

2024 LGLA Forum

MFABC: The Financial Services Provider to BC Local Governments

Peter Urbanc, Chief Executive Officer



**Municipal Finance
Authority of BC**

Our Services: Programs, Products, & Education

We aim to offer municipalities the most **cost-effective, transparent, and relevant products** while continuously evolving and improving our operations with a focus on reducing risks, enhancing our stability, and better serving our clients.

Financing

- Long-term
- Short-term
 - Temporary Borrowing
 - Short-term Capital
 - Revenue Anticipation
- Equipment Financing

Investing

- Fixed Income
- High Interest Savings Accounts
- Investment Policy Assistance
- Portfolio guidance
- Fossil Fuel Free options
- New asset classes including Equities

Education

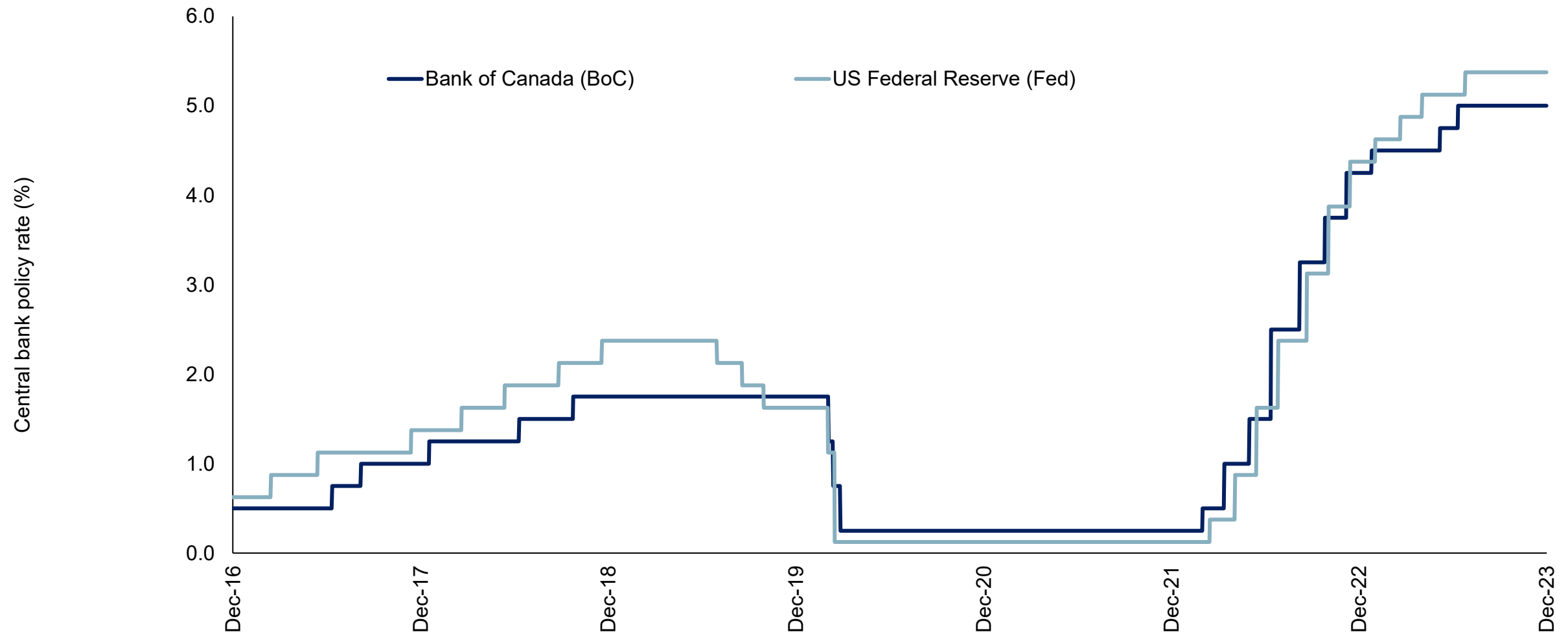
- Financial Education & Training
- Sponsorship & Support of the BC Local Government Community



