Municipal Finance Authority of BC

Investor Presentation

Q3 2026

DISCLAIMER

This presentation, including the accompanying slides and subsequent discussion, contains certain forward-looking information, forecasts, projections, goals and strategies (the “forward-looking information”) with respect to revenues, funding, expenses, the financial condition, and results of operations. This forward-looking information represents the Municipal Finance Authority of British Columbia’s expectations or beliefs concerning future events and involves known and unknown risks and uncertainty that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. This material is for information purposes only.

GLOBAL PUBLIC SECTOR FUNDING AGENCY PEERS

First Nations Finance Authority (Aa3/A+/NR)	
GB Social Housing PLC (NR/A-/NR)	
Agence France Locale (Aa3/AA-/NR)	
Japan Finance Organization For Municipalities (A1/A+/NR)	
KBN Kommunalbanken Norway (Aaa/AAA/NR)	
Kommuninvest I Sverige AB (Aaa/AAA/NR)	
MORhomes PLC (NR/A-/NR)	
Municipality Finance PLC (Aa1/AA+/NR)	
New Zealand Local Government Funding Agency (NR/AA+/AA+)	
The Housing Finance Corp. Ltd. (NR/A/NR)	

CanDeal Update:

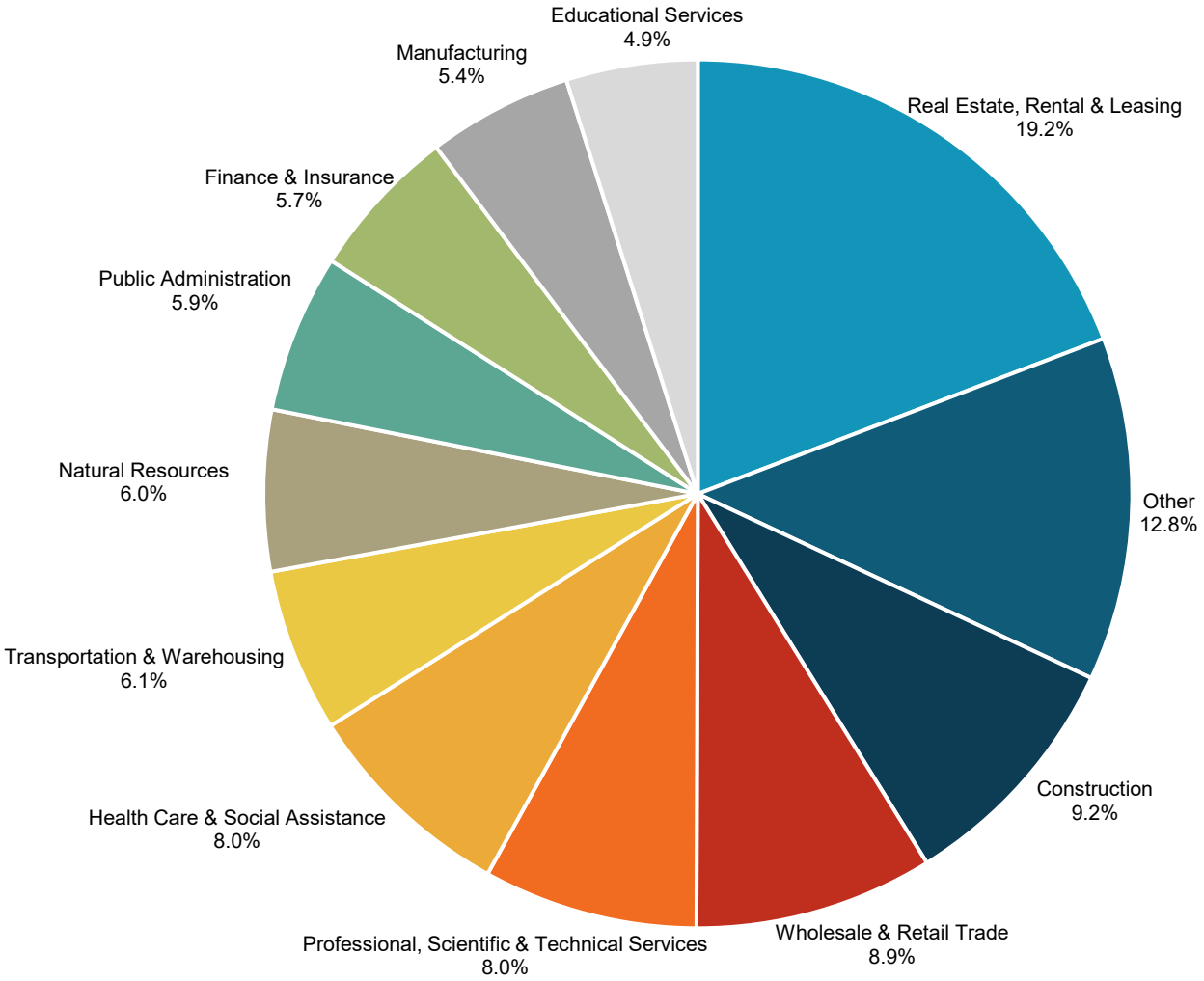
- Effective December 10, 2024, CanDeal Markets will reclassify The British Columbia Municipal Finance Authority (BCMFA) for display purposes within the Sell/Buy side applications to it's 'Agency' display pages as a Provincial Agency. BCMFA's primary function is to provide regional infrastructure financing for local and regional governments across British Columbia and this change is more reflective of it's peers within the space.
- Formed in 1970, MFABC is unique amongst its peers as the only public sector funding agency globally which has **direct taxation authority**.
- Because of MFA's ties to government and unlimited direct taxation power, MFA securities are liquid, AAA rated and considered **HQLA level 1** by many of its investors.

