

# Invest in Success

↑ Success



# Welcome to Farm Credit Canada

We're Canada's largest agricultural term lender.

## **FCC is:**

- a wholly owned federal Crown corporation, established in 1959
- financially self-sustaining
- involved in all sectors of Canadian agriculture

## **FCC has:**

- more than 47,000 customers who rely on our financing and business services
- 1,200 employees working from 100 offices across Canada and the corporate office in Regina, Saskatchewan
- a healthy loan portfolio of \$12.3 billion and 13 consecutive years of growth

# Your investment is guaranteed

FCC boasts a AAA credit rating.

Any investment you make in  
FCC is fully backed by the  
Government of Canada.



# FCC credit ratings

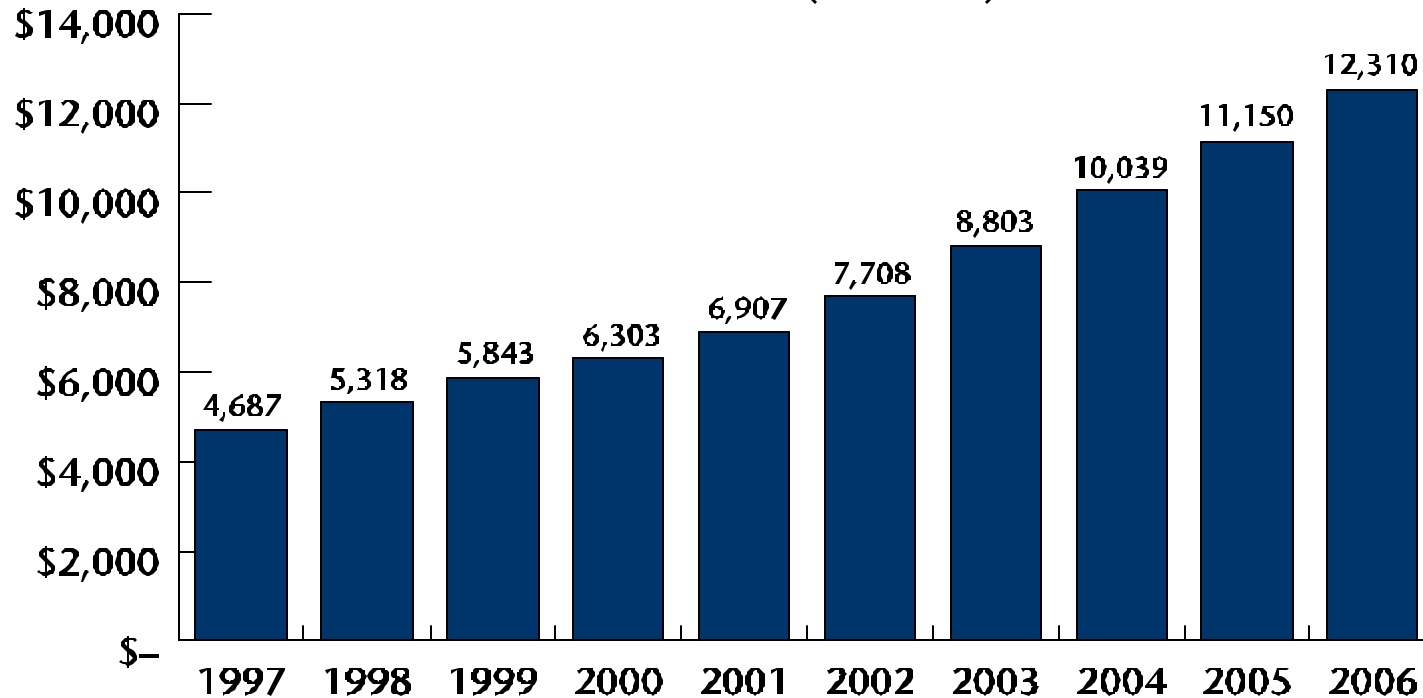
“Because of its status as an Agent of Her Majesty in right of Canada, its obligations carry the full faith and credit of the Government of Canada.” - Moody’s

	Domestic		Foreign Currency	
	Long-Term	Short-Term	Long-Term	Short-Term
Moody’s	Aaa	P1	Aaa	P1
Standard & Poor’s	AAA	A-1+	AAA	A-1+
DBRS	AAA	R-1 (High)	AAA	R-1 (High)