Central banks pivot to a dovish stance

Market expects rate cuts in 2024

BoC and Fed Policy Rates



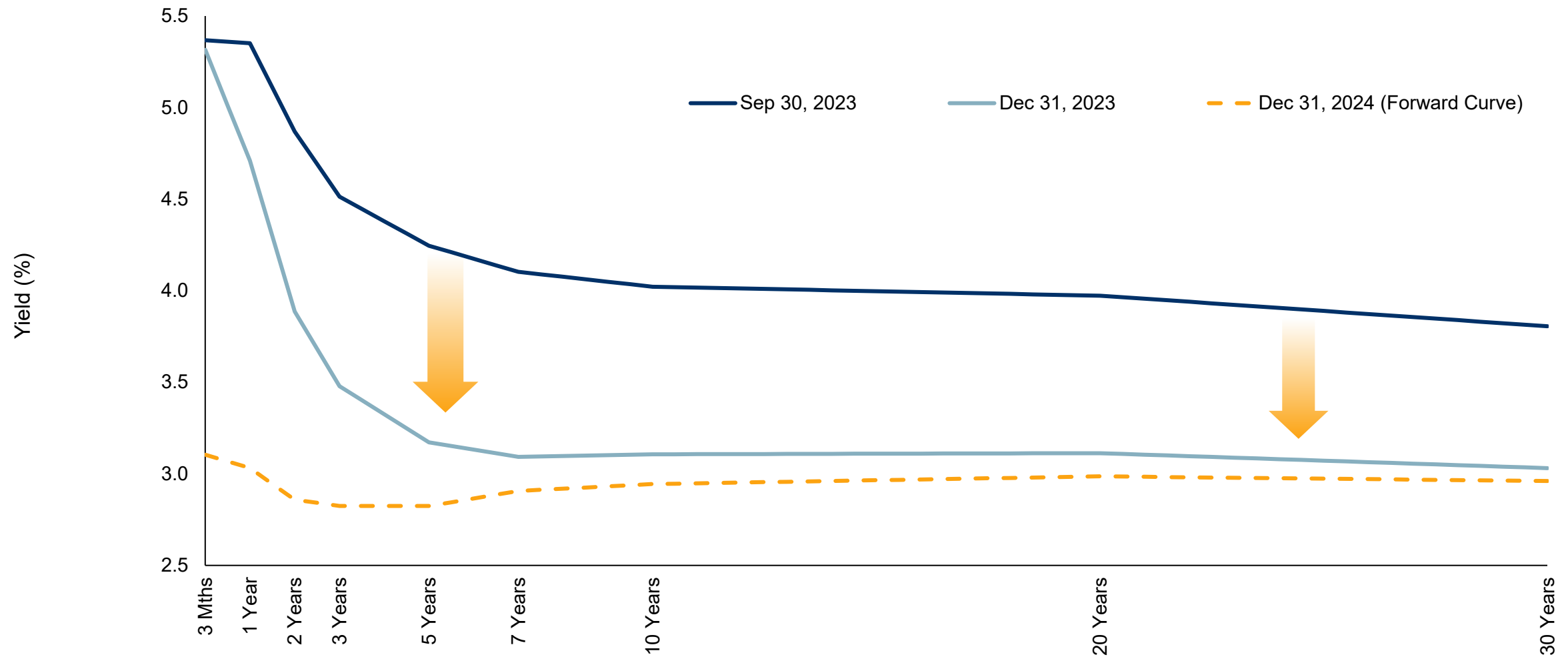
Source: Bloomberg. As of December 31, 2023.



Central banks pivot to a dovish stance

Market expects rate cuts in 2024

Government of Canada yield curve



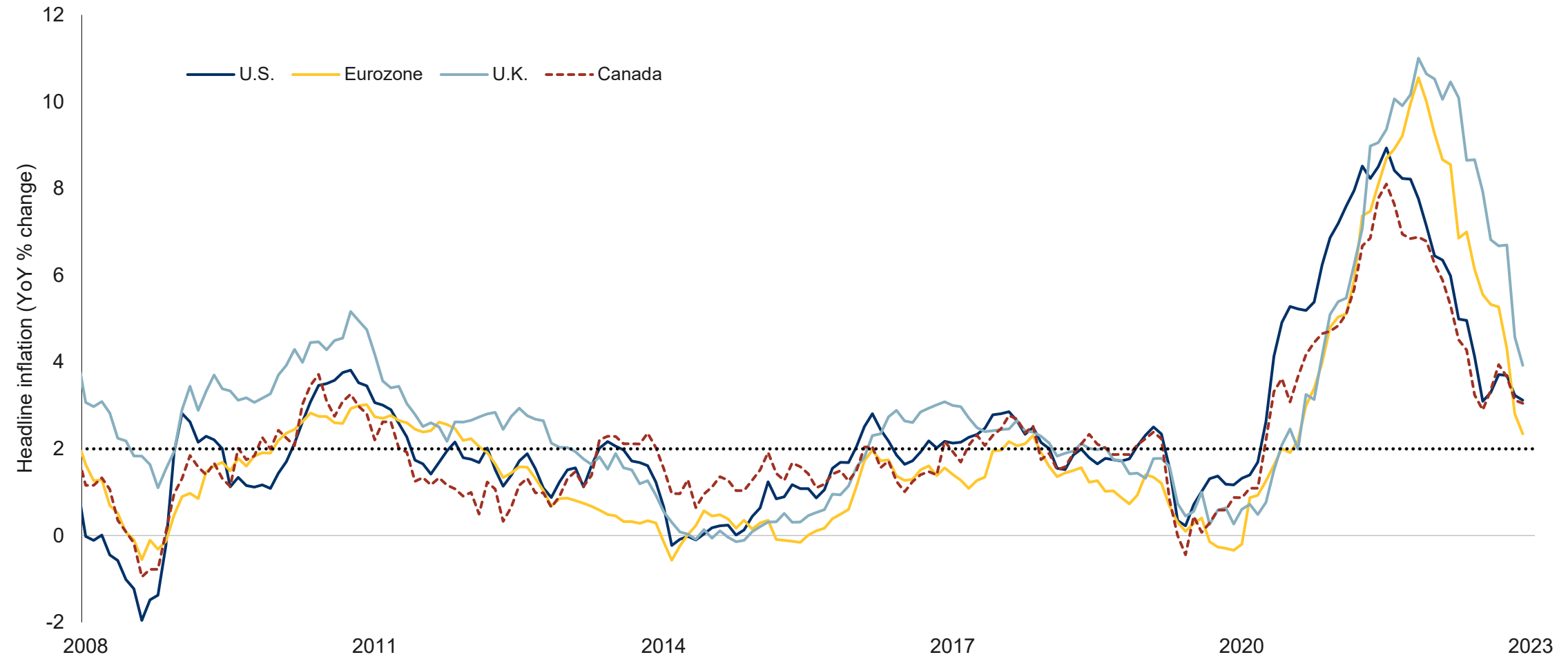
Source: Bloomberg. As of December 31, 2023.



