



Commercial Paper

Investor Update – September 2022



Corporate Overview

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: **\$53.2M** from the Federal government to provide additional debenture obligation support and bolster FNFA's credit - **up from \$20.0M just five years ago**

Contingency Fund: **\$32.5M** from the Federal government to provided 0% loans in the event of widespread economic shock (ie. Covid mandated closures, etc.)

Market Presence:

FNFA has issued annual debentures since 2014 and entered the short-term market in 2021 to support its loan portfolios to First Nation governments

Loan Portfolio: \$1.77 billion across Canada (at Sept 2022)



Credit Quality

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 or met **4x** since 2014 (year of first debenture issuance)

Revenue quality: 77% of revenue streams pledged are federal/provincial sources (ie. revenue sharing contracts, etc.)

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

Stringent Underlying Loan Approval & Review

Unanimous Board approval required for all new members and loans; Existing members are **annually monitored**

Commercial Paper Program

Program Size: C\$400 million authorized

Launch date: September 23, 2021

Rating: R-1 (middle), Stable trend

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

Issuance size: C\$200 million

Term: preference for approx. 30 days

Market presence: bi-weekly

Price: BA +/- 1 bps



FNFA

Thank you

Rachel McAllister

Chief Financial Officer

rmcallister@fnfa.ca

James Byra

Financial Controller

jbyra@fnfa.ca

