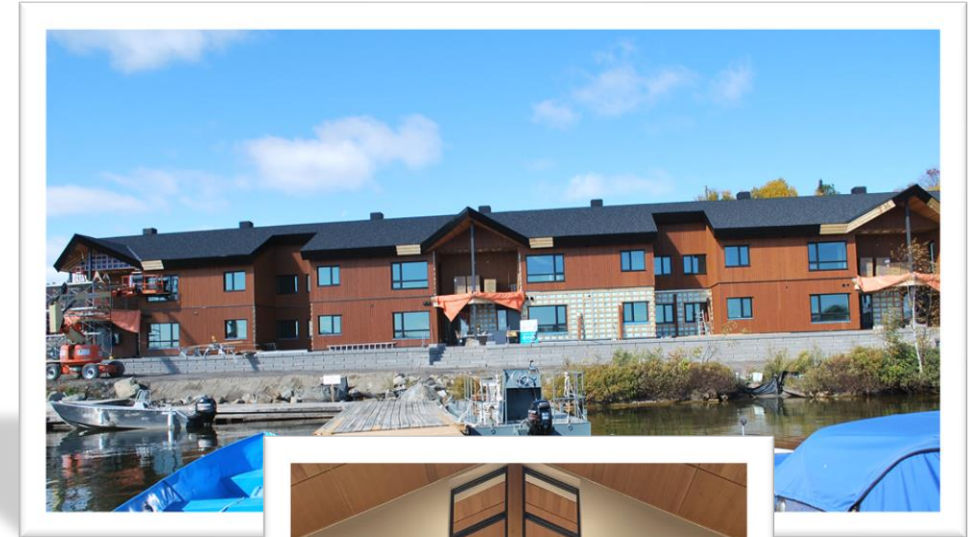
ESG update – Debenture #9 only

The below information is as of February 2, 2022. FNFA may receive further member's loan requests prior to debenture launch.

Green / Social Category	First Nation	Loan Amount - Debenture #9 (C\$mm)	Loan Purposes	Description	Job Creation	UN SDGs Supported
Access to Basic Infrastructure	Beausoleil First Nation (ON)	\$3	Infrastructure - wharf and barge	To ensure community access	32	 
	Lil'wat Nation (BC)	\$8	Forestry license and land purchase	Re-establishes the First Nation's inherent rights in their historical area	83	 
	Long Plain (MB)	\$20	Construction	Office building to improve administration, attract new qualified staff	222	
Access to Essential Services	Pheasant Rump Nakota (SK)	\$1	Construction	Community Centre to improve health, education, administration	5	
	Rainy River (ON)	\$6	Bridge construction	To ensure access to community for members and delivery of necessities	70	 
	Shawanaga (ON)	\$8	Construction	Services Centre to meet community needs	86	
	St. Theresa Point (MB)	\$2	Construction	Child Care Centre - to allow children to remain in the community as members work	24	 
	Wasauksing (ON)	\$4	Construction	Community Health Care Centre within the community lands	42	
Affordable Housing	Black River (MB)	\$7	Land acquisition	Construction of building to ensure student (university) and social housing	82	 
	Cook's Ferry (BC)	\$1	Housing	New and remediated for community members	18	
	Snuneymuxw (BC)	\$12	Equity and renovations	Renovate/improve community housing, and equity in a hotel (job creation)	125	 
	We'koqma'q (NS)	\$9	Housing	New and remediated for community members	130	
Employment Generation Through SME Finance	Enoch (AB)	\$165	Convention Centre/Resort loan	Annual loan savings to fund need for new housing (400 members waiting for housing)	1,345	 
	Glooscap (NS)	\$2	Fishing License	Job creation and profits rolled into infrastructure	28	
	Lake Manitoba (MB)	\$1	Construction	Food security, and job creation	14	 
	O'Chiese (AB)	\$26	Construction	Building of Hotel. Job creation and profits to support community infrastructure	290	
Food Security & Sustainable Food Systems	Taykwa Tagamou (ON)	\$16	Construction	Building to ensure food security in times of pandemics or road interruptions, and renewable energy project	172	 
Renewable Energy	Mashteuiatsh (QC)	\$41	Run-of-river with Hydro Quebec	Profits from green energy to build needed infrastructure, housing	475	 
	Wahgoshig (ON)	\$11	Wind Farm (Hydro One, Ontario)	Profits from green energy to build needed infrastructure, housing	116	



TEMAGAMI FIRST NATION, ON



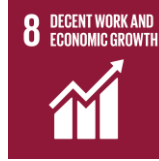
Temagami FN

- Located on an Island in Northern On.
- Built a new Multi-use facility (cultural/governance and Administration)
- Also built a 12-unit Elders complex so elders could come home and have a safe place to live.





Tzeachten –BC Housing Project



- *FIVE YEARS IN THE MAKING - The First Co - Project between BC Housing and FNFA*
 - 23 townhouses - combination of 1, 2 and 3 br - multi abilities design
 - Common Building
 - Ground-breaking end of April - infrastructure in place
 - First BC Housing project on reserve & without a non-profit society (housing committee)
 - Rents will be a combination of Market price, Income based, and Subsidy.
 - High Standards for energy efficiency and landscaping
 - First residents are expected in the summer/fall of 2022





Ocean Man First Nation



Ocean Man First Nation became a member in 2020 with the clear vision of developing sustainable power sources from their lands. They worked to connect to the power grid with SaskPower and between the two sites they are harnessing solar power to supply over 200 homes. They are working to create opportunities for self sufficiency and have more projects in the future.





Contact Information – fnfa.ca



Steve Berna CPA,CA

Chief Operating Officer

(250) 768-5253

sberna@fnfa.ca

www.fnfa.ca