

Commercial Paper Program: Investor Update

December 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.

Loan Portfolio: \$ 3.1 Billion lent to First Nations across Canada (Dec 2024)

Federal Support:

Credit Enhancement Fund: \$53.2 Million from the Federal government to provide additional debenture obligation support and bolster FNFA's credit

Contingency Fund: \$32.5 Million 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

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 since 2014 (year of first debenture issuance)

Revenue quality: approximately 70% 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\$900 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\$450 million

Term: preference for approx. 30 days

Market presence: bi-weekly



Contacts

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