



For Generations to Come: Enhancing First Nations' Access to Capital

2025-2026 Annual Report





FNFA acknowledges that our headquarters are located on Westbank First Nation – the traditional, unceded territory of the Okanagan (syilx) Nation. We respect and affirm the inherent and Treaty rights of all Indigenous peoples and remain committed to supporting self determination, self sufficiency, and sovereignty.

We recognize that our members and team live, work, and play on the ancestral territories of First Nations, Inuit, and Métis across Canada. This land has always been—and continues to be—Indigenous land since time immemorial. We honour the enduring presence, cultures, and knowledge systems of Indigenous peoples and acknowledge the ongoing impacts of colonization.

We uplift the inherent right of Indigenous peoples to build and lead their own economic futures and remain steadfast in our mission:

***Empowering First Nations to Build Their
Futures on Their Own Terms.***



CREDITS

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Message from the President and CEO

Ernie Daniels,
CPA, CGA, CAFM
Salt River First Nation,
Northwest Territories

Across the world, Indigenous Nations are rebuilding their economies the same way our ancestors built trade routes, governance systems, and community networks—through collective strength, shared purpose, and long-term thinking. First Nations Finance Authority (FNFA) is one of the clearest modern expressions of that legacy: an Indigenous-built, Indigenous-governed financial model designed to generate intergenerational wealth on our own terms.

As we humbly reflect on another year of working alongside and supporting First Nation governments in their economic self-determination journeys, we recognize our important work exists because of the continued bold leadership of communities who choose to work with us.

FNFA is the only Indigenous-controlled institution in the world with an investment-grade credit rating and direct access to global capital markets. By pooling FNFA members' own source revenues—and our strength—First Nations have unlocked more than \$4.4 billion in community-driven projects, generated \$9 billion in economic output, and supported 42,156 jobs—creating the financial backbone for long-term prosperity.

Fiscal year 2025-26 brought several milestones for our membership of 195 Nations strong, our dedicated Board of Directors, and hard working FNFA team. By issuing our 15th debenture and surpassing over \$4 billion in affordable financing for community priorities, to receiving Environmental Finance's Sustainability Bond of the Year Award - agency, we continue to work together to replace and decolonize outdated structures with new, innovative approaches to level the playing field between Indigenous peoples and the rest of Canada.

Whether through innovative initiatives underway to amend the *First Nations Fiscal Management Act* (2005) and allow FNFA to lend to Indigenous-owned Special Purpose Vehicles, or the increased demand from investors in the





195
MEMBERS



42,157
JOBS CREATED



\$4.4 B
IN LOANS



\$9.3 B
ECONOMIC OUTPUT

capital markets to buy FNFA bonds, our growth reflects development in communities across the country as First Nations pursue their self-determination.

The theme of this report is: **For Generations to Come: Enhancing First Nations' Access to Capital.**

Fittingly, this year's work reflects a single purpose: ensuring that our children, grandchildren, and those yet to come can grow up in safer, stronger, and more sustainable First Nations communities.

Our why: to uphold and strengthen our Nations by financing projects that honour the land, our people, and the generations who will inherit both. Guided by the teachings of reciprocity and collective wellbeing, we continue to finance initiatives that directly improve quality of life in our communities. From renewable energy that sustains the land, to schools that nurture our youth and homes that shelter and honour our Elders, these investments reflect our shared responsibility to build a future rooted in prosperity, cultural resilience, and long-term security for all our relations across Canada.

As we move toward a more equitable and resilient future, the opportunity—and responsibility—to support Indigenous-led growth has never been clearer. In the year ahead, FNFA will remain steadfast in ensuring our members have access to affordable capital to advance their priorities and strengthen their Nations **for generations to come.**

Mahsi cho.

Message from the Board Chairperson



Chief Derek Epp,
Ch'íyáqtel First Nation,
British Columbia

This past year, while serving my second term as FNFA Board Chairperson, I witnessed continued momentum within FNFA's growth as an organization, directly contributing to increased positive impact in our member Nations across the country.

We have also seen the federal government's interest in fast tracking major projects with Indigenous communities at the table as active participants. This creates the opportunity for us to take our rightful leadership roles in shaping Canada's future, with FNFA as a key strategic tool for financing.

In the most recent federal budget, Canada announced their intention to amend the *First Nations Fiscal Management Act* (2005) to allow FNFA to lend to Indigenous-owned Special Purpose Vehicles. We are grateful Canada has seen the value in expanding FNFA's ability to lend to more Indigenous groups and make the process more efficient.

For example, last year my home community of Ch'íyáqtel First Nation in British Columbia participated in the Stonlasec8 deal with Enbridge comprising 38 First Nations in British Columbia who are investing \$736 million for a 12.5 per cent equity stake in the pipeline project. If FNFA was able to lend in this transaction, we could have had more options and flexibility in how the debt was structured through FNFA's track record and successful history of accessing capital to support First Nation projects; this can be especially important in the future as projects vary in size and therefore could benefit from the structure, credit rating and market history FNFA has built in financing Indigenous projects.

Furthermore, Canada's intention to explore a surety and bonding pilot will alleviate systemic inequities – allowing contractors on reserve to bid on projects that are building our communities and our country. Finally, the intended pilot project to explore monetization of federal transfers will address critical housing and infrastructure needs to support First Nations. While we can agree these intentions are good, action is what is urgently needed.

As we continue working to create a better world for our children and grandchildren to grow up in, we know that access to affordable capital is not just an economic tool—it's a foundation for the overall health and well-being of our Nations. It creates the conditions necessary for growth, innovation, and long-term success and I look forward to continuing to support this work of building generational wealth.



Board of Directors



Chief Derek Epp

Chairperson – Ch'íyáqtel First Nation

First elected to Board: **2021**

Chief Derek Epp serves as Chief of Ch'íyáqtel First Nation where he has focused on empowering his community through sustainable economic development and strategic partnerships. With a background in social work, Chief Epp balances sound financial oversight and desire for growth. He was inspired to join FNFA's Board after witnessing its progressive approach to meeting the capital and infrastructure needs of First Nation communities. Chief Epp wants other First Nations to know that FNFA works with members to provide competitive financing and build capacity to ensure the long-term success of projects.



Councillor William Kaysaywaysemat

Deputy Chairperson – Kahkewistahâw First Nation, SK

First elected to Board: **2023**

Councillor William Kaysaywaysemat serves as Councillor of Kahkewistahâw First Nation. Throughout his tenure, he has held portfolios in administration, education, finance, lands and resources, membership and trust. He was motivated to join FNFA's Board because he feels like it is the responsibility of a leader to continue to educate themselves while helping communities develop capacity. Councillor Kaysaywaysemat is a certified trust officer providing him with the ability to become a trustee for any organization. He also recently completed AFOA's Certified Indigenous Leadership (CIL) program in 2023. Councillor Kaysaywaysemat wants other First Nations to know about the numerous resources available at no cost to assist communities to run smoothly, grow and prosper.



Councillor Gayle Bedard

Director – Lax Kw'alaams Band, BC

First elected to Board: **2024**

Councillor Gayle Bedard serves on Council of the Lax Kw'alaams Band in British Columbia. She is responsible for the finance portfolio and also serves on the housing, health, and human resources committees for her Nation. Her educational background includes a Bachelor of Education, Master of Education, and a Master of Arts in Conflict Analysis and Management. As a newly elected board member, Councillor Bedard is passionate about increasing female representation within the organization's governance, recognizing the importance of diverse perspectives in shaping the future of First Nations financial wellbeing. She wants First Nations to know that FNFA provides essential services such as investment options, planning advice, and long-term loans to First Nation governments, enabling communities to build a stronger and more prosperous future.



Chief Gordon BlueSky

Director – Brokenhead Ojibway Nation, MB

First elected to Board: **2025**

Chief Gordon BlueSky is serving his term as Chief of Brokenhead Ojibway Nation by acclamation. His key areas of focus are on lands, governance, resource management, negotiations, environment, and resource protection. Chief BlueSky is also a strong advocate for child welfare reform and educational systems. He was inspired to join the Board of Directors because FNFA offers a unique opportunity to directly advance economic reconciliation by securing capital for critical infrastructure projects in our communities. Chief BlueSky wants other First Nations to know that FNFA's mission is to empower First Nations as a level of government, providing them with affordable financing and advisory services to achieve their community priorities.



Councillor Patrick Brennan

Director – Henvey Inlet First Nation, ON

First elected to Board: **2023**

Councillor Patrick Brennan serves as a Councillor of Henvey Inlet First Nation. He holds portfolios in education, health, human resources, and lands, and has played a crucial role in establishing a trust for his community. Councillor Brennan is well-versed in developing land laws which were instrumental in bringing the Henvey Inlet Wind Project online. He was motivated to join the Board to raise awareness of FNFA's mandates after experiencing firsthand the support it provided during the \$1 billion wind farm energy installation. Councillor Brennan wants other First Nations to know that FNFA's adaptability and eagerness to explore new business endeavours are impressive and can increase the quality of life for members of our communities.



Councillor Miguel Coocoo

Director – Conseil des Atikamekw de Wemotaci, QC

First elected to Board: **2025**

Councillor Miguel Coocoo is serving his first four-term as a Councillor of Atikamekw Council of Wemotaci. He is responsible for the finance and administration, governance portfolio and the self-government projects. He holds a Bachelor of Law from the University of Sherbrooke. He was motivated to join FNFA's board because of his interest in finance and First Nation financial autonomy. Councillor Coocoo wishes to motivate youth to become more involved in Indigenous leadership and governance. By getting involved with FNFA he hopes to bring innovative visions to the French-speaking Indigenous community on the investment and financing opportunities that FNFA offers.



Councillor Louis LeDoux

Director – Mistawasis Nêhiyawak, SK

First elected to Board: **2025**

Councillor Louis LeDoux is serving his first four-year term as a Councillor for Mistawasis Nêhiyawak. His educational background includes a Bachelor of Education, and he holds portfolios in education, communications, and housing. He served his community in various capacities for 27 years as Principal, Director of Education, Post-Secondary Coordinator, Labour Force Development Coordinator and Director of Operations. He was also a member

on the Finance Audit Committee and Mistawasis Legacy Trust. He did serve on the Board of the First Nations Financial Management Board from February 2020 - 2025. Councillor LeDoux was motivated to join FNFA's board to help First Nations governments move towards greater financial independence. He wants other First Nations to understand that the FNFA's pooled borrowing model provides access to capital on favourable terms and encourages Councils and Directors to learn more about the offerings of the *First Nations Fiscal Management Act* institutions.



Councillor Veronica McGinnis

Director – Osoyoos Indian Band, BC

First elected to Board: **2012**

Councillor Veronica McGinnis is serving her fifteenth consecutive two-year term as a Councillor for the Osoyoos Indian Band and acts as the Chair for the Application Review Committee of FNFA. She is responsible for the health and social services portfolio, and acts as a liaison for Osoyoos Indian Band Administration, Nk'Mip Cultural Centre and the Inkameep Vineyard. With over 25 years of experience nurturing the social fabric of the First Nations community, she prioritizes preventative measures to improve physical, emotional and mental wellbeing. Councillor McGinnis wants other First Nations to know that FNFA is a great resource to help assist communities to become self-sufficient.



Councillor Michael Paul

Director – Wasoqopa'q First Nation NS

First elected to Board: **2021**

Councillor Michael Paul is serving as a Councillor of Wasoqopa'q First Nation, which consists of six reserves, spanning 300 kms from Halifax to Yarmouth, along Nova Scotia's south shore. Elected since 2002, his portfolios include training and education, economic development, and finance. After 20 years of experience in governance, Councillor Paul understands firsthand that with education and wise financial management, communities and their members can develop, thrive and prosper. He was motivated to join FNFA's board because he believes in its purpose and wants to be involved in its growth. Councillor Paul wants other First Nations to know that FNFA provides Bands with options for financing at better rates than commercial banks offer.



Councillor Dawn Styran

Director – Leq'á:mel First Nation, BC

First elected to Board: **2021**

Councillor Dawn Styran serves as a Councillor for Leq'á:mel First Nation and serves as FNFA's Chair of the Audit Committee. Her current Council portfolios include child and family services. As a registered social worker, Councillor Styran strives to offer meaningful social programming in her community. She wants members to know that FNFA is not simply in the business of lending money; they are helping empower communities to grow on their own terms and in ways that they know work best.

What We Do

ABOUT FNFA

FNFA is a 100 per cent First Nations-led and governed non-profit financial services corporation mandated under the *First Nations Fiscal Management Act* (2005) (the Act) providing cost-effective financing, investment management, and capital advisory services to First Nations governments in Canada.