Global inflation continued its descent

Less tightening from central banks with some already cutting rates

Inflation declining in major economies



As of December 31, 2023.

Source: RBC GAM, Bureau of Labor Statistics, Office for National Statistics, Statistics Canada, Statistical Office of the European Communities, Haver Analytics.

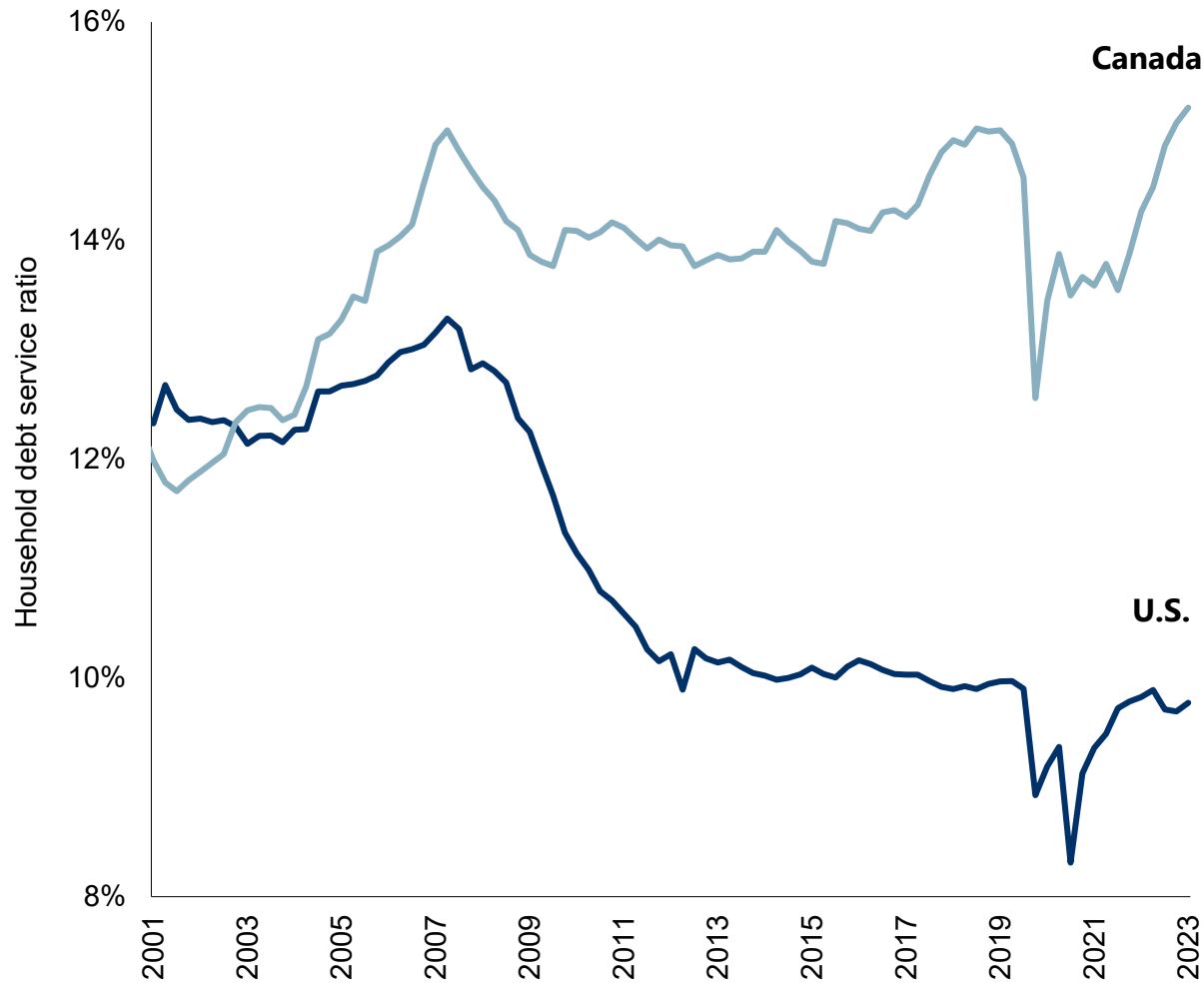
Central Bank easing/tightening based on policy rates for 30 countries.



