



2025-2029 CORPORATE PLAN SUMMARY

- OPERATING BUDGET
- CAPITAL BUDGET



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Executive Summary

Export Development Canada (EDC) is a financial Crown corporation that provides Canadian companies with the solutions they need—when and where they need them—to go, grow and succeed internationally. Our mandate is to support and develop, directly or indirectly, Canada’s export trade and Canadian capacity to engage and respond to international business opportunities. EDC’s comprehensive support for exporters not only helps Canadian businesses grow and thrive, it increases investment in sectors critical to Canada’s economic future –boosting our country’s productivity. The value that EDC brings to its customers is much more than a suite of financial solutions. Our focus on inclusive trade, market diversification, and extensive global network of connections is critical to enabling the Government of Canada to drive trade policy and deliver real economic benefits to Canada.

Building on a strong foundation of success, which over the past year has included serving more than 27,000 customers, supporting more than 520,000 jobs in Canada and helping to generate more than \$94 billion in national GDP, the 2025-2029 corporate plan (the “Plan”) continues the implementation of EDC’s 2030 Strategy. Our 2030 Strategy aims to build Canada’s trade competitiveness by accelerating the success of Canadian companies in dynamic international markets and sectors for long-term and sustainable growth and productivity. The Plan focuses on sectors such as Cleantech, Agri-Food, Advanced Manufacturing and Critical Minerals which have significant Canadian potential given the high projected global demand. The Plan sees EDC’s continued execution of our Indo-Pacific Expansion Program (IPEP) as approved in last year’s Plan and aligns with the Government of Canada’s Indo-Pacific Strategy, to help position Canadian exporters for long term success. The IPEP further enhances EDC’s presence in the region by working closely with leading export credit agency counterparts and Canadian trade portfolio partners to build on the Comprehensive Progressive Agreement for Trans-Pacific Partnership (CPTPP) and grow Canadian trade with these key markets.

Additional priority markets include the Free Trade Agreement (FTA) markets of Europe and North America. While these markets will be an important focus over the planning period, EDC will continue to support Canadian exporters wherever they seek to do business around the world, including emerging markets in Africa, the Middle East and Latin America.

This Plan continues EDC’s efforts to drive positive impacts on Canada’s trade performance. This includes growing our support for all of Canada’s business segments by investing to deliver digital solutions efficiently and simply in support of micro and small companies - including those owned by under-represented groups; by deploying more capital through our solutions to support the growth of medium-sized companies; and by targeting focused support for large Canadian companies that act as important anchors for essential supply chains and Canadian trade growth.

The Plan features new Strategic Capital Deployment that will support priority sectors and markets, as well as the acceleration of our equity investments program to support more medium-sized companies as they seek to become global champions. The Plan also illustrates how EDC will take on well-defined risks through our core work as we execute on our Indo-Pacific Expansion Program and innovate in our support to large Canadian exporters to drive Canadian economic growth.

Environmental sustainability, social equality, and responsible governance (ESG) remains central to our value proposition, guides our 2030 Strategy, and is imperative to the long-term success of Canadian companies abroad. This plan highlights the evolution of our ESG practices and our work to help Canadian companies identify and understand their ESG risks, driving opportunities for responsible business growth, domestically and internationally.

Finally, the Plan identifies the key priorities for EDC's subsidiary, FinDev Canada, with a mandate to provide development financing and technical assistance consistent with Canada's international development priorities and the United Nations Sustainable Development Goals.

1.0 Overview

Export Development Canada (EDC) is a Crown corporation dedicated to helping Canadian companies of all sizes succeed in global markets. With representations across Canada and in over 15 countries around the world, and a branch in Singapore, EDC is Canada's export credit agency (ECA) and a member of the Government of Canada's international trade portfolio. EDC equips Canadian companies with the tools they need—trade knowledge, connections and financial solutions, including loans, guarantees, equity and insurance—to grow their business with confidence.

In an increasingly globalized economy, Canada's economic prosperity relies on international trade and investment. Canada's relative trade performance has lagged in comparison to its Organisation for Economic Co-operation and Development (OECD) peers over the last 20 years. Our 2030 strategy aims to improve Canada's trade performance and accelerate the success of Canadian companies in high-growth international markets. By listening to the needs of Canadian companies – coupled with an intentional approach to deploying capital and deep international expertise – we support global growth by delivering targeted products and services to exporters and bring the voice of the Canadian exporter front and centre as a main driver of Canadian trade policy.

At its heart, EDC is about helping Canadian companies succeed by mitigating their risks and providing access to new markets as they pursue international business opportunities. Our core offering is a set of financial solutions and knowledge services that give Canadian exporters of all sizes, as well as their supply chains and bankers, the confidence to move forward with international sales. Our business operates on commercial principles, priced to risk, or is structured in accordance with the terms and practices established under the OECD Arrangement on Officially Supported Export Credits. EDC does not provide grants or subsidies.

EDC is highly customer centric and brings customers the solutions they need to support them at each stage of their export journey. A primary focus is to accelerate the international growth of medium-sized companies¹, boosting their global competitiveness and accelerating the significant growth opportunities and Canadian productivity in this segment. With a growing role as an equity investor, particularly in support of medium-sized exporters, we will deploy more capital to increase support for Canadian companies as they need capital to grow their businesses and retain Canadian control. This is an area where EDC has and will continue to be purposeful with its approach to risk, filling market gaps and helping to mobilize the private sector.

¹ Segments referenced in EDC's 2030 strategy are defined as: Small (less than 100 employees), Medium (between 100-499 employees), Large (500 or more employees).

Large businesses also have unique beneficial impacts on Canada’s trade ecosystem, driving productivity and R&D while anchoring supply chains that enable small and medium sized companies to grow and thrive. EDC has already advanced along its 2030 Strategy ambitions with respect to this customer segment, which includes Canadian corporate leaders, Canadian financial investors, multinationals with presence in Canada, and new foreign direct investment into Canada – all requiring tailored solutions and approaches to maximize impact. With an expanded risk appetite, EDC will drive outcomes by increasing focus on leading companies in specific sectors to enable the acceleration of Canadian trade and will focus on trade diversification in target markets. We will proactively focus on the Indo-Pacific region, where large businesses act as trailblazers to help build a long-term and sustainable Canadian presence.

Building on newly developed capabilities, EDC can provide a more digitized service offering for some product lines, and leverage partnerships to deploy solutions at a greater scale. A notable example is the deployment of the Trade Expansion Lending Program (TELP) through partner Financial Institutions (FIs). These offerings are highly beneficial, particularly for small and micro companies. Going forward, we will also continue to invest in our digital capabilities to simplify our solutions and improve the customer experience.

1.1 EDC at a Glance

EDC’s 2030 strategy included a shift in priorities to focus more on delivering financial solutions based on our customers’ needs. As a result, the number of financial customers served continues to rise from 12,211 financial customers in 2020, the first year of the 2030 strategy, to 15,845 in 2022 and then most recently to 16,763 in 2023 (exceeding the objective range of 15,500 to 16,500). Through our range of financial solutions, we supported \$131.7 billion in exports, foreign investment and trade development activities in 2023. This business facilitated included \$27.7 billion in emerging markets.

Our portfolio has changed substantially over the past years to align with our strategic priorities. For example, we have reduced our exposure to carbon-intensive sectors, while increasing our exposure in the cleantech sector. We have also increased our support in the medium segment through direct investment and are seeing a growing exposure to our Trade Expansion Lending Program (TELP) bank partnership². Figures 1.1 and 1.2 display our portfolio exposure per market and per industry segment. More information on EDC’s portfolio can be found in the [2023 Integrated Annual Report \(IAR\)](#).

² TELP is a working capital guarantee delivered by approved financial institutions.

Business measures	Figures as at 31 December 2023
Customers served	27,377
Financial customers served	16,763
Companies consuming EDC knowledge products	12,883
Business facilitated	\$131.7 billion
Portfolio exposure	\$129.3 billion
Locations in Canada	16
International locations	23

Figure 1.1 - Exposure by Geographic Market

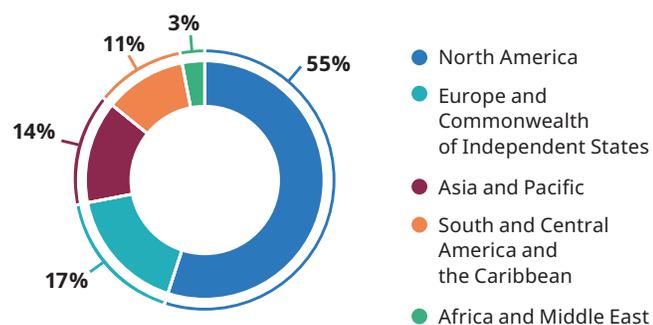
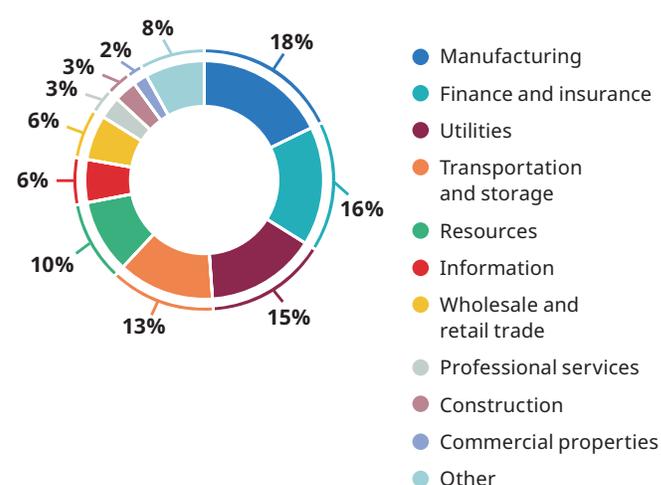


Figure 1.2 - Exposure by Industry



EDC's Business Model

A Global Footprint

With offices across Canada and representations around the world, EDC is close to the Canadian businesses we support and to the buyers in global markets that can connect Canadian exporters to international supply chains. This international footprint, and the nature of the support we provide to customers, requires a local presence in markets as well as travel to visit customers, partners, supply chain actors, projects and facilities. To be more cost-effective in these efforts, we leverage existing Government of Canada locations around the world to increase our reach.

A Self-Sustaining Crown Corporation

EDC is a self-financing Crown corporation, operating at arm's length from the Government of Canada. EDC equips Canadian companies with financing solutions (i.e., commercial loans), guarantees, equity and insurance. We operate in similar ways to a commercial financial institution, collecting interest on our loans and premiums on our insurance products. We also have a treasury department that raises funds in various currencies in global capital markets. All EDC financing transactions must be consistent with commercial market principles, priced to risk, or structured in accordance with the terms and practices established under the OECD Arrangement on Officially Supported Export Credits.

In alignment with the World Trade Organization's definition, EDC's business support is not considered a subsidy as we provide Canadian companies with financing solutions on commercial terms. EDC has a strong record of financial sustainability and operates in accordance with the Government of Canada's Capital and Dividend Policy Framework for Financial Crown Corporations, frequently returning a dividend to the Government.

FinDev Canada

EDC is a parent Crown corporation to FinDev Canada. FinDev Canada is Canada's Development Finance Institution (DFI), a Crown corporation with the mandate to provide financial solutions to the private sector and mobilize private investment in developing countries to achieve development goals in a manner consistent with Canada's international development priorities.

FinDev Canada's objectives for the 2025-2029 planning period are set out in section 3.0. Additionally, the governance structure and approach between EDC and FinDev Canada is detailed in Appendix II as well as in our 2023 Integrated Annual Report (IAR).

2.0 Environment and Context

2.1 Global Economic Context

The near-term outlook for the global economy sees lackluster growth, as consumer spending in major markets reach their limits, businesses solidify their balance sheets and governments focus on managing budget deficits and fiscal positions. This will result in forecasted global growth of just 3.1% in 2024. As interest rates begin to ease from recent peaks, growth will accelerate to a forecasted 3.5% in 2025. In the following years, global growth is expected to ease back to its long-term trend of around 2.8% by 2029.

American consumers have worked hard to repair their balance sheets over the last 15 years. A resilient labour market has supported steady growth in wages and employment, generating a spending splurge that's helped power U.S. outperformance relative to other developed market economies. We forecast U.S. growth of 2.3% in 2024. As the U.S. labour market cools, and price levels and interest rates remain elevated, economic momentum will ease, causing growth to fall back to a forecasted 1.8% in 2025.

Europe can expect a more challenging year or two ahead, with the Euro Area forecasted to grow by 1.0% in 2024 and 1.7% in 2025. Across the region, governments look to stabilize spending, and European Central Bank tightening has led to demand destruction. At the same time, industrial production continues to struggle with energy security concerns, and stalling Chinese demand will weigh on the region's export base.

Weakness in China is expected to continue this year, and linger into the near-term, with growth forecast at 5.0% in 2024 and 4.6% in 2025. Despite fiscal stimulus and modest monetary policy easing, the effects of the country's property sector slowdown and weak consumer and business confidence will persist. That said, additional rounds of government support should prevent deflationary forces from taking hold.

A key uncertainty and risk to the global outlook is the significant number of countries and regions holding elections in 2024. Changes in policy direction could materially impact the global economic outlook. An additional risk to the forecast is that policymakers retain aggressive interest rates for longer than necessary, restricting economic growth.

2.2 Canadian Economic Context

Growth in Canada is expected to decelerate in 2024, to 1.1%, before rising to 1.9% in 2025. In the longer-term to 2029, economic growth is expected to average around 2.4% per year. The modest outlook for 2024 is the result of a highly indebted Canadian consumer, whose sizable debt-servicing requirements have led to a focus on savings versus spending. Business investment is also being constrained by elevated interest rates and tighter financing conditions. However, with the Bank of Canada having begun an interest rate cutting cycle, consumer and business confidence are forecasted to gradually improve as rates ease.

While inflation is falling back to target, price growth remains sticky in certain areas, and the interest rate descent will be gradual. This will provide some support for the Canadian dollar, which we expect to average US\$0.72 in 2024 and US\$0.75 cents in 2025.

The entry into service of the TransMountain pipeline expansion in May 2024 and the startup of LNG Canada in mid-2025 will provide a significant boost to Canadian exports and output. These developments will help offset declines in production from the automotive industry in 2024, as facilities shut down and retool to produce electric vehicles. Strong demand from the U.S. will provide support to Canadian manufacturing and consumer goods exports, though we also forecast that orders will moderate into 2025, as U.S. growth slows.

Overall, the outlook for Canada's export growth is that it will outpace headline economic growth. Exports are expected to increase by 3% in 2024 before a modest slowing of growth to 2% in 2025.

2.3 EDC Context

As EDC approaches the midpoint of its 2030 Strategy, with aims of contributing to the growth of sustainable long-term Canadian trade, EDC has made significant progress by building a more customer centric organization, leveraging new partner channels and developing a more digitized service offering.

The global context however, is ever more volatile, complex, and competitive for Canadian exporters in the shifting geopolitical and economic landscape. Exporters from other countries are expanding into markets of interest such as the Indo-Pacific region, and other Export Credit Agencies (ECAs) are looking to increase their influence and play a growing role as a strategic policy instrument in most countries. In the face of high interest rates, slower economic growth, geopolitical conflicts and climate change impacts, EDC has a critical role to play in helping our customers navigate the current uncertainty of global markets – in fact, these are the types of conditions for which EDC exists, as the organization is able to support Canadian companies (and through them the economy more generally) through difficult times. This role aligns with how EDC is intended to be complementary to the private sector. While the volatility of the global context may present challenges to our ability to grow and diversify trade for Canada in 2025, we are well positioned to drive results for Canadian exporters, with a broad mandate, wide product offering, ESG leadership and an appropriately governed and robust risk appetite.

Opportunities and Challenges

We regularly assess our operations to identify both challenges and opportunities. Highlights of this assessment, included in the following tables, help to inform our strategic direction in areas where we can deliver the most value to Canadian companies and drive Canadian trade.

External Environment

Counterpart	Initiative
<p>Canadian Companies</p>	<p>Opportunities</p> <p>With higher interest rates and lending conditions remaining tight for Canadian businesses, EDC can provide support to companies of all sizes. We can fill a gap in credit availability and provide support that might not otherwise be available to Canadian companies. With our focus on medium-segment companies and expansion of presence in the Indo-Pacific, we can help growth into new markets and supply chains.</p> <p>Challenges</p> <p>Challenges facing Canadian companies include interest rates at levels not seen since before 2008, supply chain challenges and growing barriers to trade. Canadian companies are also facing an environment in which securing financing is more challenging, as well as higher labour and input costs.</p>
<p>Federal Partners</p>	<p>Opportunities</p> <p>Canadian companies stand the best chance of succeeding internationally when they have a coordinated network of support at home. To this end, we continue to work closely with our federal partners to improve the experience for Canadian companies. These partners include the Trade Commissioner Service (TCS), Business Development Bank of Canada (BDC), Canadian Commercial Corporation (CCC), Canada Infrastructure Bank (CIB), Innovation, Science and Economic Development Canada (ISED), Environment and Climate Change Canada (ECCC), Farm Credit Canada (FCC), Invest in Canada (IIC), Natural Resources Canada (NRCan), Clean Growth Fund (CGF) and Agriculture and Agri-Food Canada.</p> <p>EDC’s stewardship of the Minister of Export Promotion, International Trade and Economic Development’s Business Economic and Trade Resilience (BETR) Committee remains a priority to improve customer experience and collaborate with federal partners.</p> <p>For more details, please see Appendix X.</p> <p>Challenge</p> <p>While all partners in Canada’s trade ecosystem need to be aware of each other’s offerings to ensure a seamless experience for Canadian companies, we must collectively improve delivery in our collaboration with other agencies and Departments by focusing on partnered activities that deliver the highest value. The BETR Committee identifies opportunities that enhance Canadian companies’ experience of trade solutions offered by federal ecosystem agencies and departments. The group develops opportunities to collaborate in presenting the Canadian trade ecosystem in Indo-Pacific markets, and to incrementally support companies in key Canadian priority sectors, such as the semiconductor ecosystem.</p>

Counterpart	Initiative
<p>Private Sector Partners</p>	<p>Opportunities</p> <p>Partnerships with the private sector provide significant opportunity for EDC to reach more Canadian companies, add risk and capital relief capacity to the market, fill gaps, crowd-in additional private sector capital, and help more Canadian companies. This includes deepening our relationships with existing partners, including banks, financial institutions, and pension funds, and diversifying our partners to target specific segments, sectors, and inclusive trade initiatives.</p> <p>Challenge</p> <p>In a rapidly evolving regulatory environment, financial institutions are updating their solutions, technology, delivery methods, and processes to address regulatory requirements while meeting increasing demands from Canadian companies. We must continue to evolve our digital and monitoring capabilities, and better integrate EDC solutions within our partner’s processes and solutions to support more Canadian companies seamlessly.</p>
<p>EDC as Canada’s Export Credit Agency (ECA)</p>	<p>Opportunities</p> <p>Global economic and geopolitical shifts are raising the importance of ECAs and driving rapid growth in volumes of global export credit. EDC has one of the broadest suites of products and services to execute its mandate relative to many other ECAs and will seek to adapt and remain forward-thinking based on the best practices and trends across global ECAs.</p> <p>The modernization of the OECD Arrangement in 2023 provides additional flexibility to compete against non-OECD participants and to enhance support for climate-related projects.</p> <p>Against this backdrop, EDC will continue to increase its collaboration with other ECAs through partnerships, co-financing and re-insurance and general knowledge exchange to help drive impact under EDC’s 2030 Strategy.</p> <p>Challenge</p> <p>EDC’s engagement as an international ECA seeks to protect and grow Canadian companies’ global competitiveness by representing their interests and maintaining a level playing field within an increasingly competitive international context.</p>

Internal Environment

Initiative	Opportunities and Challenges
Digital Strategy	To enable EDC’s 2030 Strategy, new digital capabilities, sequenced by EDC’s digital roadmap, will be implemented in modern application platforms matching what our major trade finance partners are using, to facilitate more seamless interactions. As we execute the digital roadmap, we will simplify our technology footprint by retiring multiple disparate legacy systems and moving onto a consolidated set of market-leading platforms, while ensuring that we continue to support critical data, development, infrastructure and security foundations in synch with delivering new business applications.
ESG	We are committed to sustainable and responsible business — balancing economic growth with environmental and social considerations. Responsible business and trade contribute to a better Canada and a better world. It is why EDC is integrating sound Environmental, Social and Governance (ESG) principles and practices into the core of our 2030 Strategy. We recognize that EDC has a role to play in helping Canadian exporters adapt to the increasing risks and opportunities related to climate change, human rights, and other ESG-related challenges. With our capital, knowledge and experience, EDC is in a unique position to help businesses navigate both the opportunities and risks of a rapidly changing regulatory environment.
People	Over the planning period, we will prioritize the employee experience by maintaining momentum on our culture shift. We will strengthen leadership capacity and capability and bring our corporate values to life by setting clear behavioural expectations and evolving our people practices.
ID&E	We value and respect the differences among our employees and customers and celebrate the diversity of our global organization. Based on advanced people analytics, we strive to reflect the diversity of the customers we serve. We will also continue to address any identified systemic barriers for employees and customers who are Black, Indigenous, or part of other traditionally under-represented groups.
Leveraging Risk	Our risk management governance, practices, and risk tolerance continue to evolve to align with our corporate strategies and business priorities. This evolution is informed by quarterly assessments of EDC’s risk activities against financial, operational, and strategic risk thresholds to drive prioritization discussions at the executive level and with the Risk Management Committee of the Board of Directors.

2.4 Oversight and Reviews

EDC reports to Parliament through the Minister of Export Promotion, International Trade and Economic Development. We are governed by an independent Board of Directors, whose representatives are from the private sector and who are appointed by the Government of Canada.

We are accountable and responsive to the Government of Canada through several oversight mechanisms, including our Corporate Plan and Integrated Annual Report, both of which are approved by the Minister and tabled in Parliament, and the Ministerial Statement of Priorities and Accountabilities (SPA). A copy of the current SPA can be found in Appendix I. Ministerial directives also form part of this governance system, and we are compliant with nine directives as outlined in Appendix VIII.

2018 Legislative Review

Section 25 of the *Export Development Act* (the Act) requires that the Minister of Export Promotion, International Trade and Economic Development in consultation with the Minister of Finance, initiate a review of the provisions and operation of the Act every 10 years. Among other things, the review examines different aspects of our role, functions, and governance, as well as how we should evolve to meet the needs of Canadian companies. The 2018 Legislative Review examined our complementary role with the domestic private sector, our ability to meet evolving Canadian business needs in a changing global context and our adherence to high corporate social responsibility standards. The findings have been instructive in the development of our new corporate strategy, as well as ongoing relationship building with federal and private sector partners.

Review of Financial Crown Corporations and Budget 2024

A review of the roles and approach to risk of Financial Crown Corporations, including EDC, was announced in the Government of Canada's 2023 Fall Economic Statement. Based on this review, Budget 2024 provided new guidance to EDC on mobilizing more capital and to take on more risk to drive greater economic benefit for Canada.

EDC is committed to implement this guidance, which is well aligned with EDC's role as Canada's official ECA, and our efforts will take hold in 2025 and throughout the planning period.

Special Examinations

A special examination is mandated at least every 10 years under the *Financial Administration Act* (FAA) and a report on the findings must be submitted to the Board of Directors. The most recent review was completed by the Office of the Auditor General (OAG) in 2018 and focused on three key areas: our approach to risk management, organizational transformation, and corporate management practices. We were pleased that the conclusions of the OAG's Special Examination Report validated our Enterprise Risk Management (ERM) project plans. The specific findings of this examination and EDC's response are available on the OAG website.

Audit of EDC'S *Environmental and Social Review Directive*

The Act also stipulates that the OAG must undertake an audit of the design and implementation of EDC's *Environmental and Social Review Directive* (the ESRD Audit) every five years. An audit was completed by the OAG in 2023 and yielded several recommendations, with the report made publicly available in November 2023. EDC reviewed the audit's findings and recommendations, provided formal responses and began implementation of the actions it has committed to in 2024, with some of these being undertaken as part of a future update to the ESRD in the next ESRM Policy Framework Review.

3.0 Goals and Objectives

3.1 Main Objectives

EDC's 2025-2029 objectives are grounded in our vision to create a positive impact on Canadian trade by putting customers' needs first, leading with our values, focusing on the priority sectors, coupled with the appropriate utilization of EDC's risk appetite. The objectives articulated in this Plan – and the approaches we develop to execute against them - will also reflect the expectations of the Government of Canada for EDC, most notably as communicated in the Statement of Priorities and Accountabilities (SPA) (see Appendix I). Additionally, the Plan is aligned to Government of Canada guidance provided in Budget 2024 to maximize potential for exporters in areas of strategic importance for Canada and drive Canadian economic growth by taking on greater risk in deploying more capital.

As such, the priorities laid out in the 2025-2029 corporate plan remain tightly aligned with both the SPA and our 2030 Strategy to grow sustainable long-term Canadian trade, and focus on:

- continuing to take a segmented approach, prioritizing efforts and resources to accelerate the growth of medium-sized Canadian companies through focused strategies such as the growth of our equity and investments solutions;
- increasing the pace of engagement and trade growth across the Indo-Pacific and other Free Trade Agreement markets;
- enabling greater Canadian participation in supply chains by supporting large companies in key markets and sectors and supporting trade-enabling infrastructure in Canada;
- continuing to implement our Environmental, Social and Governance commitments to create the kind of trade the world needs;
- continuing to support Canada's cleantech companies, critical mineral value chains, and the transition to a low-carbon economy;
- evolving how we work with partners to make it easier for our customers to access the resources they need, and to mobilize the private sector in support of Canadian companies;
- supporting under-represented groups in trade; and
- continuing to invest in our technology and our people.

Underscoring these priorities is the imperative for EDC to maintain financial sustainability.

FinDev Canada's Objectives

As FinDev Canada looks forward over the 2025-2029 horizon, it is planning for significant growth in alignment with its Growth with Purpose strategy. FinDev Canada's priorities over the planning period are focused on the core areas of growing the business, driving impact, and enabling operations. Over the next 5 years, FinDev Canada will focus on continued growth in its portfolio, regional expansion starting with the Indo-Pacific region and Sub-Saharan Africa, and the operationalization of a new concessional financing facility. These are detailed in Annex I – FinDev Canada's Corporate Plan.

3.2 Business Segment Focus

EDC places Canadian exporters at the heart of our organizational model and are committed to addressing the specific needs of micro, small, medium, and large Canadian companies. To do so, we will leverage a robust approach to risk-taking, an expanding international footprint, and our knowledge solutions to ensure that Canadian companies have the tools and expertise they need to succeed.

Canadian micro- and small businesses are a major driver of the Canadian economy, contributing to growth, innovation, and job creation. This segment benefits specifically from EDC's continuing investments in digital services and innovation, as well as EDC's efforts to reach more small exporters by scaling our solutions through our partners. An example includes EDC's Trade Expansion Lending Program (TELP), that will continue to leverage a growing number of financial institution partners to make it easier for more exporters to access working capital quickly. These efforts will continue to help shift our approach to a self-serve, always-on solutions with greater reach across Canada's small business community.

EDC prioritizes the unique needs of medium-sized companies to boost their competitiveness internationally, as these exporters are the catalysts to long-term Canadian economic growth. Medium-sized companies deliver proportionally higher trade outcomes, and yet we know many high potential companies face financial and non-financial barriers to exporting. We will increase our efforts to identify companies with high potential to become Canadian global trade champions, increasing the number of medium segment customers served and increasing market penetration with focus in the manufacturing, technology, cleantech and agrifood sectors. EDC will also accelerate the growth of its equity and investments program, with focus on medium-sized exporters, to bridge a market gap and help these companies access earlier, increased capital as they seek to grow their businesses in targeted regions and with focus on emerging clean technologies. Growth in investments seeks to help crowd-in greater levels of private capital to these businesses and ultimately help them take their next step to become global trade leaders and enable them to keep their businesses and jobs here in Canada.

Finally, large companies drive Canada's exports and international investments and serve as anchors with positive spill-over effects for Canadian supply chains. To increase the international competitiveness of large companies, EDC will seek to expand our work with leading large segment companies in target sectors (see Section 3.3), augment their supply chains and support their international expansion. Additionally, EDC will deepen its work with key market leaders in the Indo Pacific to better understand their markets and ecosystems, leading to new business opportunities for our exporters. Leveraging our unique relationships with both large corporate lenders and leading ECAs and our full suite of solutions, we will participate in the most financially impactful ways to help crowd-in private capital, build customers' international connections, and ultimately accelerate their growth. Strategies will include focus on both trade facilitation (for example, through direct export support and Canadian Direct Investment Abroad) and trade creation (for example, through Global Corporate Partnerships, Foreign Direct Investment into Canada and connection financing). EDC will collaborate with other entities in the Canadian trade ecosystem to ensure a "Team Canada" approach that makes efficient use of Canadian programs and resources.

Through the planning period, we will listen and innovate, to ensure our solutions meet the evolving needs of Canadian businesses and position them to seize future opportunities.

3.3 Market and Sectors Focus

Over the planning period, EDC will focus on building our relationships and expertise in key markets and sectors that offer significant growth potential for Canadian trade, to help build the next generation of globally competitive Canadian exporters.

International Markets

Over the planning period, in alignment with Government of Canada's trade diversification policy and aspirations to grow trade with Canada's Free Trade Agreement (FTA) markets, EDC will continue to focus its trade creation and trade facilitation efforts in these markets. Canadians benefit from strong FTA market access, which provide substantial opportunities for exporters looking to grow their businesses. To that end, EDC will focus on supporting exporters as they take greater advantage of Canada's global market access in close collaboration with Canada's Trade Commissioner Service and other partners across the Canadian trade ecosystem.

Over the medium-to-long term, the Indo-Pacific region offers the greatest growth potential for Canadian companies, enabled by the heightened market access provided by the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) and the Canada-Korea Free Trade Agreement (CKFTA), and will be EDC's primary regional priority over the planning period. In 2025, we will continue the execution of our Indo-Pacific Expansion Program (IPEP), approved in the 2024-2028 Corporate Plan, investing to build a strong market presence and helping to attract more Canadian companies to the region either directly or through supply chains. Sectors of focus in this region will include agri-food, infrastructure, and advanced manufacturing. This work will require the deepening of relationships with both Canadian companies investing in the Indo-Pacific as well as with leading regional partners. We will leverage EDC's tolerance for emerging market risk to grow EDC's portfolio exposure in this region, including through enhanced credit risk and innovative structuring and larger exposures with non-investment grade counterparties, in order to support Canadian companies' expansion plans and connect other Canadian companies into regional supply chains.

Other priority markets of focus for EDC will include Europe and North America:

- EDC forecasts growth in trade with Europe, given the opportunities provided by the market and trade agreements such as the Canada-European Union Comprehensive Economic and Trade Agreement (CETA), Canada-Ukraine Free Trade Agreement (CUFTA), and the Canada-United Kingdom Trade Continuity Agreement (Canada-UK TCA). Sectors of focus within Europe include renewables and cleantech, presenting opportunities to embed Canadian companies in international supply chains.
- For most Canadian exporters, the U.S. is their first international export market and is often a critical step in increasing their global reach. Our enhanced outreach and understanding of medium-sized exporters have found that companies of this size innovate and learn through exporting to this market, benefiting from the increased market access under the Canada-United States-Mexico Agreement (CUSMA). EDC will support these initial steps by engaging in U.S. regions with high infrastructure and cleantech needs as well as those with robust agricultural and electric vehicle markets.

Sectors

The priority sectors identified in our 2030 Strategy, based on our expertise and aligned with Government of Canada priorities are:

- **Agri-Food and Agri-Tech:** Includes a wide range of industries from farm-to-factory and factory-to-consumer.
- **Clean Technologies (cleantech):** Includes processes, products or services that reduce negative environmental impacts through renewable energy use, energy efficiency, sustainable use of resources and environmental protection activities.
- **Critical Minerals and the Energy Transition:** Includes Canada's natural resource industries—such as the critical mineral supply chain—that are developing solutions to enable the global transition to a low-carbon economy.
- **Advanced Manufacturing:** Focuses on applying innovative technologies and methodologies to improve products, processes and services, including automation, additive manufacturing, robotics and the Internet of Things.
- **Digital Industries:** Includes innovative technologies and services that capture, transmit, process and display data electronically, such as Artificial Intelligence, cloud and quantum computing, cybersecurity and enterprise software.

In addition to these key sectors, EDC has identified infrastructure, with a focus on engineering services, as offering strong growth opportunities for exporters, particularly in the Indo-Pacific. EDC will support Canadian companies, including engineering and construction firms, with the end goal of improving their global market share. When successful, these relationships present opportunities to drive broader Canadian exports, as projects that are designed and led by Canadian firms increase the opportunity for further Canadian supply.

EDC recognizes the oil and gas sector, while accountable for a significant portion of Canada's emissions, is an important part of Canada's economy and is expected to remain so during the global energy transition. Strategically supporting Canadian companies operating in carbon-intensive sectors as they innovate to reduce their emissions is an important part of our strategy and commitment to net zero. EDC's business support for the oil and gas sector includes transactions that relate to an oil and gas company's adoption or purchase of cleantech solutions that reduce its carbon or environmental footprint. It also includes indirect business such as electricity trading. EDC's support to this sector will remain consistent with the guidance and direction of the Government of Canada.

