

# Export Development Canada

## Working Capital Solutions

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# Export Development Canada



- Crown Corporation established in 1944
- Provides trade finance and risk management to Canadian companies
- EDC conducts business in 200 markets worldwide

# Corporate Mandate

At EDC **our mandate** – to support and develop, *directly or indirectly*, Canada's export trade and Canadian capacity to engage in that trade, as well as to respond to international business opportunities – **guides everything we do.**

# Corporate Profile (cont'd)

## Head Office:

→ Ottawa

## Regional Offices (14):

→ Vancouver, Calgary, Edmonton, Regina, Winnipeg, London, Toronto, Mississauga, Windsor, Montreal, Quebec City, Moncton, Halifax and St John's

## International Presence (14) :

→ Brazil (2), China (2), Singapore, Mexico (2), India (2), Russia, United Arab Emirates, Peru and Chile

## 2007 Performance Highlights

- Facilitated \$77.7 billion in exports and international investments in more than 183 markets around the world, a 17.5% increase over 2006
- 20.8 billion of EDC's business was in emerging markets, up 37% over 2006
- Served 6,963 customers (84% were small medium exporters)
- \$9.6 billion was in Canadian direct investment abroad
- The business EDC facilitated helped generate \$55.6 billion to Canada's GDP, about 4.5% of GDP, and supported 624,000 jobs

Customer Satisfaction Index of 85.6 was achieved in 2007.

# What does EDC offer ?

## A Full Range of Services

- Insurance
- Bonding
- Loan Guarantees
- Financing

# How We Do It .....

- Mitigating risks
  - A full range of insurance programs that transfer risks from the bank's or customer's balance sheet to EDC
- Freeing up working capital
  - Guarantees as collateral for bonding and bank guarantees issued on the customer's behalf
- Expanding working capital
  - Risk-sharing with banks to provide credit enhancements
- Foreign buyer financing
  - Facilitate the closing of export transactions

# Working Capital Solutions

1. Account Receivables Insurance
2. Contract Insurance & Bonding
3. Export Guarantee Program

# 1. Account Receivables Insurance

- Protect against losses when your foreign buyer can't or won't pay
  - 90% coverage, catastrophic loss protection
- Enter new markets and expand existing ones
  - Allows to do business with new customers in new markets
- Offer your customers more flexible payment terms
- Increase your access to working capital
  - New source of working capital under your bank line when AR is margined at a higher percentage (0% or 75% vs 90%)

## 2. Contract Insurance & Bonding Services

- EDC provides the exporter's bank with a 100% guarantee on the amount of the letter of guarantee – this frees up the line of credit or security
  - Frees up security
  - Frees up working capital funds
- Postings of bid, performance and warranty bonds in support of export contract (PSG)
- Issuance of standby letter of credit to secure supplier's credit terms (FSG)
- Foreign exchange facility guarantee (FXG)

## 3. Export Guarantee Program

- Risk share structure with banks to provide financing to exporting companies
- Designed to encourage Financial Institutions to advance loans to exporters by providing additional security
- EDC guarantees 50% or 75% of a loan
- Possible scenarios
  - Single contract
  - Multiple contracts
  - Operating line of credit
  - SRED Financing
  - Asset financing
  - Acquisitions

# Eligibility Criteria

- Exporter:
  - Business operating in Canada
  - Technically & financially capable
  - Deal demonstrates benefits to Canada
  
- Buyer/Borrower:
  - Credit-worthy
  - From acceptable country
  
- Project:
  - Technical & commercial viability

**Need to mitigate risks or finance an export  
transaction ....**

**Call us. We'd love to talk to you**

**Export Development Canada**

[www.edc.ca](http://www.edc.ca)

**Thank You**

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