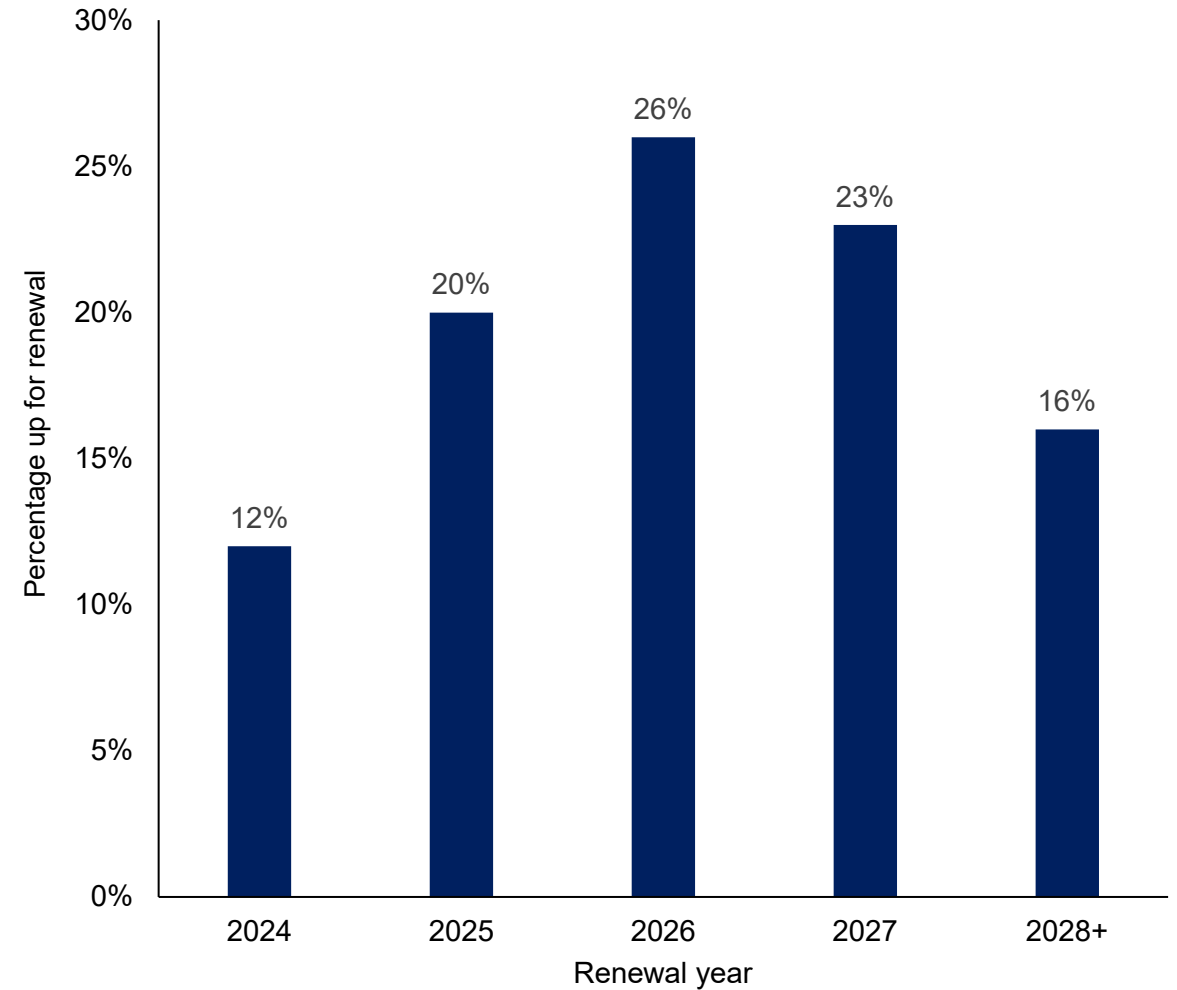
Growing evidence that rate hikes are having intended effect