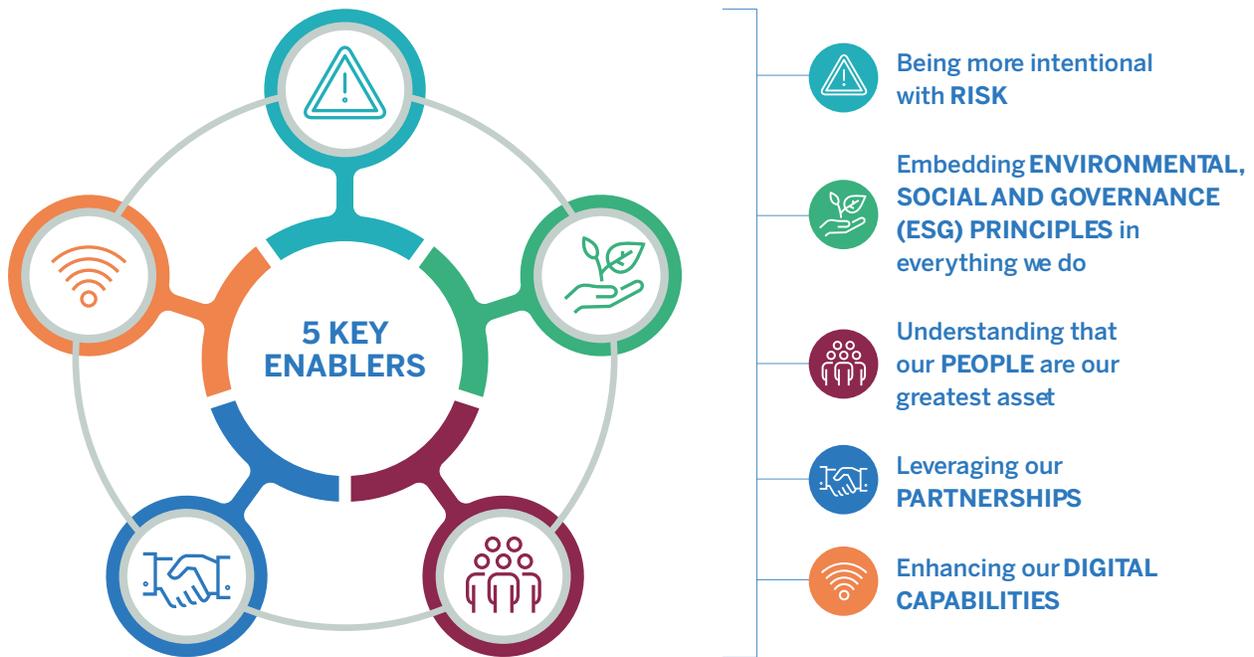
3.4 Strategic Capital Deployment

Over the planning period, EDC will deploy a dedicated portion of its capital base, within Board approved risk tolerances, to take greater incremental risk to maximize potential for exporters in areas of strategic importance for Canada. By using our capital, we are targeting to facilitate approximately \$4.5 billion more business for Canadian exporters and investors. This will require an additional CAD \$700 million in capital to be deployed and will support transactions which prioritize Canada's clean growth sectors, trade-enabling infrastructure, and strategic international markets. These transactions and the associated capital deployed will help accelerate the inflection point of nascent Canadian clean growth sectors with a particular focus on critical minerals, electric vehicle supply chains, energy transition (e.g. hydrogen, nuclear), and industrial decarbonization.

Such transactions must satisfy EDC’s mandate, ESG policies and international trade law obligations. EDC will retain agency over this capital, which will be managed sustainably year-over-year, and transactions will be considered through direct EDC engagement with Canadian businesses and their transaction counterparties. Though this strategic capital will remain part of EDC’s overall balance sheet, EDC will provide visibility to sustainability, gains and losses, and solvency separately in its financial reporting. EDC will also report publicly on the Canadian economic impact of these transactions through its Integrated Annual Report.

3.5 Key Enablers

In developing the 2030 Strategy, EDC identified five key enablers to guide the organization’s new direction. These enablers also act as the key areas of transformation investment over the planning period.



Empower Our People – Our Greatest Asset

Our business strategy provides the roadmap for change—but it is our employees who drive that change. Highly qualified, passionate and engaged employees create an exceptional customer experience and EDC takes a proactive approach to meet employee expectations in an ever-evolving labour market in Canada, and focus on those elements necessary to attract, engage, develop, empower and retain a competent and diverse workforce.

We connect with our customers and employees on a regular basis in order to: strengthen leadership capabilities; anchor our behaviours in our corporate values; modernize our systems, processes and ways of working; evolve our people practices enhancing career development; and instill ownership, trust and accountability.

Inclusion, Diversity and Equity

EDC continues to foster a diverse and inclusive workplace, in order to better serve our customers and make a greater positive impact on Canadian society. When employees feel they belong and have an equal chance for success—regardless of their gender, race, ethnicity, sexual orientation, ability or experience—they are more likely to realize their full potential.

We are committed to providing accessible and inclusive experiences for our employees and customers, including those with disabilities. EDC published its accessibility plan in 2022 in support of *Accessible Canada Act* (ACA) legislative requirements and we are now implementing this plan.

Increasing our bilingual capacity, particularly at the leadership level, is a corporate priority. We provide a best-in-class language training program and encourage the use of both French and English on a daily basis, to ensure employees are able to work and interact in their language of choice.

Being More Intentional with Risk

EDC customers' long-term, viable success hinges on our knowledge of international trade and our ability to take on and manage financial and non-financial risks. A well-defined risk approach helps us balance our customers' interests and build a stronger and more sustainable economic future for all Canadians, while upholding the principles of responsible business.

Our risk management governance, practices, and risk appetite continue to evolve to align with our corporate strategies and business priorities, guided by our Enterprise Risk Management Framework and a Three Lines of Defense governance model. This evolution is informed by quarterly assessments of EDC's risk activities against financial, operational, and strategic risk thresholds to drive prioritization discussions at the executive level and with the Risk Management Committee of the Board. These discussions serve to guide EDC's risk management priorities, but also to inform tolerances within our risk appetite to help optimize support to customers and meet strategic objectives. Within a competitive global environment, leveraging and optimizing our full risk appetite and risk practices remains vital to unleashing the potential of Canadian companies to succeed internationally.

EDC's Risk Appetite Statement and associated policies, control processes, metrics and reporting (collectively referred to as the Risk Appetite Statement) are the primary means used to communicate how EDC views risk and determines tolerance levels for financial, strategic, and operational risks. The Risk Appetite Statement defines the basic attributes of what type of, and how much, risk EDC is prepared to take with consideration to its mandate and strategy as well as EDC's values and capacity to bear risk.

EDC is currently reviewing its Risk Appetite Statement to ensure it is aligned with the Corporation's business objectives, including those developed in response to the direction provided by the Government of Canada through Budget 2024. Risk appetite limits are measured and reported quarterly to EDC senior management and the Board of Directors, providing flexibility to adapt in response to emerging risks as well as emerging priorities.

Leveraging Our Partnerships

Partnerships are one of the five key enablers of our 2030 Strategy, designed to help spur incremental trade for Canada. As one part of Canada's trade ecosystem, EDC can best support our customers, helping them access the resources they need, through collaboration with other partners. Partnerships increase our distribution network, reach, intelligence, and ability to innovate. We collaborate with a range of organizations and play to our strengths to help foster trade for Canada across segments, multiple sectors including the financial sector, brokers, businesses, international and government partners.

Moving forward, we will invest in areas that drive the greatest impact for our customers through partnerships and employ a harmonized, efficient, and effective channel approach to reach our priority business segments, markets and sectors. By working with partners, we will help our customers access financing, connections, and knowledge, and support their growth in international markets, including the Indo-Pacific region.

For details on EDC's Partnerships see Appendix X.

Embed Environmental, Social, and Governance (ESG) in Everything We Do

As Canada's export credit agency (ECA), EDC's role is to help Canadian companies achieve global success through responsible business growth. It is why we are committed to strong environmental, social and governance (ESG) practices, which are embedded at the centre of our business strategy.

Environment

EDC plays an important role in supporting the Canadian economy and the global energy transition through our commitment to reach net zero emissions by 2050. Our roadmap focuses on reducing financed emissions, reducing emissions from our own operations, increasing support for clean technology, and expanding sustainable finance for our customers. In 2023, we became a founding member of the UN-convened Net Zero Export Credit Agencies Alliance (NZECA) – the first net zero alliance of public finance institutions. Our collective efforts as an ECA community will have a greater impact by sharing our knowledge, learnings and holding one another accountable on the path to net zero. Additionally, EDC is implementing the commitments outlined in our updated *Climate Change Policy*, such as strengthening EDC's climate due diligence on transactions and customers, advancing dialogue and action on just transition, and enabling customers to respond to climate-related risks and opportunities. We are working in lockstep with our Government of Canada partners to ensure robust implementation and compliance with the commitments in the Glasgow Statement. More information on our approach and progress to date is available in our 2023 Climate-related Disclosure as well as our 2023 Integrated Annual Report.

Social

At EDC, we recognize that economic prosperity created through international trade has the potential to positively impact people and communities around the world. At the same time, we know the pursuit of that economic success can lead to adverse human rights impacts. That is why respecting internationally proclaimed human rights is at the forefront of our social commitments.

Following the release of EDC's updated [Human Rights Policy](#) in 2023, we are implementing our commitments and processes. We are also committed to sourcing goods and services from suppliers who respect human rights, ethics and the environment, and have responsible policies and practices. In 2024, we published our first [Report](#) in response to the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*, which brings increased transparency to our supply chain and outlines the measures taken to reduce the risk of forced of child labour. To increase transparency and understand where EDC can use its influence for improved human rights outcomes, we continue to track and publish information on the number of transactions that undergo our due diligence screenings. This information, as well as a summary of our progress to date, can be found in the [2023 Integrated Annual Report](#) and in our [2023 Human Rights Disclosure](#).

Governance

Our approach to good governance incorporates stakeholders at all levels of the organization, beginning with our Board of Directors, which oversees our Environmental, Social and Governance (ESG) efforts and contributes to the evolution of our strategy.

ESG Risk Management

Our approach to risk is governed by our [ESRM Policy Framework](#), comprised of five policies:

- *Environmental and Social Risk Management Policy*
- *Environmental and Social Review Directive*
- *Climate Change Policy*
- *Human Rights Policy*
- *Transparency and Disclosure Policy*

The framework is reviewed regularly to ensure the policies remain relevant and are aligned with international frameworks, including the OECD Common Approaches, the Equator Principles, the recommendations of the Task Force on Climate-related Financial Disclosures, and the United Nations Guiding Principles on Business and Human Rights.

Business Integrity

Ethical business conduct and compliance are foundational elements of a successful and sustainable organization. At EDC, several initiatives are underway to reinforce financial crime risk mitigation practices while maintaining core Financial Crime program operations. Below are key areas of focus for the year ahead:

- Aligning with industry practices, EDC continues to mature the Financial Crime compliance and ethics program, including enhancements related to the collection and monitoring of counterparty information and the strengthening of Financial Crime risk assessment models across product lines.
- The update to EDC's enterprise-wide Inherent Risk Assessment process, beginning in the latter half of 2024, will help us to continue to identify current and emerging risks inherent to EDC's business activities and strategy.
- The enhancement of key reporting metrics aimed at increasing visibility of risks to facilitate good governance practices.

Further details of these initiatives, and others, are available in EDC's [2023 Integrated Annual Report](#).

Enhance our Digitally Enabled Capabilities

To enable EDC's 2030 business strategy, we will continuously refine and incrementally execute a rolling three-to-five-year digital roadmap that sequences the implementation of digital capabilities in modern applications, coinciding with when key business objectives require them. This allows us to replace aging and end of life legacy applications by implementing new applications. At the same time, we are simplifying our technological footprint by consolidating on fewer, market leading platforms that align, wherever possible, to what our trade finance partners are using, to facilitate improved engagement and information sharing within the trade ecosystem. These investments and improvements will increase system resiliency and will provide EDC the potential to scale more cost effectively.

The digital roadmap pivots our initial digital investment focus from foundational initiatives – which included modernizing our network, advancing our cloud strategy, bolstering our cybersecurity posture, and improving our enterprise data management – to integrated digital business solutions in modern applications, which directly enable business strategy and build off the foundations we have laid through prior digital investments.

As the business strategy prioritizes an organizational shift from product to customer focus, the digital roadmap implements modern applications on fewer consolidated platforms to create consistent internal technology ecosystems over a patchwork of isolated best of breed solutions, in 3 main domains:

- **Customer Experience ecosystem:** implementation of integrated customer-facing and customer-enabling solutions.
- **Employee Experience ecosystem:** implementation of standardized platforms for internal employee services and cross-department workflows.
- **Human Resources and Finance Enterprise Resources Planning (ERP):** common platform to capitalize on synergies between HR and Finance functions, improving employee enablement that in turn improves customer experience.

Investments to support our digital foundations will continue to be made, closely aligned to what is required for enabling and enhancing the main ecosystem domains that are the core focus of the digital roadmap. There is also flexibility to invest in emerging capabilities that cut across all domains, such as generative AI. The digital roadmap is reviewed semi-annually to adjust to business priorities and informs and responds to corporate strategy and annual objective setting.

3.6 Measuring Our Impact

EDC's Impact Framework connects the dots for how our trade solutions deliver impact to Canada. It is presented in [EDC's 2030 Strategy](#) and explains our impact statement.

EDC reports and will continue to report on macroeconomic impacts, such as GDP supported and jobs supported. Work is underway to determine if we can report these metrics at a more detailed level, for example by sector, North American Industry Classification System (NAICS), region, etc.

In 2023, EDC engaged with Statistics Canada to develop an impact study designed to measure the causal impact of our financial products on our customers. The analysis compared EDC customers to a control group of non-EDC exporters spanning the 2014-2020 (7 year) period. The study is directional and provides initial indications that EDC has significant positive impact on our customers. The study suggests that EDC customers, generate higher revenue (+22%), employ more people (+15%), and are more productive (+5%) than similar non-EDC exporters during the 2014-2020 period. This, EDC believes, will help address some of the challenges currently facing the Canadian economy, and grow Canada's export potential over time.

This is a foundational study. The second iteration of the study is underway with results anticipated in the first half of 2025. The second iteration will incorporate a longer time frame (2010-2022) and will explore the possibility of assessing EDC's impact on underrepresented groups, as well as small and medium-sized exporters. Given the alignment of this work to the guidance provided in Budget 2024 for financial Crowns, to increase focus on output-based metrics, EDC is working with the other financial Crowns to develop on a common methodology for measuring impact, ensuring a coordinated, whole-of-government approach. EDC will continue to collaborate with other financial Crowns in coming months to share ideas and methodologies.

In 2025, EDC will also seek to benchmark these metrics against those of other Export Credit Agencies to ensure the organization continues to be aligned with international best practices. This work will form the foundation of how EDC will report on its impact going forward, with further refinements to come over the planning period. Reporting will be available through EDC's Integrated Annual Report.

3.7 Expected Results and Performance Indicators

EDC monitors and evaluates performance and impact in a variety of ways. Every year, EDC's corporate plan sets out planned results for the short-, medium- and long-term reporting periods. EDC also develops and deploys internal targets that align to the corporate plan as key performance indicators that help drive our organizational work. The overarching framework for this is the enterprise scorecard which sets out the corporation's major objectives, key results and corresponding KPIs for the calendar year. The enterprise scorecard is established with the input of the full senior management team, and is made accessible to every EDC employee. The enterprise scorecard ensures that the organization is focused on the same priorities and is measuring success against clearly defined objectives.

These measures are updated each year consistent with EDC's corporate plan and are approved by EDC's Board of Directors. EDC reports on actual results through our Integrated Annual Report. Detailed actual results and forecast information can be found in Appendix III.

The following provides an overview of key corporate measures. The table reflects most of the measures presented in last year's plan and how we anticipate ending the year in relation to the objectives set for 2024. The table was updated this year to replace Business Facilitated in Emerging Markets with Business Facilitated in Indo-Pacific to better align with EDC's and the Government of Canada's priorities.

Performance Indicator	Information and Context
Net Promoter Score (NPS)	This is a measure of customer experience which helps evaluate customer loyalty and the likelihood of them recommending EDC to others. We expect NPS for 2024 to finish within the range of 65.7 – 77.8%, which is the goal committed to last year.
Total Customers Served	This measure is tied to the corporate objective of helping more Canadian companies succeed internationally, especially small and medium-sized companies. It includes companies that use our financial and knowledge products. We expect to meet our 2024 objective and finish the year between 25,000 – 30,000 total customers and exceed 14,500 – 16,500 financial customers served.
Medium Financial Customers Served	This measure reflects EDC’s strategic focus on facilitating the growth of medium-sized companies (100 – 499 employees). By year-end, we expect to serve between 1,200 – 1,350 medium-sized firms with our financial products, which is in-line with the 2024 objective.
Productivity Ratio (PR)	Our PR captures how well we use our resources. We expect PR to perform as anticipated and end the year within the 2024 objective range of 42.5% and 46.5%.
Total Business Facilitated (BF)	This measure represents the amount of business Canadian companies were able to carry out with the help of EDC’s financial solutions. We anticipate business facilitated to meet the 2024 objective range of \$123.0 – 129.0 billion.
Business Facilitated in Indo-Pacific	This a new measure for 2024 that aligns with the Plan to execute on our Indo-Pacific Expansion Program. As a subset of business facilitated, it shows the business Canadian companies carry out in this region with the help of EDC’s financial solutions. We expect to end the year between \$14.5 and \$15.5 billion.
Business Facilitated in the Cleantech Sector	This measure is also a subset of business facilitated, representing the amount of business supported in the Cleantech sector. In 2024, we expect this measure to reach \$7.0 to 8.5 billion—meeting this year’s objective.

As we enter a new planning period, our 2024-2026 long-term targets have been updated to integrate the Government of Canada’s guidance in Budget 2024 to reflect priority Free Trade Agreement markets, increased risk-taking, and financial sustainability of the organization (see table below).

Focus	Measure	Information and Context
Risk	Capital demand (\$)	New measure aimed at tracking increased use of capital reflecting a refreshed approach to risk.
Market	Business Facilitated Growth in Indo-Pacific markets (\$)	Measures growth in EDC support of Canadian exports to the Indo-Pacific versus Canada's growth of total exports to the region.
Customer Impact	Growth in financial customers served - medium and small segments (count)	Measures EDC's impact across broad exporter base in small and medium segments.
Financial Sustainability	Controllable Net Income (\$)	Focuses on cost control to ensure EDC is financially sustainable.
Growth	Canada's Total Exports of Goods and Services (%)	Growth rate required to achieve EDC’s aspirational long-term target to grow Canadian goods and services exports by 60% by 2030.

3.8 Contributions to Government of Canada Priorities

Statement of Priorities and Accountabilities

The Plan reflects the guidance provided by the Minister of Export Promotion, International Trade and Economic Development through the current Statement of Priorities and Accountabilities (SPA), dated December 2022 (a copy is found in Appendix I), as well as ongoing consultation and dialogue with the Minister, her office, and government officials. The SPA is divided into three major themes: *Enhancing Trade Support*, *Supporting Sustainable and Responsible Growth*, and *Delivering Results for Canadians*. The following provides an update on EDC’s progress in advancing the public policy priorities as set out in the SPA:

Enhancing Trade Support: EDC continues to collaborate closely with public sector partners to pursue a seamless “Team Canada” approach to trade support. This includes serving as Chair of the Business, Economic, Trade Resilience (BETR) Committee, which brings together all Canadian Trade Portfolio partner organizations to promote collaboration and innovation to increase opportunities for Canadian businesses. EDC also collaborates with government partners through joint marketing and communications campaigns to increase the Government of Canada’s reach across Canada’s exporter community about the programs and initiatives that are available such as Team Canada Trade Missions. EDC also collaborates closely with government departments beyond the traditional trade portfolio, including Industry, Science and Economic Development (ISED), Natural Resources Canada (NRCAN), Transport Canada (TC) and Agriculture and Agri-Food Canada (AAFC) to strengthen Canadian supply chains and enhance support for key sectors of focus such as critical minerals. We continue to do so through joint webinars, podcasts, seminars and events to share knowledge with Canadian businesses, and collaborating in centres of expertise to exchange information, inform governmental strategy and policy development.

Supporting Sustainable and Responsible Growth: EDC continues to support Canada’s transition to a low-carbon economy, including the phase-out of support for international fossil fuels. EDC’s approach to climate is centred around a commitment to achieve net zero emissions across our operations and business lines by 2050 – a goal aligned with Canada’s climate objectives, the Paris Agreement and the Glasgow Statement. Our plan includes supporting our customers, expanding our sustainable finance solutions, and setting and achieving interim climate targets. We remain focused on growing our support for Canada’s cleantech and renewable energy sectors. In 2023, EDC provided a record of \$12.2 billion in support for cleantech business, achieving our target of \$10 billion in 2025 two years ahead of schedule. Our support for the renewable power generation sector increased 41% year-over-year, representing \$8.9 billion of our overall cleantech support in 2023. This was driven by an increase in support for several wind and solar power projects.

For Canada to be a leader in international trade, we must ensure that all Canadians are able to access equal opportunities to enable their businesses to grow and thrive. Through deepened ecosystem partnerships, EDC is increasing the number of inclusive trade companies we support with knowledge and financial support. We have also embedded an equity lens within the organization to build capabilities that ensure solutions are accessible and relevant to diverse Canadian businesses. More detail on our approaches is included in Appendix IX.

Delivering Results for Canadians: In 2023, EDC completed a review of its Canadian Benefits Policy and in early 2024, EDC transitioned its approach to economic impact measurement to reflect more concrete measurable benefits to the Canadian economy. EDC also continues to represent the voice of Canadian exporters through its ongoing engagements in multilateral export credit negotiations to ensure the best possible competitive position for Canadian exporters. This work includes benchmarking and analysis of the world’s leading export credit agencies to ensure that Canada remains on par with global peers with respect to export competitiveness.

EDC Support in Ukraine

Since 2022, EDC has remained open to support the flow of Canadian trade and investment in Ukraine and to enable Canadian businesses to take advantage of viable opportunities in Ukraine, including those related to rebuilding and reconstruction. To date, Canadian exporters and investors continue to prioritize our de-risking solutions and EDC has provided credit insurance to over 70 Canadian companies. EDC has established a dedicated risk envelope, enabling EDC to take greater exposure on transactions at risk levels we would not normally consider. Throughout all transactions, EDC honours its environmental, social and governance (ESG) commitments.

EDC’s support will evolve as exporters and investors’ needs evolve. We are engaging with our public and private sector partners and like-minded financial institutions and multilaterals to monitor how to best deploy our de-risking solutions for Canadian companies. Moreover, as Canada’s official ECA, we continue to engage with our ECA peers around the world to exchange best practices and identify opportunities to collaborate in our support of Ukraine. In June 2024 EDC signed a multilateral [Memorandum of Understanding on Cooperation for the Support of Ukraine](#) with initial signatories from twelve other ECAs from around the globe.

EDC will continue to leverage our role as Canada’s official ECA and actively work alongside Finance Canada, Global Affairs Canada, our sister Crown corporations, and our global partners to assist in Canada’s efforts in rebuilding Ukraine.

Other Contributions to the Government of Canada's Priorities

Additionally, EDC continues to undertake transactions or classes of transactions on behalf of the Government of Canada under the Canada Account. The Minister for International Trade (with the concurrence of the Minister of Finance) must deem them to be in Canada's national interest and provide specific authorization.

Another example is the Canada Emergency Business Account (CEBA) program. EDC was directed to build, implement and administer the CEBA program under the Canada Account, which provided critical support for Canadian entrepreneurs to see them through the economic challenges caused by COVID-19. Announced by the Government of Canada in March 2020, the program aimed to help eligible businesses by providing up to \$60,000 in emergency funding to help cover a variety of expenses that could not be deferred during a period of shutdown such as payroll, rent, insurance and utilities. CEBA provided \$49 billion in funding to support over 898,000 micro and small businesses from April 2020 to June 2021 and has now moved to repayment and recoveries. EDC will continue to support this program throughout the planning period.

Further details on collaboration initiatives are discussed throughout the Plan and in Appendix I (SPA). In accordance with previous direction from the Minister of Export Promotion, International Trade and Economic Development, EDC provides quarterly reporting that demonstrates performance against Government objectives and priorities.

4.0 Financial Overview

4.1 Overview

EDC is committed to taking on greater risk in deploying its capital, while balancing its commitment to financial sustainability, which is critical to our ability to help Canadian companies go, grow and succeed internationally. Our financial results over the Corporate Plan period underline these commitments while also placing emphasis on our other strategic objectives, including supporting medium-sized exporters, Canadian exporters in Indo-Pacific markets, and environmental sustainability, social equality, and responsible governance (ESG) practices.

Following the Financial Crown Risk Review, EDC is exploring opportunities to further optimize our risk-taking activities in support of Canadian Exporters. This will be achieved by (1) engaging in more high risk, high impact transactions under Strategic Capital Deployment, (2) growing our core business through a more effective utilization of our risk tolerances and (3) accelerating growth in our investments portfolio. The financial impacts related to the Excess Capital Deployment Plan are most visible in the increased provision forecast over the planning period. The focus on the investments product is visible in EDC's Statement of Financial Position (Appendix IV), with assets more than doubling between the 2024 forecast and the 2029 Plan. Given the longer term nature of investment products, the impact to EDC's Statement of Comprehensive Income from the increased focus is not material during the planning period.

We will continue to focus our efforts on the Indo-Pacific region in support of Canada's Indo-Pacific Strategy. We also remain committed to the 2030 strategy we embarked on to help medium-sized exporters diversify and grow their international trade success, and to enhance our digital capabilities and ESG practices. Our 2030 strategy will continue to guide our decisions and prioritization efforts during the planning period. Refer to Operating Budget and Notes section (Appendix V) for further details.

Global economic factors, including inflation and high interest rates, continue to be a challenge. As such, our actual results could be materially different from the financial projections in this Plan. Items most impacted by the current economic environment include our forecasts of interest rates, our estimates for provisions for credit losses, as well as estimates included in our net insurance service result.

To ensure that EDC had the capital required to support Canadian businesses during the pandemic, an additional capital injection of \$11.0 billion occurred in 2020, bringing total share capital to \$12.3 billion. Included in the injection was \$5.0 billion of capital earmarked to support the oil and gas sector during the pandemic as requested by our shareholder. As the capital requirements for the Business Credit Availability Program (BCAP) and oil and gas business decline, the capital surplus will be returned by way of a special dividend and/ or a repurchase of share capital. Based on the capital surplus position of the BCAP programs, including the oil and gas support, a special dividend of \$6.7 billion was declared and paid in 2021, and \$3.1 billion was declared and paid by way of repurchase of share capital in 2022. Special dividends of \$450 million and \$500 million relating to 2022 and 2023 results respectively were declared and paid by way of repurchase of share capital in 2024. Additionally, a special dividend of \$135 million is expected to be paid by way of repurchase of share capital following the Shareholder approval of the 2025-2029 Corporate Plan.

According to our current dividend policy, any capital surplus related to EDC core operations will be returned by way of a repurchase of share capital, a \$580 million dividend relating to 2020 was declared and paid in 2021, a \$675 million repurchase of share capital relating to 2021 was declared and paid in 2022. Repurchases of share capital of \$750 million and \$744 relating to 2022 and 2023 respectively were declared and paid in 2024. Additionally, a share repurchase of \$559 million is expected to be paid following the Shareholder approval of the 2025-2029 Corporate Plan.

Any additional capital surplus for the BCAP programs as well as any eligible dividends calculated based on the approved dividend calculation methodology will be paid by way of a share repurchase until such time that our share capital as a proportion of our total equity returns to pre-pandemic levels. This will allow EDC to maintain a sufficient retained earnings position to be operationally prepared and financially resilient in order to provide continuing support to Canadian exporters. Refer to Eligible Dividends and Repurchase of Share Capital (Appendix V) for further information.

4.2 Significant Items

Detailed financial statements and analysis can be found in Appendix V of the Plan. Key items of note are as follows:

- Net income in the range of \$489 million to \$694 million for the Corporate Plan period.
- In 2024, net income is projected to be \$332 million, a decrease from Plan of \$129 million, mainly due to an increase in the provision for credit losses and forecast realized losses on investments, partially offset by unrealized gains and an increase in net insurance service result. Refer to the Statement of Comprehensive Income section (Appendix V) for further details.
- Net revenue¹ is projected to be \$1.5 billion in 2024 and expected to be within the range of \$1.7 billion to \$2.0 billion for the Corporate Plan period.
- Provision for credit losses is projected to increase by \$450 million in 2024, the increase is mainly due to a large impairment in 2024.
- Our financial position remains strong due to growth in interest earning assets throughout the Corporate Plan period, primarily in the Indo-Pacific region.

4.3 Key Assumptions

A series of key assumptions, including business facilitated, foreign exchange and interest rates, all of which have an impact on our business activity and financial performance, drive the plan projections. Using these assumptions, which align with our business strategy and economic outlook, projected financial statements are developed for the planning period, including a forecast to the end of the current fiscal year. Any changes to our business strategy or to the underlying assumptions may materially affect the projections over the planning period.

¹ Net income excluding the provision for credit losses, insurance service expenses, administrative expenses, and unrealized gains and losses on our financial instruments.

Business Facilitated

The level of business facilitated for each program is presented in the table below.

Table 1: Projected Level of Business Facilitated (2023-2029)

<i>(in millions of Canadian dollars)</i>	2023 Actual	2024 Plan	2024 Fcst	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan
Financing								
Direct financing	25,873	22,290	20,920	23,110	24,320	25,040	26,410	27,620
Investments	585	1,000	610	790	1,020	1,160	1,260	1,330
Guarantees	4,422	3,750	3,090	3,150	3,240	3,550	3,880	4,250
Total financing	30,880	27,040	24,620	27,050	28,580	29,750	31,550	33,200
Insurance								
Credit insurance	80,188	79,540	80,200	81,000	82,610	84,250	85,930	87,630
Financial institutions insurance	6,482	6,500	6,810	7,010	7,220	7,440	7,660	7,890
International trade guarantee	13,175	12,670	15,000	16,350	17,170	18,030	18,930	19,870
Political risk insurance	645	300	-	-	-	-	-	-
Total insurance	100,490	99,010	102,010	104,360	107,000	109,720	112,520	115,390
Total	131,370	126,050	126,630	131,410	135,580	139,470	144,070	148,590

[Download accessible versions of all financial tables here.](#)

Table 2: Projected Level of Indo-Pacific Business Facilitated (2023-2029)

<i>(in millions of Canadian dollars)</i>	2023 Actual	2024 Plan ¹	2024 Fcst	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan
Financing								
Direct financing	5,219	n/a	2,350	3,900	4,230	4,050	5,020	5,220
Guarantees	176	n/a	190	190	200	220	240	270
Total financing	5,395	-	2,540	4,090	4,430	4,270	5,260	5,490
Insurance								
Credit insurance	10,291	n/a	10,700	11,130	11,580	12,040	12,520	13,020
Financial institutions insurance	1,709	n/a	1,710	1,800	1,890	1,950	2,010	2,070
International trade guarantee	261	n/a	270	280	290	310	320	330
Political risk insurance	21	n/a	-	-	-	-	-	-
Total insurance	12,282	-	12,680	13,210	13,760	14,300	14,850	15,420
Total	17,677	-	15,220	17,300	18,190	18,570	20,110	20,910

¹ The Total projected level of Indo-Pacific Business Facilitated was not available in the 2024-2028 Plan. The previous plan only included assumptions for the incremental business facilitated through the Indo-Pacific Expansion Program. The 2025-2029 Corporate Plan provides a more comprehensive view of the Business facilitated in the Indo-Pacific region across all our activities and products.

[Download accessible versions of all financial tables here.](#)

Table 3: Projected Level of BCAP Support Included in Business Facilitated (2023-2029)

<i>(in millions of Canadian dollars)</i>	2023 Actual	2024 Plan	2024 Fcst ^(*)	2025 Plan ^(*)	2026 Plan ^(*)	2027 Plan ^(*)	2028 Plan ^(*)	2029 Plan ^(*)
Financing								
Guarantees	519	530	390	200	-	-	-	-
Total financing	519	530	390	200	-	-	-	-
Insurance								
Credit insurance	335	-	-	-	-	-	-	-
International trade guarantee	91	30	-	-	-	-	-	-
Total insurance	426	30	-	-	-	-	-	-
Total	945	560	390	200	-	-	-	-

() While the BCAP program ended December 31, 2021, arrangements already entered into prior to that date have the ability to renew. It is these renewals that are shown in 2023 and beyond.*

[Download accessible versions of all financial tables here.](#)

2024 Forecast

We are projecting a slight increase in business facilitated in 2024 from the Corporate Plan. The increase is mainly due to growth in our international trade guarantee solution starting in 2023 and continuing over the planning period. The growth is partially offset by a decrease in total financing business facilitated mainly due to stronger than expected volumes in 2023 which included material renewals, coupled with lower than anticipated volumes in 2024 as a result of slower growth in the Indo-Pacific market as EDC develops the relationships it needs to deliver these transactions.

2025 Plan to 2029 Plan

We are projecting business facilitated to increase over the planning period. Significant contributors to growth are the Indo-Pacific market, our strategic focus on medium-sized exporters and target sectors as well as investment in product digitization and growth through partners.

We are projecting total business facilitated relating to the Indo-Pacific market to reach \$21 billion by the end of the planning period, down from \$25 billion in the 2024-2028 Corporate Plan. The decrease can be attributed to the late kick-off of the expansion program, EDC learnings on lead times and relationship building in the region, interest rates and geopolitical uncertainties delaying drawdowns and/or customer investments.

Foreign Exchange

The Financial Plan uses a month to date average rate as the foreign exchange rate assumption for all currencies for the remainder of 2024 and all subsequent years. This methodology removes the volatility associated with yearly exchange rate fluctuations and ensures more comparable projections. Our assets and liabilities are primarily denominated in U.S. dollars and were translated to Canadian dollars based on the average rate for June 30, 2024, U.S. \$0.73. For further information regarding our foreign exchange sensitivity, please see Foreign Exchange Risk (Appendix VI).

Interest Rates

This forecast is based on Bloomberg financial market data and is driven by supply and demand as well as market expectations for interest rates.

Other Key Assumptions

Other (income) expense projections include realized gains or losses on our investment portfolio. The projections are based on a complex model, using market-driven internal rate of returns, which evaluates the expected cash distributions of current and future investments. The realized gains or losses are then estimated based on those projections. Also included are gains or losses on loan sales that are undertaken for a variety of reasons including risk mitigation purposes. Should actual results differ from projections, our profitability and productivity ratio will be impacted.

Due to the volatility and difficulty in estimating fair value gains or losses on long-term debt, marketable securities, investments and related derivative instruments, no forecast for unrealized gains is included in the Corporate Plan financial results.

4.4 Dividend and Repurchase of Share Capital

EDC's capital position, along with profitability levels expected over the planning period, will result in payments for the repurchase of share capital in each year of the Plan, noting that the annual amount decreases over the Corporate Plan period as we use more of our capital to deliver on our excess capital deployment.