Moody's/S&P/Fitch ratings / NR: Non Rated

BRITISH COLUMBIA LOCATION & QUICK FACTS

BC Statistic's	Data	Comparable
Population (July 1, 2025)	5.698 Million	14% of Canada's Population
Size:	944,735 Square km	Size of France and UK Combined
Nominal GDP (2024)	C$429 Billion	14% of Canadian nominal GDP

BRITISH COLUMBIA'S DIVERSE ECONOMY



Note: Shares of B.C. GDP at basic prices by major industry, 2024

Source: 2025 British Columbia Financial and Economic Review, 85th Ed. (August 2025)

RESPONSIBILITIES OF CANADIAN GOVERNMENTS

Levels	Key Responsibilities	Main Sources of Income
Local/Municipal	Utility systems (water, sewage, wastewater), Local government buildings and facilities, Cultural and recreational facilities, Local/public transportation, Waste disposal, Local police, Local land use, Fire protection, Public transportation	Property tax, Government transfers, User fees, DCCs & other contributions
Provincial	Education, Healthcare, Social development and poverty reduction, Highways, Family development, Dams, Pipelines, Disaster recovery/preparedness	Income Taxes (Corporate and Personal) within province, Taxes applied on goods and services in province (PST), Sale and lease of public lands, timber and natural resources, Government contributions
Federal	National defense, Elderly benefits, Employment insurance, Child benefits, Health and social programs, Student loans, Pipelines, Fisheries, Oceans and national parks	Income Taxes (Corporate and Personal), Taxes applied on goods and services in all provinces (GST).

LINES OF BUSINESS

MFA Line of Business	Description	Market Positioning
Long-Term Financing	MFA's core business activity is providing long-term financing to local governments.	No competitors. By legislation, all long-term borrowing by municipalities and regional districts in British Columbia must be provided by MFA.
Short-Term Financing	MFA provides optional short-term financing to local governments.	Low competition. MFA is able to offer highly competitive short-term lending rates to BC local governments.
Pooled Investment Products	MFA provides optional investment products to local governments through its pooled fund offerings.	Highly competitive. However, MFA is able to provide local governments with broad exposure to different asset classes (vs. strict limitations set out in the Community Charter).
Financial Education	MFA provides high quality financial education.	Highly competitive. However, MFA provides local governments with unique financing and investing educational opportunities directly or through our key partners.

GOVERNANCE

British Columbia – Local Government

- 28 Regional Governments made up of municipalities, cities, towns & villages

Members of the Authority

- 40 Members appointed by local government
- Responsible for reviewing loans, electing trustees
- Municipal elections every 4 years, next Oct 17, 2026

Board of Trustees

- 10 Trustees responsible for overseeing operations and management
- Authorize debt issuance

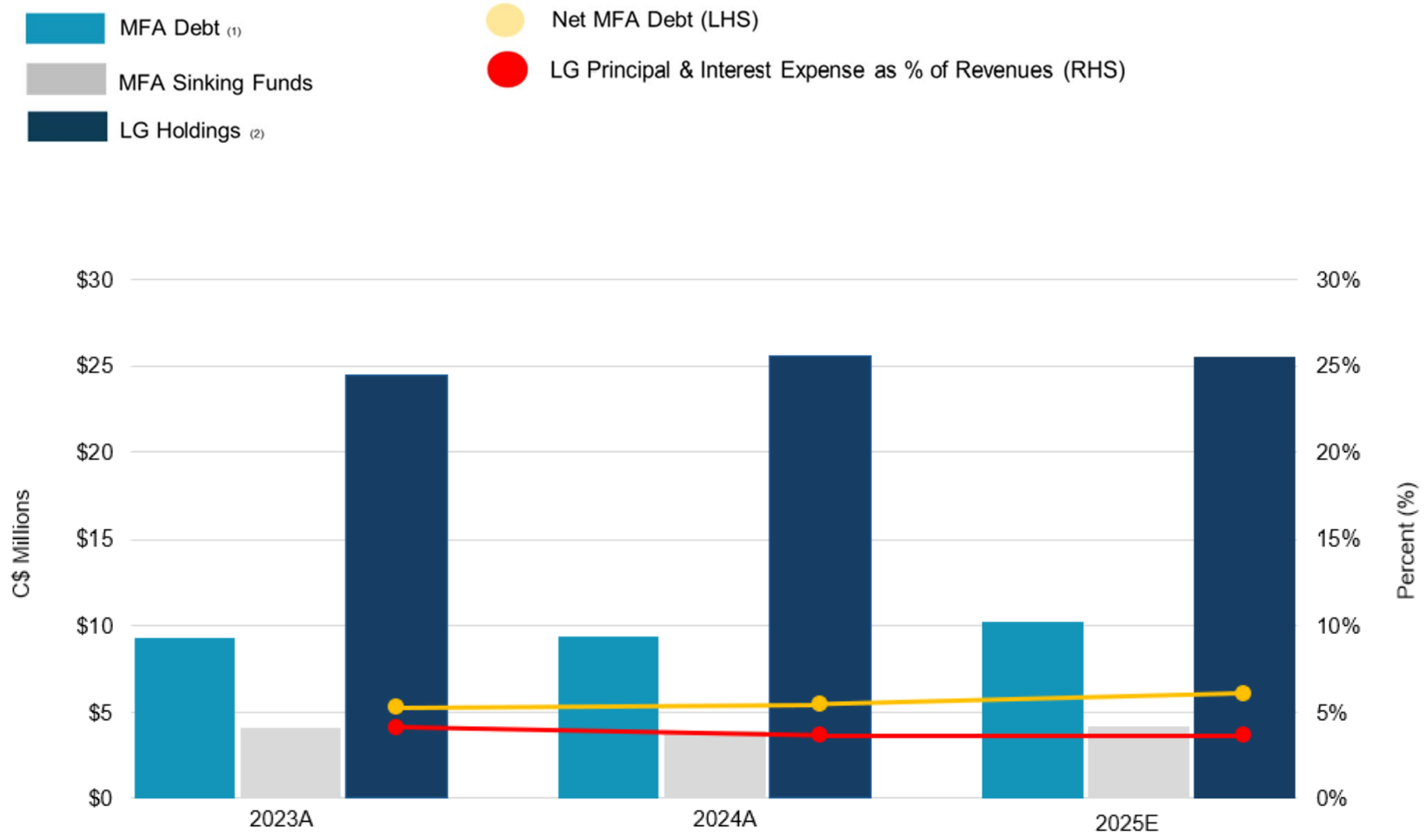
MFA Employees

- Manage loans, debt and investments
- Balance sheet of $11.4bn
- Complement of 20 professionals