Consumers are increasingly feeling the impact

Household debt service ratios



Estimated residential mortgages up for renewal at Canadian chartered banks



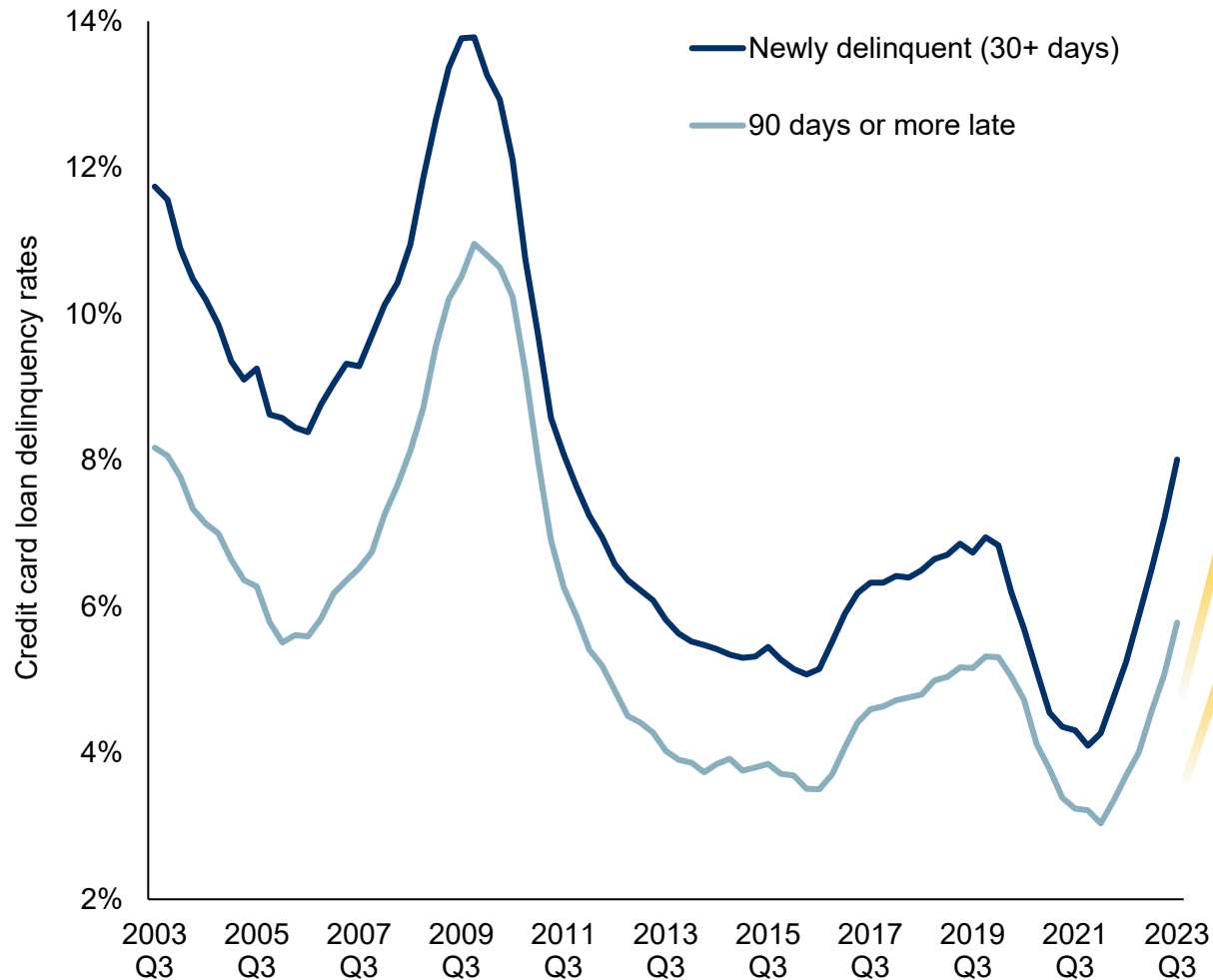
Source: RBC Capital Markets, RBC Wealth Management, Statistics Canada. As of December 31, 2023.