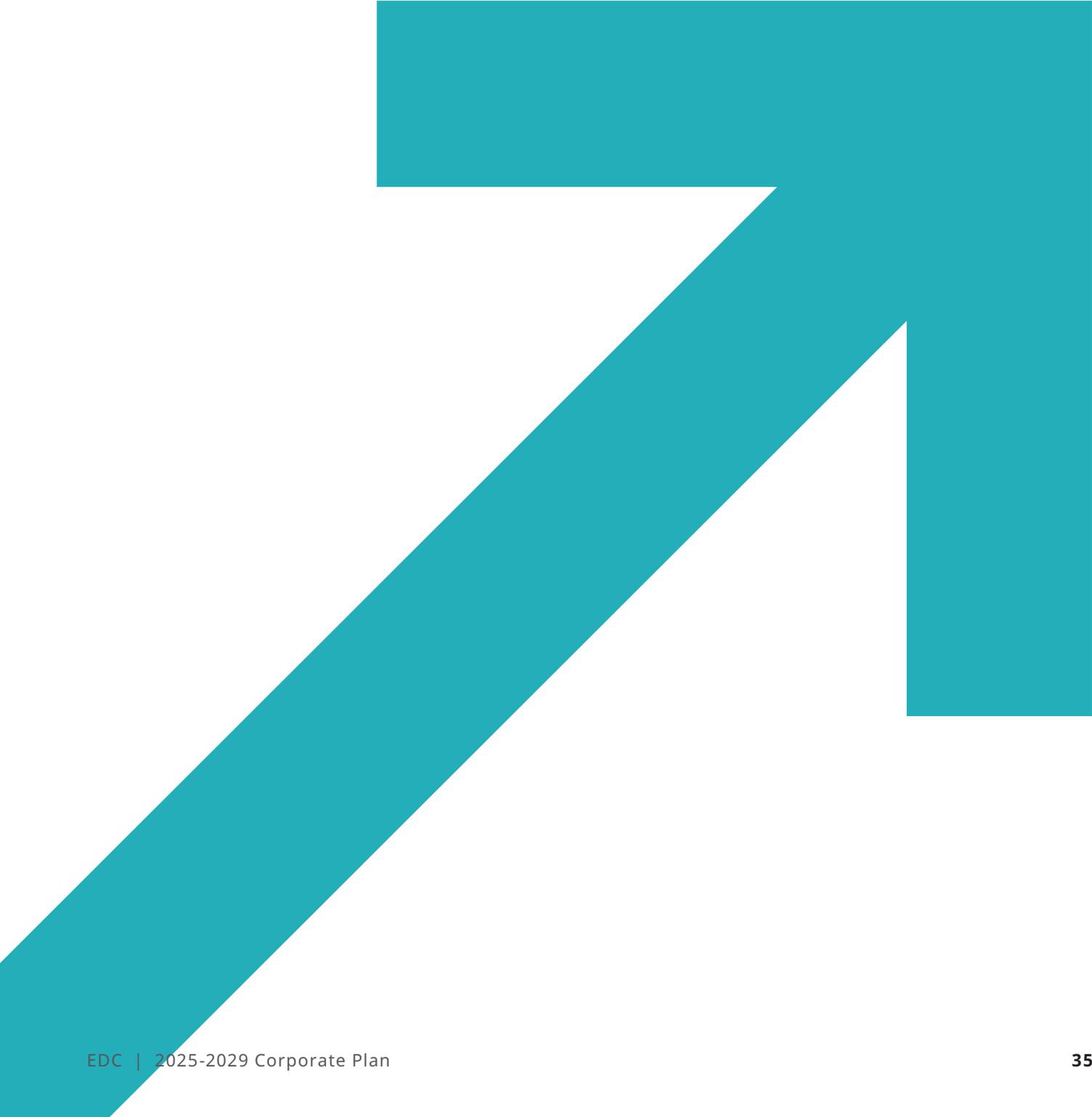
Capital injections of \$11.0 billion were received in 2020 to provide us with the capital needed to support business undertaken to aid in Canada's recovery from the pandemic. If take-up of pandemic-related support programs is lower than expected and/or if less capital is required to absorb program losses, EDC will return excess capital provided for both the BCAP and oil and gas support by way of a special dividend payment and/or a repurchase of share capital. The total repurchase of share capital for 2024, based on 2023 actual results, is \$1,244 million, made up of \$500 million related to the BCAP support and \$744 million related to EDC core operations.

The 2024 financial results are expected to lead to the repurchase of share capital of \$135 million related to the BCAP support, including oil and gas support, and \$559 million related to EDC core operations in 2025.

5.0 Appendices

Appendix I: Statement of Priorities and Accountabilities

[See an accessible version of the Statement of Priorities and Accountabilities here.](#)





December 21, 2022

Mr. Lindsay Gordon
Interim Chair of the Board of Directors
Export Development Canada
150 Slater Street
Ottawa ON K1A 1K3

Dear Mr. Gordon:

I am pleased to provide Export Development Canada (EDC) with its 2023 Statement of Priorities and Accountabilities.

This is a pivotal time for Canada's economy and approach to trade. Recovery from the COVID-19 pandemic, fallout from Russia's illegal invasion of Ukraine, the climate crisis, supply chain disruptions, and global economic headwinds are among the myriad of challenges facing Canadian businesses. In response to these challenges, EDC has delivered strong results as part of Canada's trade support network. From administering the Canada Emergency Business Account to support over 900,000 small businesses through the pandemic, to standing firm with our allies to swiftly respond to Russia's illegal attacks on Ukraine, EDC has been there for Canadians.

Looking to the year ahead, I expect EDC to focus on: i) enhancing trade support; ii) supporting sustainable and responsible growth; and, iii) delivering results for Canadians. This work will allow Canadian businesses the opportunity to develop and grow internationally, contributing to our economic prosperity and creating good-paying jobs across the country.

Enhancing Trade Support

As the Minister responsible for supporting Canadian businesses from start-up, to scale-up and to expansion abroad, ensuring Canada has a complete suite of tools to support its exporters is a cornerstone of my mandate. Canadian companies succeed internationally when they have a strong network of seamless and high quality services at home. To this end, I ask that EDC:

- ❖ Continue in its role as Chair of the Business, Economic, Trade Recovery (BETR) team and continue to pursue seamless "Team Canada" approach to trade support.
- ❖ Explore joint marketing and coordinated communications among federal partners to help enhance collaboration and engagement with Canadian businesses.

- ❖ Work with Global Affairs Canada, Innovation, Science and Industry (ISED), Transport Canada, and Agriculture and Agri-Food Canada to strengthen and secure Canada's supply chains. As part of these efforts, EDC should enhance support to companies improving Canada's supply chain resilience.
- ❖ Work with Natural Resources Canada, Global Affairs Canada, and ISED to enhance support for Canada's critical mineral value chains.
- ❖ Support the growth of Canada's creative industries in existing and new markets by working with the Business Development Bank of Canada, Canadian Heritage, ISED, and Global Affairs Canada.

Supporting Sustainable and Responsible Growth

As Canadians, we hold ourselves to a high standard when engaging in business abroad. Our competitiveness is amplified through principles of sustainability and responsibility. In continuing to support this vision, I ask that EDC:

- ❖ Implement the Government's policy guidance on the Glasgow Statement commitment to end new direct public support for the international unabated fossil fuel energy sector, and provide regular updates on progress.
- ❖ Continue to support Canada's transition to a low-carbon economy, in particular, by phasing out support for new projects in the fossil fuel sector, in alignment with Canada's climate objectives and future Government of Canada climate change and fossil fuel energy financing policies.
- ❖ Operate in a manner consistent with the Government's comprehensive approach to responsible business conduct, including measures related to thorough due diligence and addressing forced labour throughout supply chains. It also includes greater collaboration with the TCS, with respect to withdrawing support provided to companies that do not meet Canada's responsible business conduct expectations.
- ❖ Bolster the Governments efforts to support Ukraine as it fights against Russia's illegal invasion and be prepared to assist in future rebuilding. This includes offering competitive export support for businesses utilizing the Canada-Ukraine Free Trade Agreement.
- ❖ Ensure trade works for all Canadians by engaging and supporting more exporters from under represented groups, including Indigenous and racialized business owners.
- ❖ Identify opportunities to enhance support for Canada's cleantech exporters under the *Climate Change Sector Understanding* of the OECD Arrangement on Officially Supported Export Credit.

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Delivering Results for Canadians

To help Canadian businesses successfully navigate the challenges of the current global economic environment, maintain a focus on Canadian economic growth and support the Government's long-term trade strategy, I ask that EDC:

- ❖ Orient activities towards the Indo-Pacific region, consistent with Canada's Indo-Pacific Strategy.
- ❖ Review its Canadian Benefits Policy, in close consultation with Global Affairs Canada and the Department of Finance, ensuring that clear, measurable, benefits to the Canadian economy remain at the heart of this approach in an ever-changing global environment. The first review should be submitted to my office by December 31, 2023, and every three years thereafter.
- ❖ Develop an export competitiveness report, benchmarking the performance of EDC's supports against export credit agencies in both OECD and non-OECD countries. The first report should be submitted to my office by August 1, 2023, and submitted every three years thereafter.
- ❖ Enhance engagement in multilateral export credit negotiations to ensure the best possible competitive position for Canadian exporters and identify ways to leverage international agreements to the benefit of Canadian businesses.

EDC has had a remarkable year, working in partnership with the Government of Canada to deliver vital support to businesses and communities across the country. Despite global economic headwinds on the horizon, Canadians can be confident that EDC will continue to be there to support their ventures in both familiar and new markets, helping them achieve prosperity through trade that is inclusive, competitive, and sustainable.

I look forward to working with EDC in the coming year to continue meeting the needs of Canadian businesses and advancing the priorities outlined in this letter.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mary Ng', written in a cursive style.

The Honourable Mary Ng, P.C., M.P.

.../3

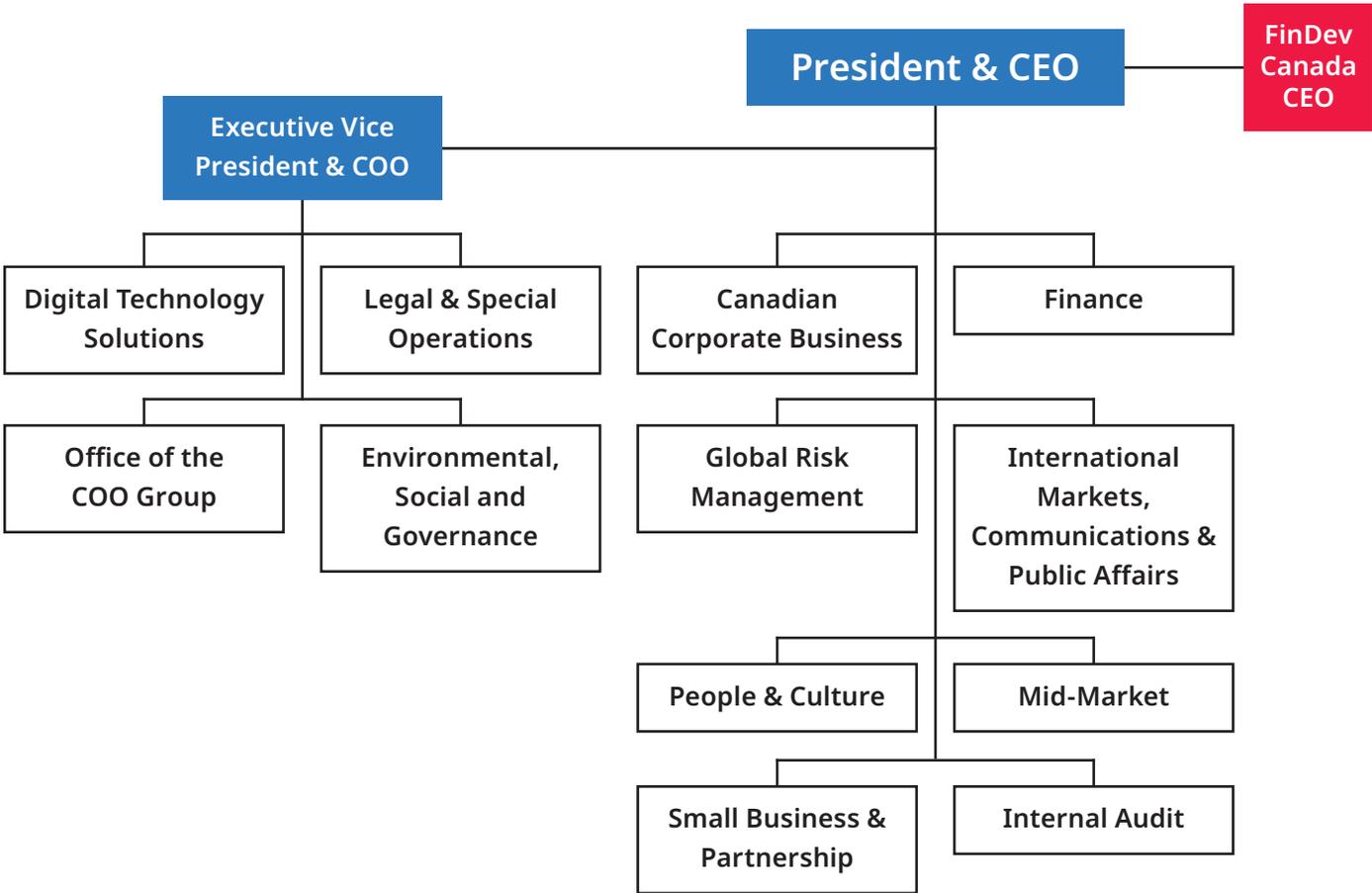
Appendix II: Corporate Governance Structure

As a commercial and financial Crown corporation, EDC is governed by a board of directors whose representatives are from the private sector. The board’s responsibility is to supervise the direction and management of EDC, support the development of strategy and oversee its execution as outlined in EDC’s corporate plan.

A detailed account of EDC’s corporate governance is found in the [2023 Integrated Annual Report](#), including EDC’s Board membership, Board terms, Committee meeting attendance and Director remuneration. Below is a managerial and organizational structure chart as well as a chart describing the board and committee structure.

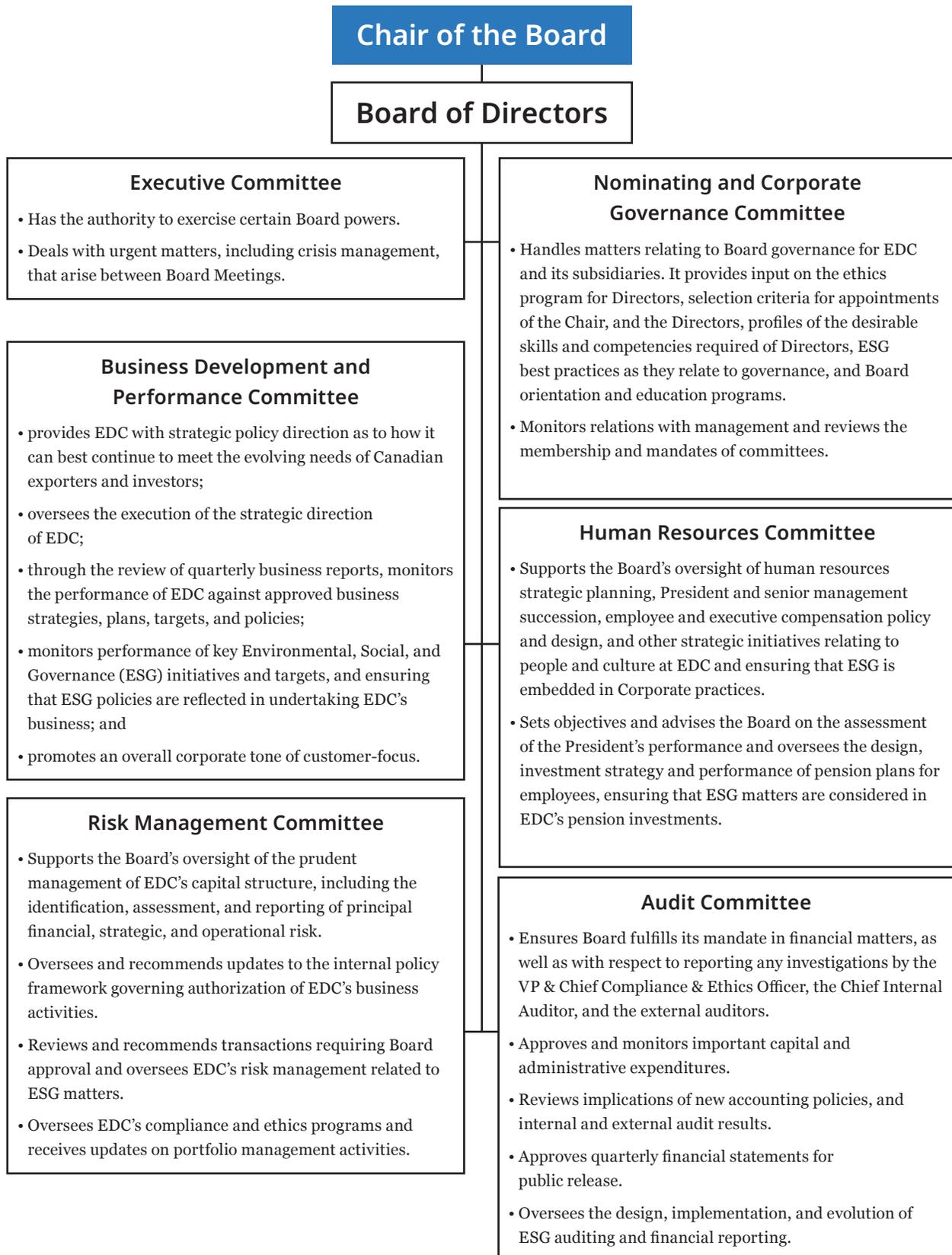
FinDev Canada

As a parent Crown Corporation, EDC maintains a comprehensive Subsidiary Governance Framework, approved by its Board of Directors, to ensure appropriate oversight and processes for the sound governance of EDC’s subsidiaries in accordance with applicable regulatory requirements, Treasury Board of Canada guidelines, and best practices in corporate governance. Under the Framework, EDC ensures the appointment of a skilled Board of Directors responsible for the stewardship of each subsidiary, and sets out monitoring parameters that enable EDC to ensure that the activities of its subsidiaries are consistent with the EDC corporate plan.



Board and Committee Structure

EDC's Board of Directors is divided into the following six committees.



Appendix III: Planned Results

EDC's performance measures help drive the organization to achieve the objectives laid out in the plan. Each year, EDC reviews the measures to ensure alignment with the Government's priorities, EDC's strategic objectives and mandate.

Focus	Measure	Actual 2023	Forecast 2024	Objective 2025	Objective 2026	Objective 2027	Objective 2028	Objective 2029
Deliver a best-in-class customer experience	Net Promoter Score (NPS) ¹	74.1	65.7 – 77.8	65.7 – 77.8	–	–	–	–
Expand our reach to serve more Canadian companies	Customers served ²	27,377 Total (16,763 Financial)	30,000 Total (17,000 – 18,000 Financial)	32,500 Total (18,000 – 19,000 Financial)	35,000 Total (19,000 – 20,000 Financial)	35,000 Total (19,500 – 21,500 Financial)	35,000 Total (20,000 – 22,000 Financial)	35,000 Total (21,500 – 23,500 Financial)
Increase our support to medium-sized Canadian exporters	Medium financial customers served ³	1,242	1,200 – 1,350	1,250 – 1,350	1,300 – 1,400	–	–	–
Ensure we use our resources efficiently	Productivity Ratio ⁴	42.2%	42.5 – 46.5%	40.5 – 44.5%	37.1 – 41.1%	35.8 – 39.8%	35.1 – 39.1%	34.8 – 38.8%
Help Canadian companies grow their international business	Business facilitated (\$B) ⁵	\$131.4	\$123.0 – 129.0	\$125.0 – 135.0	\$129.0 – 140.0	\$135.0 – 145.0	\$140.0 – 150.0	\$145.0 – 155.0

1 An annual survey of EDC financial customers conducted through an independent third party.

2 A count of unique companies EDC transacts with over a 12-month period. We consider a customer to be one that provides EDC with either financial payment or information on their company that goes beyond publicly available information. The "total" includes customers that use our financial and knowledge solutions.

3 A count of unique medium-sized companies (100 – 499 employees) who use our financial solutions over a 12-month period.

4 EDC's administrative expenses as a percentage of net revenue reported annually.

5 The amount of trade-related business companies carry out with the help of EDC's financing and insurance solutions.

Focus	Measure	Actual 2023	Forecast 2024	Objective 2025	Objective 2026	Objective 2027	Objective 2028	Objective 2029
Assist Canadian companies' expansion into the fast-growing Indo-Pacific region	Business facilitated in Indo-Pacific (\$B) ⁶	\$17.7	\$14.5 – 15.5	\$16.5 - \$17.5	\$17.5 – 18.5	\$18.0 – 19.0	\$19.5 – 20.5	\$20.5 – 21.5
Spur growth in Canada's cleantech sector	Cleantech business facilitated (\$B) ⁷	\$12.2	\$7.0 – 8.5	\$7.5 – 9.0	-	-	-	-
Expand risk taking to support Canadian exporters in competitive markets and sectors	Capital demand (\$B) ⁸	\$3.6	\$3.6 – 4.0	\$3.7 – 4.1	\$4.0 – 4.5	-	-	-
Focus on cost control to ensure EDC is financially sustainable.	Controllable Net Income (\$M) ⁹	\$688	\$625 – 640	\$800 – 820	\$960 - 980	\$990 – 1,020	\$1,085 – 1,115	\$1,105 – 1,135

6 The amount of trade-related business companies carry out in the Indo-Pacific region with the help of EDC's financing and insurance solutions.

7 The amount of trade-related business companies carry out with the help of EDC's financing and insurance solutions. It encompasses cleantech processes, products or services that reduce environmental impacts.

8 Measure reflects capital demand for business exposures (Financing, Investments and Insurance and Working Capital Solutions) and excludes impact from other capital components such as market risk, pension plan risk and FinDev Canada.

9 Net income as reported in EDC's audited financial statements, but adjusted to exclude: provision for (reversal of) credit losses; actuarially determined insurance estimates; unrealized gains and losses; and the results of EDC's subsidiary FinDev Canada.

Appendix IV: Chief Financial Officer Attestation

In my capacity as Chief Financial Officer at Export Development Canada, accountable to the Board of Directors of Export Development Canada through the Chief Executive Officer, I have reviewed the financial projections provided in EDC's 2025-2029 Corporate Plan. It is in all material respects, in accordance with International Financial Reporting Standards, based on information available at the time of the preparation of this submission, that I considered necessary, as of the date indicated below. Based on this due diligence review, I make the following conclusions:

1. The nature and extent of the proposal is reasonably described and assumptions having a significant bearing on the associated financial requirements have been identified and are supported.
2. Significant risks having a bearing on the financial requirements, the sensitivity of the financial requirements to change in key assumptions, and the related risk-mitigation strategies have been disclosed.
3. Financial resource requirements have been disclosed and are consistent with the assumptions stated in the proposal, and options to contain costs have been considered.
4. Funding has been identified and is sufficient to address the financial requirements for the expected duration of the proposal.
5. The proposal is compliant with relevant financial management legislation and policies, and the proper financial management authorities are in place or are being sought through the proposal.
6. Key financial controls are in place to support the implementation and ongoing operation of the proposal.

In my opinion, the financial information contained in this proposal is sufficient overall to support decision making.

The Corporate Plan 2025-2029 was approved by EDC's Board of Directors on August 29, 2024.

I, therefore, recommend that you endorse this submission for the Minister for International Trade's approval.



Scott Moore
Executive Vice-President and Chief Financial Officer
Export Development Canada

August 29, 2024

Appendix V: Financial Statements and Notes

Statement of Comprehensive Income

Table 4: Projected Statement of Comprehensive Income (2023-2029)

<i>for the year ended December 31 (in millions of Canadian dollars)</i>	2023 Actual	2024 Plan	2024 Fcst	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan
Financing and Investment Revenue:								
Loans	3,677	4,003	4,008	3,902	3,722	3,785	3,857	3,928
Marketable securities and cash equivalents	399	313	402	303	283	292	297	298
Investments	23	16	16	16	16	16	16	16
Total financing and investment revenue	4,099	4,332	4,426	4,221	4,021	4,093	4,170	4,242
Interest expense	2,876	3,091	3,244	3,008	2,681	2,704	2,748	2,808
Financing-related expenses	40	44	44	48	48	48	48	48
Net Financing and Investment Income	1,183	1,197	1,138	1,165	1,292	1,341	1,374	1,386
Loan Guarantee Fees	78	87	89	95	84	84	87	86
Insurance revenue	331	299	354	379	399	413	427	443
Insurance service expenses	(242)	(234)	(194)	(250)	(258)	(254)	(263)	(269)
Reinsurance service expenses	(21)	(33)	(44)	(32)	(31)	(31)	(30)	(29)
Net Insurance Service Result	68	32	116	97	110	128	134	145
Other (Income) Expense	5	42	(243)	(49)	(83)	(98)	(98)	(97)
Administrative Expenses	550	563	554	592	603	609	615	620
Income before Credit Losses	774	711	1,032	814	966	1,042	1,078	1,094
Provision for Credit Losses	300	250	700	325	325	350	400	400
Net Income	474	461	332	489	641	692	678	694
Other comprehensive income (loss):								
Retirement benefit plans rereasurement	(15)	14	177	11	11	12	12	12
Comprehensive Income	459	475	509	500	652	704	690	706

[Download accessible versions of all financial tables here.](#)

2024 Forecast Versus 2024 Corporate Plan

We are forecasting net income of \$332 million for 2024, a decrease of \$129 million from the Corporate Plan. Items of note regarding this forecast are as follows:

- Other income of \$243 million is forecast for 2024 compared to other expense of \$42 million mainly due to year to date realized and unrealized gains on our financial instruments, partially offset by higher realized losses on investments. Due to the volatility and difficulty in estimating fair value gains or losses on financial instruments, a forecast for unrealized gains is not included in the Plan.
- We are projecting an increase in the provision for credit losses of \$450 million primarily due to increased provisioning for a large impaired obligor, partially offset by year-to-date reversals from improved macroeconomic forecasts used in the calculation of the allowance for losses on loans, loan commitments and loan guarantees.
- We are projecting an \$84 million increase in the net insurance service result. The forecast increase reflects increased growth in our international trade guarantee solution in 2023 which is expected to continue throughout the planning period.
- Net financing and investment income is forecast to decrease by \$59 million mainly due to the impact of a large impairment.
- Administrative expenses are forecast to decrease by \$9 million. The decrease reflects our commitment to operational efficiencies.
- Other Comprehensive income is forecast to increase by \$163 million as a result of an increase in the discount rate used to value our pension obligations and positive returns on plan assets.

2025 Corporate Plan Versus 2024 Forecast

The planned net income for 2025 is \$489 million, which is an increase of \$157 million from 2024.

- The provision for credit losses is expected to decrease by \$375 million from 2024 mainly due to the impairment of a large obligor in 2024 not anticipated to recur in 2025, partially offset by anticipated growth in our lending portfolio.
- Other income of \$49 million is forecast for 2025 compared to other income of \$243 million in 2024. The \$194 million decrease is mainly due to unrealized gains on our financial instruments of \$328 million, that are not forecast to recur in 2025. Due to the volatility and difficulty in estimating fair value gains or losses, a forecast for unrealized gains is not included in the Plan. The unrealized gains in 2024 were partially offset by an \$82 million forecast loss on our investment portfolio in 2024 versus forecast realized gains on our investment portfolio of \$75 million in 2025.
- Administrative expenses are forecast to increase by \$38 million mainly due to costs associated with the modernization of our digital capabilities as well as the Indo-Pacific expansion.
- Net financing and investment income is expected to increase by \$27 million. As mentioned above, a large portion of the increase relates to an increase in revenue from our lending portfolio due to higher business facilitated, primarily in the Indo-Pacific region.
- Other Comprehensive income is expected to decrease by \$166 million as the discount rate used to value our pension obligations is expected to remain stable throughout the planning period.

2026 to 2029

Growth in net financing and investment income over the remaining years of the Corporate Plan is primarily due to growth in the Indo-Pacific region and the Medium Segment.

Statement of Financial Position

Table 5: Projected Statement of Financial Position (2023-2029)

<i>as at December 31 (in millions of Canadian dollars)</i>	2023 Actual	2024 Plan	2024 Fcst	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan
Assets								
Cash and cash equivalents	1,924	412	2,034	1,381	1,381	1,381	1,381	1,381
Marketable securities	7,006	9,410	8,796	7,246	7,246	7,247	7,248	7,249
Derivative instruments	1,307	1,634	1,519	1,519	1,519	1,519	1,519	1,519
Loans receivable	58,706	63,980	61,562	64,135	66,563	69,038	71,612	73,117
Allowance for losses on loans	(1,680)	(1,463)	(1,662)	(1,735)	(1,843)	(1,986)	(2,179)	(2,372)
Investments	2,878	3,577	3,280	3,683	4,333	5,044	5,909	6,795
Investment in FinDev Canada	600	950	950	1,350	1,350	1,350	1,350	1,350
Amounts due from FinDev Canada	3	3	6	6	6	6	6	6
Reinsurance contract assets	65	52	38	31	26	(3)	(5)	(6)
Property, plant and equipment	41	39	37	34	35	31	27	23
Intangible assets	31	28	27	22	17	12	10	8
Right-of-use assets	106	97	99	89	79	69	59	49
Retirement benefit assets	461	525	648	655	663	672	681	692
Other assets	126	112	107	107	107	107	107	107
Total Assets	71,574	79,356	77,441	78,523	81,482	84,487	87,725	89,918
Liabilities and Equity								
Accounts payable and other credits	204	77	137	137	137	137	137	137
Loan guarantees	334	435	379	429	444	449	454	459
Loans payable	55,109	63,792	62,620	63,815	66,566	69,306	72,100	73,748
Derivative instruments	2,308	3,359	2,698	2,698	2,698	2,698	2,698	2,698
Lease liabilities	141	135	137	130	123	116	109	102
Allowance for losses on loan commitments	94	28	79	81	83	85	87	89
Insurance contract liabilities	318	344	264	286	295	229	242	247
Retirement benefit liabilities	173	181	169	183	197	211	226	242
Total Liabilities	58,681	68,351	66,483	67,759	70,543	73,231	76,053	77,722
Share capital	8,490	5,905	6,046	5,352	4,875	4,488	4,214	4,032
Retained earnings	4,403	5,100	4,912	5,412	6,064	6,768	7,458	8,164
Total Equity	12,893	11,005	10,958	10,764	10,939	11,256	11,672	12,196
Total Liabilities and Equity	71,574	79,356	77,441	78,523	81,482	84,487	87,725	89,918

[Download accessible versions of all financial tables here.](#)

2024 Forecast Versus 2024 Corporate Plan

Loans receivable are forecast to be \$2.4 billion lower than Plan. This is mainly due to lower 2024 business facilitated from Plan as a result of a slower ramp-up than expected in the Indo-Pacific region, lower than anticipated disbursements in the latter half of 2023, and an increase in 2024 forecast prepayments.

The forecast increase of \$1.6 billion in cash and cash equivalents is mainly due to a change in presentation for cash and cash equivalents resulting in a reclassification of cash equivalents from marketable securities to cash and cash equivalents.

2025 Corporate Plan Versus 2024 Forecast

Loans receivable are forecast to grow in 2025 as a result of an increase in our direct financing business in the Indo-Pacific region, leading to a corresponding increase in loans payable as our borrowing requirements are largely determined by our loan portfolio.

2026 to 2029

Loans receivable are expected to grow from 2026 to 2029 as a result of the anticipated Indo-Pacific growth. We will see a corresponding increase in our loans payable as mentioned previously.

The proportion of our debt to equity increases over the planning period resulting in a debt to equity ratio of 6.4 in 2029. Between 2011 and 2024 we have paid \$20.2 billion in dividend payments, including \$10.8 billion in special dividend or share buyback payments relating to the BCAP. Over this same period, we have received capital injections of \$11.0 billion. We are projecting to repurchase additional share capital of \$1.9 billion over the planning period.

Statement of Changes in Equity

Table 6: Projected Statement of Changes in Equity (2023-2029)

<i>for the year ended December 31 (in millions of Canadian dollars)</i>	2023 Actual	2024 Plan	2024 Fcst	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan
Share Capital								
Balance beginning of year	8,490	8,490	8,490	6,046	5,352	4,875	4,488	4,214
Shares repurchased	-	(2,585)	(2,444)	(694)	(477)	(387)	(274)	(182)
Balance end of year	8,490	5,905	6,046	5,352	4,875	4,488	4,214	4,032
Retained Earnings								
Balance beginning of year	3,944	4,625	4,403	4,912	5,412	6,064	6,768	7,458
Net income	474	461	332	489	641	692	678	694
Other comprehensive income (loss):								
Retirement benefit plans remeasurement	(15)	14	177	11	11	12	12	12
Balance end of year	4,403	5,100	4,912	5,412	6,064	6,768	7,458	8,164
Total Equity End of Year	12,893	11,005	10,958	10,764	10,939	11,256	11,672	12,196
Return on Equity	3.7%	3.8%	2.8%	4.5%	5.9%	6.2%	5.9%	5.8%

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The repurchase of share capital of \$2.4 billion paid in 2024 includes \$1.2 billion related to the 2022 fiscal results and \$1.2 billion related to 2023 results.

Share capital decreases over the Plan period as excess capital is returned by way of the repurchase of share capital until such time that our share capital as a proportion of our total equity returns to pre-pandemic levels.