In 1992, a group of First Nation leaders envisioned an Indigenous-owned and operated institution to provide access to the same financing available to other levels of government in Canada to build safe, healthy, and prosperous communities for generations to come.

Our goal is to provide First Nation governments with access to loans and investment opportunities at the best possible rates.

OUR SERVICES

FNFA helps First Nations with financial and investment needs in three key areas, including:

- ✓ **Financing Services:** FNFA raises short and long-term low-cost financing in the capital markets on behalf of borrowing members for their community priorities including infrastructure, economic, land, and social development projects.
- ✓ **Investment Services:** we provide investing members with flexible, low-risk, high-yield investment options; and,
- ✓ **Advisory Services:** to support optimizing debt structuring and investment options to meet each Nations unique financial goals

FNFA does not charge fees, our interest rates are well below bank prime, and we provide longer financing terms. Our objective is to ensure continuous and equitable access to affordable financing to First Nations in Canada who are scheduled to the Act.

FINANCING COMMUNITY PROJECTS

FNFA works with our members to identify community priorities, determine borrowing capacity, and identify eligible own-source revenues that could be used to secure financing.

BECOME A BORROWING MEMBER

1. First Nation community requests to be scheduled to the Act. More than 65% of Nations have chosen to become scheduled.
2. The First Nation works with the First Nations Financial Management Board to obtain a Financial Performance Certificate.
3. The First Nation passes a Band Council Resolution (BCR)/resolution to request to become an FNFA Borrowing Member.
4. The FNFA Board of Directors reviews and approves all membership and loan requests.

HOW WE ARE STRONGER TOGETHER

FNFA staff work with First Nations to understand revenue streams, what level of debt can be supported and provide Chief and Council with a calculation on borrowing capacity. We have established excellent relationships with our banking syndicates, our investors, and most importantly our members.

BECOME AN INVESTING MEMBER

Reach out to FNFA directly - no need for scheduling to the Act or certification process for investing members. We will work with you on what investment options fit your goals.

FNFA raises capital from the same place as banks, provinces, and local governments - capital markets - and has done this successfully since 2014 raising over \$4.4 billion to date

FNFA FINANCING CONTRIBUTES \$9.3B TO CANADA'S ECONOMY

Total Loans

\$4.41B

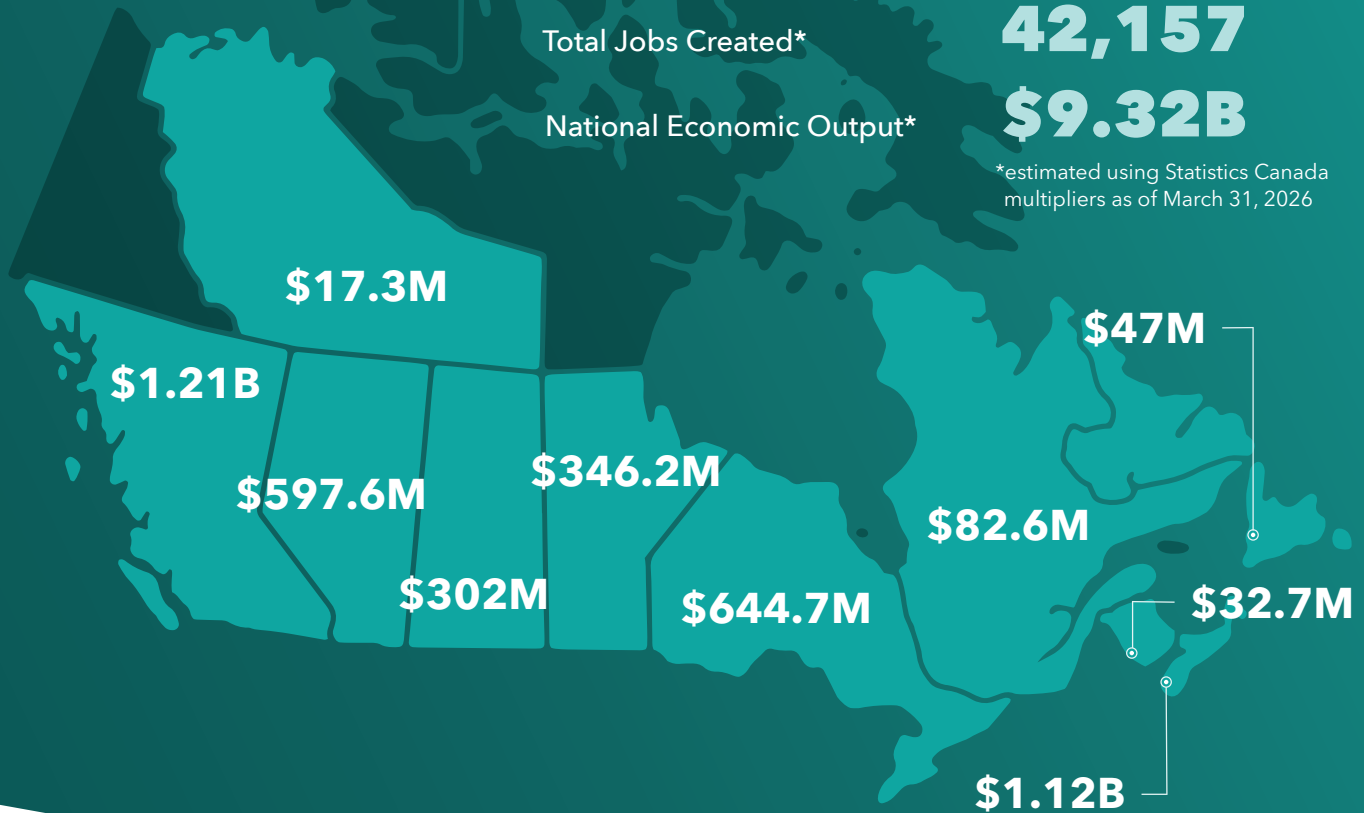
Total Jobs Created*

42,157

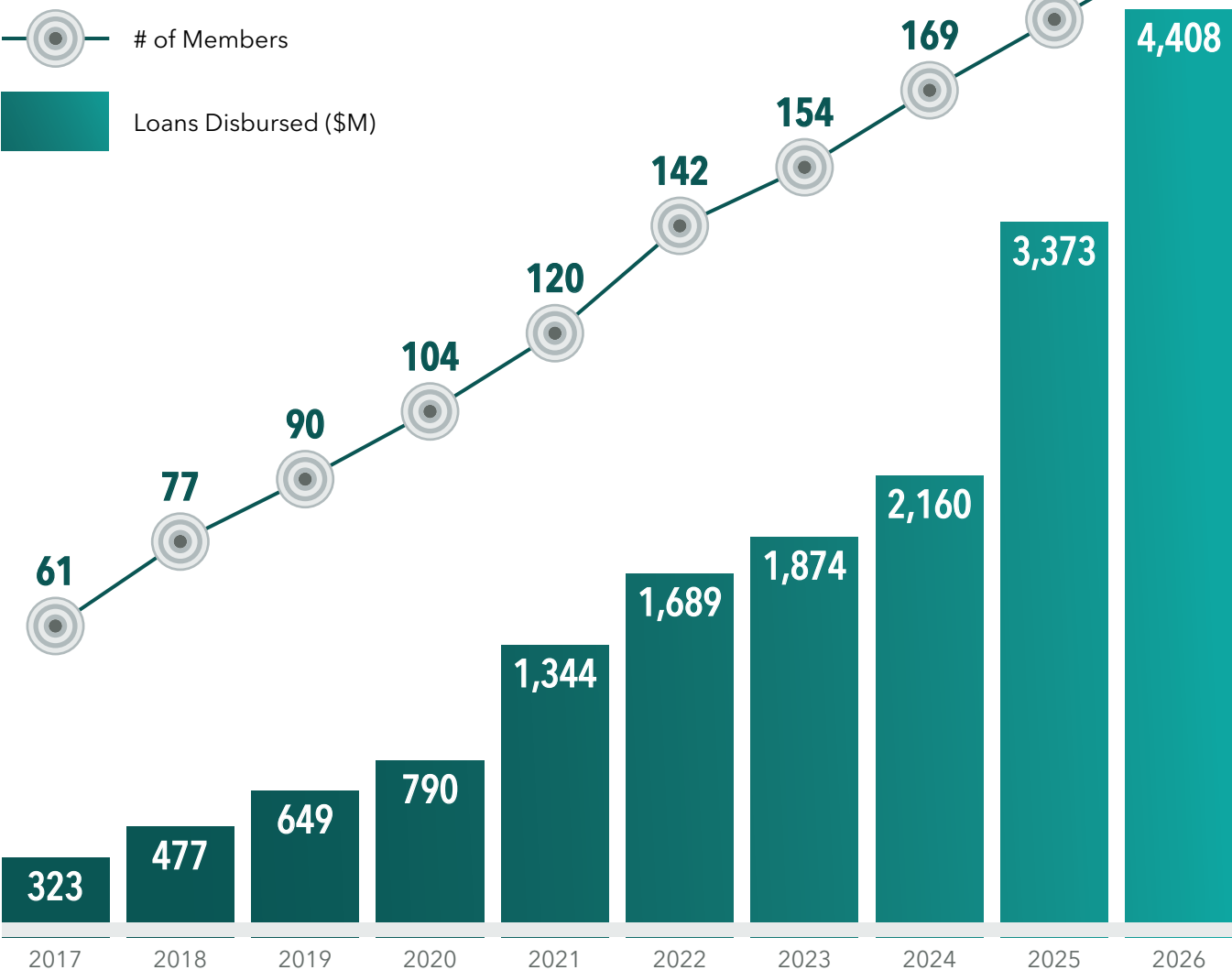
National Economic Output*

\$9.32B

*estimated using Statistics Canada
multipliers as of March 31, 2026



Membership & Loan Growth



"Access to affordable capital is the key ingredient to economic self-sufficiency for First Nations. FNFA is the only First Nation organization in the world leveraging private capital to fund a pooled-borrowing model giving Nations access to financing for community projects - this is true economic reconciliation in action."

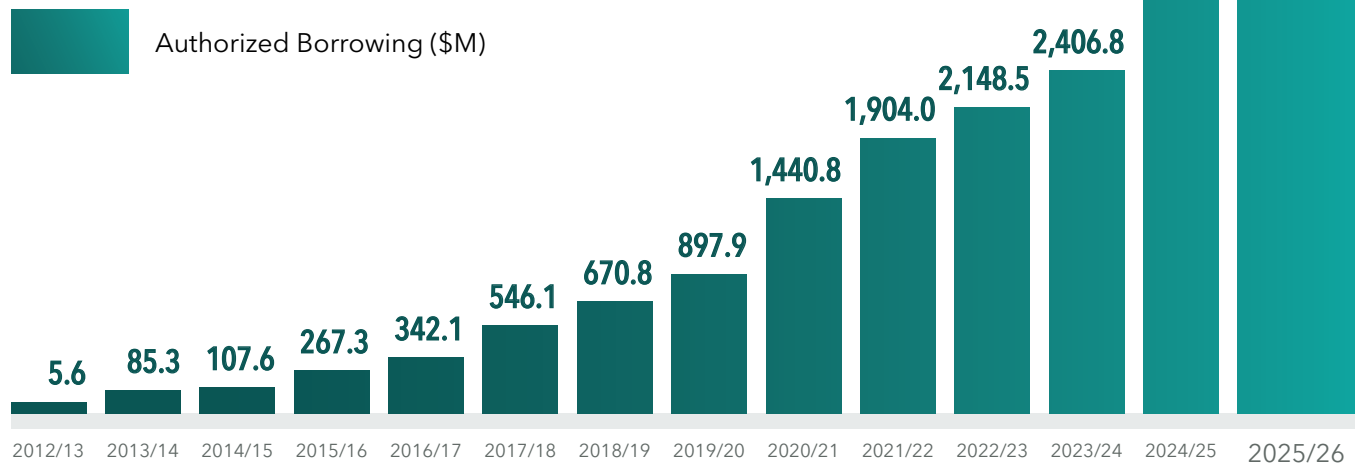
Ernie Daniels, FNFA President and CEO

Authorized Borrowing

The rise in authorized borrowing tells a powerful story: more First Nations are recognizing the benefits of financing their projects through FNFA, unlocking new pathways to build the futures they envision. Growth in authorized borrowing has accelerated sharply in recent years, driven by Nations taking control of their economies and investing in priorities aimed at providing generational benefits.

This rapid growth underscores the strength of the fiscal framework, the trust Nations place in it, and the increasing demand for long term, affordable capital to support Nation driven infrastructure and economic development. This surge reflects a collective movement – one grounded in self determination, long term planning, and shared success.