CREDIT STRENGTHS

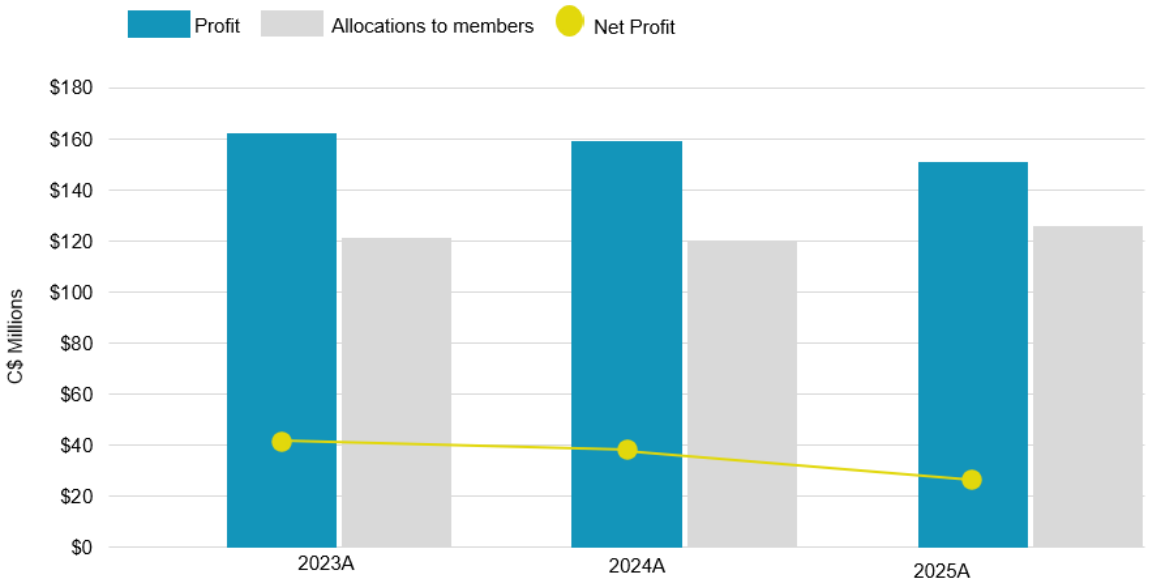
Taxation Authority	Taxable land and improvements to restore Debt Reserve Fund (DRF) • Senior-level government approval not required • Property values assessed at $2.4 trillion • Never been used for the DRF, tested every year via operational levy
Joint Liability	Borrowers' long-term debt with MFA is a Regional District liability • Borrowers guarantee each other's debt in event of default • Joint and several guarantees never been applied
Investments	Sinking Fund Methodology • Semi-annual billing of interest to match debenture coupons • Annual billing of principal for debt retirement • $4.2 billion in assets (41% of gross long-term debt)
Capital Policy	Debt Reserve Fund • $131 million in liquid investments for long-term debenture obligations • 1.00% cash withheld from all loan requests • Never been drawn against Retention Fund • $141 million in liquid investments from retained earnings • Never been drawn against
Balanced Budgets	Under provincial legislation, municipalities may not plan for a deficit
Debt Limits	Only 25% of recurring revenues eligible to service debt costs

DEBT, SINKING FUNDS & RESERVES



Notes: (1) MFA debt excludes short-term debt
(2) LG Holdings is comprised of cash and investments. Also, Data for BC LG Reserves at the end of 2025 has not been released yet, as a conservative estimate, interest as a percentage of reserves and reserve growth has been held steady from 2024 to 2025

PROFIT, CAPITAL & LIQUIDITY METRICS



- Profits primarily come from our long-term lending program (earnings on sinking funds) where we allocate funds back to our clients in the form of an actuarial credit that reduces their annual loan payments
- The small net profit associated with long-term lending is held as retained earnings until distributed in the future
- Remaining profit from other lines of business and earnings on the retention fund form MFA's capital base alongside the debt reserve fund
- MFA has adopted a Capital Adequacy Policy & Framework that is structured on the same principles as OSFI Guidelines for Banks and provides capital and liquidity targets