Statement of Cash Flows

Table 7: Projected Statement of Cash Flows (2023-2029)

<i>for the year ended December 31 (in millions of Canadian dollars)</i>	2023 Actual	2024 Plan	2024 Fcst	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan
Cash Flows from (used in) Operating Activities								
Net income	474	461	332	489	641	692	678	694
Adjustments to determine net cash from (used in) operating activities								
Provision for credit losses	300	250	700	325	325	350	400	400
Depreciation and amortization	32	26	27	25	25	23	20	19
Investments non-cash items	-	-	(1)	-	-	-	-	-
Realized (gains) and losses	(8)	42	108	(49)	(83)	(98)	(98)	(97)
Changes in operating assets and liabilities								
Change in accrued interest and fees on loans receivable	(202)	(100)	(320)	(39)	(37)	26	88	90
Change in accrued interest and fair value of marketable securities	(155)	-	38	-	-	-	-	-
Change in accrued interest and fair value of loans payable	1,065	-	(312)	-	-	-	-	-
Change in fair value of investments	(80)	-	(150)	-	-	-	-	-
Change in derivative instruments	(872)	-	92	-	-	-	-	-
Other	216	251	89	377	2	(34)	(68)	(112)
Loan disbursements	(21,136)	(20,862)	(18,780)	(20,572)	(22,522)	(23,008)	(24,467)	(25,352)
Loan repayments and principal recoveries from loan asset sales	16,253	16,476	16,459	17,936	20,013	20,415	21,757	23,764
Net cash from (used in) operating activities	(4,113)	(3,456)	(1,718)	(1,508)	(1,636)	(1,634)	(1,690)	(594)
Cash Flows from (used in) Investing Activities								
Disbursements for investments	(531)	(1,000)	(525)	(659)	(821)	(927)	(1,024)	(1,136)
Receipts from investments	296	377	238	331	256	316	260	349
Purchases of marketable securities	(8,093)	(8,535)	(6,044)	(2,903)	(1,080)	(2,807)	(3,095)	(2,231)
Sales/ maturities of marketable securities	7,802	8,113	4,522	4,426	1,080	2,807	3,095	2,231
Purchases of property, plant and equipment	(8)	10	(4)	(3)	(7)	(2)	(2)	(2)
Purchases of intangible assets	-	4	(4)	(4)	(4)	(2)	(2)	(2)
Net cash from (used in) investing activities	(834)	(1,381)	(2,167)	788	(576)	(615)	(768)	(791)
Cash Flows from (used in) Financing Activities								
Issue of long-term loans payable	18,024	22,061	18,866	15,348	11,570	12,266	18,003	18,576
Repayment of long-term loans payable	(12,893)	(10,314)	(11,886)	(11,160)	(6,277)	(12,782)	(19,108)	(16,735)
Issue of short-term loans payable	37,563	66,415	39,599	52,763	50,982	54,819	54,545	51,804
Repayment of short-term loans payable	(38,435)	(70,333)	(40,182)	(56,190)	(53,586)	(51,667)	(50,708)	(52,078)
Disbursements from sale/ maturity of derivative instruments	(550)	-	(42)	-	-	-	-	-
Receipts from sale/ maturity of derivative instruments	155	-	55	-	-	-	-	-
Repurchase of share capital	-	(2,585)	(2,444)	(694)	(477)	(387)	(274)	(182)
Net cash from (used in) financing activities	3,864	5,244	3,966	67	2,212	2,249	2,458	1,385
Effect of exchange rate changes on cash and cash equivalents	(20)	-	29	-	-	-	-	-
Net increase (decrease) in cash and cash equivalents	(1,103)	407	110	(653)	-	-	-	-
Cash and cash equivalents								
Beginning of year	3,027	4,603	1,924	2,034	1,381	1,381	1,381	1,381
End of year	1,924	5,010	2,034	1,381	1,381	1,381	1,381	1,381
Cash and cash equivalents are comprised of:								
Cash	353	412	617	617	617	617	617	617
Cash equivalents	1,571	4,598	1,417	764	764	764	764	764
	1,924	5,010	2,034	1,381	1,381	1,381	1,381	1,381
Operating Cash Flows from Interest								
Cash paid for interest	2,305	2,954	2,813	2,950	2,624	2,650	2,685	2,731
Cash received for interest	3,764	4,088	2,914	4,132	4,018	4,132	4,194	4,196

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Accounting Policies and Future Accounting Changes

The accounting policies used in the preparation of this Financial Plan are in accordance with International Financial Reporting Standards (IFRS). The earnings of the corporation and its subsidiary are not subject to the requirements of the *Income Tax Act*.

Amended and Evolving Standards

The International Accounting Standards Board (IASB) has a number of projects underway, please refer to pages 134-135 of our 2023 Integrated Annual Report.

Risk Management

For a comprehensive discussion on our risk management, please refer to pages 105-113 of our 2023 Integrated Annual Report.

Capital Management

Capital Adequacy Policy (CAP)

In December 2017, the Minister of Finance and the President of the Treasury Board formally rolled out a capital and dividend policy framework that applies to large financial Crown corporations, including EDC. The framework represents significant collaboration between the Department of Finance and the financial Crown corporations. The objectives of the framework are to ensure Crown corporations have appropriate methodologies in place to determine their capital adequacy requirements, that they effectively manage their capital in relation to risk and that capital is returned to the Shareholder when capital is in excess of the levels required to deliver on their mandates. The framework also outlines minimum disclosure expectations related to risk, capital and financial performance.

As a financial institution, EDC efficiently manages its capital through the Board-approved Capital Management and Dividend Policy (CMDP) in order to be able to meet the demands of current and future business while maintaining the ability to withstand future, unpredictable risks. A key principle of our CMDP is the establishment of a target solvency standard for EDC that determines the level of capital that is required to cover our exposures even in exceptional circumstances.

As part of the 2024 Federal Budget, the Minister of Finance revised the capital and dividend policy framework to clarify that Crown corporations should reassess their target solvency standards by comparing capital management practices with similar international organizations. In addition, the revised framework establishes that Crown corporations should maintain a target solvency standard not higher than a single A solvency rating.

EDC has conducted a review of its target solvency standard and will transition to a single A implied solvency rating, from the current AA implied solvency rating, as part of the 2025-2029 Corporate Plan. The adjustment considers the Minister of Finance expectations, a review of capital practices by similar organizations and an assessment that an implied single A rating provides an appropriate level of resilience to the risks we take on to fulfill our mandate.

The revised capital and dividend policy framework also requires Crown Corporations to identify in their Corporate Plan's potential scenarios that could require recapitalization from the Government and expected timelines for injections of new capital. EDC is reviewing its risk appetite for capital adequacy and conducting analysis, including reverse stress testing, to help identify scenarios that would potentially require recapitalization. The analysis will be completed by Q4 2024 and would apply to this Corporate Plan.

EDC will continue to pay dividends to the Shareholder or repurchase share capital when there is a capital surplus as defined in EDC's CMDP.

Table 8: Projected Capital Position (2023-2029)

<i>(in millions of Canadian dollars)</i>	2023 Actual	2024 Plan	2024 Fcst	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan
Credit risk	3,896	4,329	4,310	4,772	5,503	6,272	7,128	7,933
Market risk	1,146	1,337	1,295	1,332	1,454	1,499	1,381	1,249
Operational risk	247	226	219	248	273	287	294	298
Total pillar I risks	5,289	5,893	5,824	6,352	7,230	8,058	8,803	9,480
Strategic risk	513	580	575	635	723	806	880	948
Pension plan risk	591	591	891	891	891	891	891	891
Total pillar II risks	1,104	1,171	1,466	1,526	1,614	1,697	1,771	1,839
Total economic capital	6,393	7,064	7,290	7,878	8,844	9,755	10,574	11,319
Capital reserved for strategic initiatives	974	904	682	455	120	-	-	-
Total capital demand	7,367	7,969	7,972	8,333	8,964	9,755	10,574	11,319
Supply of capital	12,826	10,961	10,886	10,688	10,848	11,127	11,486	11,953
Capital surplus/ (deficit)	5,459	2,992	2,914	2,355	1,884	1,372	912	634
EDC target rating	AA	AA	A	A	A	A	A	A
EDC implied solvency rating	AAA	AAA	AAA	AAA	AAA	AA	AA	A

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In 2020, we received capital injections totalling \$11.0 billion of which \$5.0 billion was to support the oil and gas sector through the COVID-19 pandemic. While table 10 above includes the total capital position for EDC, the following tables shows the projected capital position for the separate oil and gas support and the BCAP support:

Table 9: Capital - Oil and Gas (2023-2029)

<i>(in millions of Canadian dollars)</i>	2023 Actual	2024 Plan	2024 Fcst	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan
Total capital demand	141	60	62	-	-	-	-	-
Supply of capital	1,136	224	197	-	-	-	-	-
Capital surplus/ (deficit)	995	164	135	-	-	-	-	-

After 2025, Capital Demand is combined with EDC Core.

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Table 10: Capital - BCAP (2023-2029)

<i>(in millions of Canadian dollars)</i>	2023 Actual	2024 Plan	2024 Fcst	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan
Total Capital demand	21	29	12	5	1	-	-	-
Supply of capital	15	(12)	(3)	(24)	(50)	-	-	-
Capital surplus/ (deficit)	(6)	(41)	(15)	(29)	(51)	-	-	-

After 2026, Capital Demand is combined with EDC Core.

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In order to better understand the drivers behind our capital demand from a macro-economic perspective, the following two tables show a historical breakdown along both a geographical and industry lens.

Table 11: Distribution of the Demand for Credit Risk by Region

Region	2021 Actual	2022 Actual	2023 Actual
Africa and Middle East	10.6%	4.5%	2.7%
Asia and Pacific	12.6%	18.2%	17.2%
Europe and CIS	30.8%	18.4%	12.8%
North America	35.5%	47.7%	55.6%
South and Central America and the Caribbean	10.5%	11.2%	11.7%

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Table 12: Distribution of the Demand for Credit Risk by Industry

Industry	2021 Actual	2022 Actual	2023 Actual
Aerospace	23.4%	11.7%	7.9%
Agri-food	3.4%	8.5%	6.9%
Automotive	6.0%	4.3%	2.4%
Construction	2.2%	3.9%	3.4%
Environmental	3.5%	2.4%	0.2%
Financial and insurance services	2.7%	10.9%	15.4%
Forestry	1.7%	0.9%	1.5%
Knowledge technologies	2.0%	12.1%	12.9%
Light manufacturing	7.6%	9.9%	10.6%
Mining	11.6%	8.7%	11.5%
Oil and gas	4.6%	2.2%	1.3%
Sovereign	4.5%	2.4%	1.4%
Surface transportation	7.0%	6.2%	6.9%
Telecom and media	4.6%	4.1%	5.8%
Tourism and government services	0.5%	0.4%	0.1%
Utilities and alternative and renewable energy	14.7%	11.4%	11.8%

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The loan capital distribution reflected in tables 14 and 15 is impacted by the corresponding business volumes and risk characteristics as well as risk transfer activities conducted by EDC. The capital distribution is consequently not a direct representation of the outstanding loan amounts by country or industry.

Eligible Dividends and Repurchase of Share Capital

Under normal conditions, and in alignment with the Minister of Finance expectations for Crown Corporations, when we generate a capital surplus, the surplus is released back to the Shareholder as a dividend or capital repurchase over a certain period of time which should tie in with the forecasted outlook period. Based on our Capital Management and Dividend Policy, under normal conditions, the amount of capital returned to the Shareholder shall be based on 20 per cent of available capital surplus; however, the Shareholder and EDC each retains the right to request that a dividend be paid based on a different methodology, or that no dividend be paid. In 2023, we declared a \$750 million dividend according to our current dividend policy and a special dividend of \$450 million based on the capital surplus position of the BCAP programs and a targeted ICAAP ratio. The total repurchase of share capital of \$1.2 billion was paid in 2024. As previously discussed, over the Plan period, any capital surplus related to both the BCAP programs and EDC core operations will be returned by way of a repurchase of share capital. In 2024, a \$744 million repurchase of share capital was declared according to our current dividend policy as well as a special repurchase of share capital of \$500 million based on the capital surplus position of the BCAP programs and a targeted ICAAP ratio. The total repurchase of share capital of \$1.2 billion was paid in 2024.

Table 13: Total Dividends and Repurchase of Share Capital (2023-2029)

<i>(in millions of Canadian dollars)</i>	2023 Actual	2024 Plan	2024 Fcst	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan
Total capital demand	7,367	7,969	7,972	8,333	8,964	9,755	10,574	11,319
Supply of capital	12,826	10,961	10,886	10,688	10,848	11,127	11,486	11,953
Capital surplus/(deficit)	5,459	2,992	2,914	2,355	1,884	1,372	912	634
Calculated repurchase of share capital	1,244	737	694	477	387	274	182	127

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Table 14: Dividends and Repurchase of Share Capital Oil and Gas (2023-2029)

<i>(in millions of Canadian dollars)</i>	2023 Actual	2024 Plan	2024 Fcst	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan
Total capital demand	141	60	62	-	-	-	-	-
Supply of capital	1,136	224	197	-	-	-	-	-
Capital surplus/(deficit)	995	164	135	-	-	-	-	-
Calculated repurchase of share capital*	500	164	135	-	-	-	-	-

* The repurchase of share capital has been capped such that the total dividends paid and share capital repurchased do not exceed the initial capital injection of the program. Any future capital surplus from the program will be included in EDC core operations.

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Table 15: Dividends and Repurchase of Share Capital BCAP (2023-2029)

<i>(in millions of Canadian dollars)</i>	2023 Actual	2024 Plan	2024 Fcst	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan
Total capital demand	21	29	12	5	1	-	-	-
Supply of capital	15	(12)	(3)	(24)	(50)	-	-	-
Capital surplus/(deficit)	(6)	(41)	(15)	(29)	(51)	-	-	-
Calculated repurchase of share capital*	-	-	-	-	-	-	-	-

* The repurchase of share capital has been capped such that the total dividends paid and share capital repurchased do not exceed the initial capital injection of the program. Any future capital surplus from the program will be included in EDC core operations.

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In order to pay dividends or repurchase share capital, we raise funds by borrowing. While we have sufficient liquid assets to cover such a payment, these assets are held in order to comply with the parameters of our Liquidity and Funding Risk Management Policy as approved by our Board.

Statutory Limits

EDC is subject to two limits imposed by the *Export Development Act*:

- A limit on our contingent liability arrangements which is currently \$90 billion ('Contingent Liability Limit'); and
- A limit on our borrowings ('Loans Payable Limit'), as discussed in the Borrowing Strategies section (Appendix VI).

Our projected position against each of these statutory limits at year end throughout the planning period is provided in the following table:

Table 16: Statutory Limits (2023-2029)

<i>(in millions of Canadian dollars)</i>	2023 Actual	2024 Plan	2024 Fcst	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan
Contingent Liability Limit	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000
Credit insurance	17,427	16,108	16,241	16,404	16,729	17,062	17,399	17,746
Financial institutions insurance	2,114	2,351	2,220	2,287	2,355	2,426	2,499	2,574
International trade guarantee	15,295	14,653	17,639	20,129	20,749	21,711	22,783	23,876
Political risk insurance	313	341	286	282	266	218	217	190
Loan guarantees	5,638	5,170	5,189	4,651	4,858	4,530	5,612	5,924
Reinsurance ceded*	(287)	-	(271)	(274)	(279)	(285)	(290)	(296)
Position against limit	40,500	38,623	41,304	43,479	44,678	45,662	48,220	50,014
Percent used	45%	43%	46%	48%	50%	51%	54%	56%
Loans Payable Limit	185,865	195,945	192,390	163,290	160,320	162,720	166,905	172,290
Position against limit	55,109	63,792	62,620	63,815	66,566	69,306	72,100	73,748
Percent used	30%	33%	33%	39%	42%	43%	43%	43%

* Represents treaty reinsurance agreements covering most international trade guarantee obligors and the short-term export credit insurance portfolio, including most foreign bank exposures.

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Operating Budget and Notes

Administrative Expenses and Productivity Ratio

Table 17: Projected Administrative Expenses and Productivity Ratio (2023-2029)

<i>(in millions of Canadian dollars)</i>	2023 Actual	2024 Plan	2024 Fcst	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan
Salaries and benefits	363	384	362	399	406	413	419	425
Professional services	99	76	77	78	79	72	72	71
Systems costs	61	50	57	70	70	70	70	70
Pension benefit expense	7	10	17	4	4	4	3	2
Occupancy	26	30	28	31	31	31	32	32
Amortization and depreciation	22	17	17	15	15	13	10	9
Marketing and communications	18	23	19	24	25	26	26	26
Information services	24	24	23	26	26	26	27	27
Other post-employment benefits and severance expense	16	15	14	13	14	15	15	16
Travel, hospitality and conferences	6	9	7	11	11	12	12	12
Other	15	27	34	27	23	22	24	25
Subtotal ¹	657	665	655	698	704	704	710	715
Increase to support excess capital deployment	n/a	n/a	-	-	5	10	10	10
Total administrative expenses	657	665	655	698	709	714	720	725
Less: Amounts attributed to insurance contracts	107	102	101	106	106	105	105	105
Total	550	563	554	592	603	609	615	620
Productivity ratio	42.2%	44.5%	44.5%	42.5%	39.1%	37.7%	37.1%	36.8%

¹ The subtotal aligns with the administrative expenses submitted in the 2024-2028 Corporate Plan.

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The 2025-2029 Corporate Plan reflects EDC's approach to being fiscally responsible, including a focus on administrative expense spending. Consistent with prior Plans, our planned activities reflect cost savings over the plan period. Our targeted administrative expenses are aligned with the amounts submitted in the 2024-2028 Corporate Plan with increases of \$5 million in 2026 and \$10 million per year in 2027-2028.

It is also worth noting that in spite of a planned increase in administrative expenses,

1. We remain committed to ensuring long term financial sustainability through the management of our productivity ratio (PR), which measures our administrative expenses as a percentage of our net revenue. We anticipate that the PR will gradually decline over the Corporate Plan period as we are projecting a faster growth in net revenues than administrative expenses due to our strategic focus on the Indo-Pacific region.
2. The increase over the plan period is contained between 0.7% and 1.6% growth, which is likely to be below inflation. Hitting these targets implies significant efficiency gains by EDC.
3. Forecasted Travel and Professional service expenses are in line with EDC's commitment to decrease spending (excluding spending related to the Indo-Pacific region) by 15% when compared to the 2023-2027 Corporate Plan.

Gross administrative expenses are forecast to be \$655 million in 2024, a decrease of \$10 million over the Corporate Plan forecast of \$665 million. Those cost reductions reflect our commitment to operational efficiencies and continuous improvement.

Consistent with the prior Corporate Plan, we are targeting gross administrative expenses of \$698 million for 2025 compared to a current forecast for 2024 of \$655 million. The increase is mainly due to costs associated with the modernization of our digital capabilities as well as the Indo-Pacific expansion.

Items of significance in our administrative expense projections for 2025 and beyond are as follows:

- A key focus over the Corporate Plan period will be on achieving cost reductions and efficiencies as part of our ongoing dedication to financial sustainability.
- Travel related expenditures will increase slightly as we execute on our Indo-Pacific strategy. At the same time we continue to make strong efforts to reduce our travel related expenditures from pre-pandemic levels and to support our commitment to net zero emissions by 2050.
- Included in planned professional services costs are managed services, such as support for our existing system applications, costs associated with EDC's existing infrastructure, and regulatory compliance spending. We anticipate savings over the planning period past the initial strategic transformation spend.
- As noted in the 2024-2028 Corporate Plan, EDC intends to focus efforts over the Corporate Plan period in the Indo-Pacific region in support of Canada's Indo-Pacific Strategy.
- As part of EDC's 2030 Strategy, one of our primary focus areas is to help medium sized exporters scale and grow their international success. In addition, we are modernizing our digital capabilities that will allow us to further extend our reach and effectiveness in understanding our customers' needs to drive better trade outcomes for Canada. Investment in these areas will be tempered over the Plan period in order to achieve the planned cost savings mentioned above. We do expect to realize benefits, both increased revenue and cost savings, as a result of our investment in the transformation. Past the initial transformation spend, EDC expects to maintain a consistent level of investment in its digital capabilities to keep pace with the continually changing digital environment.
- The administrative expense projections include amounts related to accounting pension expense in each year. The pension expense is an actuarially determined amount and is difficult to predict, as it is determined using a discount rate which is dependent on year-end market data. Included in the administrative expense projections are pension cost decreases over the planning period, when compared with the 2024-2028 Corporate Plan, mainly due to a higher discount rate.

The following tables provide information on our travel, hospitality and conferences expenses from 2021 to 2029.

Table 18: Travel, Hospitality and Conferences Expenses (2021-2029)

<i>(in thousands of Canadian dollars)</i>	2021 Actual	2022 Actual	2023 Actual	2024 Plan	2024 Fcst	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan
Travel	235	2,851	5,057	7,951	7,674	9,535	10,397	10,727	11,074	11,338
Hospitality	56	403	704	566	617	750	750	750	750	750
Conferences	84	202	292	150	150	300	300	300	300	300
Total	375	3,456	6,053	8,667	8,441	10,585	11,447	11,777	12,124	12,388

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Table 19: Travel, Hospitality and Conferences Expenses as a Percentage of Total Administrative Expenses and Net Revenue (2021-2029)

<i>(in millions of Canadian dollars)</i>	2021 Actual	2022 Actual	2023 Actual	2024 Plan	2024 Fcst	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan
Total travel, hospitality and conferences expenses	0.4	3.5	6.1	8.7	8.4	10.6	11.4	11.8	12.1	12.4
Total administrative expenses	543	643	657	665	655	698	709	714	720	725
Travel, hospitality and conferences as a % of total administrative expenses	0.1%	0.5%	0.9%	1.3%	1.3%	1.5%	1.6%	1.7%	1.7%	1.7%
Net Revenue	1,867	1,511	1,585	1,505	1,456	1,651	1,822	1,901	1,952	1,978
Travel, hospitality and conferences as a % of net revenue	0.0%	0.2%	0.4%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%

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Capital Budget and Notes

Capital Expenditures

Table 20: Projected Capital Expenditures (2023-2029)

<i>(in millions of Canadian dollars)</i>	2023 Actual	2024 Plan	2024 Fcst	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan
Facilities	1.0	9.5	3.9	3.4	7.4	2.4	2.5	2.3
Information technology	6.6	3.8	3.8	3.8	3.8	1.8	1.8	1.8
Total capital expenditures	7.6	13.3	7.7	7.2	11.2	4.2	4.3	4.1

Facilities capital expenditures include leasehold improvements, furniture and equipment. Information technology capital expenditures include hardware, internally developed and purchased software.

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The increase in capital expenditures in 2026 is mainly due to an expansion of EDC's Singapore office as part of the Indo-Pacific strategy. This expenditure was originally planned for 2024 but has been moved out to 2026.

No capital expenditures during the plan period meet the requirements for disclosure per the value and risk tests.

Operation of Subsidiaries

Exinvest Inc.

We incorporated Exinvest Inc. in 1995 and acquired shares of Exinvest Inc. in accordance with the applicable provisions of the *Financial Administration Act* and the *Export Development Act*. The authorized objectives of Exinvest Inc. are to establish and/or invest in corporations, partnerships, joint ventures or any other form of unincorporated bodies (financing vehicles), all of which will provide financial assistance for, or to the benefit of, sales or leases of goods, or the provision of services, or any combination thereof.

During 2024 and over the planning period, no new financing vehicles and no potential business transactions are anticipated.

FinDev Canada

In May 2017, for the purposes of creating a Canadian Development Finance Institution (DFI), the Government of Canada broadened EDC's mandate and scope of activity to include providing, directly or indirectly, development financing and other forms of development support in a manner that is consistent with Canada's international development priorities. This new mandate is independent and not subordinated to EDC's existing trade mandate. Development Finance Institute Canada (DFIC) Inc. was incorporated on September 14, 2017 and operates under the trade name FinDev Canada.

The Corporate Plan for FinDev Canada is included in Annex I.

Consolidated results for EDC and its subsidiaries are presented in the following tables.

Consolidated Statement of Comprehensive Income

Table 21: Projected Consolidated Statement of Comprehensive Income (2023-2029)

<i>for the year ended December 31 (in millions of Canadian dollars)</i>	2023 Actual	2024 Plan	2024 Fcst	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan
Financing and Investment Revenue:								
Loans	3,707	4,073	4,084	3,996	3,839	3,939	4,060	4,189
Marketable securities and cash equivalents	399	316	407	310	284	293	298	299
Investments	25	16	18	18	18	18	18	18
Total financing and investment revenue	4,131	4,405	4,509	4,324	4,141	4,250	4,376	4,506
Interest expense	2,878	3,102	3,257	3,024	2,708	2,759	2,839	2,939
Financing-related expenses	41	47	46	49	49	49	49	49
Net Financing and Investment Income	1,212	1,256	1,206	1,251	1,384	1,442	1,488	1,518
Loan Guarantee Fees	78	87	89	95	84	84	87	86
Insurance revenue	331	299	354	379	399	413	427	443
Insurance service expenses	(242)	(234)	(194)	(250)	(258)	(254)	(263)	(269)
Reinsurance service expenses	(21)	(33)	(44)	(32)	(31)	(31)	(30)	(29)
Net Insurance Service Result	68	32	116	97	110	128	134	145
Other (Income) Expense	10	41	(244)	(50)	(84)	(99)	(98)	(97)
Administrative Expenses	577	600	593	645	664	680	694	705
Income before Credit Losses	771	734	1,062	848	998	1,073	1,113	1,141
Provision for Credit Losses	321	265	735	363	372	419	492	504
Net Income	450	469	327	485	626	654	621	637
Other comprehensive income (loss):								
Retirement benefit plans remeasurement	(15)	14	177	11	11	12	12	12
Comprehensive Income	435	483	504	496	637	666	633	649

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Consolidated Statement of Financial Position

Table 22: Projected Consolidated Statement of Financial Position (2023-2029)

<i>as at December 31</i> <i>(in millions of Canadian dollars)</i>	2023 Actual	2024 Plan	2024 Fcst	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan
Assets								
Cash and cash equivalents	1,950	421	2,054	1,405	1,401	1,401	1,401	1,401
Marketable securities	7,006	9,430	8,796	7,246	7,246	7,247	7,248	7,249
Derivative instruments	1,307	1,634	1,515	1,515	1,515	1,515	1,515	1,515
Loans receivable	59,041	64,566	62,234	65,137	67,461	69,796	72,239	73,611
Allowance for losses on loans	(1,720)	(1,503)	(1,744)	(1,844)	(1,992)	(2,191)	(2,456)	(2,724)
Investments	3,089	3,915	3,555	4,052	4,839	5,711	6,726	7,760
Reinsurance contract assets	65	52	38	31	26	(3)	(5)	(6)
Property, plant and equipment	41	43	40	37	38	33	30	25
Intangible assets	31	28	27	22	17	12	10	8
Right-of-use assets	108	100	102	91	80	70	60	50
Retirement benefit assets	461	525	648	655	663	672	681	692
Other assets	135	118	113	113	113	113	113	113
Total Assets	71,514	79,329	77,378	78,460	81,407	84,376	87,562	89,694
Liabilities and Equity								
Accounts payable and other credits	218	90	146	145	145	144	144	143
Loan guarantees	334	435	379	429	444	449	454	459
Loans payable	55,109	63,792	62,620	63,815	66,566	69,306	72,100	73,748
Derivative instruments	2,293	3,354	2,694	2,694	2,694	2,694	2,694	2,694
Lease liabilities	143	138	140	132	125	117	111	103
Allowance for losses on loan commitments	100	34	80	88	93	99	105	105
Insurance contract liabilities	318	344	264	286	295	229	242	247
Retirement benefit liabilities	173	181	169	183	197	211	226	242
Total Liabilities	58,688	68,368	66,492	67,772	70,559	73,249	76,076	77,741
Share capital	8,490	5,905	6,046	5,352	4,875	4,488	4,214	4,032
Retained earnings	4,336	5,056	4,840	5,336	5,973	6,639	7,272	7,921
Total Equity	12,826	10,961	10,886	10,688	10,848	11,127	11,486	11,953
Total Liabilities and Equity	71,514	79,329	77,378	78,460	81,407	84,376	87,562	89,694

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Consolidated Statement of Changes In Equity

Table 23: Projected Consolidated Statement of Changes in Equity (2023-2029)

<i>for the year ended December 31 (in millions of Canadian dollars)</i>	2023 Actual	2024 Plan	2024 Fcst	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan
Share Capital								
Balance beginning of year	8,490	8,490	8,490	6,046	5,352	4,875	4,488	4,214
Shares repurchased	-	(2,585)	(2,444)	(694)	(477)	(387)	(274)	(182)
Balance end of year	8,490	5,905	6,046	5,352	4,875	4,488	4,214	4,032
Retained Earnings								
Balance beginning of year	3,901	4,573	4,336	4,840	5,336	5,973	6,639	7,272
Net income	450	469	327	485	626	654	621	637
Other comprehensive income (loss):								
Retirement benefit plans remeasurement	(15)	14	177	11	11	12	12	12
Balance end of year	4,336	5,056	4,840	5,336	5,973	6,639	7,272	7,921
Total Equity End of Year	12,826	10,961	10,886	10,688	10,848	11,127	11,486	11,953
Return on Equity	3.6%	3.9%	2.8%	4.5%	5.8%	6.0%	5.5%	5.4%

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Consolidated Statement of Cash Flows

Table 24: Projected Consolidated Statement of Cash Flows (2023-2029)

<i>for the year ended December 31 (in millions of Canadian dollars)</i>	2023 Actual	2024 Plan	2024 Fcst	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan
Cash Flows from (used in) Operating Activities								
Net income	450	469	327	485	626	654	621	637
Adjustments to determine net cash from (used in) operating activities								
Provision for credit losses	321	265	735	363	372	419	492	504
Depreciation and amortization	32	27	28	26	26	24	22	21
Investments non-cash items	-	-	(76)	(1)	(2)	(2)	(2)	(2)
Realized (gains) and losses	(8)	42	108	(49)	(83)	(98)	(98)	(97)
Changes in operating assets and liabilities								
Change in accrued interest and fees on loans receivable	(204)	(106)	(324)	(41)	(42)	20	82	83
Change in accrued interest and fair value of marketable securities	(155)	-	38	-	-	-	-	-
Change in accrued interest and fair value of loans payable	1,065	-	(312)	-	-	-	-	-
Change in fair value of investments	(74)	-	(148)	-	-	-	-	-
Change in derivative instruments	(883)	-	95	-	-	-	-	-
Other	140	248	185	373	(1)	(42)	(83)	(143)
Loan disbursements	(21,059)	(21,151)	(19,052)	(21,022)	(22,608)	(22,879)	(24,606)	(25,147)
Loan repayments and principal recoveries from loan asset sales	15,954	16,497	16,397	18,057	20,209	20,431	22,034	23,698
Net cash from (used in) operating activities	(4,421)	(3,709)	(1,999)	(1,809)	(1,503)	(1,473)	(1,538)	(446)
Cash Flows from (used in) Investing Activities								
Disbursements for investments	(598)	(1,095)	(589)	(753)	(958)	(1,088)	(1,174)	(1,284)
Receipts from investments	369	377	240	331	256	316	260	349
Purchases of marketable securities	(8,093)	(8,885)	(6,074)	(3,003)	(1,080)	(2,807)	(3,095)	(2,231)
Sales/ maturities of marketable securities	7,802	8,463	4,542	4,526	1,080	2,807	3,095	2,231
Purchases of property, plant and equipment	(8)	6	(7)	(4)	(7)	(2)	(4)	(2)
Purchases of intangible assets	-	4	(4)	(4)	(4)	(2)	(2)	(2)
Net cash from (used in) investing activities	(528)	(1,130)	(1,892)	1,093	(713)	(776)	(920)	(939)
Cash Flows from (used in) Financing Activities								
Issue of long-term loans payable	18,024	22,061	18,866	15,348	11,570	12,266	18,003	18,576
Repayment of long-term loans payable	(12,893)	(10,314)	(11,886)	(11,160)	(6,277)	(12,782)	(19,108)	(16,735)
Issue of short-term loans payable	37,563	66,415	39,599	52,763	50,982	54,819	54,545	51,804
Repayment of short-term loans payable	(38,435)	(70,333)	(40,182)	(56,190)	(53,586)	(51,667)	(50,708)	(52,078)
Disbursements from sale/ maturity of derivative instruments	(550)	-	(42)	-	-	-	-	-
Receipts from sale/ maturity of derivative instruments	155	-	55	-	-	-	-	-
Repurchase of share capital	-	(2,585)	(2,444)	(694)	(477)	(387)	(274)	(182)
Net cash from (used in) financing activities	3,864	5,244	3,966	67	2,212	2,249	2,458	1,385
Effect of exchange rate changes on cash and cash equivalents	(20)	-	29	-	-	-	-	-
Net increase (decrease) in cash and cash equivalents	(1,105)	405	104	(649)	(4)	-	-	-
Cash and cash equivalents								
Beginning of year	3,055	4,634	1,950	2,054	1,405	1,401	1,401	1,401
End of year	1,950	5,039	2,054	1,405	1,401	1,401	1,401	1,401
Cash and cash equivalents are comprised of:								
Cash	363	421	628	632	628	628	628	628
Cash equivalents	1,587	4,618	1,426	773	773	773	773	773
	1,950	5,039	2,054	1,405	1,401	1,401	1,401	1,401
Operating Cash Flows from Interest								
Cash paid for interest	2,324	2,965	2,825	2,964	2,645	2,697	2,765	2,852
Cash received for interest	3,809	4,152	2,989	4,227	4,122	4,270	4,378	4,438

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Consolidated Administrative Expenses

Table 25: Projected Consolidated Administrative Expenses (2023-2029)

<i>(in millions of Canadian dollars)</i>	2023 Actual	2024 Plan	2024 Fcst	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan
Salaries and benefits	378	408	386	429	441	452	461	470
Professional services	103	82	77	84	85	79	79	78
Systems costs	62	51	59	71	71	71	71	71
Pension benefit expense	11	12	19	6	6	7	6	5
Occupancy	27	31	28	32	32	32	34	34
Amortization and depreciation	22	18	22	16	16	14	11	10
Marketing and communications	19	24	20	25	26	27	27	27
Information services	24	24	24	26	27	27	28	28
Other post-employment benefits and severance expense	13	15	15	13	14	15	15	16
Travel, hospitality and conferences	8	10	10	13	13	14	15	15
Other	17	27	32	27	24	22	24	25
Subtotal¹	684	702	692	742	755	760	771	779
Increase to support excess capital deployment (EDC)	n/a	n/a	-	-	5	10	10	10
Increase to support regional expansions, concessional finance and technical assistance (FinDev Canada)	n/a	n/a	2	9	10	15	18	21
Total administrative expenses	684	702	694	751	770	785	799	810
Less: Amounts attributed to insurance contracts	107	102	101	106	106	105	105	105
Total	577	600	593	645	664	680	694	705

¹ The subtotal aligns with the administrative expenses submitted in the 2024-2028 Corporate Plan.

