



EDC IN GREATER CHINA

Presented by:
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Regional Manager
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Realize a World of Opportunity

WHO WE ARE AND WHAT WE DO

About EDC



- ▶ Canada's Export Credit Agency
- ▶ Crown corporation wholly owned by Government of Canada
- ▶ Financially self-sustaining, rated AAA
- ▶ Offers financing and insurance solutions to help Canadian exporters expand their international business
- ▶ Operates on commercial principles

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

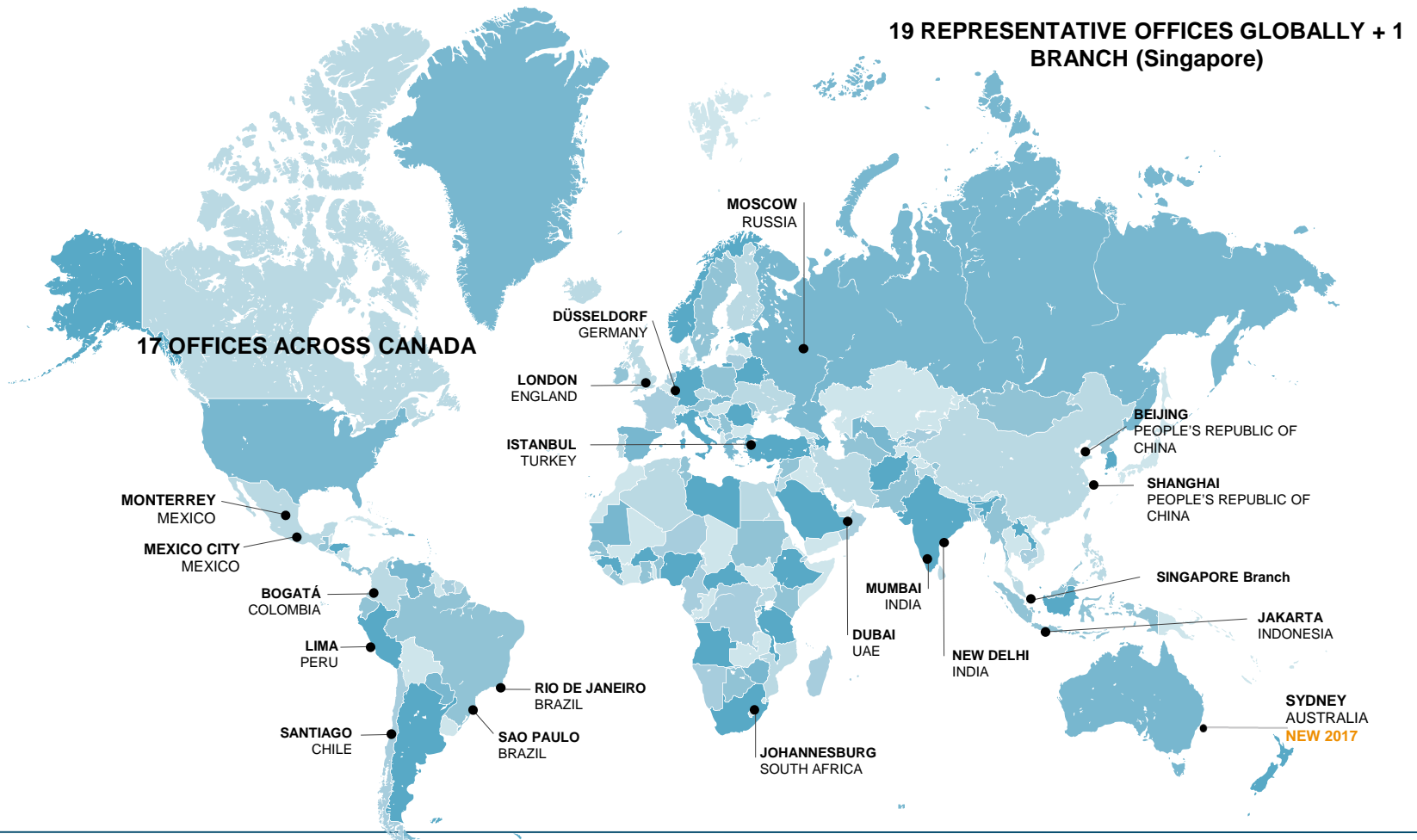
EDC's Mandate



EDC'S DOMESTIC REPRESENTATION



EDC'S INTERNATIONAL REPRESENTATION



2016 PERFORMANCE HIGHLIGHTS



- › Facilitated \$102 billion in business carried out by Canadian companies
