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ATUQTUARVIK KUAPURIISIN  
ATUQTUARVIK CORPORATION

# **INITIATING BUSINESS IN NUNAVUT**

*Providing Commercial  
Financing to Inuit Businesses*





**T**he problem was access. For businesses and entrepreneurs in Nunavut, access to economic tools and banking infrastructure was a barrier to entry. Access to ATM machines, bank branches, and credit systems are imperative to participate in Canada's economy, all things that for many years were unavailable to Nunavut residents.

This is where Atuqtuarvik Corporation (Atuqtuarvik) steps in. Seeing that there was a need to support Nunavut businesses, Atuqtuarvik was established by Inuit leaders in 2000 to provide vital financing to Inuit businesses so that they could be involved in the mainstream Canadian economy to the same extent as other businesses.

The new accessibility to commercial financing would enable Inuit businesses to play a direct role in economic development throughout the territory and in communities by providing their services and products. Another important aspect of Atuqtuarvik's mandate from the outset was improving social conditions. Through the financing of Inuit businesses, jobs would be created for local community members, which would build capacity and help communities to become more self-sufficient.





*Board and Staff Group Picture – 2023*

“Put simply, the situation was that there were viable business ideas being put forward by Inuit entrepreneurs; however, they did not necessarily meet banking criteria such as the required equity or financial ratios,” says Rod Hick, President and CEO of Atuqtuarvik.

“As well, the cycle of seasons (extreme weather) and the time and cost of the proposed business ideas became barriers to getting commercial bank loans. To solve this dilemma, money from the Nunavut Lands Claims Agreement (Nunavut Agreement) was used to capitalize a new corporation that could provide the financing needed for business start-ups, expansions and acquisitions.

With \$70 million capital, the vision was that Atuqtuarvik would operate just like a bank in providing loans and equity investments to Inuit businesses—except that it would accept greater risks. To help mitigate these risks, a cornerstone of Atuqtuarvik’s credit process was to provide exceptional customer service by developing close working relationships with clients and offer ongoing advice to help them meet the challenges they faced. For instance, during the pandemic, Atuqtuarvik worked directly with clients to assist them in navigating cashflow issues and other problems. As a result, none of Atuqtuarvik’s clients’ businesses failed despite the difficulties they encountered.





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**Congratulations to  
Atuqtuarvik Corporation  
for 20 years of successful support  
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Atuqtuarvik Corporation Building - Our Office Building



Mark Kalluak Building Ceremony



Atuqtuarvik is an Inuit-owned corporation; its shareholder is NTI Economic and Social Initiatives Inc. (NESII), a holding company of Nunavut Tunngavik Inc. (NTI). The corporation is a self-sustaining company.

“Therefore, clients pay interest on their financing. It also means that Atuqtuarvik does not receive funding or subsidies from any sources,” says

Hick. “We lend out the initial capital given to the corporation and as that money gets paid back, we lend it out again. Over the last 23 years, Atuqtuarvik has provided more than \$160 million in debt and equity financing. As well, our loss ratio has remained low at 3.1 per cent, which is a testament to our clients and us working together. We are pleased to say that Atuqtuarvik still has the original \$70 million in capital as well as positive retained earnings.”





Rod Hick, President and CEO of Atuqtuarvik  
 (Photo Credit: St-Amour Photography Ottawa)

## NEW BANKING SYSTEMS

A major milestone in Atuqtuarvik’s history was to introduce new banking services to Nunavut. At the request of its shareholder, Atuqtuarvik investigated options for bringing banking services to the smaller and underserved communities in Nunavut. Studies showed that it would be difficult to open a new bank and have it be successful, so the alternative was to bring an existing bank to Nunavut, leading to Atuqtuarvik investing in First Nations Bank of Canada (FNBC).

“Our purchase of shares in 2007 made Inuit the largest shareholder in FNBC,” says Hick. “Since this investment was made the Bank opened a full-service branch in Iqaluit as well as Community

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Our clients’ success is our success.

Banking Centres in several communities—Baker Lake, Kugluktuk, Pond Inlet, Pangnirtung, Arviat, Taloyoak and Igloolik (soon). FNBC has been an exceptional partner because it is Indigenous and it operates in remote and Northern areas, which gives them a true understanding of the issues that can arise from geography and lack of services. They also continue to play a prominent role in commercial lending throughout the territory. Today, Atuqtuarvik is the second largest shareholder in FNBC and the partnership between Atuqtuarvik and FNBC continues to be strong.”



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*Client Success Story - Peter's Expediting*



*Client Success Story - Jago Services*





Client Success Story – Canadrill

Another successful venture that Atuqtuarvik entered into is its partnership with NCC Investment Group (NCCIG). Atuqtuarvik and NCCIG started a joint venture business that consists of warehouses in Iqaluit. Over 10 years later, this joint venture called “NCC/AC Industrial Park Limited” continues to manage and run the warehouses successfully.

The success of any company comes down to its ‘people’. It’s the same with Atuqtuarvik. “The Atuqtuarvik Team over the years has been dedicated and committed,” says Hick. “This can be seen in retention levels despite the competitive marketplace for employees in Nunavut. Our current seven employees have been with the company

from five to 18 years. We breathe our values of Team, Integrity, Family, Learning and Culture. The dedication to the corporation also extends to our Board of Directors. Their business leadership and commitment to governance has been critical over the years. Together, with the unwavering support of our shareholder, the board and staff are always working for the success of our clients and their businesses. Our clients’ success is our success.”