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Consolidated Capital Expenditures

Table 26: Projected Consolidated Capital Expenditures (2023-2029)

<i>(in millions of Canadian dollars)</i>	2023 Actual	2024 Plan	2024 Fcst	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan
Facilities	1.2	13.7	6.4	4.8	7.7	2.7	4.2	2.6
Information technology	6.7	3.9	3.9	3.9	3.9	1.9	1.9	1.9
Total capital expenditures	7.9	17.6	10.3	8.7	11.6	4.6	6.1	4.5

Facilities capital expenditures include leasehold improvements, furniture and equipment. Information technology capital expenditures include hardware, internally developed and purchased software.

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Appendix VI: Borrowing Plan

In accordance with the *Export Development Act* and the *Financial Administration Act*, we raise our funding requirements in international and domestic capital markets by borrowing, which includes issuing bonds and commercial paper.

Asset/Liability and Market Risk Management

We manage our exposures to interest rate, foreign exchange and credit risks arising from our Treasury operations through a policy framework, including risk and liquidity limits. Our Board policies are consistent with industry practices, approved by our Board of Directors and are compliant with the Minister of Finance's *Financial Risk Management Guidelines for Crown Corporations*.

Market risks to which we are exposed include movements in interest rates and the impact they have on our book of assets and our liability positions, as well as foreign exchange risk as we report our financial results and maintain our capital position in Canadian dollars, whereas our asset book and much of our liabilities are in U.S. dollars or other currencies.

Credit risk from Treasury activities arises from two sources: marketable securities and derivatives. In each case, there is a risk that the counterparty will not repay in accordance with contractual terms. The Board-approved Financial Risk Management Framework establishes minimum counterparty credit rating requirements and maximum exposure limits for the management of credit risk. We also use other credit mitigation techniques to assist in credit exposure management. We have a collateral program in which Treasury swap counterparties may pledge cash collateral in some cases or highly rated sovereign debt from any of Canada, the United States, Great Britain, France and/or Germany, which typically offset a major portion of our credit exposure.

We continually monitor our exposure to movements in interest rates and foreign exchange rates as well as counterparty credit exposures. Positions against policy limits are reported on a monthly basis. In the event of a Market Risk, Liquidity or Counterparty policy limit breach, management shall develop a remediation plan for the Board's review. Our Asset Liability Committee meets, typically monthly, to review compliance with these policy limits. Board limit compliance for Market, Liquidity, and Counterparty risk is reported quarterly to the Risk Management Committee of the Board.

Borrowing Strategies

Statutory Borrowing Authorities

Our funding activities are governed by sections 12, 13 and 14 of the *Export Development Act* and section 127 of the *Financial Administration Act*. The activities must also comply with the Minister of Finance's *Financial Risk Management Guidelines for Crown Corporations*.

Our funding activities are governed by section 4 of the *Borrowing Authority Act*. Under this Act, borrowings by agent corporations, including EDC, in conjunction with borrowings by the Minister of Finance must not at any time exceed \$1,831 billion, subject to the exceptions at sections 5 and 6 of this Act. We will report our borrowings to the Minister of Finance to comply with this Act.

The *Export Development Act* permits us to borrow and have outstanding loans payable up to a maximum of 15 times the aggregate of our current paid in capital and retained earnings as determined by the audited financial statements for the previous year. Based on the 2024 forecast, the maximum borrowing limit allowable under this Act for 2025 is estimated at CAD \$163.3 billion (U.S. \$119.2 billion), compared to forecast loans payable at the end of 2025 of CAD \$63.8 billion (U.S. \$46.6 billion).

In accordance with subsection 127(3) of the *Financial Administration Act*, EDC requires the approval of the Minister of Finance to enter into any particular transaction to borrow money, including the time and the terms and conditions of the transaction. We obtain Minister of Finance approval for our annual capital and money markets borrowing plans. Board resolutions permit us to operate within the authorities prescribed by the Minister.

Occasionally, as a result of unforeseen financial market conditions or unexpected variances in approved corporate activity, there may be a need to amend the terms and conditions of the borrowing plans. In such instances, we will continue to seek the approval of the Minister of Finance and report on any associated changes in the Corporate Plan.

Should market conditions warrant, we could also request access to the Consolidated Revenue Fund (CRF) pursuant to section 13 of the *Export Development Act*. Loans provided by the CRF are subject to the annual short and long term borrowing maximums authorized by the Minister of Finance.

We may be called upon to respond to unanticipated events and may need to borrow sums of money beyond our annual borrowing plan. Under section 127(3) of the *Financial Administration Act*, EDC may seek additional borrowing authority from the Minister of Finance provided its total indebtedness outstanding at any time in respect of such borrowings does not exceed any statutory limit.

FinDev Canada

Pursuant to the corporation's expanded mandate under section 10(1)(c) of the amended *Export Development Act*, the Development Finance Institute Canada (DFIC) Inc. has been incorporated as a wholly owned subsidiary of EDC and operates under the trade name FinDev Canada. We began capitalizing FinDev Canada in 2018 with a CAD \$100 million (U.S. \$73 million) capital injection. Additional capitalization of CAD \$100 million (U.S. \$73 million) took place in each of 2019 and 2020. EDC provided additional capital of CAD \$300 million (U.S. \$219 million) and CAD \$350 million (U.S. \$255 million) in 2023 and 2024 respectively. EDC will provide additional capital of CAD \$400 million (U.S. \$292 million) in 2025. EDC is expecting to provide debt financing of CAD \$310 million (U.S. \$226 million) in 2024 and is currently forecast to provide debt financing of CAD \$332 million (U.S. \$242 million) in 2025. Our Treasury team leverages its expertise to undertake all borrowing, investing, hedging and foreign exchange activities on behalf of FinDev Canada.

Borrowing Approach

The objective of our funding programs is to ensure that commitments are met within the parameters of our Liquidity and Funding Risk Management Policy. Funding requirements are determined from a base amount as established in the Corporate Plan, adding a buffer for increased needs due to stressed market conditions or additional new business demand.

We issue commercial paper (CP) to meet operating requirements and may, in cases of restricted capital markets access, issue CP to fund long-term requirements for short durations. We issue capital markets debt to meet requirements for maturing debt, our loan asset portfolio, the liquidity portfolio, FinDev Canada related funding and future lending activities. The Treasury team seeks to maximize market access and flexibility, price debt issues fairly in the primary market and closely monitor secondary market performance to minimize debt service costs. The team also seeks to take advantage of opportunities to raise funds in currencies which match the currencies of our assets.

Derivatives are used as part of the asset/liability management process. Our policies prohibit the issuance of any financial instrument, derivative, or structured note whose value and hence financial risk cannot be calculated, monitored and managed on a timely basis.

The execution of the borrowing and liquidity strategies is monitored on a daily basis by the Treasury team's management. Monthly reports are provided to senior management and quarterly reports are provided to the Risk Management Committee of the Board.

Sources of Financing

Money Markets Borrowing Program

We issue commercial paper in the money markets, in various currencies under multiple platforms, for cash management purposes to fund our short-term financial commitments as well as to manage interruptions in capital markets access and unpredictable cash flow demands.

The Liquidity and Funding Risk Management Policy requires the liquidity portfolio to meet anticipated cash requirements on a daily basis during a liquidity event. The period required to be covered by the liquidity portfolio is a minimum of one month. Forecast cash requirements are calculated using a one month rolling forecast based on components such as operations, loan disbursements, revolver commitments, debt maturities and non-revolving loan repayments. The target size of the USD component of our liquidity portfolio will be U.S. \$5.2 billion (CAD \$7.1 billion). We will also maintain a CAD component of the liquidity portfolio with a target size of CAD \$300 - \$500 million (U.S. \$219 - \$365 million). In addition, a daily minimum U.S. \$2.0 billion (CAD \$2.7 billion) of unused CP capacity will be required.

Capital Markets Borrowing Program

The capital markets borrowing program diversifies its funding sources by offering debt securities to investors worldwide. Capital markets instruments may include, but are not limited to, benchmark global bonds, plain vanilla bonds, structured and medium-term notes. Due to the timing of cash flow requirements, investor demand and issuance blackout periods, we typically meet 60% to 85% of our capital markets requirements within the first six months of the year.

Structured and medium-term notes may be used to smooth the maturity profile, respond to investor demand or access local currency funding in priority emerging markets. These notes can be issued in a variety of maturities including maturities of under one year as well as longer-dated issues with callable features. Longer-dated callable instruments are swapped into floating or fixed rate obligations. The mix of funding is guided by numerous factors including relative cost, market conditions and the profile of the loan assets portfolio.

Total Borrowings – New and Outstanding

2024 Borrowings

As at June 30, 2024, we have issued U.S. \$10.8 billion (CAD \$14.8 billion) in long-term debt compared to the Minister of Finance approved 2024 maximum of U.S. \$25.5 billion (CAD \$34.9 billion). Commercial paper outstanding amounted to U.S. \$6.2 billion (CAD \$8.5 billion) as at June 30, 2024 compared to the Minister of Finance authorized 2024 maximum of U.S. \$18.0 billion (CAD \$24.7 billion).

2024 long-term borrowing is forecast to be CAD \$4.2 billion (U.S. \$3.1 billion) lower than the 2024 Plan. 2024 short-term borrowing outstanding at year end is forecast to be CAD \$3.1 billion (U.S. \$2.3 billion) higher than the 2024 Plan reflecting the use of short-term funding to meet a portion of long-term funding requirements and unanticipated business requirements.

In 2024, the USD component of the liquidity portfolio is forecast to maintain an average, a minimum, and maximum balance of U.S. \$5.1 billion (CAD \$7.0 billion).

2025 Borrowings

Money Market Borrowings (Short-term Borrowings)

Unpredictable cash flow demands most often result from undrawn revolver commitments, estimated at U.S. \$5.1 billion (CAD \$7.0 billion) at December 31, 2025, or limitations on our access to capital markets. Revolver commitments range in size from approximately U.S. \$287 thousand to U.S. \$350 million (CAD \$393 thousand to CAD \$480 million), can provide for same day advances and can be highly concentrated among certain industries and individual borrowers. Revolver utilization is forecast to remain stable during 2025. Additional committed facilities which have not yet been drawn are forecast to total U.S. \$5.5 billion (CAD \$7.5 billion) at the end of 2025. Unpredictable cash flow demands can also stem from limitations on our access to capital markets, such as during long term issuance blackout periods.

In 2025, the USD component of the liquidity portfolio is forecast to maintain a balance of U.S. \$5.2 billion (CAD \$7.1 billion). As part of an annual review of the liquidity portfolio, we may change the target size in 2025 based on forecast cash needs while remaining outside the liquidity policy. The entire liquidity portfolio can be accessed during a liquidity event.

At December 31, 2025, long-term borrowings are projected to be CAD \$4.6 billion (U.S. \$3.4 billion) higher than the December 31, 2024 forecast. Short-term borrowings are projected to be CAD \$3.4 billion (U.S. \$2.5 billion) lower than the December 31, 2024 forecast, reflecting a forecast decrease in the use of short-term borrowing to fund long-term requirements.

Capital Market Borrowings (Long-term Borrowings)

The Corporate Plan projects a baseline borrowing requirement of U.S. \$11.2 billion (CAD \$15.3 billion) with potential additional long-term requirements of U.S. \$5.8 billion (CAD \$8.0 billion) for contingency purposes.

Total Outstanding Borrowings

The aggregate principal amount outstanding of borrowings will not at any time in 2025 exceed CAD \$86.7 billion (U.S. \$63.2 billion)¹, which is well below the maximum statutory limit of fifteen times the current paid in capital and retained earnings, equivalent to CAD \$163.3 billion (U.S. \$119.2 billion) estimated as of December 31, 2025. The aggregate principal amount outstanding of borrowings reflects planned borrowings during 2025 including reasonable contingencies.

Primary Uses of Financing

Refinancing of Maturing Debt – Maturing debt is refinanced through new issuances.

Increased Lending - Net loan disbursements

CP Outstanding – Decrease in the level of CP outstanding.

Eligible Share Capital – Debt financing for the repurchase of share capital and/or dividend payments

FinDev Canada – Debt financing for operations and financing projects.

¹ The Borrowing Plan uses the month to date average rate for June 30, 2024, U.S. \$0.73.

Potential Increases in Requirements

Increased Lending and Investment Activity – New business activity requirements could increase further if global economic activity outpaces our forecasts and/or world liquidity is reduced. Additional lending and investment program activity could increase borrowing requirements.

Revolver Activity – Higher than forecast utilization of revolver facilities could increase borrowing requirements.

Pre-Funding of 2026 Business Facilitated – We may seek to pre-fund some of our 2026 capital markets requirements to minimize debt service costs and lock-in longer term funding.

Reduce Commercial Paper Outstanding – An increase in capital markets funding in response to favorable market conditions may permit us to reduce the amount of commercial paper outstanding.

Table 27: Capital Markets Borrowing Requirement Projection for 2025

<i>(in millions of U.S. dollars)</i>	USD	2025 Plan
Decrease/ (increase) in cash from operations	(818)	
Net disbursements/ (repayments) of loans and investments	2,163	
Funding Requirements for Fin Dev Canada	292	
Repurchase of share capital	506	
Activity from operations		2,143
Funding required for change in CP outstanding	2,501	
Funding required for change in marketable securities at fair value through profit or loss	(1,588)	
Refinancing of debt maturities	8,043	
Buybacks	100	
Activity from liabilities		9,056
Forecast Borrowing Requirements for Corporate Plan		11,199
Potential increases to cash requirements		
Changes to assumption on lending activity		3,000
Changes to assumption on revolving facilities		750
Reduction of outstanding commercial paper		1,000
Pre-funding of 2026 volumes/ maturities		1,000
Changes to assumption on FinDev Canada activities		100
Forecast Borrowing Requirements Including Contingencies		17,049

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Table 28: Projected Borrowing Plans (2022-2029)

<i>(in millions of Canadian dollars)</i>	2022 Actual	2023 Actual	2024 Plan	2024 Fcst	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan
Capital Markets Borrowing Limit									
(U.S. \$25.5 billion)*	22,052	25,438	33,772	33,772	-	-	-	-	-
Position	13,985	17,722	22,061	18,866	15,348	11,570	12,266	18,003	18,576
Percent used	63%	70%	65%	56%	-	-	-	-	-
Short-Term Borrowing Limit									
(U.S. \$18.0 billion)*	18,941	21,198	23,839	23,839	-	-	-	-	-
Position	13,653	12,523	9,271	12,334	8,908	6,304	9,456	13,294	13,020
Percent used	72%	59%	39%	52%	-	-	-	-	-

* Refers to 2024 limit. The limits are set each year in consultation with the Department of Finance, and accordingly, there are no limits set for 2025 to 2029.

[Download accessible versions of all financial tables here.](#)

Table 29: Projected Total Outstanding Borrowings (2022-2029)

<i>as at December 31</i> <i>(in millions of Canadian dollars)</i>	2022 Actual	2023 Actual	2024 Plan	2024 Fcst	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan
Short-term borrowings	13,653	12,523	9,271	12,334	8,908	6,304	9,456	13,294	13,020
Long-term borrowings	36,915	42,586	54,521	50,286	54,907	60,262	59,850	58,806	60,728
Total borrowings	50,568	55,109	63,792	62,620	63,815	66,566	69,306	72,100	73,748

[Download accessible versions of all financial tables here.](#)

Table 30: Projected Short-Term Borrowings by Currency (2022-2029)

<i>as at December 31</i> <i>(in millions of Canadian dollars)</i>	2022 Actual	2023 Actual	2024 Plan	2024 Fcst	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan
Canadian dollar	46	-	-	-	-	-	-	-	-
U.S. dollar	13,319	12,451	9,271	12,334	8,908	6,304	9,456	13,294	13,020
Other currencies	288	72	-	-	-	-	-	-	-
Total short-term borrowings	13,653	12,523	9,271	12,334	8,908	6,304	9,456	13,294	13,020

[Download accessible versions of all financial tables here.](#)

Table 31: Projected Peaks in Short-Term Borrowings by Currency (2022-2029)

<i>for the year ended December 31</i> <i>(in millions of Canadian dollars)</i>	2022 Actual	2023 Actual	2024 Plan	2024 Fcst	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan
Canadian dollar	46	68	-	-	-	-	-	-	-
U.S. dollar commercial paper	13,753	14,134	11,556	12,697	10,964	7,401	10,279	13,705	14,390
Other currencies	288	1,384	-	-	-	-	-	-	-
Total short-term borrowings	14,087	15,586	11,556	12,697	10,964	7,401	10,279	13,705	14,390

[Download accessible versions of all financial tables here.](#)

Table 32: Projected Long-Term Borrowings (2022-2029)

<i>(in millions of Canadian dollars)</i>	2022 Actual	2023 Actual	2024 Plan	2024 Fcst	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan
Opening balance	37,260	36,915	42,316	42,586	50,286	54,907	60,262	59,850	58,806
Maturities	(13,263)	(12,893)	(10,314)	(11,886)	(11,160)	(6,277)	(12,782)	(19,108)	(16,735)
New issuances	13,207	18,024	22,061	18,866	15,348	11,570	12,266	18,003	18,576
FX translation and other changes	(290)	541	458	720	433	62	104	61	81
Total long-term borrowings	36,915	42,586	54,521	50,286	54,907	60,262	59,850	58,806	60,728

[Download accessible versions of all financial tables here.](#)

Table 33: Projected Long-Term Borrowings by Type (2022-2029)

<i>as at December 31 (in millions of Canadian dollars)</i>	2022 Actual	2023 Actual	2024 Plan	2024 Fcst	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan
Fixed rate	17,226	15,427	16,289	14,468	14,093	13,916	13,256	10,619	8,901
Floating rate	19,689	27,159	38,232	35,818	40,814	46,346	46,594	48,187	51,827
Total long-term borrowings	36,915	42,586	54,521	50,286	54,907	60,262	59,850	58,806	60,728

[Download accessible versions of all financial tables here.](#)

Interest Rate Sensitivity

For the sensitivity of the net financing and investment income to changes in interest rates, please refer to pages 110-111 of our 2023 Integrated Annual Report.

We do not anticipate that a parallel 100 basis point change in interest rates over the plan period would differ materially from the results presented in the Integrated Annual Report.

Foreign Exchange Risk

For the sensitivity of net income to changes in the value of the Canadian dollar versus the other currencies to which we were exposed given the outstanding positions, please refer to page 149 of our 2023 Integrated Annual Report.

We do not anticipate that a one per cent change in the value of the Canadian dollar versus the other currencies to which we are exposed would differ materially from the results presented in the Integrated Annual Report over the plan period.

Business Facilitated Sensitivity

The tables below present the sensitivity of net income to changes in the level of business facilitated for direct financing and credit insurance as at December 31. Please note that these results exclude any impacts on both the provision for credit losses and insurance service expenses.

Business Facilitated Change – Direct Financing

<i>(in millions of Canadian dollars)</i>	2025	
	Increases by CAD \$1.0 billion	Decreases by CAD \$1.0 billion
Change in net income	7	(7)

[Download accessible versions of all financial tables here.](#)

Business Facilitated Change - Credit Insurance

<i>(in millions of Canadian dollars)</i>	2025	
	Increases by 10%	Decreases by 10%
Change in net income	16	(16)

[Download accessible versions of all financial tables here.](#)

Appendix VII: Compliance and Legislative Policy Requirements

We take compliance with the Government of Canada's legislative and policy requirements seriously, in order to protect EDC, our employees and the Government of Canada from potential exposure to legal, reputational and financial consequences. We have a suite of policies to address legislative and policy requirements which are relevant to our operations. We systematically monitor the external landscape to ensure we are prepared for continued compliance with new requirements, including any new federal requirements.

Compliance Risk Management at EDC

As a Crown corporation engaged in international trade, we are subject to a wide range of compliance obligations. To manage the risk of non-compliance with such obligations, including those to the Government of Canada, we have implemented a Compliance Risk Management Program. The Compliance Risk Management program sets out the structure, roles and responsibilities, processes, and controls through which we identify, assess, respond to, monitor and report on compliance risk.

Compliance with Ministerial Directives

Ministerial directives are an important component of the Government of Canada's oversight mechanisms for Crown corporations and are issued to EDC under Section 89 of the *Financial Administration Act* (FAA), or more rarely under section 8.3(7) of the *Bretton Woods and Related Agreements Act*. EDC is compliant with nine directives as described below.

In September 2008, together with other federal Crown corporations involved in commercial lending, EDC was issued a directive to give due consideration to the personal integrity of those we lend or provide benefits to, in accordance with Government's policy to improve the accountability and integrity of federal institutions. To implement this directive, we reviewed our policies and programs and confirmed that they were sufficient to ensure that due consideration is given to the personal integrity of individuals seeking support or other benefits from EDC, and the effects that transactions into which we may enter could have on our reputation.

In 2014, the Government of Canada issued directives requiring certain Crown corporations to implement pension plan reforms. We support the principles underlying the directives and have taken action to implement the spirit and intent of these reforms, including increases to employee contributions in the Defined Benefit plan and, a later age of retirement, for Defined Contribution employees hired since 2015. In 2017, a new directive was issued for EDC, repealing the previous directive and granting EDC exemption from strict 50:50 cost sharing, required under the 2014 directive. The exemption helps mitigate high service costs for employees resulting from the closure of the Defined Benefit plan to new employees and ensures the viability and competitiveness of the Defined Contribution plan introduced in 2012. Consistent with the spirit of the reforms, we have implemented cost sharing with our Defined Benefit employees as though the Defined Benefit plan had remained open.

In July 2015, EDC and other federal Crown corporations were issued a directive to align our travel, hospitality, conference and event expenditure policies, guidelines and practices with Treasury Board policies, directives and related instruments on travel, hospitality, conference and event expenditures in a manner that is consistent with our legal obligations. We reported on the implementation of this directive in our 2016- 2020 corporate plan and have complied with the directive in a way that does not hinder our ability to deliver on our mandate for Canadian companies. Each year, we also report on our Travel and Hospitality expenses in the corporate plan.

On June 1, 2018, the Minister for International Trade Diversification directed EDC to perform any activity consistent with any authorization obtained from the Minister for International Trade Diversification pursuant to section 23 of the *Export Development Act* in respect of the project known as the Trans Mountain Pipeline Expansion.

On March 26, 2020, in accordance with subsection 149(1) of the *Financial Administration Act*, the Minister for International Trade asked EDC to provide specific, ongoing reporting that includes: aggregate baseline data for 2019 on all financial customer transactions; monthly aggregate reporting on the delivery of services under the COVID-19 economic response package; and quarterly aggregate data for all financial customer transactions. This reporting has been implemented as per the criteria provided, which we share with appropriate Ministers as required. EDC was also asked to provide Board of Director meeting materials upon request, including those related to the following government programs: Business Credit Availability Program, cleantech commercialization support program, Export Diversification Strategy, and support for women entrepreneurship and for Indigenous entrepreneurs.

On March 30, 2020, the Minister for International Trade directed EDC to carry on its activities in accordance with section 23 of the *Export Development Act*, as part of its response to the COVID-19 pandemic, to support and develop domestic business in accordance with any request made under the Act as part of that response, and to take any measures necessary to action this directive.

On August 14, 2021, the Minister for International Trade directed EDC to perform any activity consistent with any authorization obtained from the Minister for International Trade pursuant to section 23 of the *Export Development Act* with respect to the Telesat Lightspeed project.

On August 6, 2021, the Minister for International Trade directed EDC to perform any activity consistent with any authorization obtained from the Minister for International Trade pursuant to section 23 of the *Export Development Act* with respect to the Lower Churchill project.

On February 26, 2022, The Minister for International Trade directed EDC to perform any activity in accordance with the letter of arrangement entered into by EDC and the Minister of Finance with respect to a loan to be provided to Ukraine by EDC, as agent for the Minister of Finance pursuant to subsection 8.3(7) of the *Bretton Woods and Related Agreements Act*.

Appendix VIII: Government Priorities and Direction

Transparency and Open Government

Maintaining relationships with all our stakeholders, based on trust and accountability through accurate and timely disclosure of information, is critical to our long-term success. In alignment with the Government of Canada's commitment to open government, we have several mechanisms in place to provide transparency around our business practices and policies.

Our transparency efforts aim to balance the role we play in the commercial banking sector, with the role we play as a Crown corporation. In so doing, we provide access to information while maintaining the commercial confidentiality of our customers. To support these efforts, in 2022 we updated our *Transparency and Disclosure Policy* (the Policy), which sets out our framework for disclosing information about our business in a manner that balances the confidentiality required by our customers with the information sought by the public. In accordance with our policy, we make available on our website:

- Aggregate quarterly reporting information by region, sector, customer size, risk rating and EDC product/service category;
- Individual transaction information on all signed financing and equity transactions, including by sector and identifying whether they are a cleantech-related transaction;
- Environmental and social reporting to inform the public of Category A projects we are considering for support and, those Category A and Category B projects that have been signed, along with the environmental standards used to review them and the information reviewed²; and
- Formal letters we have received regarding our business and our support for specific transactions, along with our responses.

Beyond the reporting mandated by our disclosure policy, we also disclose on our website:

- Travel and Hospitality expenses;
- Annual Reports on the Administration of the *Access to Information Act*;
- Information about our programs, activities and information holdings (Info Source); and
- Information describing a wrongdoing deemed to have occurred pursuant to the *Public Servants Disclosure Protection Act*, and any corrective actions taken.

We publish our Integrated Annual Report every May, which is complemented by a suite of ESG reports (i.e., Global Reporting Initiative Content Index, Climate-Related Disclosure, Human Rights Report, Sustainable Bond Impact Report). In June, we publish our Annual Public Meeting on our year-end results.

² For more information on the categorization of projects and associated ESG standards and due diligence, please see [EDC's Environmental and Social Review Directive](#).

Inclusive Trade, Gender-Based Analysis Plus and Indigenous Business

Approach to Inclusive Trade

Through our inclusive trade efforts, we offer targeted support for companies owned by women, Indigenous Peoples, Black and racialized Canadians, people with disabilities and those from the 2SLGBTQI+ community. We believe that improving access and the relevance of EDC's financial and knowledge solutions is essential to our goal of helping more Canadians realize their international growth potential.

Business strategies tailored to these groups of exporters are about recognizing and addressing the unique needs of each, to level the playing field. Raising awareness and building relationships with diverse business communities are critical components of EDC's inclusive trade strategy. We are also strengthening our partnerships with organizations supporting diverse-owned businesses, government organizations and financial institutions to better serve these exporters.

Alignment with EDC's Sustainable Finance Framework

To align with the 2023 published Sustainable Finance Framework and industry best practices, in 2024, EDC updated its definition of an inclusive trade company to align with the social category within the Framework. This evolution of our inclusive trade definition reflects our shift from focusing on expanding our reach with equity-seeking exporters to focusing on the areas where we can provide even greater support and impact companies with the greatest needs within these business communities.

Indigenous Businesses

We will deploy our capital and financing expertise to facilitate greater ownership and participation of Indigenous businesses in Canada's economy, including within the energy transition and resource development industries.

Tracking and Measurement

While we do not leverage the formal Gender-Based Analysis Plus (GBA+) assessment process, we ensure we monitor and assess GBA+ issues as part of our holistic Inclusive Trade strategy and look to apply an equity lens to our programs, products and services we deliver. EDC collects and tracks Inclusive Trade data with the aim to better understand the makeup of Canadian businesses which will help improve equitable access to support. In addition, the data is leveraged to report out publicly on aggregated results, for overall support to all Inclusive Trade communities, and for Women and Indigenous business owners.

For additional details of EDC's Inclusive Trade strategy and impact to date please refer to the [2023 Integrated Annual Report](#).

Appendix IX: Partnerships

EDC's strong partnership base, with coverage across multiple sectors including the financial sector, brokers, businesses, international and government partners, are critical to the delivery of our services to Canadian businesses.

Key federal partners include:

- Agriculture and Agri-Food Canada
- Business Development Bank of Canada
- Canadian Commercial Corporation
- Environment and Climate Change Canada
- Farm Credit Canada
- Innovation, Science and Economic Development Canada
- Invest in Canada
- National Research Council of Canada Industrial Research Assistance Program
- Natural Resources Canada
- Trade Commissioner Service

The following sections highlight key examples of how we partner with public and private sector organizations.

Business, Economic and Trade Resilience (BETR) Initiative

EDC chairs the BETR initiative, a joint initiative of federal departments, agencies and Crown corporations in the trade ecosystem. Formed in 2020, the concept was to create a collaborative, cross-government model of support to enable robust economic recovery from the pandemic and longer-term inclusive growth. BETR has focused on supporting exports to the Indo-Pacific, as well as the cross-promotion of events, products and services to make it easier for Canadian exporters to find the right solutions to address their needs. For example, BETR members enhanced the tool to make it more useful for companies seeking government programs and services. The committee also conducted a pilot with BETR members' contact center teams to provide higher-quality referrals across partnering organizations to ensure customers are accessing the right solutions for their needs. The group is exploring opportunities to collaborate and support companies in key Canadian priority sectors, for example, the semiconductor ecosystem.

Canadian Commercial Corporation

Collaboration between EDC and the Canadian Commercial Corporation (CCC) enables both organizations to leverage their respective areas of expertise to identify trade opportunities for Canadian exporters when a government-to-government solution is required. Over the balance of 2024 and into 2025, EDC and CCC will develop a more focused market identification and business strategy. A tangible example of this collaborative "Team Canada" approach can be seen with the BETR Committee's CANbuild initiative which helps Canadian exporters access foreign opportunities.

Financial Industry

Our long-standing partnerships with Canadian financial institutions are critical in helping us deliver our core financial solutions, such as working capital, financing and insurance solutions. We continue to work with financial institution partners to add risk capacity to the market, fill gaps in the private sector and help more Canadian companies. We also explore and advance opportunities to reach more companies through our credit insurance network. Our joint partner programs include the TELP and the Sustainable Financing Guarantee (SFG) pilot, both of which grew to include new partners in 2023. TELP was expanded to offer the solution to Canadian exporters through eight financial institutions, including Accord Financial, our first alternative lender, and First Nations Bank of Canada. Having these institutions as financial partners will help spread the benefits of exporting to more Canadian businesses, including those led by women, Indigenous peoples, Black and other racialized communities, persons with disabilities, and members of the 2SLGBTQI+ communities, and will ultimately bolster the national economy. The TELP program guarantee was increased to \$10 million, meaning more medium-sized companies can quickly access working capital through their financial institution.

Business Partnerships

Partnerships with organizations such as Forum for International Trade Training (FITT), Fonds de Solidarité, MaRS Discovery District, Canada's Trade Accelerator Program and Startup Canada help us to increase our market exposure, reach more Canadian companies, and build new capabilities and solutions. EDC also aims to partner with companies and institutions our clients already work with, such as Shopify. As a growing strategic partner to EDC, Shopify is collaborating on business connections and relationship building opportunities, allowing us to explore future trade connection opportunities.

Insurance Brokers

Insurance brokers play a pivotal role in helping us reach more companies. Throughout the planning period, we will focus on:

- Increasing our value proposition to brokers and exporters;
- Better support broker business development activities;
- Expand market awareness so exporters working with brokers are informed about EDC's full suite of solutions.

We will continue to deepen our existing alliances and explore opportunities to develop joint and collaborative solutions with financial and non-financial partners, to support more Canadian companies, particularly SMEs.

Export Credit Agencies

Partnerships with other Export Credit Agencies (ECAs) enable EDC to better serve our customers' needs by leveling the international playing field on issues that impact the customer's competitiveness. For example, EDC's priority in the coming year is to push for the review of the Common Approaches at the OECD along with other ECAs. EDC will leverage relationships with other like-minded ECAs to raise the bar on ESG practices.

We are also working to build streamlined and standardized approaches to working with other ECAs on shared transactions and respond to requests from other ECAs to support our mutual customers, to better support Canadian businesses' competitiveness in international supply chains.

We are also pursuing more international collaboration to respond to geopolitical uncertainties and working with ECA peers as we support major projects that combat climate change.

Finally, we monitor emerging competitive issues among ECAs that could impact EDC's and our customer's competitiveness. The ECA Competitiveness Report will serve this purpose and will be developed and shared with the Minister of Export Promotion, International Trade and Economic Development every three years.

Looking ahead EDC will engage with other ECAs bilaterally and through international fora such as the OECD, International Union of Credit and Investment Insurers (the "Berne Union") and G7/G12 Heads of ECA meetings. We will engage with ECAs within the OECD export credit group, to better understand each other's practices and evolve the shared rules and guidelines under which OECD member country ECAs operate. EDC will be an active contributor to various Berne Union's committees and specialized working groups. The Berne Union is a not-for-profit association with a membership that spans the world's largest and most active export credit agencies, multilateral financial institutions and private underwriters of credit and political risk insurance. Finally, we will continue to grow our ECA network and deepen our bilateral relationships with ECAs that share mutual interests and can deliver opportunities for Canadian exporters.

CORPORATE PLAN SUMMARY

2025-2029

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Executive Summary

FinDev Canada is Canada's bilateral Development Finance Institution (DFI). Established in 2018, the corporation's mandate is "to provide, directly or indirectly, development financing and other forms of development support in a manner that is consistent with Canada's international development priorities." (*Export Development Act, s.10.1.c*) FinDev Canada is a subsidiary of Export Development Canada (EDC).

FinDev Canada supports development through the private sector by providing financing, investment, and blended finance solutions, as well as technical assistance and advisory, to support sustainable and inclusive growth in emerging markets and developing economies (EMDEs) aligned with the Sustainable Development Goals (SDGs) and Paris Agreement commitments.