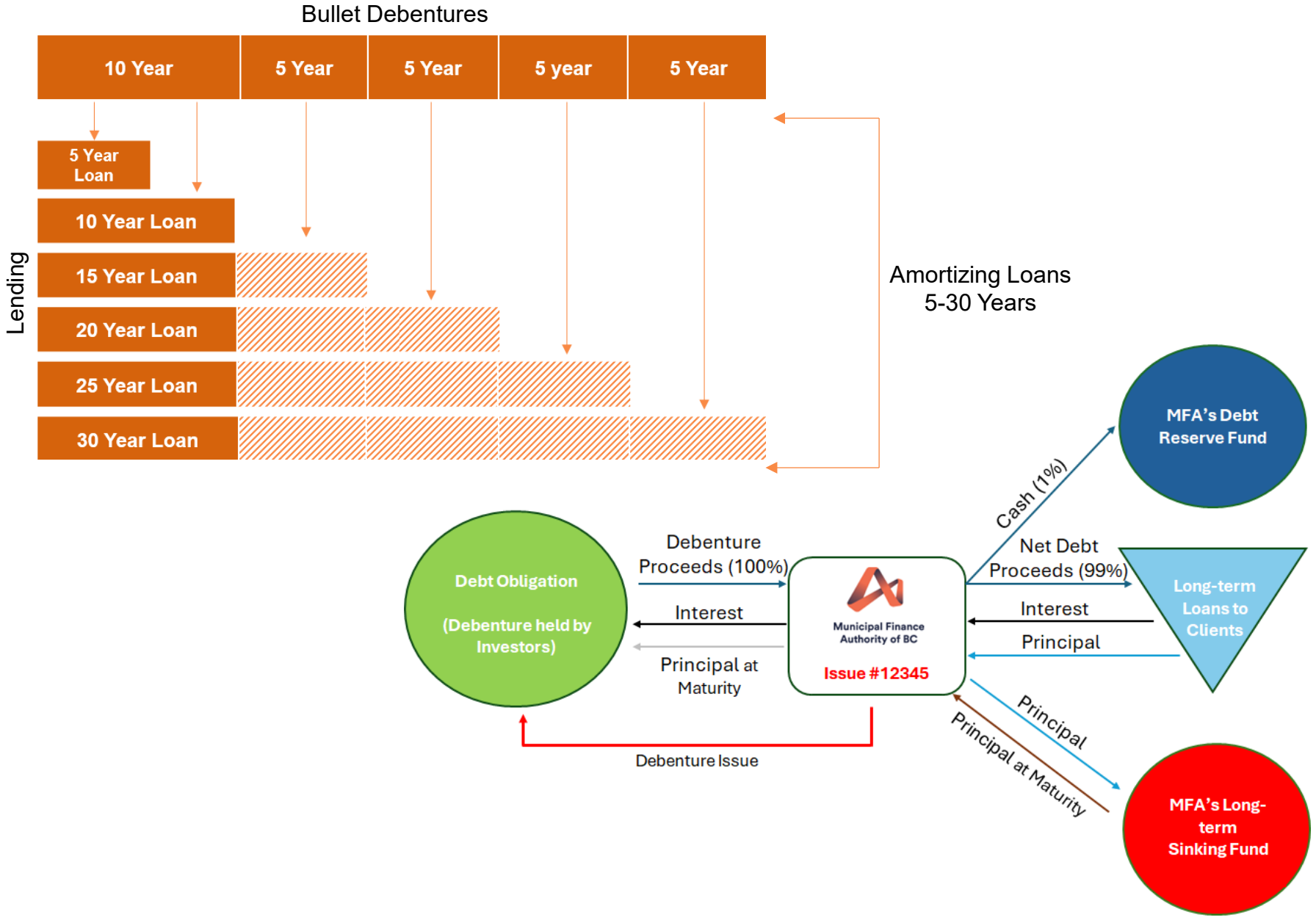
2025

Capital & Liquidity Metrics

	2023	2024	2025	Targets
Capital	$239M	$253M	$272M	2% of total assets
Non - Risk Based Capital Ratio (1)	2.3%	2.5%	2.4%	
Risk - Based Capital Ratio (2)	13.4%	13.5%	13.3%	9 to 11%
Liquidity Coverage Ratio (3)	2.2X	2.2X	2.1X	1.0X

(1) - % of total assets
(2) - Total capital / RWA
(3) - Liquidity sources include capital, credit facility and general purpose facilities (exclude all loan interest and investment income) / Interest obligations

LONG-TERM FUNDING MODEL



PROGRAM & ANTICIPATED BORROWINGS

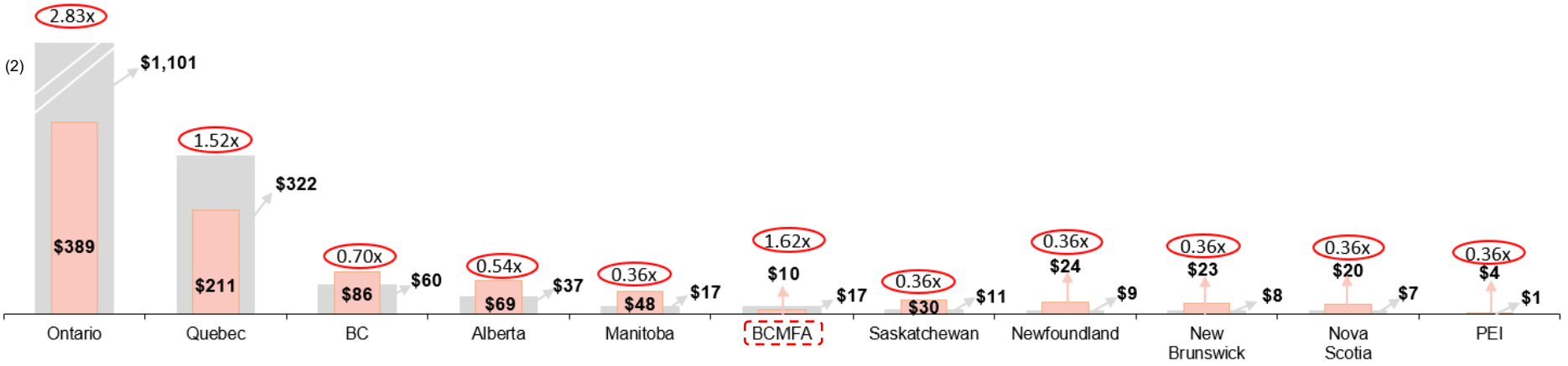
Year	2026	2025
5 Year ($mm)	$880	$875
10 / 20 Year ($mm)	$1,150 to $1,175	$1,115
Total ($mm)	$2,030 to $2,055	$1,990