0% BIS risk weighting according to Basel II guidelines

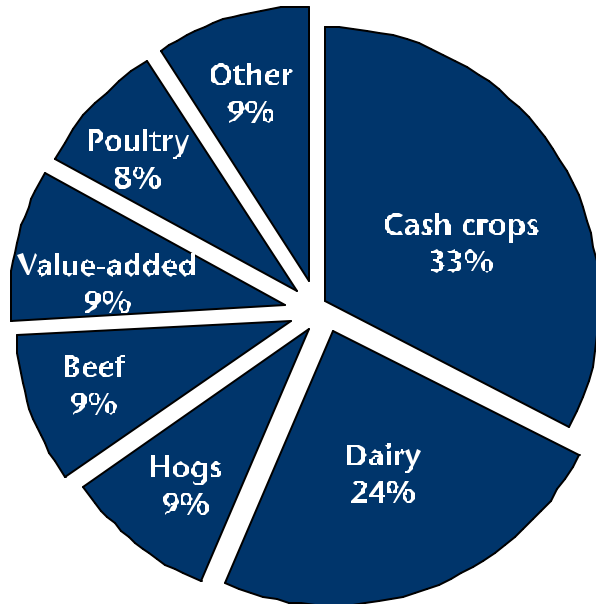
# Growing assets

1997-2006 (\$ millions)

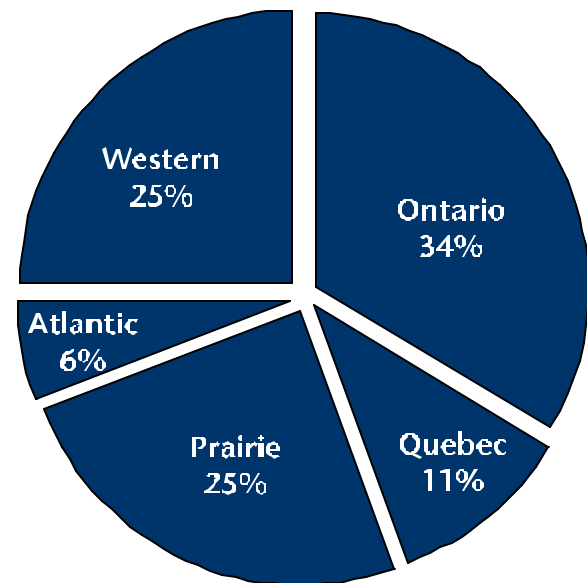


The FCC portfolio has grown for 13 consecutive years.  
The annual average growth rate over the last 10 years is 10%.