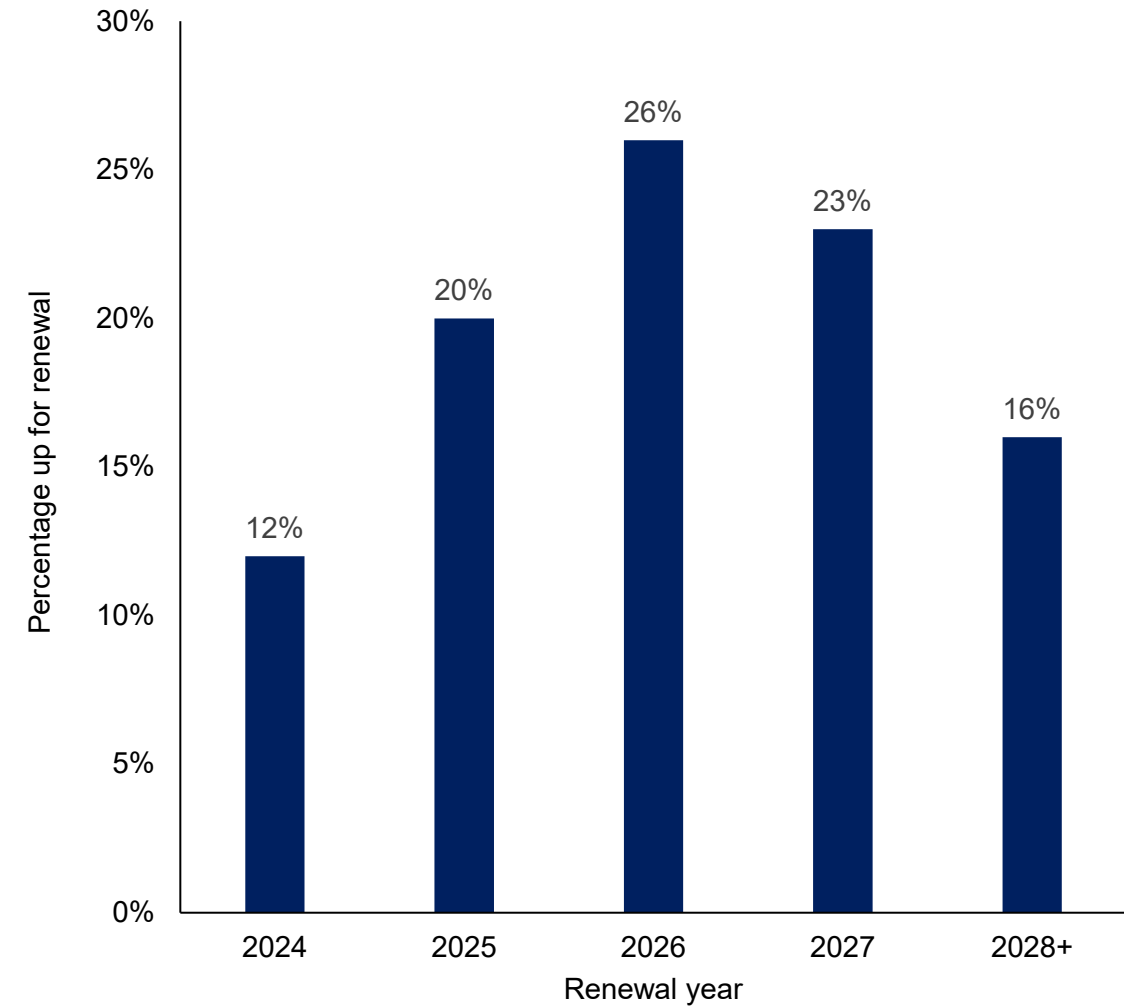
Growing evidence that rate hikes are having intended effect

Consumers are increasingly feeling the impact

Credit card delinquency rates rapidly increasing



Estimated residential mortgages up for renewal at Canadian chartered banks



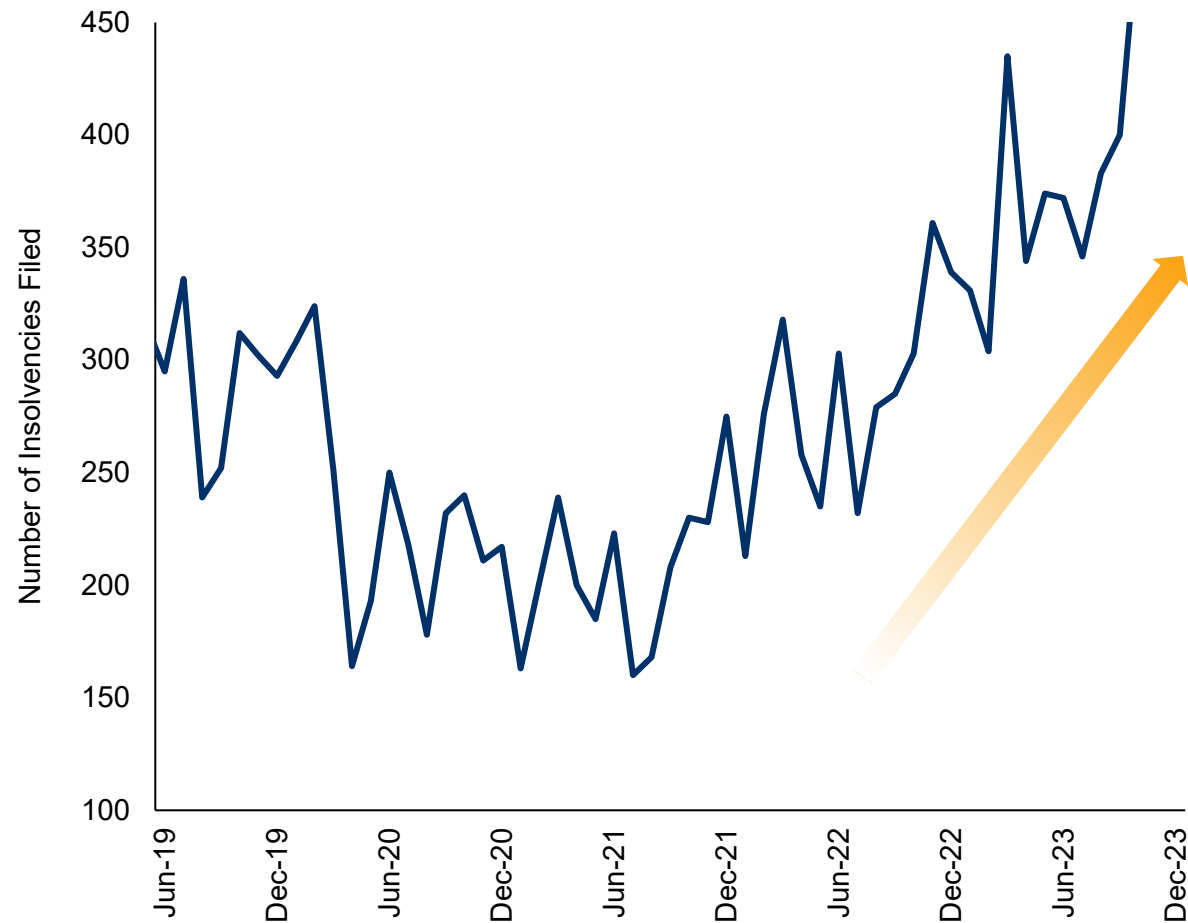
Source: Federal Reserve Bank of New York, RBC Capital Markets, RBC Wealth Management, Statistics Canada. As of December 31, 2023