- › Facilitated \$30.6 billion in emerging markets
- › Served more than 7,900 customers
- › Supported business in 205 countries



China

- ✓ Fastest growing middle class in the world
- ✓ Enormous urban growth
- ✓ Government plans to boost services, R&D and focus on innovation

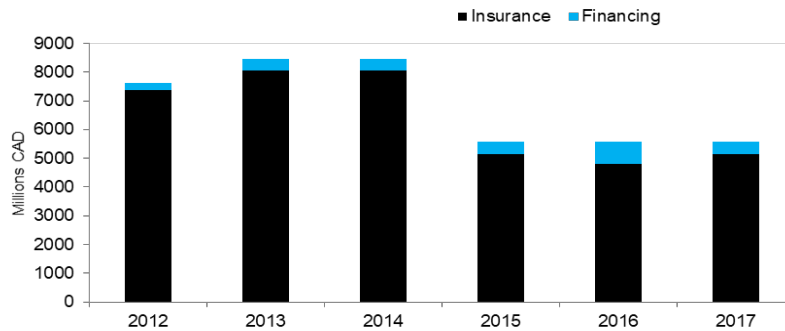
EDC: A LONG HISTORY IN CHINA

- EDC active in China since 1979
- 1st export credit agency to establish business ties in China
- 1st overseas representation in Beijing in 1997; added Shanghai in 2006
- China is a strategic priority for Government of Canada and EDC

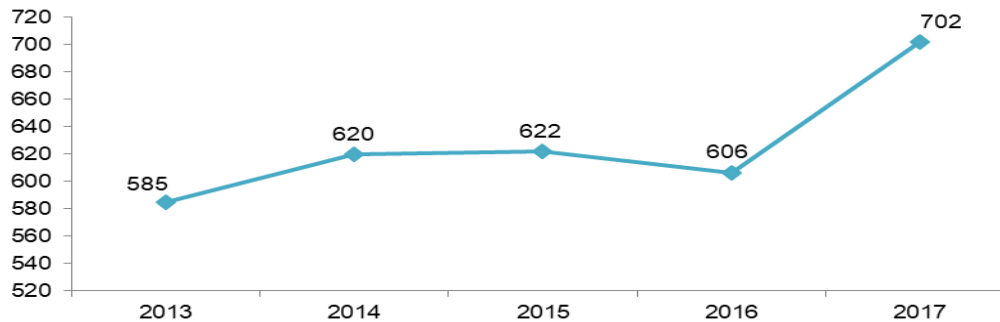


EDC BUSINESS FACILITATED IN GREATER CHINA

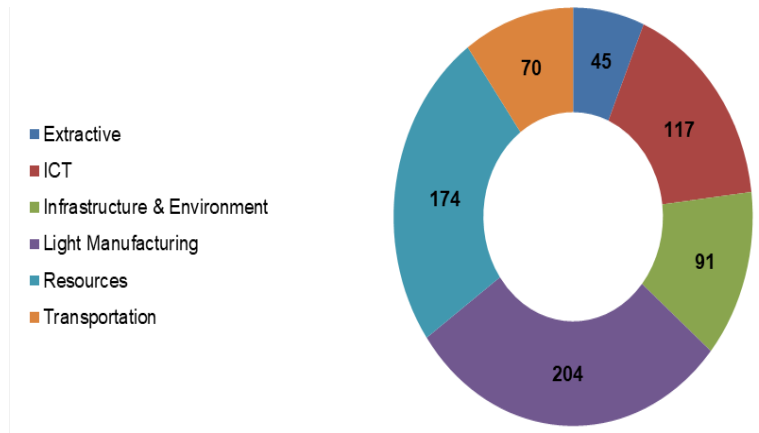
BUSINESS VOLUMES BY PRODUCT
AS AT DECEMBER 31, 2017