FinDev Canada is focused on supporting sustainable development through the private sector in alignment with the SDGs, Paris Agreement commitments, and helping to advance Canada's broader strategic international development priorities. This focus on working with and through the private sector is critical given the scale of development challenges across EMDEs. The corporation's efforts to mobilize private investment in and into EMDEs are guided by FinDev Canada's commitment towards:

- Building low-carbon, and nature-conscious economies; developing clean infrastructure, reducing energy and water use, improving the climate resilience of cities and communities, and supporting natural capital and ecosystems.
- Developing markets to support quality job creation, capital markets, and access to finance, products, and services that raise living standards and add value to local and regional economies; and
- Mainstreaming gender equality investment activities to support women's business opportunities and improve equal access to basic infrastructure and economic empowerment tools.

The SDGs were adopted by members of the United Nations in 2015 as a call to action aimed at eliminating poverty, fighting inequality, and advancing economic growth while tackling climate change and broader environmental challenges. The 2016 Paris Agreement followed and put further emphasis on the need for urgent climate action.

Today, these goals are more relevant than ever. The challenges they are intended to help address remain significant – and in many areas are, unfortunately, growing.

FinDev Canada is focused on four core themes which are driving the international development agenda: Climate Change, Global Conflicts, the Debt Wall, and the SDG Financing Gap. These themes directly correlate to FinDev Canada's strategy, including its development impact priorities (Gender Equality, Climate and Nature Action, and Market Development) and its sectors of focus (the Financial Industry, Agriculture, Forestry and their Value Chains; and Sustainable Infrastructure).

Importantly, these global development challenges no longer exist in silos, but instead are increasingly overlapping with one another. Whether it is the climate crisis, global conflict, economic downturns, or broader societal challenges – the ties between and amongst these issues are creating more complexity and a greater need for immediate and sustained action. This is what guides international development policy and the work of FinDev Canada as Canada's DFI.

This 2025-2029 Corporate Plan lays out the aspirations and intent of FinDev Canada for the next five years, including continued growth of its portfolio, the expansion into the Indo-Pacific region, and the deepening of its relationships in Latin America and the Caribbean and in Sub-Saharan Africa. This work is guided by the continued evolution of the corporation's Development Impact Framework (DIF), its People and Culture strategy, and the build-out and maturation of a range of systems and processes that collectively ensure FinDev Canada will scale efficiently, effectively, and sustainably.

As FinDev Canada looks forward over the 2025-2029 horizon, it is planning for significant growth aligned with its strategic intent. This growth mindset will benefit from the experience of the past six years, including the: benefits of developing strategic partners active in the markets the corporation serves; importance of taking a nimble, flexible, client-centric, and innovative approach when deploying financial solutions; and recognition that structured growth requires investment in key areas related to people, processes, and technology.

These insights continue to guide and support the execution of the corporate strategy. Further enabling this growth is the decision by the Government of Canada to inject an additional CAD 720 million of concessional capital into FinDev Canada. This capital will be used by the corporation to broaden its blended finance offering in support of the mobilization of capital and additionally support Technical Assistance solutions, with CAD 20 million of the capital allocated to this facility.

FinDev Canada's priorities over the planning period are focused on three core areas:

1. **Growing the Business** through continued emphasis on building out the portfolio across FinDev Canada's three main sectors. Growth will also come not only from the deepening of relationships in its existing markets, but also through the expansion into the Indo-Pacific region.
2. **Driving Impact**, through the modernization of FinDev Canada's Development Impact Framework. The Technical Assistance Facility remains a valuable tool to support clients and relevant market players in improving their development impact outcomes through grants and advisory services.
3. **Enabling Operations**, through the development and reinforcement of a risk aware culture, the People and Culture strategy, and the maturation of its digital systems to enable business growth.

The 2025-2029 Corporate Plan further elaborates on the work planned in support of these broad objectives and the financial implications of this strategy.

1.0 FinDev Canada

1.1 Corporate Overview

FinDev Canada is Canada's bilateral Development Finance Institution (DFI). Established in 2018, the corporation's mandate is "to provide, directly or indirectly, development financing and other forms of development support in a manner that is consistent with Canada's international development priorities" (*Export Development Act, s.10.1.c*). FinDev Canada is a subsidiary of Export Development Canada (EDC).

FinDev Canada supports development through the private sector by providing financing, investment, and blended finance solutions, as well as technical assistance and advisory, to support sustainable and inclusive growth in emerging markets and developing economies (EMDEs) aligned with the Sustainable Development Goals (SDGs) and Paris Agreement commitments.

DFIs, as public policy mechanisms, are an important part of global development architecture. Their efforts complement the array of public grants and other aid instruments offered locally and internationally and enable public budgets to be leveraged by private finance in support of development goals.

On the spectrum of development finance, FinDev Canada occupies an intermediate space between public aid and traditional commercial investment. The corporation has a dual mandate to achieve both development impact and financial sustainability. Accordingly, it is commercially-oriented to avoid distorting markets while having a higher risk appetite than traditional investment. Commercial orientation is important to demonstrate the viability of private investment (e.g. jobs, income, purchasing power, taxes) in generating sustainable economic growth, social progress, and climate action. FinDev Canada seeks impact in alignment with its three impact goals (Market Development, Climate and Nature Action, and Gender Equality), and measures and reports on progress.

The establishment of a DFI by Canada effected an important complement to its existing suite of international assistance tools, allowing Canada to join its G7 partners in having a DFI supporting development through the private sector. By broadening out its own architecture, Canada is a well-positioned, trusted partner internationally with the means to deploy a broader array of solutions in support of multiple development challenges and opportunities.

FinDev Canada is focused on supporting sustainable development through the private sector in alignment with the SDGs, Paris Agreement commitments, and helping to advance Canada's broader strategic international development priorities. This focus on working with and through the private sector is critical given the scale of development challenges across EMDEs. The corporation's efforts to mobilize private investment in and into EMDEs are guided by FinDev Canada's commitment towards:

- ➔ Building low-carbon, and nature-conscious economies; developing clean infrastructure, reducing energy and water use, improving the climate resilience of cities and communities, and supporting natural capital and ecosystems.
- ➔ Developing markets to support quality job creation, capital markets, and access to finance, products, and services that raise living standards and add value to local and regional economies; and
- ➔ Mainstreaming gender equality investment activities to support women's business opportunities and improve equal access to basic infrastructure and economic empowerment tools.

The result? By the end of 2023, FinDev Canada has built a portfolio totaling over USD 875 million in private sector investments to 41 clients that generate positive impacts in terms of economic development, job creation, climate and nature action; and gender equality. More than a quarter of all financial commitments are in support of climate finance and over two-thirds qualify for the 2X Challenge, which looks to advance gender equality through better access to finance, leadership opportunities, quality employment, and economic participation. Overall, 17 percent of the corporation's portfolio is concentrated in the least developed countries (LDCs) and Small Island Developing States (SIDS).

As of the end of 2023, FinDev Canada's financing and investment activities have supported more than 193,132 jobs in low- and middle-income countries and over 1,260,566 micro, small and medium-sized enterprises (MSMEs) have been financed through the private-sector clients the corporation lends to or invests in. In support of sustainable infrastructure, 1,995 GWh of clean energy has been produced and attributed to 40,374 tonnes of CO₂ emissions sequestered.¹

1.2 The Development Challenge

The SDGs were adopted by members of the United Nations in 2015 as a call to action aimed at eliminating poverty, fighting inequality, and advancing economic growth while tackling climate change and broader environmental challenges. The 2016 Paris Agreement followed and put further emphasis on the need for urgent climate action.²

Today, these goals are more relevant than ever. The challenges they are intended to help address remain significant – and in many areas are, unfortunately, growing.

1 Total sequestered emissions (tCO₂) for 2023 is 365,620 tonnes

2 *The Paris Agreement*. UN Climate Change, ND. <https://unfccc.int/process-and-meetings/the-paris-agreement/>

FinDev Canada is focused on four core themes which are driving the international development agenda:

- **Climate change**, and associated nature loss, is recognized as the pre-eminent existential threat, with its impact being felt with greater severity by increasingly more people globally, and with most severe impacts in EMDEs.
- **Conflict** has destabilized the world, strained global growth, and eroded food security, again with the most detrimental impacts experienced throughout EMDEs.³
- **The debt wall** poses significant challenges to achieving SDGs as developing countries face severe fiscal constraints, with borrowing costs up to eight times higher than those of developed countries.⁴
- **The SDG financing gap** poses significant challenges to achieving the SDGs as we approach the 2030 target, with the annual investment gap having increased from an estimated USD 2.5 trillion in 2015 to USD 4.2 trillion in 2025.⁵

Importantly, these global development challenges no longer exist in silos, but instead are increasingly overlapping with one another. Whether it is the climate and nature crisis, global conflict, economic downturns, or broader societal challenges – the ties between and amongst these issues are creating more complexity and a greater need for immediate and sustained action. This is what guides Canada's international development policy and the work of FinDev Canada as Canada's DFI.

With the adoption of the Addis Ababa Action Agenda for Financing Development (2015) and the 2030 Agenda for Sustainable Development, a global consensus emerged that acknowledges that despite increasing investment in sustainable development by both public and private sectors, new streams of financing are needed beyond traditional Overseas Development Assistance (ODA). Since then, Canada has demonstrated important thought leadership in encouraging international policy work on financing for development. In Canada, the development financing spectrum includes a range of organizations, mechanisms and financial structures that mobilize, govern, or distribute funds to support sustainable finance in emerging markets and developing economies.

With the aim of increasing and facilitating private sector engagement in sustainable finance, in recent years, Canada expanded its development finance toolkit to include FinDev Canada, Canada's bilateral development finance institution and Global Affairs Canada's International Assistance Innovation Program. In 2024, Canada's commitment to a more robust development finance toolkit was again supported by the announcement at the G7 Partnership for Global Infrastructure and Investment of a new concessional finance facility for FinDev Canada. This facility will grow the range of investment needed to mobilize additional capital for sustainable development, including from the private sector.

3 *Implications of the War in Ukraine for the Global Economy*. The World Bank, 2022. [Implications-of-the-War-in-Ukraine-for-the-Global-Economy.pdf \(worldbank.org\)](#)

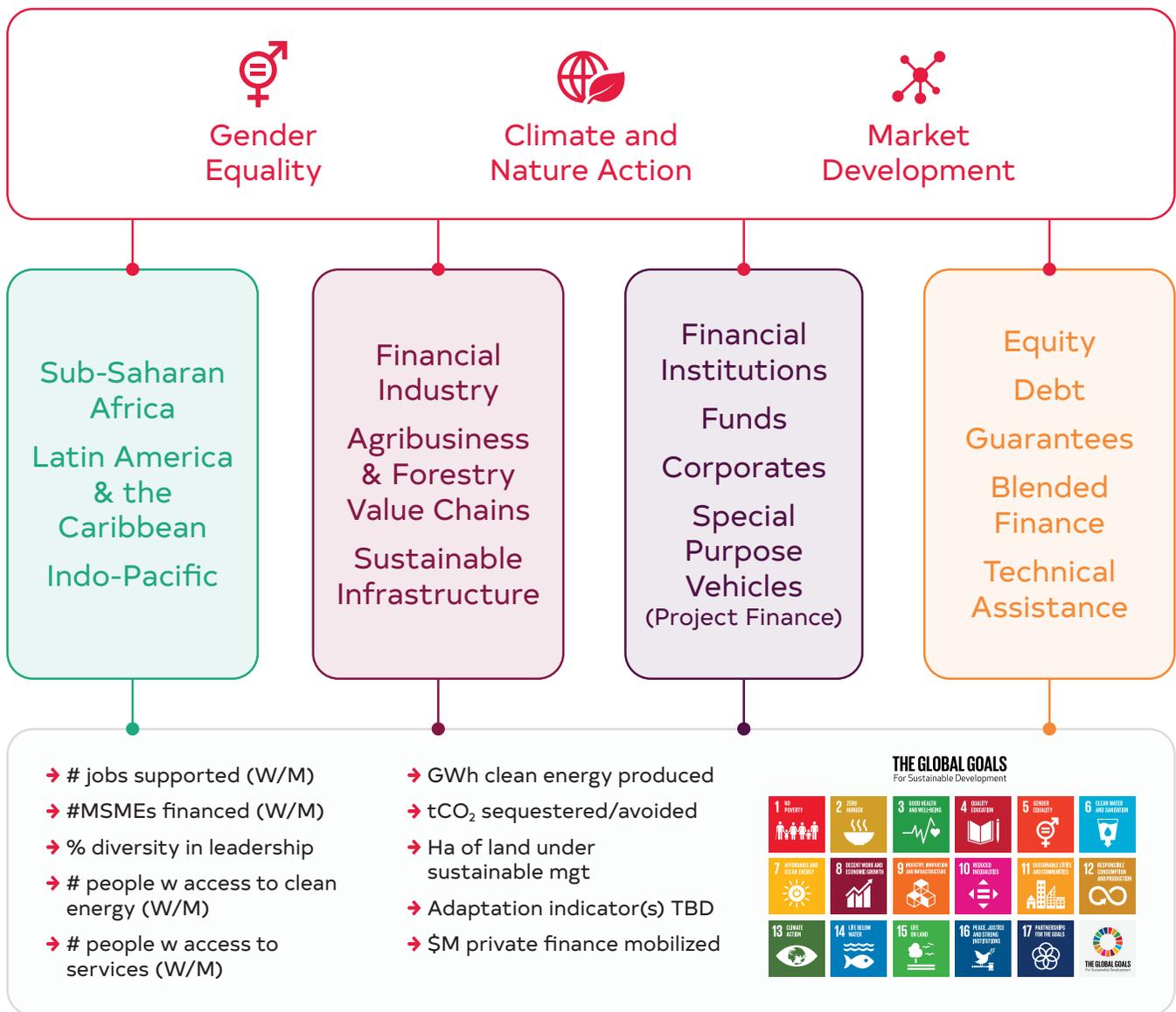
4 *With trillions needed to achieve Sustainable Development Goals, world leaders gather to set out bold solutions to urgently scale up investments*. United Nations, Department of Economic and Social Affairs, 2023. <https://www.un.org/en/desa/The-High-Level-Dialogue-on-Financing-for-development>

5 *Massive investment and financial reform needed to rescue SDGs*. UN News, 2024. <https://news.un.org/en/story/2024/04/1148411>

1.3 Our Strategy

The persistence and growth of global development challenges lies at the centre of FinDev Canada’s strategic orientation. It is the corporation’s call to action. As noted, Canada has numerous tools which support international development. These include a variety of grant and aid mechanisms, for example. FinDev Canada plays in the commercial space, using its higher risk appetite to support development with and through the private sector in EMDEs. The core tenets of the corporation’s strategy are depicted below.

Figure 1. Our Strategy



The development of this strategy flows from the corporation's consideration of four key questions:

1. What impacts are we driving towards?

To deliver on its mandate, FinDev Canada utilizes a Development Impact Framework (DIF) which defines its strategic development impact objectives and describes how the corporation measures, manages, and discloses progress. The DIF prioritizes three impact goals: Market Development; Gender Equality; and Climate and Nature Action.

- **Market Development**, through the expansion of local ownership and leadership, strengthening capital markets, local SMEs and value chains, and increased employment and local economy value-add (taxes and salaries).
- **Climate and Nature Action**, through the reduction of global greenhouse gas emissions, support for businesses and investments that contribute to the transition to a low-carbon and climate resilient economy, including through the expansion of nature-based adaptation solutions, and scaling climate adaptation and resiliency.
- **Gender Equality** through the support of women's business ownership, leadership, and decent employment, and improving equal access and control over basic services (e.g. water, energy) and economic tools (e.g. financial services, digital connectivity).

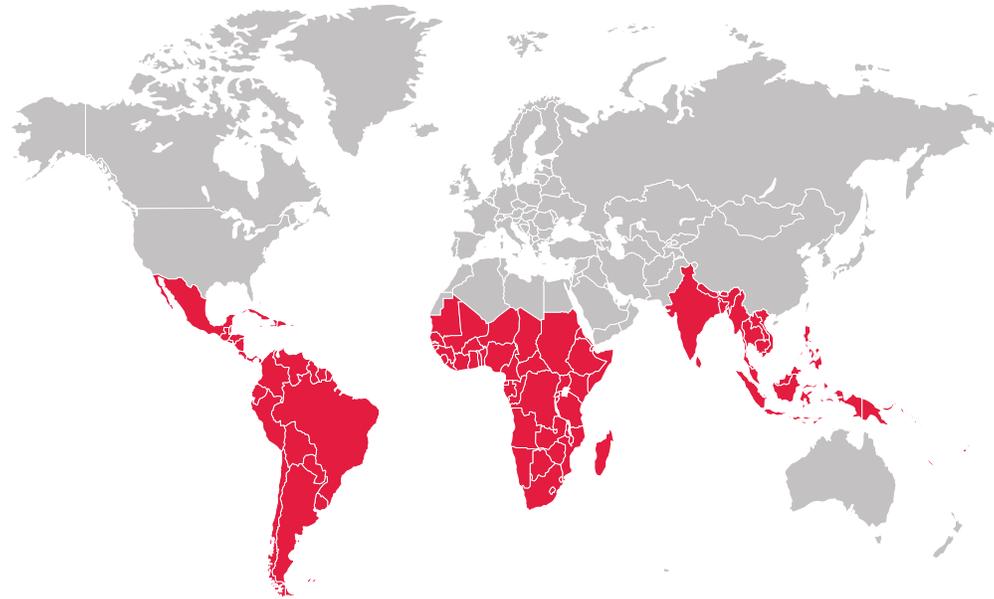
The DIF was introduced in 2018 at FinDev Canada's inception and was modernized in 2023 to reflect FinDev Canada's growth, experience, and development aspirations flowing from its refreshed corporate strategy implemented in 2023. Further details on FinDev Canada's development impact activities are found in Section 3.3.

2. What markets do we serve?

Since its inception, FinDev Canada has worked with clients in Sub-Saharan Africa and Latin America and the Caribbean. In 2022, Canada launched its Indo-Pacific Strategy (IPS), which includes an expansion of FinDev Canada's geographies to this region. As a new region for the corporation, FinDev Canada is broadly informed by the priority countries in Canada's IPS; namely Indonesia, Vietnam, the Philippines, and the Pacific Islands. In 2023, FinDev Canada began engaging with partners throughout the region, prioritizing opportunities related to sustainable infrastructure and food security. In the future, the corporation may engage in other markets identified by the Government of Canada as priority.

In 2024, FinDev Canada will be expanding its footprint through the opening of its first overseas office in Singapore. This office will support the corporation's expansion into the region and advance Canada's broader Indo-Pacific Strategy.

Figure 2. Markets We Serve



All markets served by FinDev Canada fall under the eligibility for Canadian Overseas Development Assistance (ODA).

3. Which sectors do we support?

FinDev Canada's lending and investment, as well as its Technical Assistance solutions, are directed towards three sectors:

- **The Financial Industry**, including banks, non-bank financial institutions, and investment funds with the intent of strengthening institutions and access to financial services in the markets we serve;
- **Agribusiness and Forestry, and their related value chains**, with the intent of supporting food security, strengthening economic conditions, and addressing opportunities to support climate action.
- **Sustainable Infrastructure**, with the intent of supporting the development of low-carbon, climate-resilient infrastructure in the power, transportation, water, and digital sub-sectors.

4. What solutions do we bring to the table?

FinDev Canada has a suite of solutions available to support its development finance activities. In deploying its solutions, the corporation employs a client-centric approach which is focused on flexibility, nimbleness, and innovation. The corporation provides:

- **Financing**, including corporate loans (all forms senior to subordinated) and structured and project financing;
- **Equity**, either directly to clients or to fund investments;
- **Blended Finance**, currently through the 2X Canada concessional financing facility agreement with Global Affairs Canada (GAC) and going forward through a new concessional facility which will complement the delivery of GAC's renewed International Assistance Innovation Program (IAIP); and
- **Technical Assistance**, funded by GAC, to support clients' ability to strengthen operations, address knowledge gaps and create more inclusive and sustainable businesses to enable broader market development.

FinDev Canada can also provide guarantees, but to date has not deployed this solution. This is something that will be further explored and developed over the planning period.

Figure 3. Impacts Reported by Clients

The following figure depicts the total impact reported by clients associated with the Development Impact Goals. Data as of December 31, 2023.

Development Impact Goal	Impact
Market Development	193,132 jobs supported and 1,260,566 MSMEs financed
Gender Equality	86,856 jobs for women and 367,664 women-owned MSMEs financed
Climate and Nature Action	1,995 GWh of clean energy produced and 40,374 tCO2e attributed sequestered emissions ⁶

The Financial Plan presented in chapter four and related appendices provide additional details on the corporation's financial performance over the planning period.

1.4 Private Capital Mobilization

Developing countries face an estimated USD 4 trillion-annual SDG investment gap, according to the United Nations Conference on Trade and Development. The scale of this gap is such that public institutions – government, agencies, DFIs, etc. – will never possess sufficient resources to address it, be it through aid, grants, or commercial solutions. Public budgets in both developed and developing countries are under too much strain given the multiplicity of crises at home and abroad.⁷

⁶ Total sequestered emissions (tCO2e) for 2023 is 365,620 tonnes

⁷ *More investment needed to get global goals back on track, says UNCTAD chief.* UN Trade and Development, 2023. <https://unctad.org/news/more-investment-needed-get-global-goals-back-track-says-unctad-chief-0>

The private sector is therefore critical to unlocking effective and sustainable paths toward development. This is why many DFIs, including FinDev Canada, have made Private Capital Mobilization (PCM) a priority.

In support of this priority, in 2024 the Government of Canada announced its intention to make CAD 720 million of concessional capital available to FinDev Canada over the next five years, with CAD 20 million of which to be allocated to Technical Assistance (TA). This capital will be used by the corporation to broaden its blended finance offering in support of the mobilization of capital.

More details on FinDev Canada's approach to PCM are found in Section 3.2.3.

1.5 Conducting Business Responsibly

As a DFI, FinDev Canada recognizes the importance of ensuring that its activities are guided by a commitment to responsible business driving to create positive impact as an agent of change. The consideration of risks in the areas of environmental sustainability ("E"), social impacts ("S") and responsible governance ("G") is embedded within its transaction review processes, and informed by policies and procedures which collectively ensure that ESG is well understood and managed within the corporation.

Environmental, Social, and Climate Practices

FinDev Canada published its first Environmental and Social (E&S) Policy in 2020. This policy governs its commitment to sustainable development and guides decision-making in the transactions it supports, all of which forms an important part of the corporation's approach to risk management. Starting in 2023, the corporation engaged with policy experts, internal and external stakeholders, Global Affairs Canada, EDC, and peer development finance institutions, to identify opportunities to further align its E&S policy commitments with good international practice. In 2024, FinDev Canada's revised Environmental and Social Risk Policy was approved by the Board of Directors. The updated policy provides more clarity to internal and external stakeholders about its approach, while adding flexibility enabling the corporation to adapt to emerging E&S risks and evolving business contexts. In addition, as part of the E&S Risk Policy the corporation developed a tailored approach to human rights considerations, enhancing external communication, and supporting operational implementation appropriate for our distinct context and aligned with current DFI practice.

As part of the transaction lifecycle, FinDev Canada identifies and manages risks associated with its clients' operations and, when required, provides guidance and monitors progress against action plans or recommendations. This assessment and guidance are informed by the corporation's role as a DFI and considers the unique challenges and risks of transacting in EMDEs. The Environmental and Social Action Plans (ESAPs) developed with its clients ensure E&S gaps are well understood and addressed appropriately.

Business Integrity

Business Integrity (BI) underpins FinDev Canada's commitment to high standards of ethical business conduct and good governance – for the corporation and for the companies it supports. It is fundamental to FinDev Canada's ability to carry out its mandate in a socially responsible manner. To that effect, throughout the transaction lifecycle, financial crime risks and ethical and integrity concerns that could present risks for local populations and reputational risks for the corporation, are all thoroughly assessed. Where relevant, mitigation strategies to ensure transactions meet both legal obligations and adhere to the high standards the corporation expects of its clients are put in place and monitored.

Transparency and Disclosure

FinDev Canada is committed to transparency around its operations, strategies, and policies. Disclosure by FinDev Canada builds awareness of, and confidence in, the execution of its mandate and is critical to demonstrate public accountability. As a Crown Corporation, FinDev Canada takes seriously its responsibility for transparency regarding its business operations. At the same time, FinDev Canada is mindful of the need to protect certain commercially sensitive and/or personal or otherwise restricted information related to its private sector clients or other stakeholders. In 2023, the corporation updated its Transparency & Disclosure Policy to reflect best industry practices. This policy sets out FinDev Canada's commitment to transparency with respect to its business activities, and establishes the framework for the routine and proactive disclosure of information in areas such as:

- publishing information related to corporate planning and performance;
- publishing information on transaction activities, including in relation to E&S risks, mitigants and impacts, as well as anticipated development impacts related to a transaction; and
- publishing information on the Independent Accountability Mechanism complaints and other activities.

In the case of transaction information, client consent is required – consistent with standard business practice.

1.6 Inclusion, Diversity & Equity

FinDev Canada is committed to building and sustaining an inclusive workplace culture; one that is diverse and welcoming and where all employees – regardless of their gender, race, ethnicity, sexual orientation, ability or experience – are valued and supported throughout the employment lifecycle, with equal opportunities, and transparency and fairness embedded into all policies, strategies, processes, and practices.

As Canada's bilateral DFI, FinDev Canada's work to catalyze sustainable development through the private sector is more critical than ever. The effects of the past several years – be they related to the climate and nature crisis, global conflict, economic uncertainty, or the SDG financing gap – are such that development challenges are growing throughout EMDEs.

This persistence and growth of global development challenges – and supporting development through the private sector – lies at the centre of FinDev Canada's strategic orientation. A fundamental tenet of the corporation's strategy is that Canada's DFI is well-positioned to grow further into its mandate and deliver greater impact in the markets it serves. The expansion into the Indo-Pacific region and the planned capital increases (both core, concessional, and TA) will ensure that FinDev Canada can deliver on its ambitious strategy in support of Canada's international development priorities.

2.0 Operating Environment

The context in which FinDev Canada operates is not static. There are a range of issues which inform global development trends, and which collectively are contributing to the challenges and opportunities in EMDEs. Understanding these issues and their implications helps to inform the development and advancement of the corporation's strategy and key priorities.

2.1 Global Context

As noted in chapter one, global development gaps persist and in many cases are worsening. A term that has been increasingly used to describe the situation faced by EMDEs is "poly-crisis."⁸ The term refers to the convergence of issues any of which individually would prove challenging, but in aggregate pose an even greater threat to advancement towards achieving the SDGs and Paris commitments.

Before exploring these further, it is important to note that the outlook for global growth is weak. A contributing factor to slowing growth are the effects of tighter monetary conditions. The global shocks from the pandemic and global conflicts, have led to significant supply disruptions in food and energy markets, contributing to persistent inflationary pressures and lower global growth. Monetary policy in most G20 economies has been tightened to alleviate inflationary pressures consistent with central bank domestic mandates. While such synchronised tightening has helped curb inflationary pressures globally, including by exerting some downward pressures on certain commodity prices, it is recognized that the tightening has had spillover effects on EMDEs which has further weighed on their recovery in a few ways.

The World Bank has reported that the global economy is set for the weakest half-decade performance in 30 years. While the global economy has improved compared to a year ago and the risk of a global recession has diminished, this is largely due to the robustness of the U.S. economy. Notwithstanding these improvements, escalating geopolitical tensions continue to serve as a threat to sustained growth. Further, the medium-term prospects have dimmed for many EMDEs, impacted by sluggish growth in major economies, constrained global trade, and exceptionally tight financial conditions. Anticipated global trade growth in 2024 is only half the average seen in the decade before the pandemic.⁹

Increased debt-servicing costs for any USD denominated debt is an area acutely felt by EMDEs, particularly in a post-pandemic world where debt loads have increased significantly. As tighter monetary conditions have persisted over 2023-2024, the global situation has become more challenging for these markets and has had the effect of creating a downward spiral effect where growth continues to be sluggish and development gaps widen.

⁸ *We're on the brink of a polycrisis. How worried should we be?* World Economic Forum, 2023. <https://www.weforum.org/agenda/2023/01/polycrisis-global-risks-report-cost-of-living/>

⁹ *Global Economy Set for Weakest Half-Decade Performance in 30 Years.* The World Bank, 2024. <https://www.worldbank.org/en/news/press-release/2024/01/09/global-economic-prospects-january-2024-press-release#:~:text=Global%20growth%20is%20projected%20to,the%20average%20of%20the%202010s.>

According to EDC Economics, global growth is forecast to be 3.3 percent in 2025, 3.2 percent in 2026, 2.9 percent in 2027, 2.8 percent in 2028 and 2.8 percent in 2029.¹⁰ The International Monetary Fund (IMF) is projecting that the global growth will continue at 3.2 percent for 2024 and 2025, with this year's forecast revised up by 0.1 percentage point from the January 2024 World Economic Outlook Update.¹¹

The economic outlook for EMDEs is influenced by various global and domestic factors. While some regions anticipate modest growth improvements, the overall picture remains restrained. The projected growth is inadequate to recover from the cumulative impact of multiple shocks over the past four years, which has implications for poverty reduction and catching up to advanced-economy per capita income levels.¹²

2.2 Climate Change, Global Conflicts, the Debt Wall, and the SDG Financing Gap

Against this backdrop, FinDev Canada is focused on four core themes which are driving the international development agenda: climate change, global conflicts, the debt wall and the SDG financing gap.

Climate change remains the existential crisis. Increasingly decisions, both in the public and the private sectors, are being made with climate mitigation, adaptation and resiliency lenses. This trend is only expected to increase as climate patterns continue to shift and become more erratic. With over half of the world's GDP moderately to highly nature-dependent, major global industries such as construction and agriculture face significant disruptions to their supply chains.¹³ According to the World Bank, climate change could push an additional 100 million people below the poverty line by 2030. In 2023, an estimated 719 million people subsisted on less than USD 2.15 a day. Most of those impacted live in EMDEs, with women and children withstanding the worst of these effects. Further, Sub-Saharan Africa now accounts for 60 percent of all people in extreme poverty – 389 million, more than any other region.¹⁴

Climate change is also driving food security challenges (in addition to issues such as migration), with shifting weather patterns creating the conditions for heat waves, heavy rainfall, and droughts. Rising food commodity prices continue to be a major factor in pushing millions of people in low-income countries towards food insecurity. Moving forward, an increasing percentage of development challenges will continue to be linked to climate. As such, global efforts must continue to focus on maintaining momentum in support of the Paris Agreements and the commitment to stabilize global warming at 1.5 degrees, while directing investment towards adaptation and resiliency.

10 *Global Economic Outlook*. EDC Economics, 2024.

11 *What just happened at the IMF and World Bank Spring Meetings?*. World Economic Forum, 2024. <https://www.weforum.org/agenda/2024/04/what-just-happened-at-the-imf-and-world-bank-spring-meetings/>

12 *Global Economic Prospects*. World Bank Group, 2024. <https://thedocs.worldbank.org/en/doc/661f109500bf58fa36a4a46eeace6786-0050012024/original/GEP-Jan-2024.pdf>

13 *Nature Risk Rising: Why the Crisis Engulfing Nature Matters for Business and the Economy*. World Economic Forum, 2020. https://www3.weforum.org/docs/WEF_New_Nature_Economy_Report_2020.pdf

14 *Sustainable Development Goals Briefing Book 2023*. UN Office for Partnerships, 2024. https://unpartnerships.un.org/sites/default/files/publications/2024-01/SDG%20Briefing%20Book_2023.pdf

On this latter point, important gaps remain in the direction of investment. For instance, investment in renewable energy, the Climate Policy Initiative (CPI) and the International Renewable Energy Agency (IRENA) note that, “regions home to about 120 developing and emerging markets continue to receive comparatively low investment”,¹⁵ with the lion’s share impacting Brazil, India and China. In effect, 50 percent of the global population received only 15 percent of global investments in renewables in 2022 (compared with 27 percent in 2017). The Report of the Independent High-Level Expert Group on Climate Finance further notes that while the private sector funds some 81 percent of green investment in high income countries, that figure falls to 14 percent in developing countries.¹⁶

The Global Landscape of Climate Finance 2023 report by CPI reveals that average annual climate finance flows reached nearly USD 1.3 trillion in 2021-2022, almost doubling compared to 2019-2020 levels. This growth was primarily driven by a significant acceleration in mitigation finance, which increased by USD 439 billion from 2019-2020. The renewable energy and transport sectors saw the largest growth. However, despite this progress, current climate finance flows represent only 1 percent of global GDP. Looking ahead, estimated climate finance needs are projected to increase steadily from USD 8.1 trillion to over USD 10 trillion annually from 2031 to 2050, emphasizing the urgency to scale-up funding to address the impacts of climate change.¹⁷

The multilateral and DFI ecosystems are shifting to redress this trend with an increased focus on both climate finance directly and through the mobilization of private capital. Accelerating climate finance in terms of dollars and velocity are stated priorities for the World Bank. Further, according to EDFI (the Association of Bilateral European DFIs), climate finance amongst their membership has increased by 21 percent since 2021. For its part, pursuant to its Climate Change Strategy of 2021, FinDev Canada has committed to increase climate finance¹⁸ such that by 2025 it represents 35 percent of its portfolio.

Conflicts across multiple countries worldwide have had a particularly destabilizing global effect on EMDEs with food security being a key area that has been severely compromised by the global conflicts.

The effect of these conflicts has been widespread. The UN World Food Programme reports that approximately 282 million people, constituting 21.5 percent of the population across 59 countries/territories, experienced severe food insecurity in 2024, an increase of 24 million people compared to 2022. This is most acutely felt in EMDEs, and low- and middle-income, food-importing markets in Africa, the Middle East, and Asia. Other impacts emanating from conflict include rising energy prices and tightening financial conditions, which as noted hit EMDEs disproportionately hard.¹⁹

15 *Global Landscape of Renewable Energy Finance, 2023*. Climate Policy Initiative and the International Renewable Energy Agency and Climate Policy Initiative, 2023. https://www.irena.org/-/media/Files/IRENA/Agency/Publication/2023/Feb/IRENA_CPI_Global_RE_finance_2023.pdf

16 *Finance for climate action: Scaling up investment for climate and development*. Report of the Independent High-Level Expert Group on Climate Finance. Songwe et al., 2022. <https://www.lse.ac.uk/granthaminstitute/wp-content/uploads/2022/11/IHLEG-Finance-for-Climate-Action-1.pdf>

17 *Global Landscape of Climate Finance 2023*. Climate Policy Initiative, 2023. <https://www.climatepolicyinitiative.org/publication/global-landscape-of-climate-finance-2023/>

18 Transactions that contribute to climate change mitigation or adaptation as per the *Common Principles for Climate Mitigation Finance Tracking* and the *Joint Methodology for Tracking Climate Change Adaptation Finance*, developed by MDBs & IDFC; business volume approved.