Growing evidence that rate hikes are having intended effect

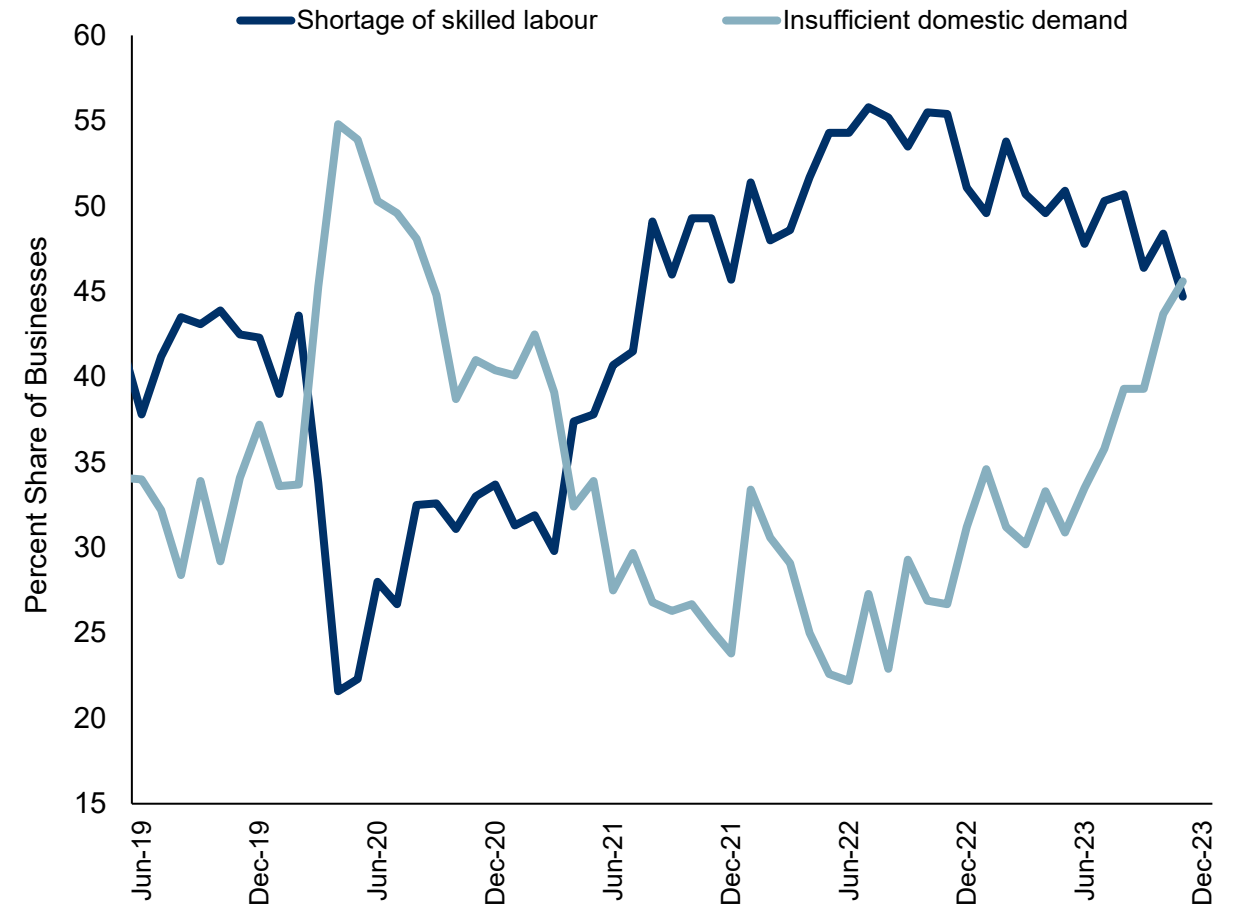
Canadian businesses feeling the pinch from higher rates