Value of Borrowing Laws by Growth as of March 31, 2026



Issuance Highlights and Ratings

DEBENTURES

3 Issues

Number of debentures issued in 2025-26

\$1,270,000,000

Dollar value of debentures issued in 2025-26

3.94%

Weighted average interest rate of issuances in 2025-26

\$4,355,000,000

Dollar value of all debentures issued to date

45

Number of borrowing laws financed by debentures issued in 2025-26

CREDIT RATINGS

AA- (Stable) / Aa3 (Stable) / AA (low), Stable

S&P Global
Ratings

Moody's
Ratings

Morningstar
DBRS

COMMERCIAL PAPER

\$900,000,000 Bi-weekly

Program size

Market presence

30 day

Term preference

\$450,000,000

Typical issuance size

CREDIT RATINGS

R-1 (middle), Stable

Morningstar DBRS





Member and Investor Protection

FNFA utilizes a pooled borrowing model that allows members to borrow at the same rates within a debenture, making it equitable for all. Utilizing our successful track record and investment-grade credit ratings, we offer access to affordable financing for member's projects.

To protect our members, we have safeguards in place:

- **Unanimous Board approval** is required for every loan request.
- **Minimum debt coverage ratios (DCR)** are used to:
 - calculate borrowing capacity,
 - build in sensitivity of a pledged revenue stream decrease without impacting the ability of the member to make loan payments,
 - and monitor performance of pledged revenues compared to actual DCR throughout the loan life.
- **Pledged revenues** flow directly from the source to FNFA to cover loan payments. Excess funds above loan payments are returned to the member.
- **Revenues stream health:** Since 2014, pledged revenues flowing to FNFA have exceeded annual interest obligations by 3.5+ times.
- **Other revenues available:** FNFA intercepts approximately \$531 million out of \$2.8 billion of our members' own source revenues. A member is required to substitute a performing revenue stream for a non-performing stream, if necessary.
- **Debt Reserve Fund (DRF):** FNFA withholds five per cent (5%) of every loan for member default protection.
 - The DRF balance can service interest payments over 18 months, if necessary.
 - The DRF is repaid to the member, plus earnings, when the loan is repaid.
- **Contingency Fund (CF):** available to support borrowing members' loan payments in the event of widespread economic shock.

FNFA has never had a member default on a loan or had to enact any of the protections, signaling the strength of our model.

Investment in FNFA is an Investment in Sustainability



FNFA is a First Nation-led non-profit that is focused on financing community priorities with a goal of economic prosperity. FNFA's purpose, mission and mandate is inherently aligned with the sustainable investment category. Many investors recognize an investment in FNFA meets many of their criteria for social, sustainable and/or impact investing as FNFA's focus is on financing Indigenous projects at accessible rates, and our latest issuances have been tagged by Bloomberg as "Sustainable".

First introduced in 2015, the United Nations' Sustainable Development Goals (SDGs) became a universal call to action to end poverty, protect the planet, and ensure that by 2030 all people enjoy peace and prosperity. The importance of SDGs soon permeated the global financial markets, with many investors insisting that portions of their investment portfolios are held in securities that represent these goals. This umbrella of investments is known as Environmental, Social, and Corporate Governance (ESG).

The member projects we fund are the definition of these categories - whether it's a wind farm for cleaner energy production, safe and affordable on-reserve housing for improved living conditions, or an economic development project where profits from the project go into community programs for education, health and social services, these projects define our shared work of building strong, sustainable communities for next generations.

FNFA is the recipient of the Environmental Finance Sustainable Debt Award for Sustainability Bond of the Year - Agency for the issuance in June 2025 directly financing the Haisla Nation investment in Cedar LNG project which is the world's first Indigenous majority-owned, low-carbon, LNG project. The issuance was recognized for its "clearly defined social and environmental objectives" noting it as a "highly valuable sustainable bond". The issuance was further praised for "its ambition, authenticity, and powerful social narrative, financing a first of its kind Indigenous majority owned LNG project that delivers substantial benefits for the Haisla Nation."



High Interest Savings Account (HISA)

- Flexible: deposit and withdrawal as needed
- Invest funds that are not immediately needed or while you make some decisions on what to do with it to earn passive income

Investing with Us

FNFA offers preferable investment rates for our investing members in both our flexible and locked-in options. With the same methodology as our borrowing programs, we do not charge fees for deposits, withdrawals, or marked-up investment management fees. Investment services are open to Indigenous organizations as well as communities.

Investment Funds

- Multiple fund offerings for your unique investment goals

Bond Fund

- Focus on max high quality & diversification
- Average term to maturity: 2.9 years
- 24 months - 5 years

Mortgage Fund

- Focus on private commercial mortgage investments
- Average term to maturity: 3.0 years
- 3 years +

Diversified Multi-Asset Class Fund

(reg. or fossil fuel free)

- Focus on broad diversification among fixed income, equities, and alternatives
- Suitable for long-term investment horizon
- 10 years +

Locked-in Investments (GLIC)

- Locked-in options for when funds are not needed for 6 months or longer
- Guaranteed rate of return for the investment term



Current Initiatives

Canada's federal budget 2025 marked a significant step forward in expanding access to affordable capital for Indigenous groups through FNFA.

While this budget included difficult cuts that will undoubtedly impact all First Nations and Canadians alike, it also brings forward investments that open the door to new opportunities for our communities.

These targeted investments have the potential to support prosperity and advance self-determination in meaningful ways.

Three of FNFA's key priority initiatives were recognized, a testament to the trusted reputation and strength of our work and our mandate to empower First Nations, and they are.



1. Canada's intention to amend the *First Nations Fiscal Management Act* (2005) and enable FNFA to lend to Indigenous-owned special purpose vehicles* (SPVs*)

Issue: Currently, FNFA can only lend directly to First Nation governments. If FNFA could lend to SPVs, the impact could be equitable access to capital and prosperity for more Nations. Every Nation, large or small, could have access to the financing needed to expand, participate in major projects, and become more economically prosperous.

Opportunity: this critical amendment will enable FNFA to lend to Indigenous-owned SPVs and further enhance access to capital for Indigenous groups seeking participation in economic and resource development projects.

***Special Purpose Vehicles:** separate legal entity, a limited partnership, body corporate, or corporation created for investment into a specific business purpose.



2. Canada's intention to explore a bonding and surety** backstop pilot project for First Nation contractors on reserve

Issue: First Nations contractors, located on reserve, cannot sign an enforceable indemnity agreement; without indemnity agreements, they cannot obtain bonding and surety insurance, a prerequisite for participation in virtually all major housing, infrastructure, and resource projects.

Opportunity: this pilot would enable on-reserve construction companies to obtain surety and bonding insurance and address inequities due to section 89 of the Indian Act. This intention signals an understanding of the need to remove inequitable barriers that will create conditions for First Nation business to scale and grow on parity with other Canadian businesses.

****Bonding and Surety:** a financial guarantee provided by an insurance party that ensures a business or individual will fulfill any legal obligations.



3. Explore a standalone pilot project to monetize federal government transfers

Issue: Canada currently uses the pay-as-you-go model and budgets for the entire cost of an asset at one time. This is equivalent to saving up for the full cost of building your home before you can start the project which can take years to do and over time, the costs of building continue to increase due to inflation. Building assets gets more expensive meaning less can be built and the infrastructure gap between First Nations and the rest of Canada continues to grow.

Opportunity: a monetization*** pilot project would show the benefit of leveraging capital transfer payments into immediate capital investment. This approach would accelerate progress to diminish the widening \$349.2 billion infrastructure gap. It would enable building more assets today, insulate from inflated costs, chronic underfunding, and a growing population in our Nations.

*****Monetization:** Rather than saving the entire amount for an asset upfront, annual capital transfers would be leveraged to finance the asset to be built now, through a mortgage or loan, and then make payments over time from those capital transfers to pay that loan back.

ACTION OVER INTENTION

All these initiatives are actions to support self-determination and address the criticality of closing the infrastructure gap in our Nations are welcomed. What we need now is urgent action to support the implementation of these amendments and pilots and level the playing field between Indigenous groups and the rest of Canada.



Feature Project

The Market at Glooscap Landing: From Sea to Community

Location: Nova Scotia
Nation: Glooscap First Nation

Total FNFA
financing:

\$2.6 M

Estimated
jobs created:

13

Located between the towns of Wolfville and Windsor and shaped by the powerful waters of the Bay of Fundy and the Minas Basin, Glooscap First Nation is a proud Mi'kmaq community rooted in Glooscap 35, Mi'kma'ki (Nova Scotia). Though formally recognized as a community in 1984, the Mi'kmaq people have travelled, lived, and cared for these lands for thousands of years—guided by the rivers, the tides, and the teachings passed down through generations.

The Nation's name honours the culture hero Kluskap, who is said to have created the Mi'kmaq people and the principles of living in balance with the natural world. His teachings mirror the community's own vision today: to live in accordance with the seven sacred teachings—love, respect, courage, honesty, wisdom, humility, and truth. Kluskap once asked the animal, fish, and plant relations to sustain the Mi'kmaq people. Today, Glooscap First Nation continues that legacy of reciprocity, ensuring that decisions made now strengthen the community for generations to come.



ESG SDG



A Vision Rooted in Self Determination

Strategic investment by leadership has become a cornerstone of Glooscap's long term approach to community care and economic independence. This past spring, the Nation's economic development arm, Glooscap Ventures, opened The Market at Glooscap Landing—a 4,000 square foot landmark development that stands as a testament to their commitment to economic self sufficiency.

Located at Exit 8A on Highway 101 in Hantsport, the market completes the Nation's seafood supply chain: linking local harvesting, processing at the Nation-owned Yarmouth Bar Fisheries, and now direct-to-consumer sales. With approximately 16,000 vehicles passing the site daily, the market is positioned to thrive while showcasing local creators, bakers, and artisans. Visitors are welcomed by vibrant murals painted by local artists, offering an authentic cultural experience that reflects the community's identity and pride.

Investing in Community, Strengthening the Future

Since the founding of Glooscap Ventures, \$7.6 million has been distributed back to the Nation, with \$2.4 million invested directly into community infrastructure. These additional revenues have been able to support a community food bank, ensuring that any member in need can access food and essential supplies. For those requiring additional support, a food voucher program allows members to shop at the market with dignity and ease.

"This is how we look after each other," said Chief Sidney Peters. "This is how we build a future our grandchildren can be proud of."

Plans for an outdoor summer market, an on site greenhouse, a playground, and a community gathering room further reflect the Nation's commitment to creating spaces that nurture culture, connection, and opportunity.



Infrastructure Designed for Long-Term Resilience

The Market at Glooscap Landing was developed with a focus on sustainability and operational resilience. The south facing, barn inspired structure features roof mounted solar panels and battery storage. This renewable energy system allows the market to remain fully operational during provincial power outages, ensuring uninterrupted access to fresh food for both the community and the broader Annapolis Valley.

It is a forward looking investment—one that protects the community today while preparing for the challenges of tomorrow.

A Partnership Supporting Long Term Prosperity

FNFA was proud to have financed the original site of Glooscap Landing with \$3.5 million for their gas station, then supported the Nation's purchase of Yarmouth Bar Fisheries with \$4.2 million and now the development of The Market with an additional \$2.6 million. Prior investment into the Nation has allowed them to pledge revenues generated by past projects - this is true economic empowerment on the road to self-determination. These investments have created meaningful employment, strengthened local infrastructure, and expanded opportunities that will benefit Glooscap members for generations.

"It makes a big difference to have an Indigenous led financial partner," said Michael Peters, CEO of Glooscap Ventures. "There are other real impacts to the community beyond just making profit and employment opportunities, and FNFA shares that understanding."



Feature Project

Kwe Kwe to Nikinan "Our Place"

Location: Alberta

Nation: Fort McMurray 468 First Nation

Total FNFA
financing:

\$26.3 M

Estimated
jobs created:

225

Forty minutes south of Fort McMurray, along the old travel routes that once connected families, traplines, and trading partners, sits Fort McMurray 468 First Nation – a Nistawâyâw (Cree) and Chipewyan community of roughly 1100 members. As part of the vast Algonquin linguistic family, the largest on Turtle Island, and signatories to Treaty 8 since 1899, the Nation continues to uphold its responsibilities to the land and to future generations.

Their reserves – Clearwater 175; Gregoire Lake (Willow Lake) 176; Gregoire Lake 176A; and Gregoire Lake 176B near Anzac – remain places where generations have gathered, hunted, raised families, and kept ceremony. These lands are not only home; they are the foundation of the Nation's sovereignty and economic future.