Common Principles for Climate Mitigation Finance Tracking. World Bank, 2023. <https://documents1.worldbank.org/curated/en/514141645722484314/pdf/Common-Principles-for-Climate-Mitigation-Finance-Tracking.pdf>

Joint Methodology for Tracking Climate Change Adaptation Finance. European Investment Bank, 2022. https://www.eib.org/attachments/lucalli/20220242_mdbs_joint_methodology_climate_finance_en.pdf

19 *Global Report on Food Crises 2024*. World Food Programme, 2024. <https://www.wfp.org/publications/global-report-food-crises-grfc-2024>

The current global debt landscape, often referred to as the **Debt Wall**, presents challenges for EMDEs grappling with severe debt burdens as they face borrowing costs that can be up to eight times higher than those of developed countries. Projections suggest that debt servicing in the least developed countries will surge to USD 40 billion annually during the period from 2023 to 2025, representing a substantial 50 percent increase from the USD 26 billion recorded in 2022.²⁰ According to these reports, approximately 40 percent of the world's population (3.3 billion people) resides in nations where government expenditures on interest payments surpass those allocated for education or healthcare.²¹

The aforementioned high costs have created a debt trap for developing countries, which is hindering progress and posing significant challenges to achieving the SDGs, often referred to as the **SDG financing gap**. The need for massive investment and financial reforms remains critical to rescue the SDGs and promote global sustainability. In 2015 during the adoption of the SDGs, the United Nations Conference on Trade and Development (UNCTAD) estimated an annual investment gap of USD 2.5 trillion for developing countries to achieve these goals. A new midpoint review by UNCTAD, however, sets the bar much higher, at USD 4.2 trillion annually.²² The increase in the gap results from shortfalls in the years since 2015, coupled with heightened needs due to global challenges such as the COVID-19 pandemic and the triple food, fuel, and finance crises. The urgency to bridge this gap is crucial to ensuring sustainable development and addressing pressing global issues.

According to the UNCTAD, resolving this substantial financing gap is crucial to the achievement of climate goals by 2030, more specifically the annual USD 2 trillion investment gap required for developing countries to transition to renewable energy sources. Despite a nearly tripling of investment in renewables since the adoption of the Paris Agreement, many developing nations have been left behind. Over 30 developing countries have not received any international investment in utility-size renewable energy generation since 2015. UNCTAD emphasizes that the largest gaps in SDG-related investments for developing countries are in energy, water, and transport infrastructure.²³

What is striking about these four trends – climate, conflict, the debt wall and the SDG financing gap – is not merely their individual impacts, but the degree of intersectionality that exists between and amongst them. Rather than existing in silos, these trends are increasingly overlapping with one another and compounding, creating more complexity and a greater need for immediate and sustained action. Each of these themes have the effect of exacerbating the effects of the others. Further, the impact of all four themes have stretched public finances to such a degree that any form of adequate response provided solely through public finance in EMDE markets is extremely difficult, if not impossible.

The combined impact of these four issues is driving a point made earlier in this Corporate Plan; namely that public budgets and capacity are insufficient to tackle the extent of the development challenges facing EMDEs. The broader DFI value-proposition – supporting development through the private sector – has strong resonance in this environment. Working with and through the private sector is critical to unlocking effective and sustainable paths toward development.

20 *New UN report calls for trillions more in development investment to rescue Sustainable Development Goals.* United Nations, 2024.

<https://www.un.org/en/desa/trillions-more-development-investment-rescue-sustainable-development>

21 *Massive investment and financial reform needed to rescue SDGs.* United Nations, 2024. <https://news.un.org/en/story/2024/04/1148411>

22 *New UN report calls for trillions more in development investment to rescue Sustainable Development Goals.* United Nations, 2024.

<https://www.un.org/en/desa/trillions-more-development-investment-rescue-sustainable-development>

23 *Why trillions more are needed to bridge the SDG financing gap.* World Economic Forum, 2023. <https://www.weforum.org/agenda/2023/09/why-trillions-more-are-needed-to-bridge-the-sdg-financing-gap/>

The Case for Private Capital Mobilization (PCM)

Commercial financing from DFIs and Multilateral Development Banks (MDBs) have been central to the market rebound, growing by 140 percent in 2023.²⁴ DFIs and MDBs play a critical role in facilitating private capital, highlighting the need for a unified and collaborative approach from development focused players and private sector actors to align on their objectives and incentives.

There is a pressing need to significantly increase investment in EMDEs to achieve the SDGs and the Paris Agreement objectives, including the energy transition. As discussed, there exists a substantial gap of per annum in the investments required to meet these goals. The key to bridge this gap lies in unlocking investments from private sector organizations ready to collaborate with governments and other development finance stakeholders to support long-term sustainable growth and a just transition.

The development finance ecosystem has long struggled to sufficiently attract private capital to EMDEs. Despite the immense potential, mobilizing private investment remains a challenge. However, with the right mechanisms such as blended finance solutions, it is possible to unlock greater levels of private capital.

Expectations, however, need to be calibrated appropriately. PCM is more likely to occur, even with the use of concessional capital to manage for risk (real and/or perceived)-return dynamics, in middle-income countries (MICs). To narrow the risk gap sufficiently, significant PCM in more challenging markets would likely necessitate concessional capital deployment at such levels such that its efficiency and effectiveness may be called into question. This is particularly true at the individual transaction level, where many risks are too high for the private sector.

As noted in Chapter 1, the recent decision by the Government of Canada to make CAD 700 million of concessional capital available to FinDev Canada is rooted in the recognition that private capital must be mobilized in support of sustainable development.

2.3 The DFI Context

As noted at the outset of this chapter, the context in which FinDev Canada operates is not static. There are a range of issues which inform global development trends, and collectively contribute to the challenges in EMDEs. As the corporation assesses these trends, it is also observing how the DFI landscape is evolving as strategic priorities are established.

DFIs play a critical role in advancing sustainable development and have the potential to do more. Interestingly, while their individual sizes provide them with the opportunity to be nimble and agile, collectively they manage a quantum of assets that put them on par with certain MDBs. This “nimble but with scale” dynamic presents greater opportunity to address development challenges in a way that MDBs can't.

Overall, the DFI community is cognizant of the trends highlighted in this chapter which in aggregate lead to the SDG gap that the world is facing. While DFIs are not the sole solution to closing this gap, they are important players both in terms of the financing and TA that they can bring to bear, and the impact they can have in support of PCM. As noted, FinDev Canada's *Growth with Purpose* strategy was developed in consideration of these global gaps and the recognition that the corporation is well-positioned to play a broader role in supporting global development. Chapter three will further articulate the main priorities for the organization as it executes against this strategy, while chapter four will illustrate the corporation's growth trajectory in terms of its business volume and the overall growth of its balance sheet.

²⁴ State of Blended Finance 2024. Convergence, 2024. <https://www.convergence.finance/resource/state-of-blended-finance-2024/view>

3.0 Corporate Objectives and Initiatives

3.1 Introduction

Chapter one presented an overview of FinDev Canada, including its corporate strategy. As noted, the persistence and growth of global development challenges lies at the center of FinDev Canada's strategic orientation and has served as its call to action. Today, this call to action is reflected in the progress the corporation has made through the growth of its client relationships and partnerships, its portfolio, and most importantly its impact.

This Corporate Plan lays out the aspirations and intent of FinDev Canada for the next five years, including continued growth of its portfolio, the expansion into the Indo-Pacific region, and the deepening of its relationships in Latin America and the Caribbean and in Sub-Saharan Africa. This work is guided by the continued evolution of the corporation's Development Impact Framework (DIF), its People and Culture strategy, and the build-out and maturation of a range of systems and processes that collectively ensure FinDev Canada will scale efficiently, effectively, and sustainably.

The 2025-2029 Planning Period

As FinDev Canada looks forward over the 2025-2029 horizon, it is planning for significant growth in alignment with its *Growth with Purpose* strategy. This growth mindset is informed by the experience gained since it started operations in 2018, including the:

- benefits of developing strategic partners active in the markets the corporation serves;
- importance of taking a nimble, flexible, client-centric, and innovative approach when deploying its solutions; and
- recognition that the transition from start-up to structured growth requires investment in key areas related to people, process, and technology.

These insights continue to guide and support the execution of the corporation's growth strategy and are further enabled by the additional core and concessional capital being invested into FinDev Canada.

FinDev Canada's priorities over the planning period are focused on three core areas:

- Growing the Business,
- Driving Impact; and
- Enabling Operations.

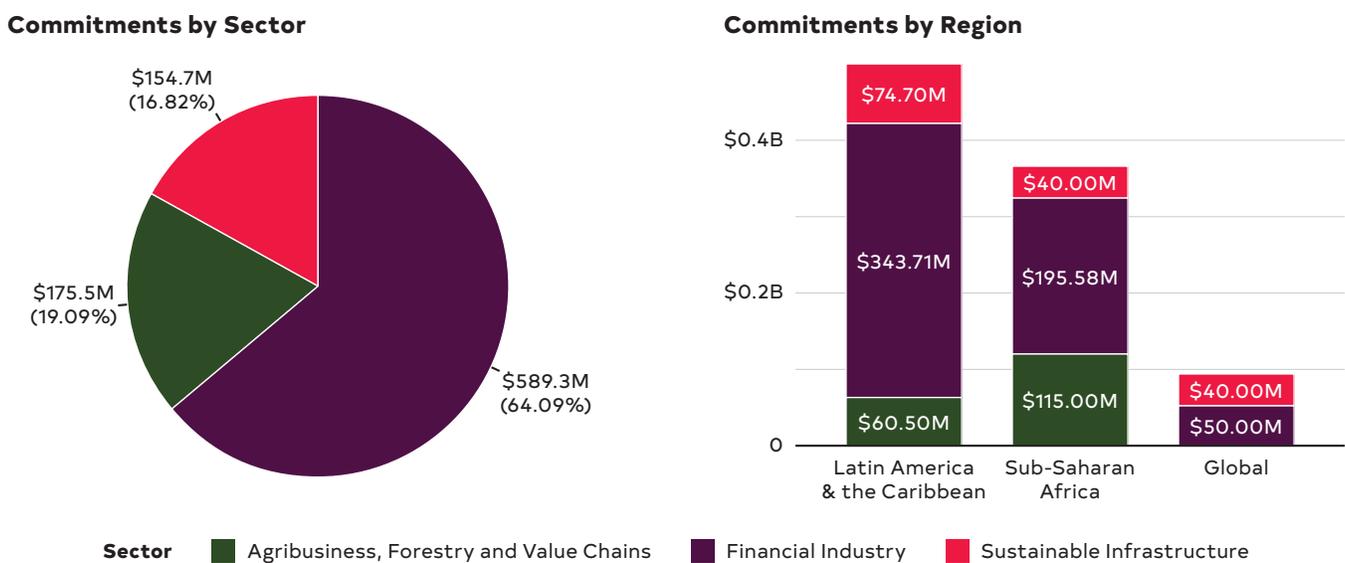
The core priorities in each of these areas are described below.

3.2 Growing the Business

3.2.1 Building the Portfolio

From the outset, FinDev Canada's financing and investment strategy employed a gradual approach to the build-out of the portfolio. This approach is anchored in the belief that the development and nurturing of effective partnerships will help position the corporation to efficiently scale its operations and deliver impact in EMDEs. FinDev Canada's approach to partnerships, in parallel with its focus on opportunities to catalyze PCM (see Section 3.2.3), reflect a two-pronged approach to its growth. These approaches are not mutually exclusive and can be reinforcing. That said, there are important partnership-originated opportunities which offer scope for development impact that the corporation sees as important in the execution of its mandate even without a PCM component.

Figure 4. FinDev Canada Today (as of May 10th, 2024) in USD



Business Volumes

Since inception, the corporation has demonstrated steady annual growth. This focus on growth has enabled the corporation to affect positive development impact in its regions of focus.²⁵ The corporation is forecasting in the 2025-2029 Corporate Plan that for 2025, annual signing volumes will be close to CAD 800 million, increasing to CAD 1.8 billion by 2029. The number of obligors in the corporation's portfolio is forecast to increase from 69 to 153 over the same period.²⁶ This results in growth of our loans receivables balance from close to CAD 982 million in 2024 to CAD 4.179 billion in 2029 and equity investments portfolio balance from CAD 275 million in 2024 to CAD 965 million in 2029. The Financial Plan presents a detailed view of the 2025 forecast and the planned business growth and related expenses over the planning period.

²⁵ Until authorities were in place in November 2023 to operate in the Indo-Pacific, FinDev Canada's regions of operation were Sub-Saharan Africa and Latin America & the Caribbean.

²⁶ These figures are based on FinDev Canada's base case assumptions. The Financial Plan presents the base assumptions in more detail.

Portfolio Management

As noted, the corporation is forecasting significant growth in the size of its portfolio from a dollar and obligor perspective. To support this growth, the corporation has built out its portfolio management capabilities, with this function being guided by the following principles:

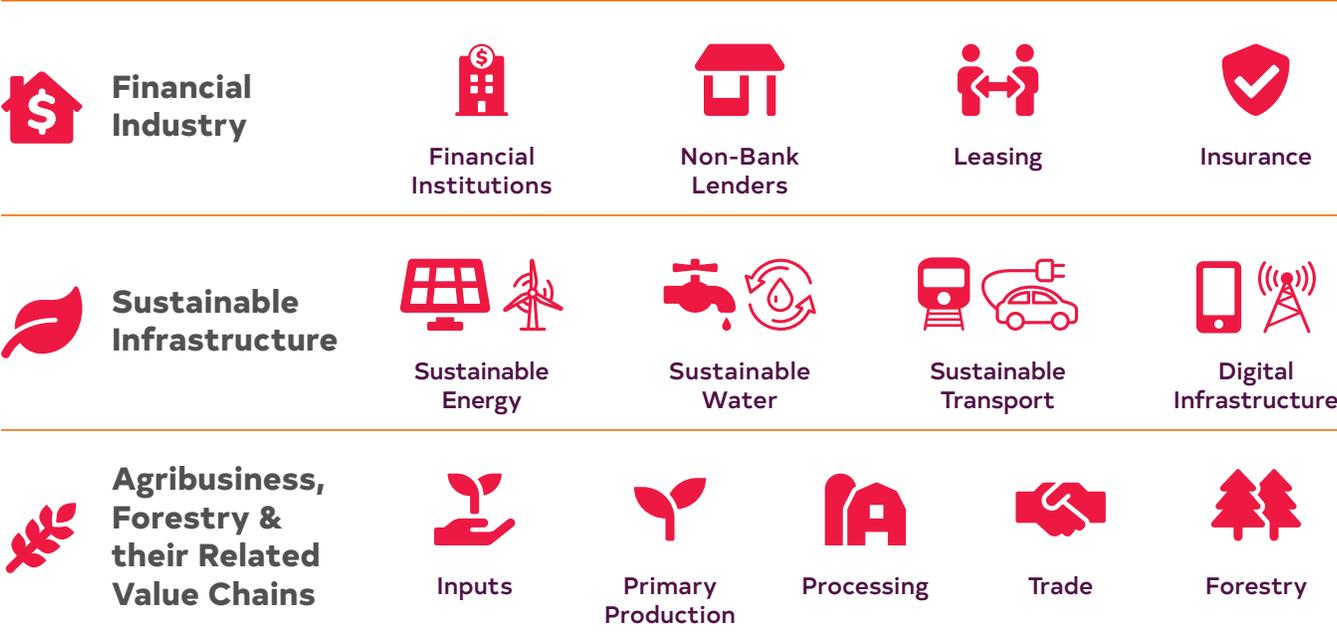
- Active supervision of all portfolio assets;
- Hands-on, holistic approach which considers financial and impact considerations;
- Developing long-term client relationships;
- Patient capital which, ideally, sees each transaction through its life cycle;
- Proactive identification and mitigation of risks;
- Continuous improvement informed by lessons learned; and
- Partnership approach with all counterparties.

Like transaction development on the origination side, the operationalization of these principles involves the input of all players across the transaction life cycle, including investments, impact, E&S and climate risk management, credit risk, business integrity, and legal services to ensure a holistic view of the asset. Over the planning period, the corporation will continue to invest in its portfolio management capabilities, including appropriate travel to market to support portfolio monitoring – since the credit and impact wherewithal of FinDev Canada’s portfolio rests with asset management. Further, plans for expanding FinDev Canada’s geographic footprint also reflect the need to establish portfolio management capabilities in-market, closer to the corporation’s clients.

Sector Priorities

As noted in chapter one, FinDev Canada’s lending and investment, as well as its Technical Assistance solutions, are directed towards three sectors:

Figure 5. Sectors of Focus



The Financial Industry plays a fundamental role in supporting private sector development in EMDEs, as well as reaching development impact goals. For FinDev Canada, banks, non-bank lenders and private equity funds are conduits to supporting private sector players that the corporation otherwise cannot reach effectively including, micro- and small-and-medium size enterprises.

Innovations in the financial industry, whether related to the rapid digitization of the delivery of financial services, or the overall sophistication of regulatory frameworks, has meant that financial institutions and intermediaries are increasingly meeting the needs of market segments that are driving economic growth in our regions of focus, and doing so in a more inclusive and sustainable ways (by understanding how to better meet the needs of women, for example, or by greening their portfolios and managing climate risks and opportunities efficiently). The corporation's activities span various financial intermediaries, ranging from commercial banks to funds, to cooperatives and insurance companies.

Sustainable Infrastructure faces a significant investment gap, with some estimates placing it as high as USD 6.9 trillion annually by 2030.²⁷ Increasing investments in this sector will enable FinDev Canada to expand the provision of basic services and help bridge the massive infrastructure gap that impedes economic development, social progress, and climate action in its target markets.

Three-quarters of the infrastructure that will need to exist in 2050 has yet to be built.²⁸ This presents an opportunity to invest in the construction of infrastructure systems which consider not just the basic infrastructure need, but also the application of that infrastructure in support of sustainable development. It is worth noting that 92 percent of the SDG targets across all 17 goals can be achieved through infrastructure investment, demonstrating that financing is critical.²⁹

As the corporation deepens its reach, it will focus on the following sub-sectors: renewable energy (e.g. wind, solar and small-scale-hydro generation projects, mini grids, storage and hybrid facilities), transportation (e.g. electric mobility such as light rail, efficient and less polluting vehicle fleets), water (e.g. potable water treatment and supply, desalination projects, irrigation, waste water and sanitation), and digital infrastructure solutions (e.g. telecom infrastructure, access of digital services).

It is important to note that for FinDev Canada, the focus in the sustainable infrastructure sector will initially be on smaller to mid-size projects – the “missing middle” in infrastructure finance – where overall project sizes would reach up to approximately USD 250-300 million for individual projects. Larger initiatives, including platforms which can mobilize the private sector at-scale, will also be considered. While the corporation will look to support sustainable infrastructure across all its regions over the planning period, it is expected that this sector will feature prominently in the expansion into the Indo-Pacific.

Agribusiness and Forestry and their Value Chains have a critical role to play in addressing food security, climate and nature action, and gender equality. Climate-related disasters have increased over the past several decades, negatively affecting agricultural production, food availability, and the preservation of forests – areas that are key to development.³⁰ Forests play a crucial role in mitigating climate change by sequestering greenhouse gases; therefore, conservation management is essential for maintaining this vital carbon sink and promoting reforestation efforts.

27 *Financing Climate Futures, Rethinking Infrastructure*. Organisation for Economic Co-operation and Development, 2018.

<https://www.oecd.org/environment/cc/climate-futures/policy-highlights-financing-climate-futures.pdf>

28 *UN chief promotes 'enormous' benefits of greener cities*. UN News, 2021. <https://news.un.org/en/story/2021/10/1101992>

29 *Infrastructure for climate action*. United Nations Office for Project Services, 2021. https://content.unops.org/publications/Infrastructure-for-climate-action_EN.pdf?mtime=20211008124956&focal=none

30 *Blended finance for agriculture: exploring the constraints and possibilities of combining financial instruments for sustainable transitions*. Agriculture and Human Values. Havemann et al., 2020. <https://doi.org/10.1007/s10460-020-10131-8>

With a global population estimated to reach 9.7 billion by 2050,³¹ ensuring food security becomes paramount. Not only does it involve feeding more people, but it also necessitates safe, nutritious, accessible, and affordable food in sufficient quantities. As the population grows, pressure on agrifood systems, natural resources, and ecosystems intensifies. Thus, sustainable and resilient food systems are crucial to meet rising demand while safeguarding the environment and biodiversity and promoting climate stability. Investments across value chains remain pivotal in achieving these goals.

In terms of gender, given that women make up almost half of the global agricultural labour force, notably in Sub-Saharan Africa and the Indo-Pacific,³² the climate and gender dimensions of agribusiness and forestry have also been amplified. FinDev Canada will continue to support the long-term resilience and sustainability of the agriculture, forestry and associated supply chains, including planting and harvesting, related transformation industries, manufacturing, distribution – both wholesale and retail – and other related services.

3.2.2 Deepening and Expanding Global Reach

Latin America and the Caribbean and Sub-Saharan Africa are two regions FinDev Canada has focused on since its inception, representing 57 and 40 percent of the financing and investment portfolio as of June 2024.

Having developed a portfolio presence in these regions, leveraging strong existing partnerships will be crucial to further deploying our financial solutions. The corporation continues to collaborate closely with multilateral partners and fellow bilateral DFIs in these regions as these relationships have helped FinDev Canada prove itself as a trusted and reputable institution with clients and peers. Where appropriate, as part of the corporation's strategy to enhance its regional in-market expertise, FinDev Canada will tap into the extensive network of Canadian missions abroad.

The Indo-Pacific Region

In November 2022, the Government of Canada released its Indo-Pacific Strategy (IPS), the goal of which is to position Canada as a more engaged and active partner in the region in areas related to peace and security, trade and investment, and sustainable infrastructure.

The approval of the 2023-2027 Corporate Plan in November 2023 provided FinDev Canada with the authority to transact in the region and to access planned capital injections. Further to this approval, in May 2024 the corporation received Board approval for its first transaction within the region. This renewable energy transaction aligns with the IPS and the corporation's focus on the sustainable infrastructure sector. The transaction also benefitted from the partnership that FinDev Canada established with the Asian Development Bank (ADB) in 2023 through the signing of a Memorandum of Understanding.

As noted in the 2024-2028 Corporate Plan, FinDev Canada's plans for expansion into the region are anchored in three principles: a gradual approach, a partnership focus, and the build-out of regional expertise and presence.

First is the importance of affecting a **gradual approach**. As transaction volumes increase over time, they benefit from deepening market and partner knowledge and the build-out of regional presence. A gradual approach also ensures that the corporation builds on successes and establishes itself as a serious and long-term partner in the region.

31 *World Population Prospects 2022*. United Nations Department of Social and Economic Affairs, 2022. https://www.un.org/development/desa/pd/sites/www.un.org.development.desa.pd/files/wpp2022_summary_of_results.pdf

32 *The status of women in agrifood systems*. Food and Agriculture Organization of the United Nations, 2023. <https://doi.org/10.4060/cc5343en>

While FinDev Canada will consider transactions from all eligible markets in the region, it is informed by priority countries under Canada's IPS, namely Indonesia, the Philippines, Vietnam, and the Pacific Islands. From a sector perspective, FinDev Canada expects the initial focus will be on transactions related to sustainable infrastructure (in support of the G7 Partnership for Global Infrastructure Investment) and food security, though support for all three priority sectors will be available. The use of intermediaries, including financial institutions and private equity funds, are expected to feature prominently as the corporation looks to leverage the most effective delivery channels for its solutions.

Second is the emphasis that will be placed on the identification and leveraging of key **partnerships** with established players, such as the partnership that has been established with the ADB. The corporation will look to replicate the approach it took in other regions whereby strong relationships were built with the multilateral development banks, bilateral DFIs, and private sector financial institutions and funds. Signing additional MOUs with strategic partners, consistent with broader Government of Canada guidance, will enable greater cooperation between FinDev Canada and organizations with a foothold in the Indo-Pacific region in support of private sector investments that promote sustainable and inclusive development in the region.

Third is the need to build the right team. Regional success demands **regional expertise**. FinDev Canada's hiring strategy includes the acquisition of this expertise to work in Canada, but also in-market. The expansion of the corporation's physical footprint into the region will factor into this strategy, with the corporation planning on opening a branch office in Singapore in 2024, supported by the hiring of a Chief Representative and an Investment Officer. Building on that foundation, further expansion of the office is planned. Section 3.4.2 contains more information about regional expansion into the Indo-Pacific and other regions.

3.2.3 Private Capital Mobilization and Leveraging Concessional Capital

As noted in chapter one, the private sector is critical to unlocking effective and sustainable paths toward development. Public sources of capital are not sufficient to address the breadth of development challenges being faced globally, and particularly in EMDEs. This is why FinDev Canada has made PCM a strategic priority.

As the World Bank notes, PCM "is critical for SDGs such as affordable and clean energy, financial inclusion, zero hunger, decent work and economic growth, industry, innovation and infrastructure, and climate action."³³ While the need for PCM is clear, the means of achieving it are more complicated. Implicit in this work is the acknowledgement of the risk-return dynamic that informs private sector lending and investment decisions. The strategic use of DFI risk appetite is necessary to make certain investments in EMDEs a more feasible option for private players. In certain instances, concessional capital – when used judiciously – can further enable private sector investment.

The degree to which DFI capital alone can leverage the private sector will depend on the approach each institution takes regarding financial sustainability. FinDev Canada has a dual mandate to achieve both development impact and financial sustainability. Accordingly, its own capital is commercially oriented so as not to distort markets and has a higher risk appetite than pure commercial investment – although not unlimited. Where DFI capital and its related risk appetite is insufficient, concessional capital can be deployed to structure a blended finance solution through an assessment of the risks and the role that such capital can play in addressing those in support of development and where appropriate, mobilization.

33 *The World Bank Group Approaches to the Mobilization of Private Capital for Development, An Independent Evaluation*. Independent Evaluation Group, World Bank, 2020. <https://ieg.worldbankgroup.org/evaluations/world-bank-groups-approach-mobilization-private-capital-development>

As FinDev Canada refines and deploys its mobilization strategy over the planning period, it will focus on two areas:

- Transactional activities, including co-investment via debt and equity across all sectors and regions, risk sharing using insurance to encourage private sector participation, and exit and/or balance sheet management strategies.
- The development of instruments, platforms, and other investment vehicles aimed at mobilizing private capital at-scale, such as Project GAIA – a FinDev Canada developed platform which will mobilize private and philanthropic capital in support of climate mitigation and adaptation in EMDEs, including LDCs and SIDS.

Recognizing the focus Canada is putting on the question of how best to bring Canadian institutional and other investors into development finance opportunities in EMDEs, FinDev Canada will consider how it can more effectively socialize appropriate opportunities for Canadian and international investors.

The availability of concessional finance to better address from the perspective of private capital, real and/or perceived risks of investing in EMDEs beyond FinDev Canada's own risk appetite is critical to mobilizing private capital and facilitating sustained longer-term private investment to contribute to sustainable social progress, economic growth, and climate action. Why? By deploying de-risking blended concessional finance together, including opportunities to pair it with technical assistance or advisory support, a DFI has the potential to bring private capital to new markets, as well as to catalyze investments that will crowd-in private capital on commercial terms.

As noted, this approach acknowledges the risk-return dynamic that informs private sector lending and investment decisions, and alongside DFI capital (core and concessional) can create a blended solution to make investments in EMDEs more attractive for private financiers and investors.

Currently, FinDev Canada has access to a defined pool of concessional capital in the form of the *2X Canada: Inclusive Economic Recovery* facility (2X Canada).

Established in 2021 in partnership with the Government of Canada, 2X Canada is CAD 76 million concessional finance facility funded by GAC with the goal of enhancing the socio-economic well-being of underserved, vulnerable populations – particularly women – primarily in Latin America and the Caribbean and Sub-Saharan Africa. By mobilizing additional public and private investment, this facility expands the reach of Canada's development finance capabilities and contributes to a gender-smart economic recovery. The facility also includes a technical assistance envelope.

Looking beyond 2X Canada, which is nearing full deployment, the corporation has been engaging with GAC on the future of blended financing. FinDev Canada had identified opportunities for concessional financing managed by the corporation in several areas, including to activate and/or accelerate greater participation of private sector investment both in transactions and to leverage blended finance platforms to mobilize the private sector at-scale. Following engagement on these ideas, the Government of Canada announced its intention to make CAD 720 million of concessional capital available to FinDev Canada over the next five years, CAD 20 million of which to be allocated to TA. The concessional capital will be used by the corporation to broaden its blended finance offering in support of sustainable and inclusive economic growth and development in EMDEs by the private sector through increased PCM. FinDev Canada is working with government to finalize plans for the operationalization of this facility. As part of those discussions, the corporation has outlined its plans for the facility in relation to sectors, development impact, risk levels, and key performance indicators. All financial products – debt, equity and guarantees (the latter to be developed) would be used to deploy this capital.

In deploying capital, the corporation will align with the DFI Enhanced Blended Finance Principles and will integrate them into financing and investment decisions. These principles represent best practice among DFIs, promoting high standards, additionality, commercial sustainability, crowding-in and minimum concessionality, as well as reinforcing markets. The MDBs and European Development Finance Institutions (EDFI) adopted the Enhanced Principles and formed the DFI Blended Finance Working Group in October 2017. Chaired by the International Finance Corporation (IFC), the 23-member DFI Working Group is made up of development finance institutions who apply blended finance to support development with and through the private sector. In 2024, FinDev Canada joined this working group.

In terms of development impact, the corporation will be applying its existing DIF (see Section 3.3.2) and its focus on Climate and Nature Action, Gender Equality, and Market Development. While specific targets will not be set as relates to development impact, the corporation will report on the development impact associated with transactions funded through the facility. Adherence to the DFI Enhanced Blended Finance Principles and to FinDev Canada's dual mandate will ensure that development impact remains a primary element of the investment process; from selection, through to due diligence, approval, monitoring, reporting and responsible exit.

3.3 Driving Impact

3.3.1 Technical Assistance

FinDev Canada offers Technical Assistance to support its clients and other market players to improve their development impact outcomes through grants and advisory services. TA is a valuable tool to complement financing and investment activities and foster more holistic relationships with clients and relevant market players. The TA Facility was launched in 2020 with funding from GAC and in 2023 concluded its initial three-year pilot. There has been high demand for TA since the Facility's launch, and as such, the Facility has committed almost all available funds towards eligible projects with a focus on:

- **Client-level** projects strengthen private sector clients, making them more proactive and inclusive agents in their respective markets; and
- **Market-level** projects contribute to the development finance ecosystem by the building of tools, training, and other resources, filling knowledge gaps and supporting innovative initiatives aimed at market building.

Figure 6. Technical Assistance



Through the deployment of TA, FinDev Canada has been able to:

- move the needle on gender action with a range of financial institutions from commercial banks to co-operatives;
- enable agribusinesses and agri-funds to deepen their reach to smallholder farmers and strengthen climate-smart practices;
- influence impact-related activities engaging with project sponsors at the right stages, as we are learning from initial TA projects with infrastructure clients; and
- strengthen the impact investment ecosystem and reinforce our leadership, by participating in a range of industry initiatives.

The TA Facility has a diverse portfolio of 29 projects, with CAD 3.3 million in commitments to date. FinDev Canada is also monitoring active projects and overseeing the TA envelope that sits under the 2X Canada Facility. Overall, FinDev Canada has been able to extend TA to approximately 40 percent of its clients based on identified gaps during due diligence.

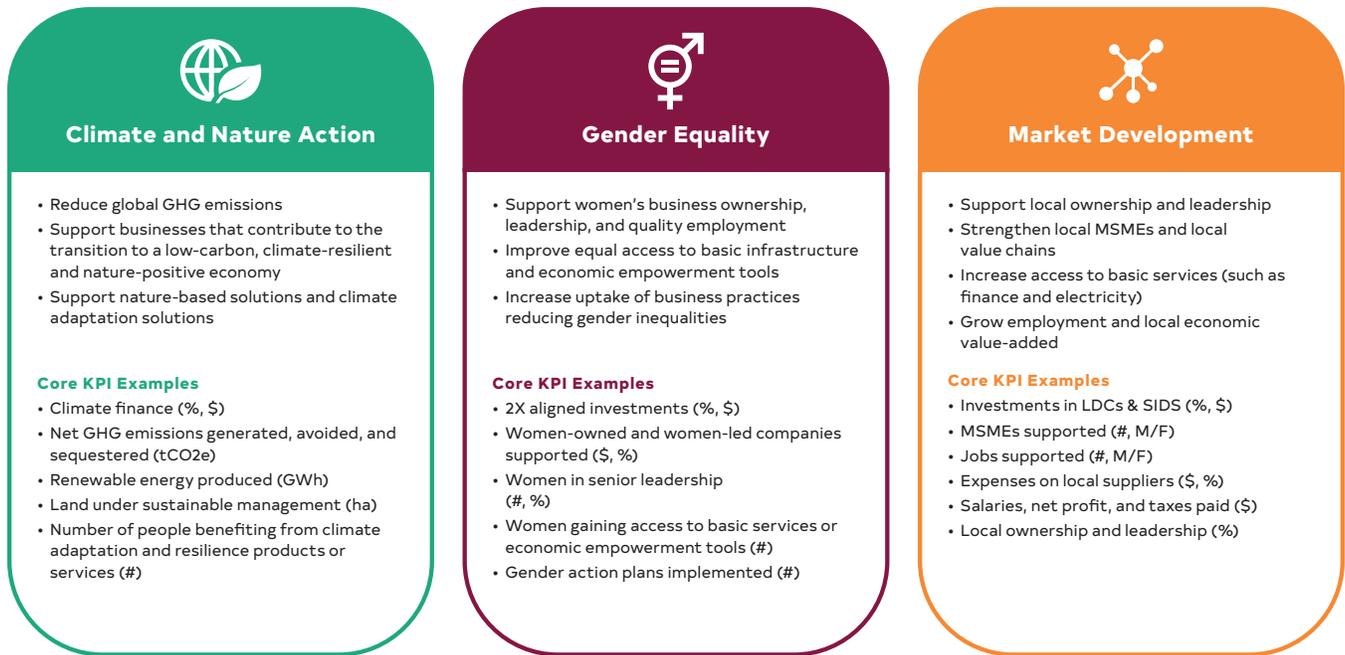
As the value proposition of TA has become more widely understood across the development landscape, FinDev Canada has been engaging with GAC on a replenishment plan for the program. As noted, the Government of Canada announced its intention to make CAD 20 million of TA resources available to FinDev Canada over the next five years along with a stable source of annual funding thereafter of CAD 4.2 million. FinDev Canada will be able to use this funding in relation to all suitable transactions, whether funded by core or concessional capital, or a blend of both. The administrative expenses related to the operationalization and growth of the replenished facility are included in the base case assumptions included in the Financial Plan.