- New loans requirements will be funded with 10 or 20-year issuance typically with two to three transactions in spring (Apr-Jun) and fall (Sept-Oct) with intention to bring outstanding to benchmark size through re-opening
  - Issued new May 2046 bond in April for $500mm
  - Issued new June 2036 bond in May for $320M, intend to re-open at later date to bring to benchmark size
- New 5-year refinancing issues are typically aligned with existing debt maturities
  - Issued new June 2031 bond in March for $610mm, re-opened in June for $270mm bringing bond to $880mm outstanding
  - Bond maturing 06/30/2026
- Focused on building benchmark issues over $500mm:
  - Currently 13 outstanding issues >$500mm
  - Well defined curve out to 2046

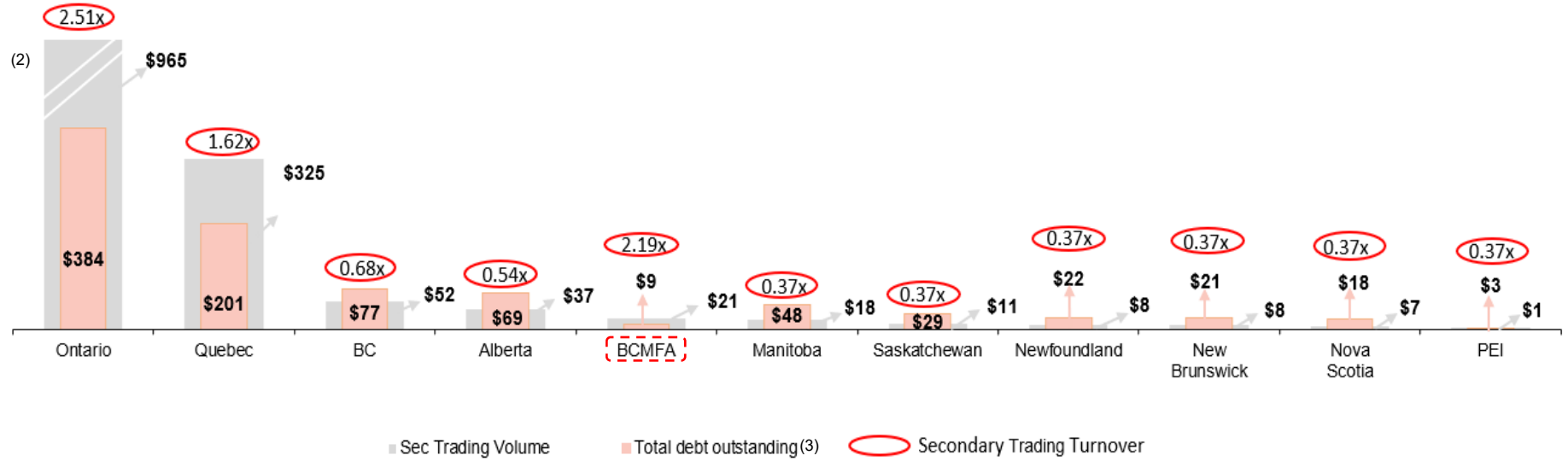
Note: Private placements may be used for small refinancing requirements

IMPLIED PROVINCIAL BOND SECONDARY TRADING VOLUME

2025 PROVINCIAL SECONDARY TRADING VOLUME ($ billions)[1]



2024 PROVINCIAL SECONDARY TRADING VOLUME ($ billions)[1]

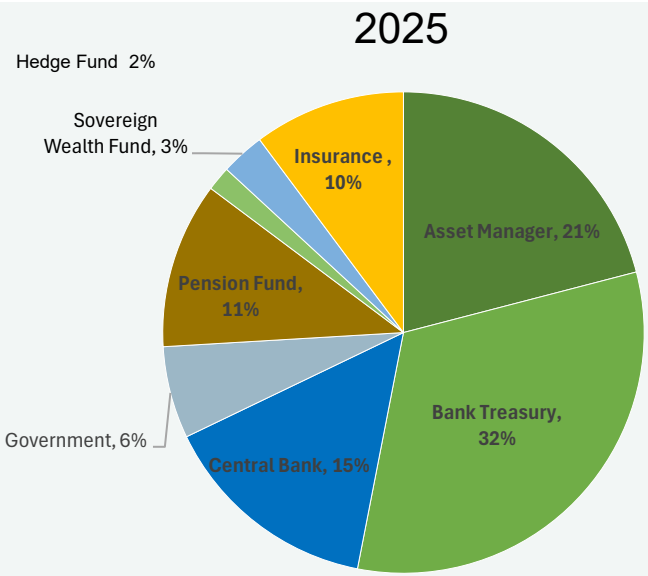


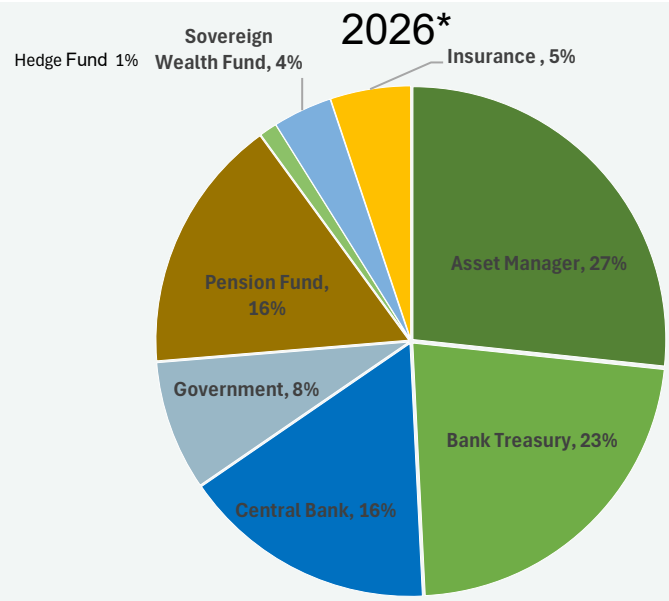
Note: (1) IIROC provides specific secondary trading volume figures for Alberta, BC, Ontario, and Quebec and a consolidated figure for "Total Provinces". Secondary trading volumes shown in the charts above for Manitoba, New Brunswick, Newfoundland, Nova Scotia, PEI and Saskatchewan are estimates based on their respective outstanding debt weighted pro-rata share of the "Total Provinces" category. **(2)** Ontario Secondary trading volume on chart is not shown to scale. **(3)** Debt outstanding is as of Dec 31 24/25