## DIRECT INUIT PARTICIPATION IN ECONOMIC OPPORTUNITIES

Since the capital for the corporation came from the Nunavut Agreement, Atuqtuarvik’s financing is earmarked for businesses that are Inuit-owned and located in Nunavut. The financing of Inuit businesses within Nunavut has helped to contribute to a more robust economy in the territory. This focus means that the capital and the benefits derived from the businesses stay within the territory. It is critical that Inuit continue to participate directly in the development of a sustainable Nunavut economy with their businesses.

“When there is a strong and vibrant local economy in a community it enhances social well-being,” says Hick. “This is achieved through the employment of local community members, which brings in wages for individuals and families. It is also an opportunity to gain new skills. At a minimum, the new or expanded Inuit business in a community provides services and products to its residents. When this dynamic happens, it enhances self-determination.”





*FNBC Baker Lake Grand Opening with Community Members*

Another way Atuqtuarvik impacts communities and individuals is through its formal and active Corporate Social Responsibility (CSR) program. Every year a healthy budget is set aside for social, cultural and educational initiatives. Donations and sponsorships assist individuals, teams, events and various programs such as the Arctic Inspiration Prize, Students on Ice and others. We have also donated money directly to efforts like the breakfast programs at schools across the territory. In addition, Atuqtuarvik awards five scholarships worth \$15,000 annually to students who are in post-secondary studies.

The strengths of Atuqtuarvik are its insights into the challenge of finding and obtaining capital to establish a business in the North and having a good understanding of the needs of Nunavut communities.

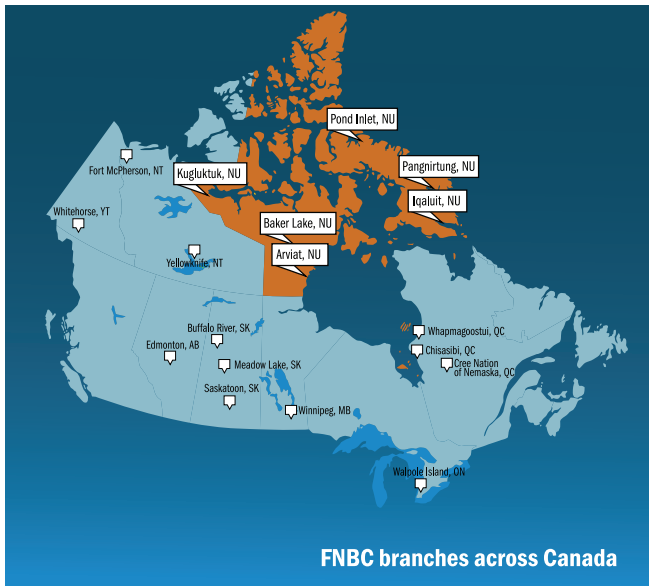
“One of the issues for sourcing financing is the geography and remote locations of businesses,” says Hick. “For example, in order for a business to open its doors in the coming year it may need to order materials the year prior because ships and barges can only make deliveries to communities from July or August to October. This situation can become a problem because a financier will not want to lend to the deal because of the higher risk associated with the project materials sitting idle for several months before they can be used. For entrepreneurs, if they wait to the following year to receive materials then their businesses are a year late in getting set up and running.”

There is little that can be done to resolve this situation because it is due to the weather. However, by recognizing this predicament, Atuqtuarvik and the client can discuss options about the best



way to manage the delivery of materials. It may mean changing the business plan and projections to accommodate a later delivery date. Or it may mean finding a secure place to store the material during the winter, so there is less risk of something happening to it. Regardless of what is decided (and there could be other alternatives too), Atuqtuarvik approaches the scenario with understanding and responsiveness and with the attitude that they want this client's business to succeed.

"It's the same thing for any barrier whether it is not having the equity to put into the business or not having a detailed enough business



plan," says Hick. "We work with the potential client to figure out ways to solve the issue at hand because the business idea is viable."

"Another issue an entrepreneur might face is not having the financial acumen that will be needed for the business. When companies fail, many times it can be linked to poor financial management. If

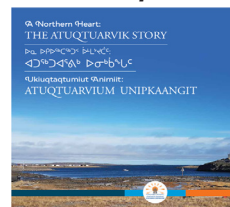


this is the case, we investigate the best ways of resolving this issue before it becomes a problem. It could mean hiring someone with accounting skills or hiring a company to do the bookkeeping or enrolling the entrepreneur in the appropriate training. At Atuqtuarvik, we have also teamed up with partners to deliver financial literacy courses for entrepreneurs in communities."

The bottom line is Atuqtuarvik, as a financial institution, is here to find ways to make viable business ideas become a reality for Inuit entrepreneurs.

For more information, please visit

[www.atuqtuarvik.com](http://www.atuqtuarvik.com).



For the full story of Atuqtuarvik Corporation get a copy of the book called, "A Northern Heart: The Atuqtuarvik Story". It is available as a downloadable digital book on the corporate website or there are still hard copies available by contacting their office.