ESG SDG



Guided by wâhkotowin: A Worldview of Kinship

At the heart of Cree worldview is wâhkotowin – the understanding that all relations are connected. People, land, water, animals, and spirit are woven together in a shared responsibility.

This principle guides Fort McMurray 468 First Nation as they build a future where cultural strength and economic independence move forward together. With the wisdom of their Elders and the determination of their leadership, the Nation is shaping long-term prosperity – ensuring that future generations inherit not only opportunity, but a thriving, self-determined homeland.

Their vision is clear: economic growth must serve the people, protect the land, and strengthen the Nation for generations to come.

Nikinan: A Home for Community

That vision took physical form on Indian Beach – a cultural heartland where the community has long come together to honour tradition and celebrate identity – through the creation of a 41,000-square-foot multi-purpose community facility: Nikinan (Our Place).

“We built something bold. Something permanent. Something worthy of our people. A space where our grandchildren will one day bring their grandchildren and say, ‘this is where our stories live.’ Welcome to Nikinan – our home.”

Councillor Samantha Whalen,
Fort McMurray 468 First Nation

Nikinan is more than a building. It is a declaration of sovereignty, a physical expression of Nationhood, and an investment in the next seven generations.

Architecture That Speaks to Identity

Designed with pride and intention, Nikinan stands as the heart of the Nation – a place where administration, culture, wellness, and community life

come together. Inside, the building honours every generation. An Elders’ lounge provides a dignified space for reflection and knowledge-sharing. A youth hub – complete with an indoor playground – ensures the youngest members grow up surrounded by culture, safety, and community. A fitness zone overlooks sweeping lake views, grounding wellness in connection to the land, and a full gym doubles as a gathering space for both community events, governance, and celebration.

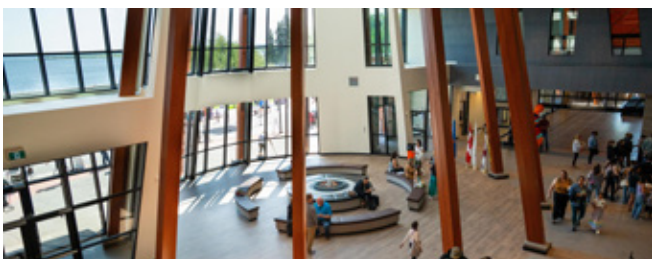
From the outside, visitors are welcomed by a striking teepee structure with a gas-lit fire at its centre – a modern reflection of the sacred fires that have always burned in traditional homes. It signals warmth, belonging, and community.

Shared Principles, Shared Purpose

To bring Nikinan to life, the Nation sought partnership rather than transaction. They turned to FNFA for \$26.3 million in financing – a collaboration that created an estimated 225 construction-phase jobs and strengthened the Nation’s economic foundation. FNFA also supported the Nation’s new health centre with an additional \$5.2 million loan, helping advance their long-term vision for community wellness and sovereignty.

The alignment between the Nation and FNFA is unmistakable. One of Fort McMurray 468’s guiding principles is “Empowering members to choose the direction of their arrow...” – a philosophy that mirrors FNFA’s own commitment to “Empowering Nations to build their own futures on their own terms.”

Together, these efforts reflect more than infrastructure. They represent a generational investment in self-determination – a future where culture, governance, and economic strength move forward together, ensuring that the stories of Fort McMurray 468 First Nation continue to grow for generations to come.



Feature Project

La Bannik: A Gathering Place of Culture, Connection, and Community

Location: Quebec

Nation: Timiskaming First Nation

Total FNFA
financing:

\$13.1 M

Estimated
jobs created:

55

North of the head of picturesque Lake Timiskaming – where the shoreline curves toward Notre-Dame-du-Nord and the historic fur trading site of Obadjiwan-Fort Témiscamingue – the people of Timiskaming First Nation continue to walk the lands their ancestors knew well. This Algonquin Nation, home to more than 3,100 members, carries the name Sāgīng Anishinābeg, the People of the River Mouth, a name shaped by the waters that have always sustained them.

Established under the Act of 1851, their traditional territory stretches across what is now Quebec and Ontario, a place where families gathered, where trade routes pulsed with life, and where teachings were passed from one generation to the next. These lands have witnessed countless seasons of movement, ceremony, and connection – a living history carried forward by the Nation.



ESG SDG



A Homecoming Through La Bannik

Today, the Nation is returning to these ancestral spaces in a powerful way through the acquisition of La Bannik, a beloved resort, restaurant, and campground known for its warm hospitality and lakeside cottages. This return is not simply a business venture – it is a homecoming, a step back onto lands that have always remembered them.

“We’re now making full circle in history and we’re returning to our traditional territory, back to the place where our ancestors gathered, traded and sustained our people. And now we are reclaiming our rightful role in trade, commerce and stewardship in this area,” Councillor McBride, Timiskaming First Nation

La Bannik offers a bistro, spa, and year-round activities that invite families, travellers, and community members to experience the land in all seasons – a nature lovers paradise. Beneath these offerings lies a deeper purpose: a vision of prosperity grounded in cultural strength. By investing in opportunities that generate their own source revenue, the Nation is building a future where their people can thrive while staying rooted in identity and tradition.

Welcoming Visitors to Algonquin Territory

This winter brought record numbers of visitors – snowmobilers, snowshoers, and families seeking the quiet beauty of the lake in its frozen stillness. Guests from across the region, across the country, and across Turtle Island are welcomed into a space shaped by Algonquin presence and stewardship.



“This is more than an investment – it’s an act of endurance, resiliency and self-determination. It affirms that we are still here, carrying forward our responsibilities to the land and the future generations,”

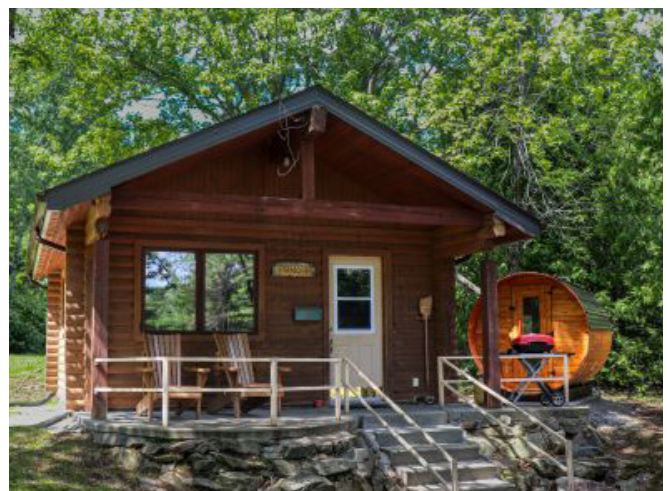
Chief Vicky Chief, Timiskaming First Nation

Through La Bannik, the Nation strengthens its language, culture, and traditions while offering an Indigenous tourism experience that honours both the past and the path ahead. It is a place where stories can be shared, where youth can learn from Elders, and where visitors can feel the spirit of the land that has held the Sāgīng Anishinābeg since time immemorial.

Partnerships Built on Trust

“Right from the beginning, I knew FNFA was going to be a very important vehicle to get this done,” said Richard Kearney, General Director, Timiskaming First Nation. **“After my first discussions with FNFA, I felt very confident in recommending them as a partner in the project. When we presented La Bannik to the community, FNFA helped reassure everyone that this deal was done with due diligence and the highest level of professionalism.”**

With \$6.1 million in financing from FNFA and the creation of an estimated 55 jobs, the Nation is shaping a future where economic strength and cultural resurgence move together. As Timiskaming First Nation continues to grow, La Bannik stands ready to welcome generations – a place of culture, community, and connection, grounded in the rich history of the Sāgīng Anishinābeg.



Feature Project

Henvey Inlet Wind: Powering Future Generations

Location: Ontario

Nation: Henvey Inlet First Nation

Total FNFA
financing:

\$117 M

Estimated
jobs created:

1,112

About 90 kilometres south of Sudbury, Ontario on the Robinson Huron Treaty territory is the Anishinabek community of Henvey Inlet First Nation – a community whose roots run deep in the Lake Huron and French River systems and is shaped by the teachings of Amikwa, the Beaver Clan People.

The Amikwa are known as builders. They shape the land with intention. They create with purpose. They remind us that every structure we raise must honour our ancestors behind us and the generations waiting ahead. It is in this spirit that Henvey Inlet First Nation undertook a vision as vast as the winds that sweep across Georgian Bay.

Geographically positioned on Henvey Inlet First Nation Reserve No. 2 lands on the northeast shore of Georgian Bay, is Henvey Inlet Wind. The 300 MW clean energy project transforms those winds into enough electricity to power 100,000 Ontario homes. For countless generations, those winds carried stories, teaching and change. Today, they carry power.

ESG SDG



Harnessing the Wind, Honouring the Land

In partnership with Pattern Energy, Henvey Inlet First Nation's subsidiary, Nigig Power, embarked on one of the largest First Nation-led wind energy projects in Canada. The Henvey Inlet Wind facility—comprising 87 Vestas 3.45 MW turbines—stands as a powerful expression of Anishinaabe stewardship, harnessing the energy of the land in a way that honours both tradition and innovation.

Approximately 20 community members operate and maintain the site, which began producing power in 2019, and the Nation estimates that more than 100 additional jobs have been created through the expansion of programs and services supported by this project.

Since operations began, Henvey Inlet First Nation has generated an estimated \$7 million annually. Guided by community decision-making through a Membership Referendum, a portion of these funds is distributed quarterly to roughly 600 members via a Community Trust. The remaining revenue is invested in infrastructure and services that reflect the Nation's priorities and cultural values—initiatives that were once out of reach but are now shaping a healthier, more self-sufficient future.

A New Era of Community Prosperity

These investments are visible throughout the community. A new fire hall, designed with flexibility in mind, doubles as a gathering space where families, Elders, and youth come together. A paved road—maintained by the Nation—provides safer travel and strengthens connection.

Essential services have expanded, including a dedicated food bank space ensuring members have access to nutritious food, and the hiring of a mental wellness worker to support holistic wellbeing rooted in cultural care.

Lifting Up Generations to Come

The Nation's youth are being invited not only to witness this transformation, but to lead it. Through training opportunities, career fairs, and pathways to employment at Henvey Inlet Wind, young people are encouraged to see themselves as future leaders,

knowledge keepers, and protectors of the land. Programs once dependent on external funding—such as the community mentorship program—are now sustained through own-source revenue.

This program has opened doors for youth to participate in educational field trips, visit other First Nations, and engage in regional and national forums, including with the Anishinabek Nation. These experiences help young people build identity, confidence, and purpose as they prepare to guide the community forward.

Looking ahead, Henvey Inlet First Nation is planning a tiny-home development to address the need for safe, affordable housing for members. Their long-term vision includes a multi-generational recreation facility and an assisted living space for Elders—ensuring that both the wisdom of the past and the promise of the future are cared for.

Power of Partnerships

"Having access to affordable capital and working with Indigenous professionals (FNFA) makes a big difference. This project has been transformational for our community and now we can move forward on our own terms, with our own revenue."

Chief Wayne McQuabbie, Henvey Inlet First Nation

FNFA is honoured to have supported Henvey Inlet First Nation with \$117 million in financing that respected their autonomy, priorities, and long-term vision. This partnership has contributed to the creation of an estimated 1,112 jobs and has helped the Nation advance its path toward true self-determination.

"The key for us was that FNFA is First Nation-led. We wanted to work with an organization that sees the world the way we do—through our eyes—somebody in our corner with our type of background."

Millie Pawis, Director, Finance and Administration, Henvey Inlet First Nation



Meet Our Team

Ernie Daniels

CPA, CGA, CAFM

President and CEO, FNFA

As President and Chief Executive Officer, Ernie Daniels manages the business affairs of FNFA. He is a Chartered Professional Accountant and a Certified Aboriginal Financial Manager and is the first First Nations person to be appointed to the Bank of Canada Board of Directors.

From Salt River First Nation, Ernie moved from Ottawa to Kelowna in 2011 to work with FNFA as Director of Finance and was subsequently appointed as President and CEO in June 2012. Prior to FNFA, he was the President and Chief Operating Officer of AFOA Canada for seven years and the Director of Assessment and Finance Operations at the Aboriginal Healing Foundation for five years.

Ernie has worked for Indigenous non-profit organizations in various leadership and management positions and has served on numerous boards and committees. He was also a member of the Canadian Institute of Chartered Accountants Research Study Group looking at financial reporting by First Nations; Chair of the NWT Legislative Assembly Society; Vice-Chair of the NWT Development Corporation; Board member of the First Nations Financial Management Board and Chair of the Audit Committee and was a member of the Standards, Approvals, and Certification Committee. He was also a Board member of the Canadian Executive Service Organization.