Source: Bloomberg, BMO Capital Markets, Scotia Capital, Casgrain Capital Markets, CIBC World Markets, Laurentian Bank Securities, National Bank Financial, RBC Capital Markets, TD Securities and IIROC MTRS 2.0 Reporting.

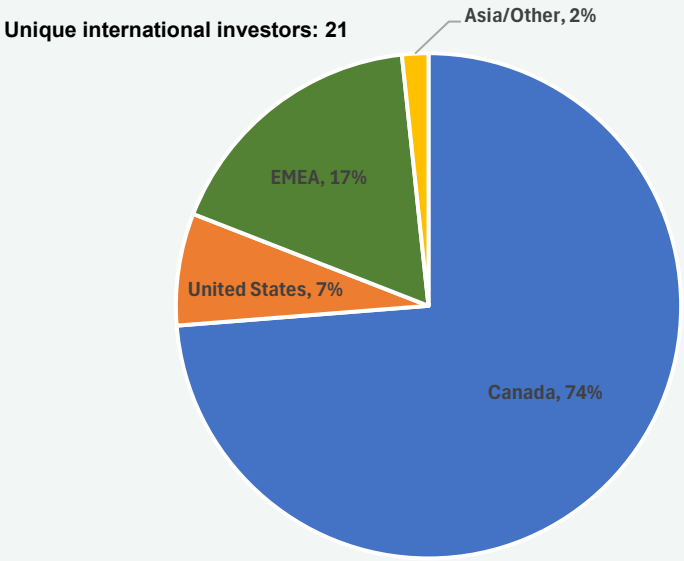
MFA LONG-TERM DEBT DISTRIBUTION

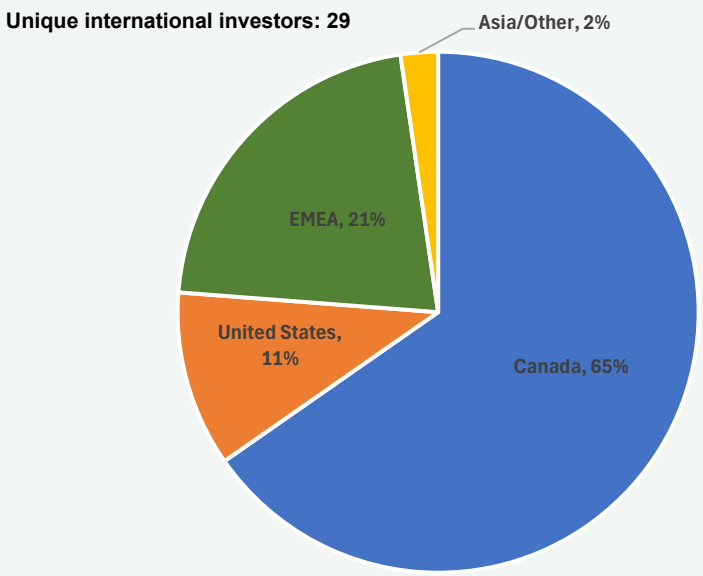
By Investor Type:





By Geography:





*2026 distribution is made up of new issuance to date.

MFA'S ESG OBJECTIVES

Core ESG Objectives

- To reduce the negative impact of our operations on the environment and society
- To manage material risk to our core business and thereby retain access to the lowest attainable cost of capital for our members
- To pursue opportunities for transformative and material impact with local governments through our core lending and investing activities