Canadian Business Insolvencies



Number of insolvencies filed by businesses
Source: Innovation, Science and Economic Development Canada, RBC Economics

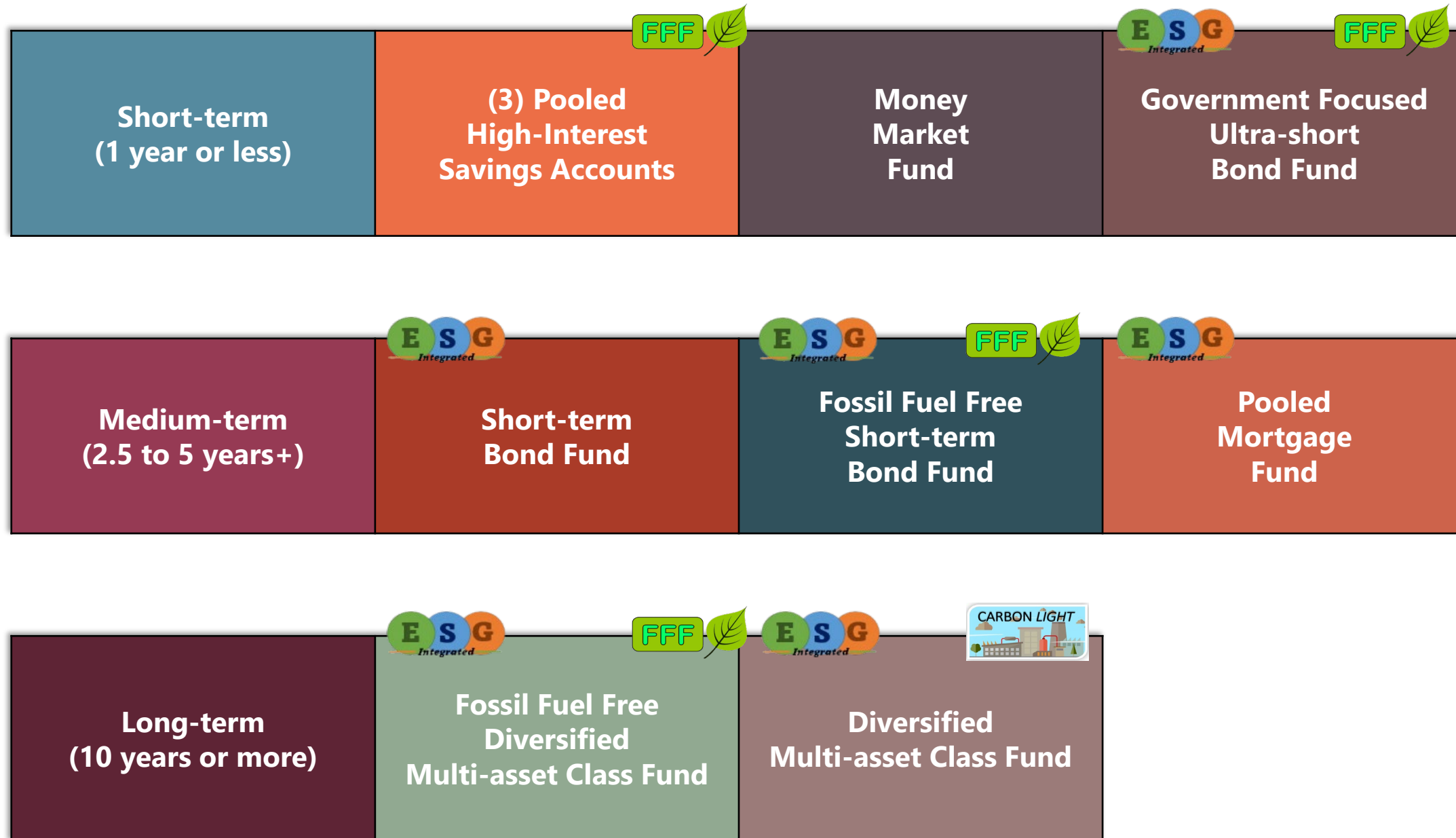
Leading impediments to sales & production growth



Source: CFIB, RBC Economics Research



MFABC's Suite of Pooled Investment Funds



FFF refers to **Fossil Fuel Free** defined here as (1) Funds which exclude investments issued by companies directly involved in extracting, processing, or transporting coal, oil or natural gas; and (2) Savings Accounts offered by financial institutions.

ESG integrated refers to the ongoing consideration of ESG factors within an investment analysis and decision-making process with the aim to improve risk-adjusted returns.





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