Ernie often shares the reason why he continues to do this work is he wants to see a better quality of life for our people, and generations to come.



Rachel McAllister

CPA, CA, CAFM

Chief Financial and Operating Officer

As Chief Financial and Operating Officer, Rachel McAllister is responsible for guiding the financial direction and reporting of the organization, as well as setting organizational objectives. Rachel provides leadership to drive and implement overall strategy and organizational mandates. She oversees various departments and strives for continuous improvement by adapting to industry changes, technological advancements, and streamlining processes to better serve our growing member base.

Rachel has been with the organization for nearly a decade focused on building structure and growing the internal capacity to support the organization's growth in service, membership, and staff.

Rachel's background in public accounting and assurance fostered her skills in management, process and policy analysis, and critical thinking. Her experience contributes to her effective leadership and analytical mindset.

Rachel is proud to be leading a team dedicated to promoting equity and prosperity for Indigenous communities and organizations.

Jody Anderson

CAPA

Vice-President - Partnerships, Strategy & Public Affairs

Jody, an Anishinaabe kwe from Treaty 3 and a member of Couchiching First Nation. As VP of Partnerships, Strategy, and Public Affairs, she plays a vital role in developing strategic frameworks that support the growth and prosperity of the organization and its members. She has also been appointed as a community trustee helping to manage a \$100M trust fund.

Jody hosts FNFA's podcast Let's Bond, promoting dialogue on Indigenous issues and finance. With over two decades of experience working with Indigenous communities and organizations, Jody brings a strong background in Indigenous leadership and administration.

She holds a Business Diploma in HR Management, a CAPA designation, and has completed executive education on Leading People and Investing to Build Sustainable Communities at Harvard Business School. Her work emphasizes financial literacy, good governance, cultural identity, and reconciliation.

REPORTING TO EXECUTIVE

James Byra,
CPA, CAFM, CIM
*Managing Director of
Finance & Investments*

Bobbi Setter
*Senior Executive Assistant
to President and CEO*

Kateri Cree,
BA Psy, LL.B
Legal Counsel

Manon Lamontagne,
MA, MBA, CRHA, CAPA
Human Resources Manager

POLICY

Nadia Robertson
*Partnerships & Government
Relations Advisor (QC)*

Jonathan Plante,
BASc, MPA
*Sr. Policy & Government
Relations Advisor*

Theo Chiara
*Policy Analyst, Partnerships,
Strategy & Public Affairs*

FINANCE

Sarah Ward, CPA
Financial Controller

Scott Mazurkewich,
BComm
Senior Financial Analyst

Ghislain Bruneau, CPA
Financial Analyst (Bilingual)

Shelley Mills
Finance & Account Coordinator

Lee Nevin
Junior Financial Analyst

Elsie Grass
Accounting Clerk

COMMUNICATIONS

Jennifer David
*Director of Communications
and Marketing*

Brianna Wilson
*Social Media and
Marketing Coordinator*

Jasmine Beauparlant
*Bilingual Communications
Coordinator*

MEMBER SERVICES

Ian Bear, MBA
*Associate Director of
Member Services*

Jerrett Lafontaine,
MBA, BBA
*Associate Director of
Member Services*

Sybil Campbell, CAPA
Member Services Manager (BC)

Patricia Debassige, CAPA
*Bilingual Member
Services Manager (ON)*

Brenda Belmore,
Cert. in PA
*Member Services Manager
(Northern ON)*

Jacky Papatens
*Member Services Manager
(Southern/Eastern ON)*

René Jeddore, MBA
*Member Services Manager
(Atlantic Canada)*

Darwin Biamonte,
MBA, BBA, CAPM
*Member Services Manager
(Northern BC)*

Warren Isbister-Bear,
BA, MBA, IAP2, TAED
*Member Services
Manager (SK/AB/NWT)*

Sheldon Bear,
*Member Services
Manager (MB)*

Johnathon Patrick
Member Services Associate

SERVICE QUALITY & STANDARDS

Jo-Ann Derrickson,
*Director of Service
Quality and Standards*

Randy Mayes, CAFM, CAPA
*Service Quality and Standards
Information Manager*

INFORMATION TECHNOLOGY

Stephen Blancher, BCIS
IT Manager

Nora Waldenberger.
MCSE
*Cybersecurity and
Network Administrator*

Alexey Stepanets, BSc
Software Developer

Kirill Bibikov, MCS
Software Project Manager

Nazim Ragimov, MA
*QA Analyst, Information
Technology*

Nitish Trikha
IT Support Technician

ADMINISTRATION

Sandee Greveling
Office Administrator





EVENTS, COMMUNITY ENGAGEMENT AND ACHIEVEMENTS

AFOA Canada 2026

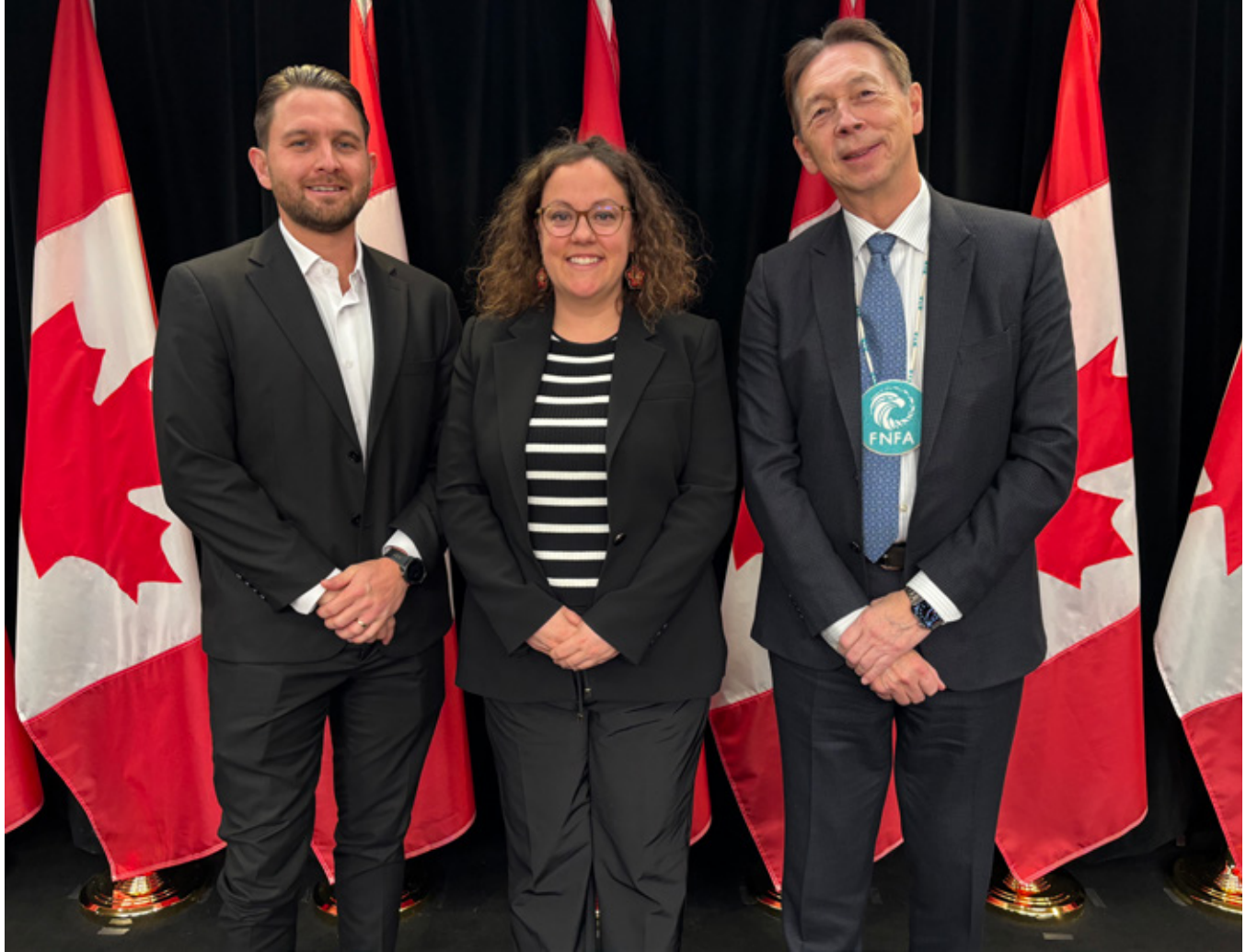


FNFA attended the 24th AFOA Canada National Conference on the unceded territory of the Kanien'kehá:ka (Mohawk) Nation, also known as Tiohtià:ke (Montreal, Quebec) on February 10-12, 2026, and gathered with leaders to listen and learn best practices in wealth generation, capacity development and how we can build stronger First Nations, together.

FNFA presented in two workshops: 1) SPVs: Accelerating Nation-Building Projects where participants learned how this new pathway of FNFA

lending to SPVs, outlined in the Federal Budget 2025, will further enhance access for Indigenous groups, and Nations of any size, to secure affordable financing and participate in economic and resource development projects, and 2) Breaking the Bottleneck: Financial Statement Delays where FNFA's CFO/COO Rachel McAllister reminded, "Some of these projects that come along are once in a generation - we don't want the issue of financial reporting to be the reason Nations are unable to make the informed decision to participate."





EVENTS, COMMUNITY ENGAGEMENT AND ACHIEVEMENTS

Canada Recognizes FNFA for Raising \$4 Billion



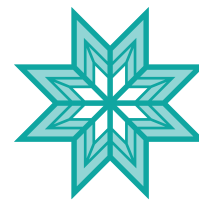
"These loans are helping build the housing and community infrastructure that First Nations need, while supporting local jobs and economic growth. In that way, the billions invested through the First Nations Finance Authority are also returning billions more into Canada's economy—delivering benefits for First Nations and for the country as a whole."

The Honourable Rebecca Alty, Minister of Crown-Indigenous Relations and Northern Affairs of Canada.

In December 2025, FNFA President and CEO, Ernie Daniels gathered on the unceded, traditional land of the Anishinaabe Algonquin Nation (Ottawa, Ontario) with Chief Derek Epp, Ch'íyáqtel First Nation, British Columbia (FNFA Board Chairperson), the FNFA Board of Directors, and the Honourable Rebecca Alty, Minister of Crown-Indigenous Relations and Northern Affairs of Canada and FNFA was recognized for financing more than \$4 billion to build First Nation priorities.

EVENTS, COMMUNITY ENGAGEMENT AND ACHIEVEMENTS

Building International Relations



Australia (May 2025): In 2023 an MOU was formalized between First Nations Finance Authority, First Nations Financial Management Board and the First Nations Portfolio - Australian National University (ANU). Based on this strong partnership, FNFA visited the traditional lands of the Ngunnawal [NUN-UH-WALL] and Ngambri [NAM-BREE] peoples (Canberra, Australia) this past May to support the ANU and the First Nations Economic Empowerment

Alliance as they develop the Indigenous Economic Transformation Centre – an innovative solution to advance economic reconciliation.

The ANU is inspired by FNFA's unique lending structure and are considering its viability for First Nations in Australia. We remain committed to collaboration that can drive policy and economic reform for the greater good of both our countries.





London, United Kingdom (April 2025): FNFA's Ernie Daniels President and CEO and Jody Anderson, VP of Partnerships, Strategy attended in the Commonwealth Investment Summit and spoke to an international delegation at the Canadian Indigenous Investment Summit and highlighted FNFA's lending model and its success in financing First Nation projects for over a decade.

They participated in roundtables on opportunities for international investment into major projects in Canada that include Indigenous equity participation.

These roundtables included discussions with British institutional investors on the benefits and importance of learning, engaging and investing with Indigenous projects, particularly as nations around the world look to diversify their partnerships.



EVENTS, COMMUNITY ENGAGEMENT AND ACHIEVEMENTS

First Nations Leading the Way 8: Unleashing Our Collective Power



In November 2025, over 700 delegates from across Canada gathered on the traditional territory of the Mississaugas of Scugog Island First Nation to learn and share stories of the dedicated leadership who are advancing First Nation-led legislation to build sustainable economic futures for the next generations. FNFA had the opportunity to address attendees and share how the forthcoming legislative change to the *First Nations Fiscal Management Act* (2005)

(the Act) to allow FNFA to lend to Special Purpose Vehicles will unlock economic opportunities for more Indigenous groups and build generational wealth.