EDC Customers Supported in China



2017 EDC Customers Supported by Sector



Opportunities, Challenges and Tips

- Growing middle class: about 430 million today
- Increasing competition from domestic and global players
- On-line presence, KOL marketing and branding on social media
- Partner with local companies

EDC Mandate

- **Direct Export Support:**
 - **Developing Export Trade – pull transaction:**
 - **Canadian Direct Investment Abroad (CDIA):**
 - **Foreign Direct Investment in Canada (FDI-in):**
-

➤ **Guarantee:**

Customer Financing Guarantee (“CFG”)

Export Guarantee Financing Program (“EGP”)

Performance Security Guarantee (“PSG”)

➤ **Financing:**

Canadian Direct Investment Aboard (“CDIA”)

Foreign Buyer Financing

Foreign Direct Investment in Canada (“FDI-in”)

CUSTOMER FINANCING GUARANTEE (“CFG”)



- › Guarantee to a Foreign Lender providing loan to the Exporter's Buyer.
 - › Up to a max. of USD10 mln for a tenor of 2-5 years.
 - › Guarantee Fee is passed to the Buyer.
 - › EDC effectively extends its AAA credit rating benefit to the Buyer.

EXPORT GUARANTEE FINANCING (EGP) PROGRAM



- › EDC provides your bank with loan guarantees to finance your export contracts
- › Get capital you need from your bank
- › Free up your line of credit
- › Meet up-front costs of export contracts

PERFORMANCE SECURITY GUARANTEE (PSG)

- › EDC provides 100% Guarantee to the Canadian bank to meet exporter's cash collateral requirement for issuing bonds.
- › Frees up cash
- › Pursue international contracts while being competitive



Canadian Direct Investment Aboard (CDIA) Financing

- › There are currently +500 Canadian firms with investments in China - various sizes and industry sectors.
- › EDC actively promotes CDIA financing with Canadian companies investing in China:
 - EDC creates additional financial capacity for investment in China via joint support with the Canadian banks



FOREIGN BUYER FINANCING



- › Direct financing to your foreign customer
- › Flexible financing options for foreign buyers
- › EDC assumes risk of non-payment
- › Typically for loans greater than \$10 million

Key Financing Considerations

- › Deals stand on their own merit:
 - › EDC is generally a cash flow lender
 - › EDC might take security and seeks other mitigants to support the solutions
- › Ranking in the capital structure
 - › EDC wants to be pari passu with other banks
- › Tenors – in line with market and match the lifecycle of the risk or asset

EDC Value Proposition

- › Trade Creation/Developing financing (matchmaking & intelligence sharing with exporters)
- › Stretch credit appetite
- › Flexibility through structuring & innovation in products
- › Long term hold strategy through economic cycles
- › On the ground presence in many emerging markets
- › Funding – limited ECAs fund directly
- › Ensuring a level playing field for Canadian companies competing internationally

ADDITIONAL RESOURCES

- › ExportCheck
 - › For as little as \$30, get a credit snapshot of your buyer
 - › www.edc.ca/exportcheck
- › International Connections and Matchmaking
 - › Connect with EDC's foreign buyers and international customers
 - › Coordinated with GAC
- › Knowledge Centre
 - › Country Information
 - › Economic Analysis and Research
 - › Events : Webinars, Seminars
 - › Online Multimedia Centre.
 - › ExportWise



KEY EDC CONTACTS IN CHINA / ASIA

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