Issuance

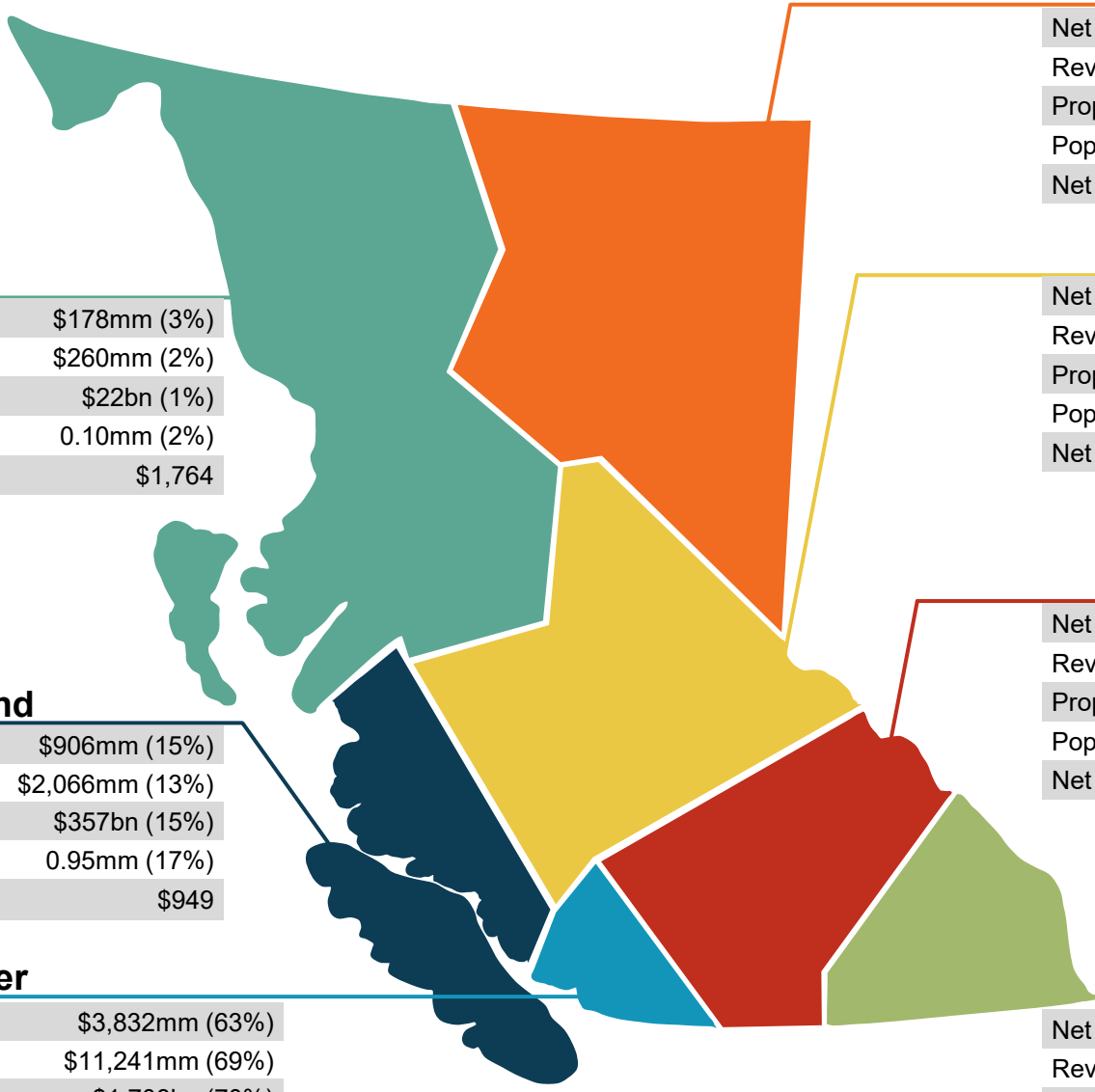
The MFA continues to issue sustainability bonds based on our sustainable bond framework, we aim to provide investors with as much detail on the use of proceeds as possible. Before each bond issue use of proceeds are outlined in our Appendix A, in addition for bond issues funding new loans(typically 10- & 20-year bonds) detailed project information will be outlined in Appendix B. both Appendices will remain on our website post bond issue HERE (Appendix A included in circular).

Currently we will not obtain a second party opinion, we are assessing other avenues with our auditors for example to provide limited assurance.

Reporting

Working towards including sustainability disclosures in our annual financial reports that will voluntarily conform to ISSB Standards (IFRS S1 and IFRS S2) in accordance with IFRS Voluntary Reporting Guide.

LONG-TERM LOAN PORTFOLIO DIVERSIFICATION



Northeast

Net Loans:	$192mm (3%)
Revenue:	$235mm (1%)
Property Value:	$22bn (1%)
Population:	0.07mm (1%)
Net Loans Per Capita:	$2,646

Interior

Net Loans:	$108mm (2%)
Revenue:	$366mm (2%)
Property Value:	$39bn (2%)
Population:	0.17mm (3%)
Net Loans Per Capita:	$618

Central Interior

Net Loans:	$676mm (11%)
Revenue:	$1717mm (11%)
Property Value:	$229bn (9%)
Population:	0.67mm (12%)
Net Loans Per Capita:	$1,009

Southeast

Net Loans:	$145mm (2%)
Revenue:	$402mm (2%)
Property Value:	$59bn (2%)
Population:	0.18mm (3%)
Net Loans Per Capita:	$820

North Coast

Net Loans:	$178mm (3%)
Revenue:	$260mm (2%)
Property Value:	$22bn (1%)
Population:	0.10mm (2%)
Net Loans Per Capita:	$1,764