Co-hosted by the Act's institutions (FNFA, FMB, FNII, FNTC) and the Lands Advisory Board, First Nations Leading the Way is an annual gathering showcasing the tangible results of First Nations exercising their inherent jurisdiction over finance, governance, and land.

Statement of Management Responsibility

The financial statements of First Nations Finance Authority ("FNFA") for the year ended March 31, 2026 have been prepared by management in accordance with Canadian public sector accounting standards ("PSAS"). The integrity and objectivity of these statements are management's responsibility. Management is also responsible for all the statements and schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements.

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and exercises this responsibility through the Audit Committee. The Audit Committee meets with management no fewer than four times a year and the external auditors a minimum of two times a year.

The external auditors, KPMG LLP, conduct an independent examination, in accordance with Canadian generally accepted auditing standards, and express their opinion on the financial statements. Their examination considers internal control relevant to management's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of FNFA's internal control. The external auditors have full and free access to the Audit Committee.

On behalf of First Nations Finance Authority



Ernie Daniels President & CEO

June 2, 2026



KPMG LLP
200-3200 Richter Street
Kelowna, BC V1W 5K9
Canada
Telephone 250 979 7150
Fax 250 763 0044

Independent Auditor's Report

To the Members of First Nations Finance Authority

Opinion

We have audited the financial statements of First Nations Finance Authority ("FNFA"), which comprise:

- the statement of financial position as at March 31, 2026
- the statement of operations and accumulated surplus for the year then ended
- the statement of changes in net financial assets for the year then ended
- the statement of cash flows for the year then ended
- the statement of remeasurement gains and losses for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies (Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of FNFA as at March 31, 2026, and its results of operations, its changes in net financial assets, its cash flows and its remeasurement gains and losses for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our auditor's report.



We are independent of FNFA in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Responsibilities of Management and Those Charged With Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing FNFA's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate FNFA or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing FNFA's financial reporting process.

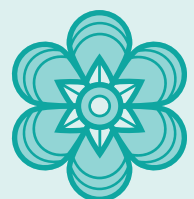
Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.



We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of FNFA's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on FNFA's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause FNFA's to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The logo for KPMG LLP, featuring the letters 'KPMG' in a large, bold, black serif font, with 'LLP' in a smaller, black serif font to the right. A thin, curved line sweeps under the letters.

Chartered Professional Accountants

June 2, 2026
Kelowna, Canada

STATEMENTS OF FINANCIAL POSITION

March 31, 2026 with comparative figures for 2025 (in thousands)

	2026	2025
Financial Assets		
Cash and cash equivalents	\$ 838,615	\$ 597,889
Debt Reserve Funds investments (note 2(a))	237,343	178,170
Sinking Funds investments (note 3)	315,500	219,360
Loans to members (note 4)	3,900,283	2,963,139
Restricted cash and cash equivalents:		
Funds held due to members	148,951	129,912
Principal and interest payments received in advance	26,281	23,612
Other (Note 5)	324	324
	\$ 5,467,297	\$ 4,112,406
Liabilities		
Accounts payable and accrued liabilities	707	979
Accrued interest payable	44,086	30,603
Deferred contributions (note 13)	84	805
Due to members (note 2(b))	237,343	178,170
Funds held due to members	148,951	129,912
Principal and interest payments received in advance	26,281	23,612
Short-term indebtedness (note 6)	900,000	900,000
Debentures: (note 7)		
Principal	4,104,000	2,834,000
Unamortized premium and discounts, net	(29,298)	(7,694)
Unamortized debenture issuance costs	(7,189)	(9,253)
	\$ 5,424,965	\$ 4,081,134
Net Financial Assets	\$ 42,332	\$ 31,272
Non-Financial Assets		
Credit Enhancement Fund (note 8)	53,163	53,163
Contingency Fund (note 9)	40,038	38,029
Capital assets (note 10)	2,944	2,822
Prepaid expenses	1,197	1,333
	\$ 97,342	\$ 95,348
Commitments and contingencies (note 11)		
Accumulated surplus	\$ 139,674	\$ 126,620
Accumulated surplus is comprised of:		
Accumulated surplus (note 12)	\$ 139,225	\$ 126,370
Accumulated remeasurement gains	449	250
	\$ 139,674	\$ 126,620

See accompanying notes to the financial statements.

On Behalf of the Board:



Chief Derek Epp - Chair



Ernie Daniels - President & CEO

STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

Year ended March 31, 2026 with comparative figures for 2025 (in thousands)

	2026 Budget	2026	2025
	(note 1(g))		
Revenue			
Interest from loan programs	\$ 149,943	\$ 145,622	\$ 105,636
Investment	14,351	19,688	12,872
Grants and contributions (note 13)	1,641	2,618	2,531
Debenture issuance premium amortization	1,701	1,716	1,986
Management fees	986	1,140	1,015
Other	40	9	189
	\$ 168,662	\$ 170,793	\$ 124,229
Expenses (note 1 (h))			
Interest on financing	136,551	131,044	95,917
Investment revenue due to members	6,848	10,387	5,743
Salaries and benefits	6,153	5,124	4,453
Financing fees	3,543	2,495	2,089
Professional fees	2,247	1,554	2,482
Debenture issuance costs amortization	2,007	2,064	1,558
Debenture issuance discount amortization	1,288	3,258	981
Operations and management	1,698	1,268	1,233
Travel, marketing and workshops	1,546	1,206	1,013
Amortization of capital assets	608	338	363
	\$ 162,489	\$ 158,738	\$ 115,832
Operating surplus	\$ 6,173	\$ 12,055	\$ 8,397
Contingency Fund contribution (note 9)	-	800	800
Annual surplus	\$ 6,173	\$ 12,855	\$ 9,197
Accumulated surplus, beginning of year	126,370	126,370	117,173
Accumulated surplus, end of year	\$ 132,543	\$ 139,225	\$ 126,370

See accompanying notes to the financial statements.



STATEMENT OF CHANGES IN NET FINANCIAL ASSETS

Year ended March 31, 2026 with comparative figures for 2025 (in thousands)

	2026 Budget	2026	2025
	(note 1(g))		
Annual surplus	\$ 6,173	\$ 12,855	\$ 9,197
Changes to non-financial assets:			
Contingency Fund contributions	-	(800)	(800)
Contingency Fund earnings	-	(1,208)	(1,689)
Net acquisition of capital assets	-	(461)	(483)
Amortization of capital assets	608	338	363
	608	(2,131)	(2,609)
Net change in prepaid expenses	-	137	(289)
	\$ 608	\$ (1,994)	\$ (2,898)
Net remeasurement gains	-	199	(179)
Increase in net financial assets	\$ 6,781	\$ 11,060	\$ 6,120
Net financial assets, beginning of year	31,272	31,272	25,152
Net financial assets, end of year	\$ 38,053	\$ 42,332	\$ 31,272

See accompanying notes to the financial statements.



REMEASUREMENT GAINS AND LOSSES

Year ended March 31, 2026 with comparative figures for 2025 (in thousands)

	2026	2025
Accumulated remeasurement gains, beginning of year	\$ 250	\$ 429
Unrealized gains (losses) generated and reversed during the year from:		
Derivative contracts	199	(179)
Net remeasurement gains	\$ 199	\$ (179)
Accumulated remeasurement gains, end of year	\$ 449	\$ 250

STATEMENT OF CASH FLOWS

Year ended March 31, 2026 with comparative figures for 2025 (in thousands)

	2026	2025
Cash provided by (used in):		
Operating transactions:		
Operating surplus	\$ 12,055	\$ 8,397
Debenture issuance premium amortization	(1,716)	(1,986)
Debenture issuance discount amortization	3,258	981
Debenture issuance costs amortization	2,064	1,558
Amortization of capital assets	338	363
Net change in non-cash assets and liabilities	13,428	13,192
	\$ 29,427	\$ 22,505
Investing transactions:		
Acquisition of investments	(157,322)	(67,580)
Increase in amounts due to members	59,173	59,234
Net increase in restricted cash and cash equivalents	(21,708)	(18,532)
Increase in funds held due to members	19,039	15,367
Increase in principal and interest payments received in advance	2,669	3,165
	\$ (98,149)	\$ (8,346)
Financing transactions:		
Loans to members issued	(1,034,740)	(1,189,471)
Repayment of loans to members	97,795	134,476
Debenture issued, principal	1,270,000	851,000
Discount on debenture issuance	(15,367)	(13,469)
Debenture issuance costs	(7,779)	(2,951)
Proceeds from short-term indebtedness	-	500,000
	\$ 309,909	\$ 279,585
Capital transactions:		
Net acquisition of capital assets	(461)	(483)
Increase in cash and cash equivalents	\$ 240,726	\$ 293,261
Cash and cash equivalents, beginning of year	597,889	304,628
Cash and cash equivalents, end of year	\$ 838,615	\$ 597,889
Supplemental cash flow information:		
Interest paid	\$ 121,327	\$ 66,355
Contingency Fund contribution	800	800

See accompanying notes to the financial statements.

NOTES TO FINANCIAL STATEMENTS

Year ended March 31, 2026

(all tabular figures reported in thousands of dollars)

First Nations Finance Authority ("FNFA") was created on April 1, 2006 as a result of Bill C20 and operates under the First Nations Fiscal Management Act (the "Act") as a not for profit corporation without share capital to provide borrowing options for First Nations governments and investment pooling arrangements for its investing members. FNFA is exempt from income taxes pursuant to Section 149 (1)(c) and 149 (1)(d.5) of the Income Tax Act (Canada).

1. Significant accounting policies:

The financial statements of FNFA have been prepared by management in accordance with Canadian Public Sector Accounting Standards, applying the following significant accounting policies.

(a) Basis of presentation:

These financial statements reflect the assets, liabilities, revenues, and expenses of FNFA's Operating, Credit Enhancement, Contingency, Sinking, and Debt Reserve Funds. All transactions and balances between the funds have been eliminated upon combination. Descriptions of FNFA's funds are as follows:

Operating Fund:

FNFA's Operating Fund includes revenue and expenses for all aspects of operations, including corporate administration and finance.

Credit Enhancement Fund:

Under the Act, FNFA is required to establish a Credit Enhancement Fund for the enhancement of FNFA's credit rating.

Contingency Fund:

Created through an agreement with Crown-Indigenous Relations and Northern Affairs Canada ("CIRNAC"), the Contingency Fund provides support for FNFA's borrowing members encountering difficulties through widespread adverse economic events.

Sinking Funds:

Under the Act, FNFA is required to establish Sinking Funds to fulfill its repayment obligations to the holders of each debenture security issued by FNFA. Sinking Fund payments are required as a condition of loan agreements with members and are invested by FNFA and occur based upon the frequency of FNFA intercepting the revenues supporting the loans. Sinking Funds are not required for interim financing loans to members.

Debt Reserve Funds:

Under the Act, FNFA is required to establish Debt Reserve Funds. FNFA withholds 5% of the loan amount requested under a member's borrowing law. If at any time, FNFA lacks sufficient funds to meet the principal, interest or Sinking Fund payments due on its obligations because of a default in payment by the payor of the intercepted revenue stream or from a borrowing member using its own source business revenues, FNFA can utilize the Debt Reserve Funds to satisfy these obligations. Upon extinguishment of a member's loan, the Debt Reserve Fund contributed by the member and net earnings on investment of the Fund are repaid to the member. The Debt Reserve Fund terms do not provide for an accumulated surplus or deficit.

NOTES TO FINANCIAL STATEMENTS

Year ended March 31, 2026
(all tabular figures reported in thousands of dollars)

1. Significant accounting policies (continued)

FNFA follows the accrual method of accounting for revenues and expenses. Revenues are recognized in the year in which they are earned and measurable (note 1(b)). Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and/or the creation of a legal obligation to pay.

(b) Revenue recognition:

Transfers from governments are recognized as revenue in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made. Transfers which include stipulations that give rise to an obligation are recognized as revenue in the period the stipulations giving rise to the obligation have been met. Transfers from governments which FNFA collects as an agent on behalf of its members are recorded on a net basis.

Interest from loan programs with members is recorded as revenue in accordance with FNFA's loan agreements with its members. Investment, management fees, and other revenue are recorded as revenue in the period earned.

(c) Cash and cash equivalents:

Cash and cash equivalents include cash and investments in highly liquid money market funds, with a term to maturity of 90 days or less and are readily convertible to cash.