# Diverse asset mix

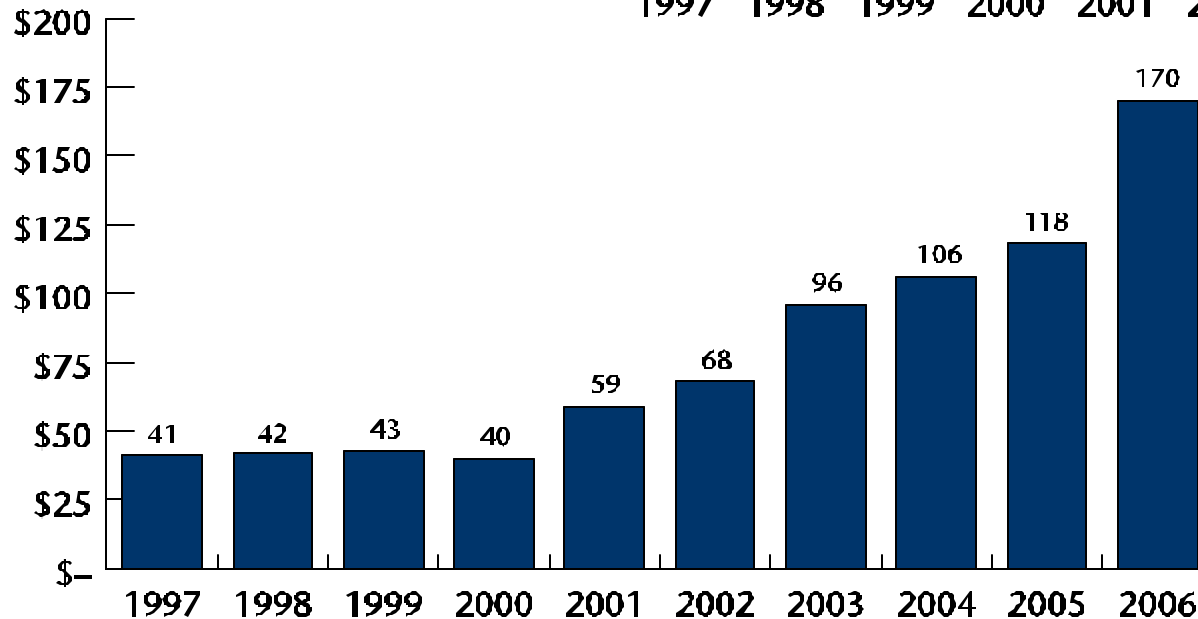
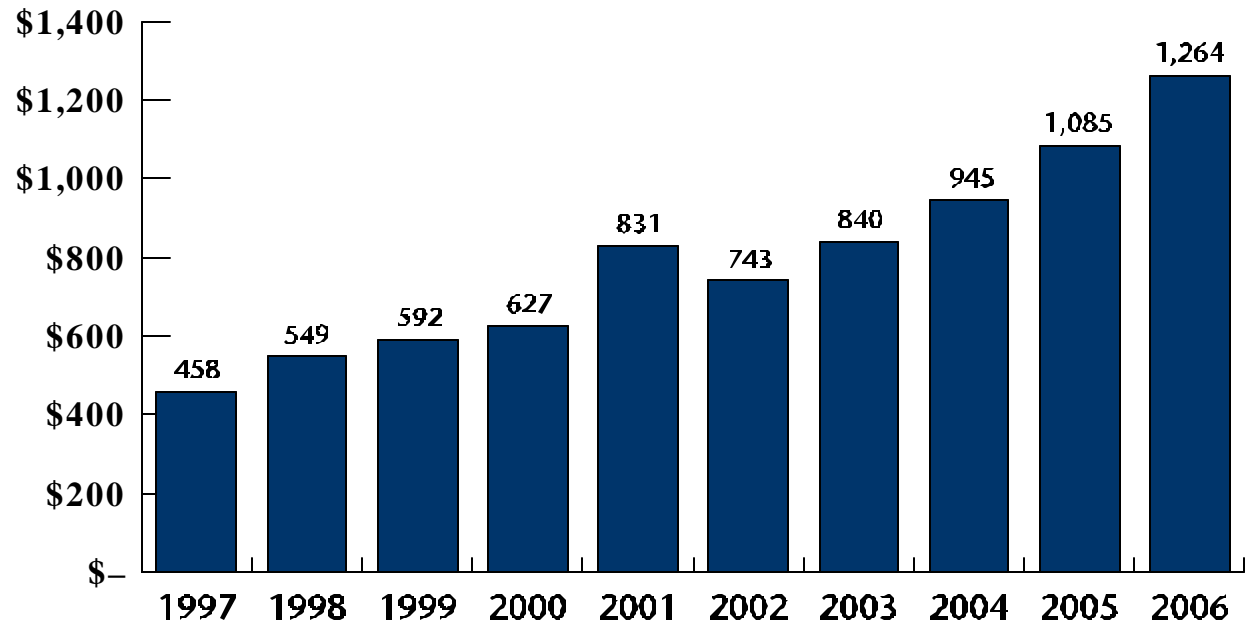


The FCC portfolio is diversified by enterprise and by region across Canada.



# FCC is financially self-sustaining

Shareholder  
equity (\$ millions)



Net income  
(\$ millions)

# FCC is part of Canada's economy and capital markets

FCC is focused on agriculture, a key contributor to Canada's economy. As our business has grown, so has our role in Canada's rapidly changing capital markets.

We raise funds through domestic and international capital markets and reinvest profits in agriculture, developing loans and services that benefit agriculture.



# Funding programs

## **Short-term funding:**

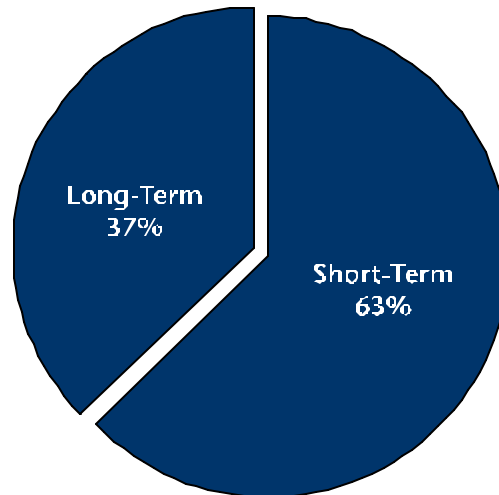
- Promissory Note Program
- Euro Commercial Paper Program

