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The First Nations Finance Authority issues Inaugural Debenture

History was made today, as the First Nations Finance Authority (FNFA) issued its inaugural debenture in the amount of \$90 million CAD. The FNFA pools the borrowing requests of its member First Nations into one debenture. The capital raised by this inaugural debenture will be used by 14 First Nations to build and make improvements to roads, water and waste systems, power/lighting, public buildings and other local infrastructure as well as providing economic opportunities both on and off reserve.

The Chair of the FNFA, Terry Paul and Chief of Membertou First Nation, Nova Scotia, stated, "This is a great day for First Nations and the FNFA. Far too many First Nations have been unable to access affordable capital on the financial markets, something all other governments in Canada take for granted when public financing is required." He continued, "Today, First Nations have made a significant step forward as economic equals with other governments. Over the long-term, this will have a profound and positive impact in our communities. By pooling and working together, it is now possible for any qualifying First Nation, regardless of size or location, to access the capital markets and enjoy the benefits of an investment-grade credit rating."

BC Regional Chief Jody Wilson-Raybould and Deputy Chair of the FNFA reflected, "The significance of today's FNFA bond issue for First Nations, and indeed the country, cannot be overstated. First Nations are in an important period of transition, rebuilding our communities and moving away from governance under the *Indian Act*. Having the financial tools that are now available through the FNFA is critical in ensuring that transition can take place and in securing a better future for our peoples." She concluded, "For investors, FNFA bonds also provide a new and exciting ethical investment option. My vision is that most Canadians will one day have FNFA bonds in their portfolios as they do municipal, provincial or federal bonds."

In addition to strong domestic interest, the debenture has also attracted institutional interest from the U.S. Such confidence shown by the investment community speaks to the strength of First Nations own source revenues, their governance systems and FNFA investor safeguards.

"This successful debenture issue reflects the growth in First Nations economies and the material steps that have been taken moving forward, including the establishment of strong financial systems by First Nation governments," says Ernie Daniels, President and CEO of the First Nations Finance Authority. "First Nations economies are emerging as real players on the world stage."

The FNFA is a not-for-profit First Nation institution established pursuant to the federal *First Nations Fiscal Management Act*, that provides any qualifying First Nations from across Canada with access to the capital markets. The First Nations govern the FNFA, as members elect from amongst themselves a Board of Directors. Notable for this year was the expansion of the Board from 6 directors to 9, reflecting the growth in membership and a desire to ensure greater regional representation from First Nations across the country.

FNFA facilitates loans to Borrowing Members from the proceeds of bond issuances. These loans can have repayment terms up to 30 years and offer fixed-rate options to assist the member First Nation's budgeting needs. In order to fund member's borrowing requirements prior to an expected issuance date, the FNFA also offers short-term loans at below Bank Prime. Short-term loans are rolled over into each new debenture. As more First Nations qualify to become Borrowing Members, the FNFA will continue to grow and diversify, looking to strengthen its credit rating and consequently the financial benefits to its members.

Harold Calla, Executive Chair of the First Nations Financial Management Board, congratulates the First Nations Finance Authority and the First Nation members of the borrowing pool on the issuance of the inaugural FNFA debenture. "This historic issuance demonstrates the power of working together to raise the capital necessary to support social, economic, and business development that is necessary to reduce dependency and increase self-reliance," says Calla. "The issuance of this debenture achieves a cornerstone objective of the First Nations Fiscal Management Act."

Given the significant interest generated from First Nations and investors alike the FNFA is already preparing for its second debenture issuance. This second debenture is expected by March 31, 2015.

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