(d) Financial instruments:

Financial instruments are initially classified upon initial recognition as a fair value or an amortized cost instrument. The fair value category includes investments in equity instruments that are quoted in an active market, freestanding derivative instruments that are not in a qualifying hedging relationship and any other items elected by FNFA to be recorded at fair value. All other financial instruments, including cash and cash equivalents, government and corporate bonds, short-term indebtedness, and debentures are recorded at amortized cost. Corporate bonds held by FNFA are chartered bank investments as consistent with investment requirements under the Act. Transaction costs directly attributable to the acquisition or issuance of a financial instrument are added to the amortized cost or expensed if related to instruments recorded on a fair value basis. The effective interest rate method is used to measure interest for financial instruments recorded at amortized cost.

All financial assets are assessed for impairment on an annual basis. When a decline is determined to be other than temporary, the amount of the loss, calculated as the excess of the net recoverable amount of the asset and its carrying value, is reported in the statement of operations. Any unrealized gain or loss for financial assets or liabilities measured at fair value is recorded through the statement of remeasurement gains and losses. When the asset is sold, the unrealized gains and losses previously recognized in the statement of remeasurement gains and losses are reversed, and the realized gain or loss is recognized in the statement of operations.

(e) Capital assets:

Capital assets are recorded at cost, net of accumulated amortization. Contributed capital assets are recorded at fair value at the date of contribution and are also recorded as revenue. When management determines that an asset no longer contributes to FNFA's operations, the asset's net book value is written down to its net realizable value. Amortization is provided over the asset's estimated useful life at the following bases and annual rates, once the asset is available for use:

NOTES TO FINANCIAL STATEMENTS

Year ended March 31, 2026
(all tabular figures reported in thousands of dollars)

1. Significant accounting policies (continued)

Asset	Basis	Rate
Furniture and equipment	Declining balance	20%
Computer equipment	Declining balance	30 - 45%
Leasehold improvements	Straight-line	5 - 10 years

(f) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from these estimates. Areas requiring management estimates include the net recoverable amount and any impairment of financial assets, the fair value of financial liabilities on issuance, the fair value of investments and derivative instruments and the effective interest rate of financial assets and liabilities measured at amortized cost. Actual amounts can differ from these estimates.

(g) Budget data:

The budget data presented in these financial statements have been derived from the budget approved by the Board of Directors on March 13, 2025. The budget is reflected in the statement of operations and accumulated surplus and the statement of changes in net financial assets.

(h) Segmented disclosure:

A segment is defined as a distinguishable activity or group of activities of a government for which it is appropriate to separately report financial information to achieve the objectives of the standard. FNFA has determined that it had only one operating segment for the years presented. Accordingly, segmented disclosures have not been presented in these financial statements.

2. Debt Reserve Funds:

(a) Investments:

The Debt Reserve Funds' investments are held by FNFA as security for debenture payments to bondholders and interim financing providers. If, at any time, FNFA does not have sufficient funds to meet payments or Sinking Fund contributions due on its obligations, the payments or Sinking Fund contributions will be made from the Debt Reserve Funds.

The Debt Reserve Funds' assets, as at March 31, 2026 consist of the following:

	2026	2025
Cash and cash equivalents	\$ 34,472	\$ 89,076
Structured deposit notes (note 11 (a))	56,350	51,350
Government and corporate bonds	146,521	37,744
	\$ 237,343	\$ 178,170

Structured deposit notes include notes with maturities between May 2030 and June 2035, with interest rates from 3.90% to 4.50% (2025 - 3.90% to 4.50%).

NOTES TO FINANCIAL STATEMENTS

Year ended March 31, 2026
(all tabular figures reported in thousands of dollars)

2. Debt Reserve Funds (continued)

Government and corporate bonds include bonds with maturities from December 2031 to December 2050, with coupon rates from 2.25% to 5.75% and have a total principal of \$147.0 million (2025 - \$37.0 million). The market value as at March 31, 2026 was approximately \$144.9 million (2025 - \$37.1 million).

(b) Due to members:

Amounts due to members in the Debt Reserve Funds will be repaid to a member when the member has satisfied all obligations related to the applicable loan agreement. The balance owing to members as at March 31, 2026, is due upon extinguishment of the underlying loan, consistent with the term of the financing agreements.

3. Sinking Funds:

The Sinking Funds' assets are held to fulfill the repayment obligations of the debentures. The Sinking Funds may only be invested in securities, investments or deposits specified under the Act.

The Sinking Funds' assets, as at March 31, 2026 consist of the following:

	2026	2025
Cash and cash equivalents	\$ 41,573	\$ 71,040
Guaranteed investment certificates	150,000	75,800
Structured deposit notes (note 11 (a))	106,900	46,000
Government and corporate bonds	17,027	26,520
	\$ 315,500	\$ 219,360

Guaranteed investment certificates include certificates with maturities from January 2028 to May 2035, with interest rates from 3.45% to 5.96% (2025 - 4.40% to 5.96%).

Structured deposit notes include notes with maturities between May 2030 and May 2034, with interest rates from 3.26% to 4.50% (2025 - 3.90% to 4.50%).

Government and corporate bonds include bonds maturing in December 2032, with a coupon rate of 4.25% and have a total principal of \$16.0 million (2025 - \$26.0 million). The market value as at March 31, 2026 was approximately \$26.6 million (2025 - \$26.1 million).

4. Loans to members:

	2026	2025
Debenture financing loans	\$ 3,752,193	\$ 2,597,487
Interim financing loans	147,641	365,402
	\$ 3,899,834	\$ 2,962,889
Unrealized gain on derivative contracts	449	250
	\$ 3,900,283	\$ 2,963,139

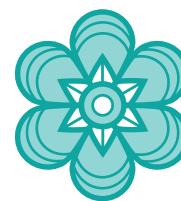
NOTES TO FINANCIAL STATEMENTS

Year ended March 31, 2026
(all tabular figures reported in thousands of dollars)

4. Loans to members (continued)

The aggregate maturity of loans to members as at March 31, 2026 are as follows:

2027	\$	230,457
2028		89,541
2029		93,030
2030		99,704
2031		100,376
Thereafter		3,286,726
	\$	3,899,834



(a) Debenture financing loans:

Debenture financing loans to members consist of loans to ninety-eight (2025 - ninety-four) borrowing members. The loans, documented by way of a promissory note, are repayable in annual principal payments to maturity, with interest payable semi-annually at 1.90% to 4.88%.

(b) Interim financing loans:

Interim financing loans as at March 31, 2026, consist of loans to eighteen (2025 - twenty-two) borrowing members, bearing interest at a rate of 2.40% to 4.00%, payable monthly. Loans to fourteen borrowing members are due on the earlier of demand or the date upon which FNFA issues debentures to replace the interim financing provided to the First Nation. The interim financing loans have been issued by FNFA in anticipation of a debenture issuance. Loans to three borrowing members are long-term financing arrangements due in June 2028, and June 2030. The remaining interim financing loans will be replaced by long-term financing agreements upon the issuance of such securities and the earlier of five years from the date of the issuance of the interim financing or the completion by the member of the purpose, as defined in their borrowing agreement, for the financing.

(c) Secured Revenues Trust Account:

FNFA determines which of the member's revenue streams are to be intercepted. These revenues are intercepted directly from the payor and are specified in the member's Borrowing Law. Each revenue stream must maintain a minimum debt service coverage ratio. These intercepted revenues cover both interest and principal payments and are deposited by the payor into a Secured Revenues Trust Account ("SRTA"), as governed by a Secured Revenues Trust Account Management Agreement between the member and FNFA. As directed by FNFA, the following amounts are withdrawn from the SRTA:

- Scheduled principal and interest payments to FNFA in accordance with the terms and timing outlined in the respective promissory notes and borrowing agreements; and
- The excess in the SRTA may be paid to the member based on the terms of their respective promissory note or borrowing agreement.

(d) Loan impairment:

FNFA conducts periodic evaluations of its loans to members to determine if the loans are impaired. No impairment provision has been recorded to March 31, 2026 (2025 - \$nil). A reduction in the carrying value of a loan may be recovered by a transfer from the applicable Debt Reserve Fund and, ultimately, intervention with the First Nations Financial Management Board on eligible revenue streams if it is believed that payments under the loan agreements may not be recovered within a reasonable period of time.

NOTES TO FINANCIAL STATEMENTS

Year ended March 31, 2026
(all tabular figures reported in thousands of dollars)

5. Members capital:

On April 1, 2006, assets and liabilities of FNFA Inc., a predecessor organization which was controlled by the same Board as FNFA, were transferred to FNFA. FNFA's Board of Directors has resolved by way of a bylaw that, upon dissolution of FNFA, the total contribution to FNFA of \$324,035, being tangible capital assets and retained earnings of FNFA Inc. on April 1, 2006, shall be first distributed to the public bodies having an interest in members' capital. The members' capital has been recorded as restricted cash and cash equivalents.

6. Short-term indebtedness:

FNFA operates a Commercial Paper Program to support its interim financing loans to members. FNFA can issue commercial paper up to a maximum aggregate amount of \$900 million, which is fully backed by a revolving credit facility. Outstanding commercial paper at March 31, 2026 had an average interest rate of 2.54% (2025 - 4.07%). The present value of the commercial paper at issuance was not significantly different than its principal amount.

The aggregate of \$900 million outstanding between the revolving credit facility and the Commercial Paper Program may not be exceeded. The outstanding balance of the credit facility at March 31, 2026 was \$nil (2025 - \$nil). Amounts borrowed under the revolving credit facility are due on the earlier of the maturity dates of FNFA's interim financing loans to members (note 4(b)) and October 2026.

7. Debentures:

Debentures consist of secured and unsubordinated bonds issued by FNFA. The bonds provide for semi-annual interest payments at 1.71% to 4.70% and payment of the principal at maturity on June 2028 to December 2056. Debenture discounts or premiums and debenture issuance costs including bond forward fees are amortized over the debenture term using the effective interest method. The resulting effective interest rate for the debenture financing is 2.22% to 4.77%.

The maturity of debenture financing as at March 31, 2026 is as follows:

2029	\$ 427,000
2031	1,029,000
2033	354,000
2035	809,000
2036	1,135,000
2057	350,000
	\$ 4,104,000



NOTES TO FINANCIAL STATEMENTS

Year ended March 31, 2026
(all tabular figures reported in thousands of dollars)

8. Credit Enhancement Fund:

The Credit Enhancement Fund was established under the Act and funded through several deposits from CIRNAC. Funds included in the Credit Enhancement Fund may be invested only in securities, investments or deposits specified under the Act. Investment income from the Credit Enhancement Fund may be used to temporarily offset shortfalls in the Debt Reserve Funds, to defray FNFA's costs of operation, and for any other purpose prescribed by regulation. The capital of the Credit Enhancement Fund may be used to temporarily offset shortfalls in the Debt Reserve Funds and for any other purpose prescribed by regulation. During the year, no transfers were made to the Debt Reserve Funds.

The Credit Enhancement Fund, as at March 31, 2026 consists of the following:

	2026	2025
Cash and cash equivalents	\$ 9,672	\$ 12,902
Government and corporate bonds	54,998	40,325
Due to Operating Fund	(11,507)	(64)
	\$ 53,163	\$ 53,163

Government and corporate bonds include bonds with maturities of June 2030 to June 2042, coupon rates of 1.25% to 5.75% and have a total principal of \$53.0 million (2025 - \$39.0 million). The market value as at March 31, 2026, was approximately \$53.5 million.

9. Contingency Fund:

The purpose of the Contingency Fund is to provide repayable financial support for FNFA's borrowing members encountering difficulties making loan payments to FNFA. The Contingency Fund must be deposited into a Canadian financial institution that is a member of the Canada Deposit Insurance Corporation. Interest income from the Contingency Fund may be used for FNFA's operations. During the year ended March 31, 2026, no loans from the Contingency Fund were made to borrowing members.