## **Long-term funding:**

- Domestic Medium-Term Note Program
- Euro Medium-Term Note Program

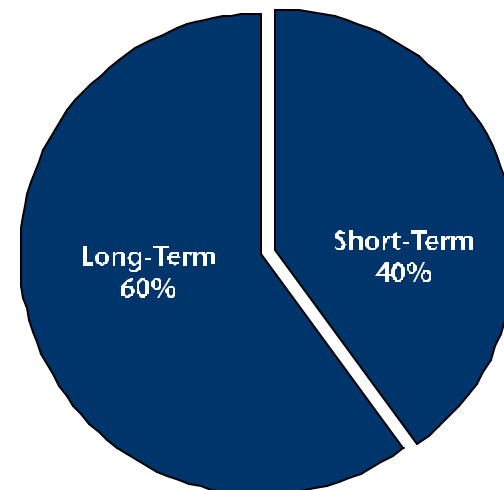
# 2005-06 funding mix

ST/LT Debt Issued 2005-06



Short-Term: \$4,406  
Long-Term: \$2,544  
(\$ millions)

ST/LT Debt Outstanding  
at March 31, 2006



Short-Term: \$4,406  
Long-Term: \$6,638  
(\$ millions)

# Short-term funding programs

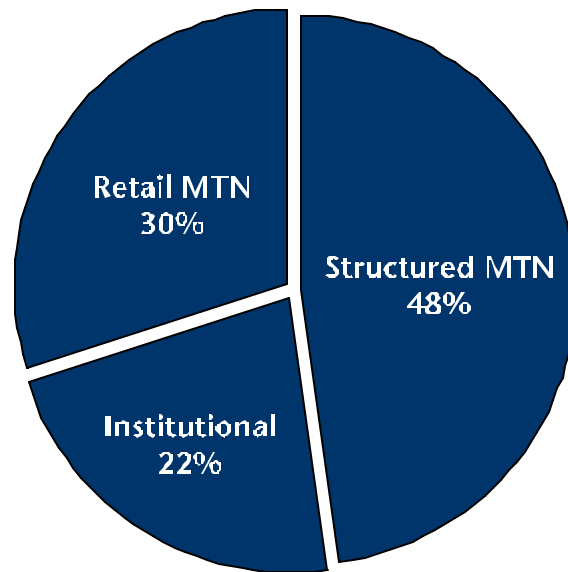
## **Domestic Promissory Notes**

- auction process using a closed six-member dealer group
- total program size of \$4.5 billion as of March 31, 2006

## **Euro Commercial Paper Program**

- alternate short-term funding source for diversification
- no issuance this year

# Long-term issuance 2005-06



In 2005-06, FCC issued \$1.2 billion of Structured Medium-Term Notes (MTNs), \$760 million of Retail MTNs and \$550 million of Institutional MTNs.

# FCC Bonds

## **Retail Medium-Term Note Program**

- first retail program of its kind in Canada
- variety of maturity dates available with zero-coupon, semi-annual or monthly interest payments
- continuous issuance daily through closed nine-member dealer group – sales force in the thousands
- fully backed by the Government of Canada
- yield pick-up over Government of Canada bonds
- RRSP, RESP and RRIF eligible

# FCC Bonds

## **Retail Structured Medium-Term Note (MTN) and Euro MTN Programs**

- enhanced features including step-up coupon bonds and dual currency bonds
- enhanced yield over typical retail bonds
- domestic and foreign issues
- diversification of the FCC investor base
- FCC receives reverse inquiries
- fully backed by the Government of Canada

# FCC Bonds

## **Institutional Medium-Term Note Program**

- issuance of new bonds and re-opening of existing bonds
- maximum term of 15 years
- maximum bond size of \$1 billion
- FCC strives to ensure liquidity for investors
- FCC focuses on transparency, ensuring dealer support through secondary markets and spread management

# Borrowing requirements

## **Targets for fiscal 2006-07**

- \$3.8 billion of new issuance
- \$700 million incremental growth in short-term and \$3.1 billion in long-term to replace maturing debt and support growth

## **Targets for fiscal 2007-08**

- \$4.1 billion estimated of new issuance
- \$900 million incremental growth in short-term and \$3.2 billion in long-term to replace maturing debt and support growth



# Benefits for investors

- quick turnaround on all transactions
- flexible and innovative investments
- confidence knowing that FCC has a proven record of success, a AAA credit rating and backing from the Government of Canada
- FCC puts investment dollars to work, supporting agriculture across Canada
- FCC investments are eligible for reduction in paid-up capital for some corporations in Quebec



Canada

**For more information, contact:**

Donald Stevens  
Vice-President and Treasurer  
306-780-8505  
Donald.Stevens@fcc-fac.ca

Rebecca Clarke  
Director, Capital Markets  
306-780-7546  
Rebecca.Clarke@fcc-fac.ca