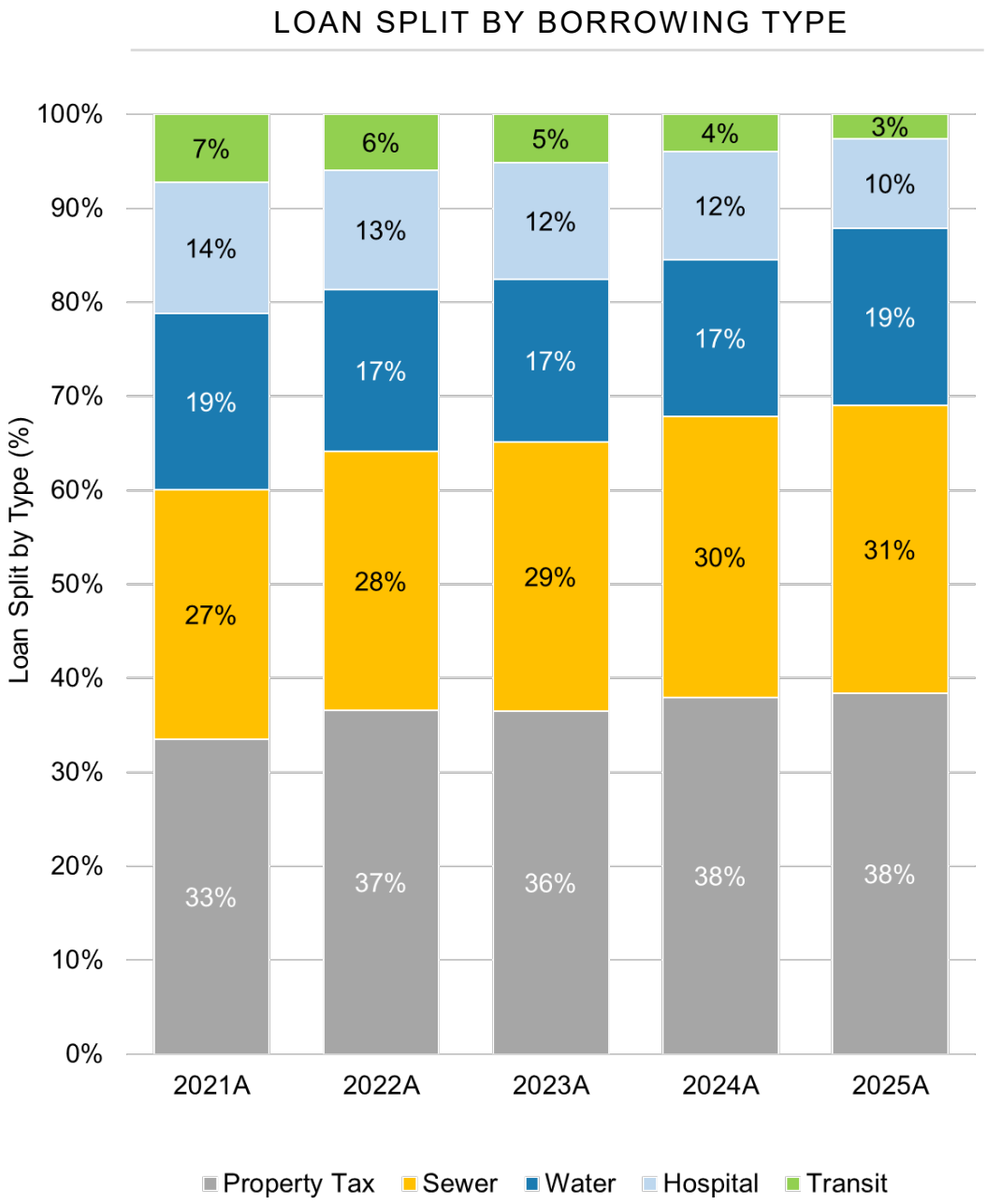
Vancouver Island

Net Loans:	$906mm (15%)
Revenue:	$2,066mm (13%)
Property Value:	$357bn (15%)
Population:	0.95mm (17%)
Net Loans Per Capita:	$949

Metro Vancouver

Net Loans:	$3,832mm (63%)
Revenue:	$11,241mm (69%)
Property Value:	$1,708bn (70%)
Population:	3.55mm (62%)
Net Loans Per Capita:	$1,080

LONG-TERM LOAN PORTFOLIO COMPOSITION

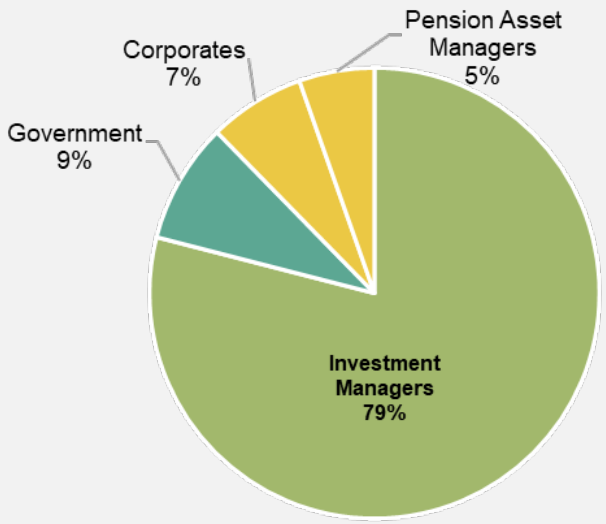


- Transit – supported by share of motor fuel tax, transit fares, parking tax and portion of property tax
- Hospital – supported through requisition from member municipalities
- Water – supported through user fees typically separate from property taxes
- Sewer – supported through user fees typically separate from property taxes
- Property Tax – supported by general taxation

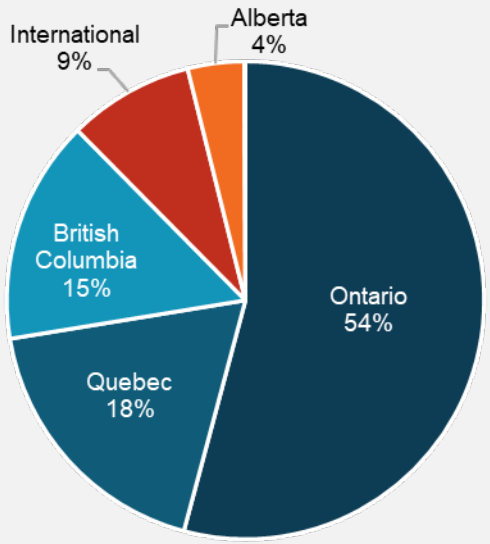
COMMERCIAL PAPER ACTIVITY

- $1.75 billion authorized program size
- Rated A-1+ / P-1 by S&P/Moody's
- Strong dealer network of 7 banks
- Typically priced around 3 to 5 basis points back of provincial issuance levels
- Issued every Wednesday in 1-month, 3-month and 6-month terms

2025



By Investor Type



By Geography

Note: All figures shown as of February 29

CREDIT RATING & OTHER INFORMATION

Long-Term Ratings:			
Agency	Rating	Outlook	Date
S&P	AAA	Stable	May 19, 2026
Moody's	Aaa	Stable	March 26, 2026
Fitch	AAA	Stable	May 29, 2026

Short-Term Ratings:			
Agency	Rating	Outlook	Date
S&P	A-1+	Stable	May 19, 2026
Moody's	P-1	Stable	March 26, 2026
Fitch	F1+	Stable	May 29, 2026

Other Information:	
Annual Report & Financial Statements	https://mfa.bc.ca/annual-report
Sustainable Bond Framework	https://mfa.bc.ca/investors/sustainability
Bloomberg Ticker	BCMFA

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