Fund activity for the year ended March 31, 2026 is as follows:

	2026	2025
Balance, beginning of year	\$ 38,029	\$ 35,540
Contributions	800	800
Interest income	1,209	1,689
Balance, end of year	\$ 40,038	\$ 38,029

NOTES TO FINANCIAL STATEMENTS

Year ended March 31, 2026
(all tabular figures reported in thousands of dollars)

10. Capital assets:

March 31, 2026	Furniture and equipment	Computer equipment	Leasehold improvements	Computer Software	Total
Cost:					
Balance, beginning of year	\$ 399	\$ 335	\$ 2,145	\$ 910	\$ 3,789
Additions	5	19	28	409	461
Disposals	(5)	(56)	(6)	-	(67)
Balance, end of year	\$ 399	\$ 298	\$ 2,167	\$ 1,319	\$ 4,183
Accumulated amortization:					
Balance, beginning of year	169	145	653	-	967
Amortization	46	77	200	-	323
Disposals	(2)	(47)	(2)	-	(51)
Balance, end of year	\$ 213	\$ 175	\$ 851	\$ -	\$ 1,239
Net book value, end of year	\$ 186	\$ 123	\$ 1,316	\$ 1,319	\$ 2,944

March 31, 2025	Furniture and equipment	Computer equipment	Leasehold improvements	Computer Software	Total
Cost:					
Balance, beginning of year	\$ 383	\$ 209	\$ 2,088	\$ 661	\$ 3,341
Additions	23	152	61	322	558
Disposals	(7)	(26)	(4)	(73)	(110)
Balance, end of year	\$ 399	\$ 335	\$ 2,145	\$ 910	\$ 3,789
Accumulated amortization:					
Balance, beginning of year	117	94	428	-	639
Amortization	59	76	228	-	363
Disposals	(7)	(25)	(3)	-	(35)
Balance, end of year	\$ 169	\$ 145	\$ 653	\$ -	\$ 967
Net book value, end of year	\$ 230	\$ 190	\$ 1,492	\$ 910	\$ 2,822

Computer software consists of costs incurred for software that is in the development phase. As it was not available for use as at March 31, 2026, no amortization has been recorded.

NOTES TO FINANCIAL STATEMENTS

Year ended March 31, 2026
(all tabular figures reported in thousands of dollars)

11. Commitments and contingent liabilities:

(a) Commitments

Office Lease - FNFA entered into a lease agreement for office space, which expires August 2029, and various office equipment leases expiring July 2029. Total estimated operating lease commitments to maturity are as follows:

2027	\$	353
2028		354
2029		362
2030		155
2031		3
	\$	1,227

Structured Deposit Notes - FNFA entered into structured deposit note agreements to lock in investment rates over the term of the notes. The investments are presented in Debt Reserve Fund and Sinking Fund investments as described in note 2 and 3. FNFA has the following structured deposit note commitments:

2027	\$	70,545
2028		71,040
2029		71,040
2030		76,040
2031		56,840
Thereafter		235,045
	\$	580,550



(b) Derivative financial instruments

At March 31, 2026, FNFA had the following outstanding derivative financial instruments:

- Interest rate swap contract with a notional value of \$6.6 million whose settlement extends to June 1, 2035.
- Interest rate swap contract with a notional value of \$2.3 million whose settlement extends to June 18, 2040.

The contracts were entered into as devices to control interest rate risk for loans to members. They were entered into at the request of a borrowing member to provide a fixed lending rate for a predetermined period of time, commencing at the specified future date. At the specified future dates, FNFA will cash settle the derivative contract with the financial institution, realizing either a receipt or a payment of cash dependent upon movements in interest rates.

The amount of cash received or paid upon contract termination is calculated using a present value formula at the benchmark yield upon settlement.

NOTES TO FINANCIAL STATEMENTS

Year ended March 31, 2026
(all tabular figures reported in thousands of dollars)

11. Commitments and contingent liabilities (continued)

Under PSAS, these cash settlements are recorded as either a gain or a loss in the year of contract termination. FNFA is cash neutral, except for the contract fee, as it recovers or attributes these cash settlement amounts to its member(s) over the contract term.

FNFA categorizes its fair value measurements for derivative contracts and investments according to a three-level hierarchy based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety. The three levels of the fair value hierarchy based on the reliability of inputs are as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that are accessible at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

Government and corporate bonds and derivative contracts are considered Level 2 financial instruments; guaranteed investment certificates and structured notes are considered Level 1 financial instruments.

The net unrealized gain on outstanding derivative contracts at March 31, 2026, of \$0.45 million (2025 - \$0.25 million) has been reflected in the statement of remeasurement gains and losses and in the statement of financial position as an offset to loans to members.

12. Accumulated surplus:

(a) Accumulated surplus consists of the individual fund surpluses and reserves as follows:

	2026	2025
Credit Enhancement Fund	\$ 53,163	\$ 53,163
Contingency Fund	40,038	38,029
Operating Fund:		
Invested in tangible capital assets	2,944	2,822
Unrestricted	43,080	32,356
	46,024	35,178
Balance, end of year	\$ 139,225	\$ 126,370



NOTES TO FINANCIAL STATEMENTS

Year ended March 31, 2026
(all tabular figures reported in thousands of dollars)

12. Accumulated surplus (continued)

(b) Change in accumulated surplus is calculated as follows:

	Operating Fund				Total
	Credit Enhancement Fund	Contingency Fund	Invested in capital assets	Unrestricted	
Balance, March 31, 2024	\$ 53,163	\$ 35,540	\$ 2,702	\$ 25,768	\$ 117,173
Annual operating surplus (deficit)	2,459	1,689	(363)	4,612	8,397
Contingency contribution	-	800	-	-	800
Acquisition of capital assets	-	-	558	(558)	-
Disposal of capital assets	-	-	(75)	75	-
Transfers	(2,459)	-	-	2,459	-
Balance, March 31, 2025	\$ 53,163	\$ 38,029	\$ 2,822	\$ 32,356	\$ 126,370
Annual operating surplus (deficit)	7,898	1,209	(323)	3,271	12,055
Contingency contribution	-	800	-	-	800
Acquisition of capital assets	-	-	461	(461)	-
Disposal of capital assets	-	-	(16)	16	-
Transfers	(7,898)	-	-	7,898	-
Balance, March 31, 2026	\$ 53,163	\$ 40,038	\$ 2,944	\$ 43,080	\$ 139,225

13. Grants and contributions:

During the year, FNFA received the following funding arrangements from CIRNAC:

	2026	2025
Comprehensive Funding Arrangement	\$ 897	\$ 939
Grant Agreement	1,000	1,000
Deferred contributions from prior year	805	1,397
Deferred contributions	(84)	(805)
	\$ 2,618	\$ 2,531

CIRNAC provided a Comprehensive Funding Arrangement, for delivery of specific programs, services and activities as set out in the arrangement. This funding agreement is reviewed annually based on the needs and the financial results of FNFA.

Under the terms of the Grant Agreement, which is for the purpose of covering costs associated with FNFA's core business, FNFA is to receive an annual maximum of \$1,000,000. This arrangement expires on March 31, 2026.

NOTES TO FINANCIAL STATEMENTS

Year ended March 31, 2026
(all tabular figures reported in thousands of dollars)

14. Financial instruments:

(a) Liquidity risk:

Liquidity risk is the risk that FNFA will not be able to meet its financial obligations as they become due. For the year ended March 31, 2026, each interim financing loan to members was funded through short-term indebtedness. FNFA maintains Sinking Funds (note 3) to assist with managing its liquidity risk with respect to its debenture financing. FNFA monitors the maturity of its financial liabilities and assesses whether it has sufficient cash to settle these financial obligations when due. FNFA is subject to non-financial covenants and restrictions in relation to its short-term indebtedness (note 6) and Credit Enhancement Fund (note 8).

The following table summarizes the remaining contractual maturities of FNFA's financial liabilities:

				2026
	On Demand	Within 1 Year	Greater Than 1 Year	Total
Non-derivative financial instrument liabilities				
Accounts payable and accrued liabilities	\$ -	\$ 707	\$ -	\$ 707
Accrued interest payable	-	44,086	-	44,086
Principal and interest received in advance	-	26,281	-	26,281
Funds held due to members	148,951	-	-	148,951
Due to members	-	7,653	229,690	237,343
Short-term indebtedness	900,000	-	-	900,000
Debentures	-	-	4,104,000	4,104,000
	\$ 1,048,951	\$ 78,727	\$ 4,333,690	\$ 5,461,368

				2025
	On Demand	Within 1 Year	Greater Than 1 Year	Total
Non-derivative financial instrument liabilities				
Accounts payable and accrued liabilities	\$ -	\$ 979	\$ -	\$ 979
Accrued interest payable	-	30,603	-	30,603
Principal and interest received in advance	-	23,612	-	23,612
Funds held due to members	129,912	-	-	129,912
Due to members	-	18,931	159,239	178,170
Short-term indebtedness	900,000	-	-	900,000
Debentures	-	-	2,834,000	2,834,000
	\$ 1,029,912	\$ 74,125	\$ 2,993,239	\$ 4,097,276

14. Financial instruments (continued)

(b) Credit risk:

Credit risk refers to the risk that the counterparty may default on its contractual obligations resulting in a financial loss. FNFA holds its cash and cash equivalents, Credit Enhancement and Contingency Fund assets and investments with federally regulated chartered banks who are insured by the Canadian Deposit Insurance Corporation.

FNFA's investment policies for its Credit Enhancement Fund, Debt Reserve Funds, and Sinking Funds are governed by the Act, which specifies eligible investments. FNFA's investment policy for other cash and investments is monitored by management and the Board, consistent with its mandate.

Credit risk on loans to members is reduced by ensuring that all members must first comply with imposed financial criteria which define borrowing limits and assess the ability to service new and existing debt. FNFA conducts periodic evaluations of its loans to members, including monthly reviews of expected interception of revenues to actual amounts received, to determine if the loans are impaired. FNFA has requirements under its loan agreements that members must pledge other revenues if a revenue stream pledged to FNFA to service debt is impaired.

(c) Interest rate risk:

Interest rate risk relates to the impact of changes in interest rates on FNFA's future cash inflows from its investments and loans to members and future cash outflows on its interim financing. FNFA's cash and cash equivalents, Credit Enhancement and Contingency Fund assets and investments are held in cash, short term money market instruments, or corporate and government bonds. FNFA is subject to interest rate risk in regard to its corporate and government bonds (notes 2, 3, and 8).

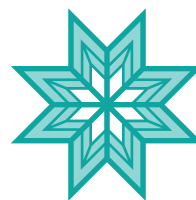
FNFA is subject to interest rate risk with respect to its short-term indebtedness, which bears interest at variable rates. FNFA monitors interest rate risk on short-term indebtedness and negotiates interest rates on interim financing loans to members in relation to these rates.

FNFA periodically enters into derivative financial instruments and structured deposit note arrangements (note 11) to manage certain interest rate exposure.

Fair value sensitivity analysis for fixed rate instruments

FNFA does not account for any fixed rate financial assets and liabilities at fair value through profit or loss and therefore, a change in interest rates at the reporting date would not affect profit or loss.

A 100 basis point change in interest rates would have a parallel change in annual operating surplus, at the reporting date, by \$118,000 (2025 - \$97,000).



Glossary

Bonding and Surety: a financial guarantee provided by an insurance party that ensures a business or individual will fulfill any legal obligations.

Commercial Paper (CP) Program: Issuance of short-term promissory notes to support FNFA's Interim Financing Program.

Contingency Fund (CF): Fund contributed by the Federal government to recognize the impact of widespread economic shock on borrowing members such as the pandemic-related government related closures; the CF can be borrowed by eligible existing borrowing members to cover loan payments to FNFA in the event of widespread economic shock.

Credit Enhancement Fund (CEF): Backup support for the DRF replenishment in the event it is used for member defaults. CEF is under an agreement with the Federal government.

Crown-Indigenous Relations and Northern Affairs (CIRNA): Arm of the Federal government dedicated to renewing the relationship between Canada and First Nations, Inuit and Métis.

Debenture Financing (DF) Program: long-term loan program with fixed rate, principal and interest payment requirements; once loan pool is built up to a marketable size it is rolled from the interim financing into the debenture financing program; rate is fixed for the term of the debenture.

Debt Reserve Fund (DRF): Withholding of 5% on each loan to support loan payments in the event of a member default; it is returned with all earnings to the member upon loan extinguishment.

Environmental, Social and Governance (ESG): a set of standards that socially conscious investors use to screen potential investments.

Environmental criteria consider how an organization performs as a steward of nature, for example, a green energy project.

Social criteria examine how an organization contributes to society, for example, affordable housing or clean water.

Governance criteria examine how an organization contributes to better leadership and internal controls, for example.

First Nations Fiscal Management Act (FNFMA): Federal Act that FNFA was first established and operates under.

Interim Financing (IF) Program: short-term loan program with floating rate, interest only payment requirements; used to build up loan pool ahead of debenture issuance and/or finance projects under construction.

Monetization: Rather than saving the entire amount for an asset upfront, annual capital transfers would be leveraged to finance the asset to be built now, through a mortgage or loan, and then make payments over time from those capital transfers to pay that loan back.

Sinking Fund (SF): Required for each debenture issuance under the Act. Principal loan payments are held in the SF and invested until debenture maturity. Earnings on SF go towards member loan principal balances.

Special Purpose Vehicle (SPV): separate legal entity, a limited partnership, body corporate, or corporation created for investment into a specific business purpose.





every loan tells a story

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