

# Commercial Paper Program: Investor Update

June 2024



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# 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 and investment services 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

Contingency Fund: **\$32.5M** from the Federal government to provided 0% loans in the event of widespread economic shock

**Market Presence:**

FNFA has issued 11 debentures since 2014 and entered the short-term market in 2021 to support its loan portfolios to First Nation governments

**Loan Portfolio: \$ 2.5 billion** across Canada *(at June 2024)*



# 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 approximates **4x** the annual interest obligation; ratio has met or exceeded **4x** since 2014 (year of first debenture issuance)

**Revenue quality: over 75%** 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\$600 million authorized

**Launch date:** September 23, 2021

**Rating:** R-1 (middle), Stable trend

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

**Issuance size:** C\$300 million

**Term:** preference for approx. 30 days

**Market presence:** bi-weekly



**FNFA**

**Thank you**

**Rachel McAllister**

Chief Financial Officer

[rmcallister@fnfa.ca](mailto:rmcallister@fnfa.ca)

**James Byra**

Director of Finance

[jbyra@fnfa.ca](mailto:jbyra@fnfa.ca)