In parallel with this intention, over the planning period the corporation will also explore opportunities to leverage TA through partnerships with philanthropic organizations and other players active in the development finance space with the intent of broadening the pool of available capital for this valuable solution.

3.3.2 The Development Impact Framework

As noted in chapter one, the corporation employs a dual mandate to achieve both development impact and financial sustainability. The corporation's approach to development is guided by its Development Impact Framework (DIF) which defines its strategic development impact objectives and describes how the corporation measures, manages, and discloses progress. The DIF prioritizes three impact areas: Climate and Nature Action, Gender Equality, and Market Development; all three are interconnected and critical to FinDev Canada's mission, acting as drivers of strategy and decision-making.

Figure 7. Impact Priorities



In 2024, a revised DIF was approved by the Board of Directors. The refreshed DIF benefits from the corporation's learnings since 2018, its assessment of peer approaches, and alignment with the corporate strategy, and includes:

- ➔ Levelized valuing of FinDev Canada's the three impact goals;
- ➔ Alignment with the full SDG agenda; and
- ➔ Broadened emphasis beyond SMEs to reflect FinDev Canada's strategy, including larger corporates, sustainable infrastructure, and investments which drive efficient, effective, and sustainable access to services.

The refreshed DIF aligns and supports the corporation's plans for growth. FinDev Canada will begin operating under and reporting against this updated DIF in 2024, including in future Corporate Plans.

3.4 Enabling Operations

3.4.1 Building a Risk Aware Culture

Having the appropriate risk management architecture in place – calibrated to FinDev Canada’s role as a DFI – is a critical cornerstone of the corporation’s growth strategy. In 2023, FinDev Canada undertook a substantive revision and evolved its Enterprise Risk Management Framework (ERMF). The work done in 2023 represents an important maturation of the corporation’s suite of risk policies, reflecting the ongoing development and enhancement to the corporation’s internal infrastructure and ensuring that FinDev Canada benefits from a strong risk management foundation. This Board-approved Framework includes the corporation’s frameworks for financial, operational, and strategic risk management, which are described below:

- **ERMF:** The over-arching framework for all FinDev Canada’s risk management activities.
- **Risk Appetite Framework (RAF):** Defines the overall boundaries within which the corporation operates in line with sound risks management practices.
- **Financial Risk Management Framework (FRMF):** Expresses FinDev Canada’s transactional risk appetite and broader financial management in accordance with established prudential limits. The FRMF also includes the Capital Management Policy, which governs the corporation’s approach to capital adequacy.
- **Strategic Risk Management Framework (SRMF):** Expresses FinDev Canada’s risk appetite for risks to strategic objectives arising from ineffective business strategies, improper implementation of business strategies, or a lack of responsiveness to changes in the business environment.
- **Operational Risk Management Framework (ORMF):** Expresses FinDev Canada’s risk appetite for risk of direct or indirect loss due to failure attributable to FinDev Canada’s employees, processes, systems, or external events.

The ERMF helps ensure that a risk aware culture is embedded in all activities, and that the consideration of all forms of risk – including those directly and indirectly attributable to the external environment, strategy, operations, and overall business – to inform decision-making. All identified risks benefit from clear definitions, identified tolerances, and mitigants.

Given their importance, these policies and frameworks are reviewed every two years (or more frequently as needed) to ensure they reflect best practices and the broader operating environment. The next review will occur in 2025 and any changes will require Board approval.

3.4.2 People and Culture

At FinDev Canada, we recognize that our people are our most valuable asset. To ensure our continued success and the achievement of our strategic objectives, it's imperative that our People and Culture strategy considers internal and external talent challenges and market dynamics, provides opportunity for individual growth and development, and is well aligned with our overall strategy.

FinDev Canada's People and Culture (P&C) function was developed with the mandate to attract, grow engage, and retain the right number of people with the right capabilities in the right locations, to successfully implement the corporate strategy; all enabled by a healthy and engaging culture. The P&C strategy guiding the corporation's activities has three pillars:

1. **Strengthening the Organizational Culture:** creating an inclusive environment where everyone can thrive and contribute to the organizations' goals. FinDev Canada culture efforts focus on improving employee engagement with a particular emphasis on building trust and raising Belonging Index³⁴ scores.
2. **Enhancing Core Capabilities:** by equipping employees with the skills, knowledge, and competencies needed to achieve strategic goals and acquiring external capabilities to close internal gaps. The organization focuses on executing against the hiring plan, enhancing professional development, and building out a pipeline of talent including succession planning for executives and key roles. Significant efforts were made in 2024 to recruit senior resources and middle management at the director level, as such efforts are underway to transfer knowledge to more junior resources to build internal talent pipeline. In 2025, the corporation will prioritize continuing to build on existing capabilities and supplement additional areas of expertise around our investment sectors in Sustainable Infrastructure and Agribusiness, Forestry, and related Value Chains.
3. **Effectively supporting the business with the right P&C functions, processes and tools.** FinDev Canada has been gradually in-sourcing more P&C functions from EDC as it has grown and matured. While there are still areas on which the corporation can and will continue to rely on EDC (e.g., payroll and benefits administration), those areas which more directly touch on the employee value proposition are being brought in-house including talent acquisition, career management, learning, and culture. Where opportunities exist to collaborate with EDC and realize synergies, these will continue to be pursued. In addition, the corporation will focus on streamlining P&C processes and identifying tools for better end user experiences and effective management of P&C processes (i.e. Performance Management).

Investing in People

In the 2024-2028 Corporate Plan, the corporation identified core areas where additional human capacity was required to support the corporation's growth and to strengthen the foundations necessary for a financial institution. To that end, capacity was added prudently during the year. By the end of 2024, the corporation expects to have largely executed its 2024 hiring, save for a small number of leadership positions that are both critical to support growth but are proving more difficult to fill.

While recruitment is an important tool in **building capability**, the corporation also recognizes the value of training and development to develop the skills and abilities necessary for professional growth and to further enhance their contribution towards the goals of the corporation. Investing in people at all levels of the organization is critical.

34 The Belonging Index assesses the overall sense of belonging within FinDev Canada and consists of seven questions that gauge different aspects related to belonging, including career support, equitable opportunities, personal belonging, valuing differences, diversity appreciation, and respect. These questions collectively provide insights into the overall sense of belonging experienced by employees at FinDev Canada and are part of the Employment Engagement Survey.

As a young and growing corporation, FinDev Canada seeks in the first instance to maximize synergies with EDC and its impressive catalogue of on-line trainings across many subject-matters from soft skills development to technical areas. Furthermore, given the identified need to enhance leadership competencies, in 2023 FinDev Canada introduced dedicated training for all new and existing leaders, the aim of which is to articulate, promote, and enable the culture and behaviors needed in a high-performing organization. This will continue in 2025 and over the planning period.

Regional Expansion

As FinDev Canada evolves its people strategy in support of the business, **location and the need to expand its footprint outside of Canada** has become increasingly important in the corporation's planning. The development of regional presence has the benefit of putting FinDev Canada closer to the markets it serves and the partners with whom it works. The benefits of such proximity include relationship development and management, business origination, and portfolio management.

As noted, in 2024 the corporation will establish its first overseas presence with the opening of a branch office in Singapore in support of its expansion into the Indo-Pacific region.

Looking beyond the Indo-Pacific region, over the planning period the corporation intends to further expand its regional presence in Sub-Saharan Africa in 2025. Planning for this expansion is underway, including consideration of location and staffing complement. Staffing decisions will consider the portfolio the corporation has in the region.

Finally, over the planning period the corporation will also look to expand into Latin America and the Caribbean. This is contemplated last as the logistical challenges posed by geographic distance are less pronounced and can be more easily managed from Canada. That said, the growth of a sizable portfolio in the region and the ongoing development finance opportunities make expansion here also necessary in time.

The planned regional expansion over the planning period is reflected in the base case assumptions included in the Financial Plan.

3.4.3 Enhancing Digital Capabilities

To stay relevant in today's technology-driven global marketplace and effectively manage operational risk, FinDev Canada must continue investing in its digital growth strategy. The corporation remains committed to providing digital solutions that meet its evolving business needs. Over the planning period, FinDev Canada will focus on four key priorities to increase the technology footprint and support core operations.

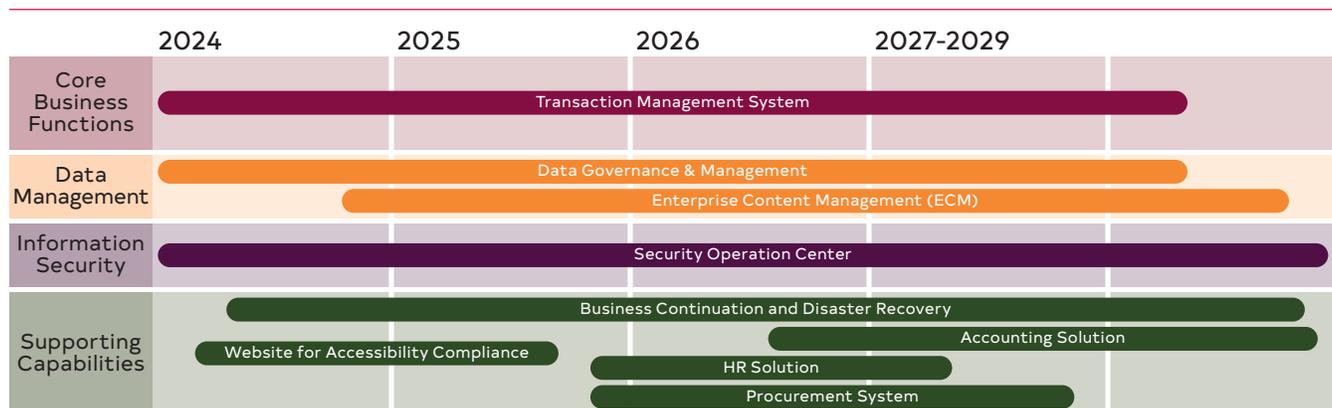
1. **Development of the Customer Relationship Management (CRM) System:** Core operations will begin to be supported by a new CRM supporting deal origination, underwriting, asset management and risk management processes. The system will enable consistency and standardize client interactions by streamlining workflows with analytics to enable faster decision-making. All information exchanged with clients will be housed on a platform providing one single source to view all exchanges with a client, eliminating the need for a series of inefficient emails.
2. **Enhancing Data Management** to improve the organization's data integrity and integration to significantly reduce manual processes and eliminate data quality issues through automation. In the future, financial, risk, and impact data will be integrated and housed in a data warehouse. By establishing robust data management practices, FinDev Canada can lay the groundwork for harnessing the transformational potential of generative artificial intelligence (AI) in the future. This strategic approach will ensure effective utilization of the organization's data and position it to extract deeper insights and enable development finance innovation.

3. **Improving Cyber Security/Security Governance.** FinDev Canada will continue to make progress advancing security maturity and developing a Zero Trust culture. This will include protecting access points such as personal information, corporate data, corporate devices, the network, and applications.
4. **Strengthening Digital Operation Excellence** to enable business continuity with strong disaster recovery plans in place to minimize technology damage in the event of a cyber-attack. This work also involves enhancing end-user day-to-day activities, procurement, and projects. In the pursuit of understanding future operational excellence opportunities, FinDev Canada will explore the potential of generative AI through an initial discovery phase. This discovery phase could lead to future long-term opportunities to enhance client experiences, streamline back-office processes, enable data-driven insights that shape decision-making or predictive models that enhance demand forecasting and impact measurement.

During this planning period, FinDev Canada will continue to respond to EDC Digital Transformation and assessing future supporting capability requirements. Currently, EDC supports several core functions including Finance Administration & Treasury, Human Resources, and Risk. As older technology is decommissioned, the corporation must assess if EDC default solutions are fit-for-purpose and consider building an eco-system that is increasingly less reliant on EDC in certain areas to reduce operation risk and transition capabilities in-house as required.

Overall, the corporation will continue advancing against its broader digital roadmap (presented below), supported by an internal governance committee which regularly reviews progress on key initiatives.

Figure 8: Our Digital Roadmap



Further information about the planned investments in the corporation's digital capabilities is provided in the Financial Plan. The corporation may accelerate this plan depending on progress each year.

4.0 Financial Overview

In the preceding Chapters, FinDev Canada has presented the core elements of its strategy and priorities for 2025 and into the planning period as it relates to its business growth, impact priorities and the areas necessary to enable its operations. The *Growth with Purpose* strategy will see the corporation increase its annual signings and overall portfolio over the next five years through both growth in its established regions – Latin America and the Caribbean, and Sub-Saharan Africa – and through its expansion into the Indo-Pacific region. In addition, over the planning period, the Government of Canada has announced its intention to make \$720 million of concessional capital available to FinDev Canada over the next five years, of which \$20 million is to be allocated to Technical Assistance (TA). This business growth is complemented by the modernized development impact framework, and ultimately enabled by strategic investments in core administrative functions including people and digital capabilities. All of FinDev Canada's activities are guided and supported by its evolved suite of risk management policies and processes.

The Financial Overview presents the key business assumptions that flow from this strategy and the broader financial implications of FinDev Canada's operations.

4.1 Summary

Key items to highlight in the Financial Plan are as follows:

- FinDev Canada is funded by capital injections from its parent company, Export Development Canada (EDC). An initial injection of \$100 million occurred in 2018, followed by injections of \$100 million in 2019 and in 2020. In Budget 2021, the Government of Canada committed a further \$300 million for FinDev Canada, with an additional \$750 million committed as part of Canada's Indo-Pacific Strategy and included in Budget 2023, bringing total share capital to \$1,350 million at the end of 2025; \$300 million of the additional capital was disbursed in 2023, \$350 million disbursed in 2024, with the remaining \$400 million forecast to disburse in the first quarter of 2025. This capital will enable FinDev Canada to continue building on its success in Latin America and the Caribbean, and Sub-Saharan Africa, and expand into the Indo-Pacific region.
- FinDev Canada is projecting a net loss of \$5 million in 2024, a decrease of \$13 million when compared with the 2024-2028 Corporate Plan net income of \$8 million. The loss is mainly due to an increase in provision for credit losses due to the impact of credit migration including a loan impairment, partially offset by an increase in net financing and investment income (NFII). During the 2025-2029 Corporate Plan period (Plan period), the corporation is forecasting a growing portfolio in higher risk markets, therefore adequate provisions are necessary to reflect the risk profile of these investments, resulting in net losses. Given the current growth trajectory, including the administration of the new concessional financing and technical assistance facility and the increase in provisions, as mentioned above, the corporation is not anticipated to achieve profitability in the Plan period.

- Throughout the Plan period, NFII is projected to exceed administrative expenses, therefore FinDev Canada is more than amply covering the costs of its own operations. FinDev Canada anticipates in 2024 to have an NFII of \$68 million which more than offsets the projected administrative expenses of \$39 million and the corporation expects this trend to continue with NFII gradually increasing over the planning period as a result of the growing portfolio.
- Loans receivable are projected to be \$982 million in 2024 and are expected to grow to \$4,179 million over the Plan period.
- Investments are projected to be \$275 million in 2024 and are expected to grow to \$965 million by the end of the Plan period.

The Financial Plan will first present the key business assumptions which were used to derive the projected financial results followed by a discussion of its projected operating expenses and planned capital expenditures. Projected financial statements are also included.

4.2 Key Business Assumptions

A series of key assumptions, including business volume, risk profile of business volume, foreign exchange and interest rates, all of which have an impact on FinDev Canada's business activity and financial performance, drive the Financial Plan. Using these assumptions, which align with its business strategy and economic outlook, projected financial statements are developed for the Plan period, including a forecast to the end of the current fiscal year, 2024.

Given the earlier timing of when these assumptions were determined and the constantly changing global economic environment, actual results could differ materially from the financial projections in this Plan.

Any changes to the business strategy (such as the development of instruments, platforms and other investment vehicles aimed at mobilizing private capital at-scale) or to the underlying assumptions may materially affect the projections over the planning period.

Business Facilitated

The level of business facilitated for each program is presented in the table below.

Table 1: Projected Level of Business Facilitated

<i>(in millions of Canadian dollars)</i>	2023 Actual	2024 Plan	2024 Fcst	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan
Business Facilitated								
Lending	215	585	620	655	910	1,135	1,450	1,640
Investments	116	135	135	140	150	155	165	165
	331	720	755	795	1,060	1,290	1,615	1,805

[Download accessible versions of all financial tables here.](#)

2024 Forecast

The 2024 lending and investments business facilitated is projected to be \$755 million, higher than the \$720 million forecast in the 2024 Corporate Plan. Loan volume is expected to exceed the Plan as a result of more transactions being signed than previously anticipated, while the corporation expects investment volume to be in line with Plan.

2025 to 2029

FinDev Canada is projecting business facilitated in the lending and investments programs to continue to grow significantly in 2025 and 2026, with respective business volumes of \$795 million and \$1,060 million. This growth is consistent with the corporation's *Growth with Purpose* strategy and reflects the expansion into the Indo-Pacific region, beyond the initial geographies of Latin America and the Caribbean, and Sub-Saharan Africa, and the benefits realization of planned increases in human capacity in both Canada and through the establishment of a regional presence outside of Canada, as noted in Chapter 3. Thereafter, ongoing annual increases are anticipated, with 2029 forecast at \$1,805 million.

Additionally, with the concessional financing and technical assistance provided by the Government of Canada, FinDev Canada plans to utilize the \$720 million towards loans, guarantees and investments each year as follows:

Table 1a: Projected Level of Concessional Finance and Technical Assistance

<i>(in millions of Canadian dollars)</i>	2024 Fcst	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan
Concessional Finance	100	150	150	150	150	-
Technical Assistance	1	4	5	5	5	-
	101	154	155	155	155	-

[Download accessible versions of all financial tables here.](#)

Risk Profile of Business Volume

The risk profile of FinDev Canada's lending and investment activities are a reflection of FinDev Canada's elevated, stated risk appetite given the emerging markets and and developing economies that FinDev Canada serves. The markets are typically higher risk which are largely non-investment grade, but which also present important opportunities to effect development with and through the private sector. FinDev Canada's *Growth with Purpose* strategy envisions continued growth of lending and investment activities, the risk of which is reflected in its planning assumptions. The risk profile of the portfolio undertaken is in accordance with FinDev Canada's Board-approved Risk Appetite Framework and prudential limits. This remains one of the key drivers of capital demand for credit risk and the provision for credit losses which leads to net losses over the Plan period. Throughout the Plan period, FinDev Canada projects it will maintain an average loan portfolio credit rating in the single B range.

Foreign Exchange

The Financial Plan uses a month-to-date average rate as the U.S. dollar foreign exchange rate assumption for the remainder of 2024 and all subsequent years. This methodology removes the volatility associated with yearly exchange rate fluctuations and ensures more easily comparable projections. The rate used in this Plan, as represented by the average rate for March 2024 is U.S. \$0.74.

Interest Rates

This forecast uses similar assumptions as EDC. It is based on Bloomberg financial market data and is driven by supply and demand as well as market expectations for interest rates.

Other Key Assumptions

Due to the volatility and difficulty in estimating fair value gains or losses on long-term debt, marketable securities, investments and related derivative instruments, no forecast for these items is included in the Corporate Plan financial results.

5.0 Appendices

Appendix 1: Corporate Governance Structure

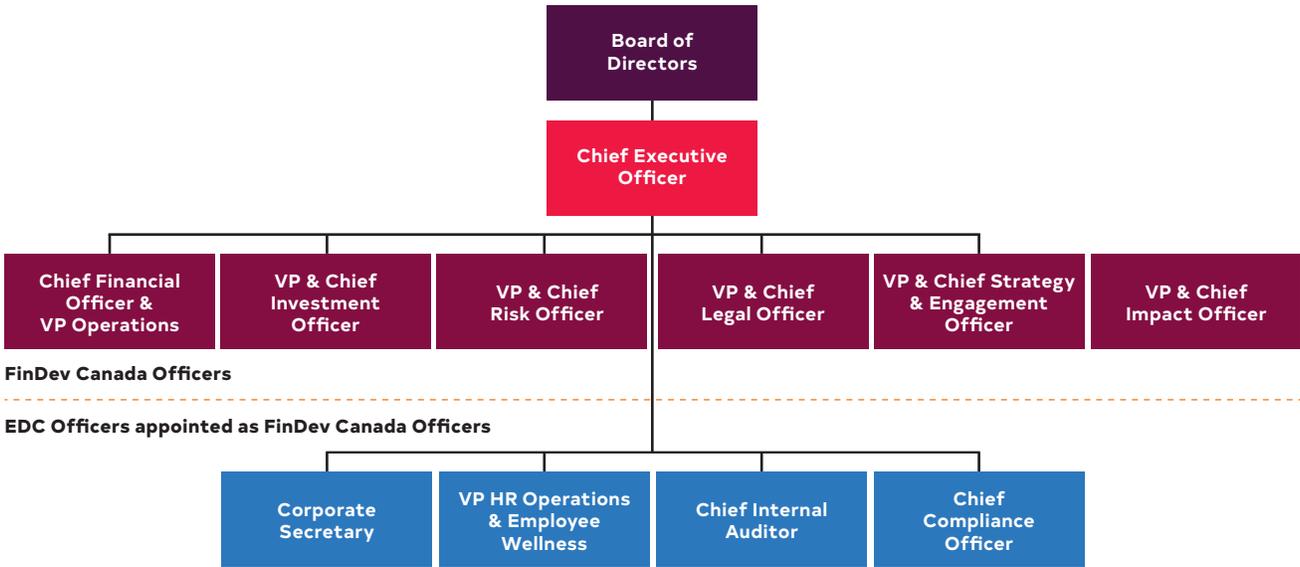
Managerial and Organizational Structure

FinDev Canada, through EDC, reports to Parliament through the Minister of Small Business, Export Promotion and International Trade in consultation with the Minister of International Development.

Established under the *Canada Business Corporations Act* (CBCA), Development Finance Institute Canada (DFIC) Inc./Institut de financement du développement Canada (IFDC) Inc. – operating as FinDev Canada - is governed by an independent Board of Directors, appointed by EDC’s Board of Directors. The Board, chaired by EDC’s President and Chief Executive Officer (CEO), is composed of members of the EDC Board of Directors, as well as independent members with expertise and experience regarding the facets of its business and markets. Over the planning period, the Board is set to have appointed a new chair as EDC’s current President and CEO’s term comes to a close. Together, Board members bring expertise in the wide range of domains required to successfully lead the organization.

FinDev Canada is led by a CEO who reports to the Board of Directors and whose responsibility is to determine the business strategy and lead its execution, in accordance with the Government of Canada’s mandate and the Board’s direction. The CEO is assisted by a senior management team.

Figure 9. FinDev Canada’s Managerial and Organization Structure



Appendix 2: Chief Financial Officer Attestation

In my capacity as Chief Financial Officer at FinDev Canada, accountable to the Board of Directors of FinDev Canada through the Chief Executive Officer, I have reviewed the financial projections provided in FinDev Canada's 2025-2029 Corporate Plan. It is in all material respects, in accordance with International Financial Reporting Standards, based on information available at the time of the preparation of this submission, that I considered necessary, as of the date indicated below. Based on this due diligence review, I make the following conclusions:

- The nature and extent of the proposal is reasonably described and assumptions having a significant bearing on the associated financial requirements have been identified and are supported.
- Significant risks having a bearing on the financial requirements, the sensitivity of the financial requirements to change in key assumptions, and the related risk-mitigation strategies have been disclosed.
- Financial resource requirements have been disclosed and are consistent with the assumptions stated in the proposal, and options to contain costs have been considered.
- Funding has been identified and is sufficient to address the financial requirements for the expected duration of the proposal.
- The proposal is compliant with relevant financial management legislation and policies, and the proper financial management authorities are in place or are being sought through the proposal.
- Key financial controls are in place to support the implementation and ongoing operation of the proposal.

In my opinion, the financial information contained in this proposal is sufficient overall to support decision-making.

The Corporate Plan 2025-2029 was approved by FinDev Canada's Board of Directors on August 1, 2024.

I, therefore, recommend that you endorse this submission for the Minister for International Trade's approval.



Marsha Acott
Chief Financial Officer
FinDev Canada

August 1, 2024

Appendix 3: Financial Statements and Budgets

3.1 Financial Statements and Notes

Statement of Comprehensive Income

Table 2: Projected Statement of Comprehensive Income

<i>for the year ended December 31 (in millions of Canadian dollars)</i>	2023 Actual	2024 Plan	2024 Fcst	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan
Financing and Equity Investment Revenue								
Loan	51	70	76	94	117	154	203	261
Cash equivalents	-	3	5	7	1	1	1	1
Equity investments	2	-	2	2	2	2	2	2
Total financing and equity investment revenue	53	73	83	103	120	157	206	264
Interest expense	23	11	13	16	27	55	91	131
Transaction costs	1	3	2	1	1	1	1	1
Net Financing and Equity Investment Income	29	59	68	86	92	101	114	132
Donor Contributions	1	1	1	1	1	1	-	-
Other (Income) Expenses	6	-						
Administrative Expenses	27	37	39	53	61	71	79	85
Income (Loss) before Provision	(3)	23	30	34	32	31	35	47
Provision for Credit Losses	21	15	35	38	47	69	92	104
Net Income (Loss)	(24)	8	(5)	(4)	(15)	(38)	(57)	(57)
Comprehensive Income (Loss)	(24)	8	(5)	(4)	(15)	(38)	(57)	(57)

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2024 Forecast versus 2024 Corporate Plan

FinDev Canada is forecasting a net loss of \$5 million for 2024, a decrease of \$13 million from the 2024 Corporate Plan. Items of note regarding this forecast are as follows:

- ➔ Net financing and investment income has increased by \$9 million primarily due to higher spreads on new signings than projected in Plan.
- ➔ The provision for credit losses has increased by \$20 million primarily due to increased credit migration including a loan impairment.
- ➔ Administrative expenses are projected to be higher than Plan by \$2 million primarily due to revised human resources costs, including the expansion into the Indo-Pacific region and higher service level agreement expenses due to a growing corporation for the support functions provided by EDC.

2025 Corporate Plan versus 2024 Forecast

FinDev Canada is forecasting net loss of \$4 million in 2025. Items of note are as follows:

- Net financing and investment income is expected to increase by \$18 million. The increase is the result of earnings from projected growth in the loan portfolio.
- Administrative expenses reflect the *Growth with Purpose* strategy including continued growth of the portfolio, the expansion into the Indo-Pacific region and deepening relationships in Sub-Saharan Africa and Latin America and the Caribbean, as well as the new concessional finance and technical assistance mandates. Administrative expenses are expected to increase by \$14 million mainly due to:
 - Additional headcount to support the continued growth of the organization, including in support of regional expansion and the operationalization of the new concessional finance facility and the expansion of the technical assistance program; and
 - An increase in professional services, primarily in IT consulting, as the corporation implements its digital roadmap which reflects the current phase of growth and foundational investments that are required as FinDev Canada is still a relatively new organization.

2026 to 2029

In 2022, FinDev Canada revenues started to cover costs. This trend is expected to continue with income before provision for credit losses gradually increasing over the Plan period and more than amply covering off administrative expenses. However, strong growth in the portfolio will also result in a corresponding increase in provision levels resulting in FinDev Canada incurring net losses.

Statement of Financial Position

Table 3: Projected Statement of Financial Position

<i>as at December 31 (in millions of Canadian dollars)</i>	2023 Actual	2024 Plan	2024 Fcst	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan
Assets								
Cash and cash equivalents*	26	29	20	24	20	20	20	20
Derivative instruments	15	5	4	4	4	4	4	4
Loans receivable	624	997	982	1,334	1,810	2,475	3,299	4,179
Allowance for losses on loans	(40)	(40)	(82)	(109)	(149)	(205)	(277)	(352)
Equity investments	211	338	275	369	506	667	817	965
Other assets	9	6	6	6	6	6	6	6
Property, plant and equipment	-	4	3	3	3	2	3	2
Right-of-use asset	2	3	3	2	1	1	1	1
Total Assets	847	1,342	1,211	1,633	2,201	2,970	3,873	4,825
Liabilities and Equity								
Accounts payable and other credits	7	5	3	3	3	3	3	3
Loans payable	289	411	310	332	912	1,717	2,672	3,685
Owing to Export Development Canada	3	3	6	6	6	6	6	6
Deferred revenue	7	8	6	5	5	4	4	3
Derivative instruments	-	-	4	4	4	4	4	4
Lease liability	2	3	3	2	2	1	2	1
Allowance for losses on loan commitments	6	6	1	7	10	14	18	16
Total Liabilities	314	436	333	359	942	1,749	2,709	3,718
Equity								
Share capital	600	950	950	1,350	1,350	1,350	1,350	1,350
Deficit	(67)	(44)	(72)	(76)	(91)	(129)	(186)	(243)
Total Equity	533	906	878	1,274	1,259	1,221	1,164	1,107
Total Liabilities and Equity	847	1,342	1,211	1,633	2,201	2,970	3,873	4,825

* Cash equivalents of \$20M reclassified from Marketable securities to Cash and cash equivalents for 2024 Plan to conform with the 2023 financial statement presentation.

[Download accessible versions of all financial tables here.](#)

2024 Forecast versus 2024 Corporate Plan

Loans receivable are expected to be \$982 million, which is lower than the Plan of \$997 million, and investments are forecasted to be \$275 million compared to the Plan of \$338 million. These decreases are due to the lower than projected signings and disbursements in 2023. The corporation expects to end the year with loans payable of \$310 million compared to a Plan of \$411 million as a result of lower debt required to fund our operations.

2025 Corporate Plan versus 2024 Forecast

Loans receivable are expected to reach \$1,334 million in 2025 and investments are expected to reach \$369 million mainly due to targeted growth in Latin America and the Caribbean, and Sub-Saharan Africa as well as the expansion into the Indo-Pacific region, consistent with the corporation's long-term strategy.

2026 to 2029

FinDev Canada expects growth in both the loans and investments portfolios to continue over the planning period due to the reasons noted above and through the benefits realized from increased human capacity and regional presence internationally. By the end of 2029, total assets of \$4,825 million are anticipated, approximately four times the forecast 2024 ending position.

FinDev Canada is funded by capital injections from its parent company, EDC. After the initial capital of \$300 million was consumed in early 2021, FinDev Canada began borrowing from EDC to support its portfolio growth. Further borrowings are expected over the planning period, for such amounts, terms and conditions as EDC and FinDev Canada may agree. EDC will engage in any borrowing, investing and hedging activities on behalf of FinDev Canada.

Consistent with the projections in the 2023-2027 Corporate Plan, additional capital injections occurred in 2023 and 2024 of \$300 million and \$350 million respectively, with another injection forecast for 2025 of \$400 million for a combined increase in share capital of \$1,050 million. Of that amount, \$300 million is from the Budget 2021 commitment and \$750 million from the announcements made in support of Canada's Indo-Pacific strategy and reiterated in Budget 2023. This capital will enable the corporation to build on its success in Latin America and the Caribbean, and Sub-Saharan Africa, and expand into the Indo-Pacific region in support of Canada's broader strategy.

Statement of Changes in Equity

Table 4: Projected Statement of Changes in Equity

<i>for the year ended December 31 (in millions of Canadian dollars)</i>	2023 Actual	2024 Plan	2024 Fcst	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan
Share Capital								
Balance beginning of year	300	600	600	950	1,350	1,350	1,350	1,350
Shares issued	300	350	350	400	-	-	-	-
Balance end of year	600	950	950	1,350	1,350	1,350	1,350	1,350
Deficit								
Balance beginning of year	(43)	(52)	(67)	(72)	(76)	(91)	(129)	(186)
Comprehensive income (loss)	(24)	8	(5)	(4)	(15)	(38)	(57)	(57)
Balance end of year	(67)	(44)	(72)	(76)	(91)	(129)	(186)	(243)
Total Equity End of Year	533	906	878	1,274	1,259	1,221	1,164	1,107
Return on Equity	-6.1%	1.1%	-0.7%	-0.4%	-1.2%	-3.1%	-4.8%	-5.0%

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Growth in the loans portfolio over the Plan period results in the requirement to have adequate provision levels to reflect the risk profile of these investments thereby tempering profitability and leading to a negative return on equity.

Statement of Cash Flows

Table 5: Projected Statement of Cash Flows

<i>for the year ended December 31 (in millions of Canadian dollars)</i>	2023 Actual	2024 Plan	2024 Fcst	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan
Cash Flows used in Operating Activities								
Net income (loss)	(24)	8	(5)	(4)	(15)	(38)	(57)	(57)
Adjustments to determine net cash from (used in) operating activities								
Provision for credit losses	21	15	35	38	47	69	92	104
Depreciation	-	1	1	1	1	1	2	2
Equity investments non-cash items	(2)	-	(1)	(1)	(2)	(2)	(2)	(2)
Changes in operating assets and liabilities								
Change in accrued interest and fees receivable	(2)	(6)	(4)	(2)	(5)	(6)	(6)	(7)
Change in fair value of equity investments	6	-	2	-	-	-	-	-
Change in derivative instruments	(11)	-	3	-	-	-	-	-
Other	(3)	(3)	18	(3)	(3)	(7)	(16)	(30)
Loan disbursements	(270)	(406)	(486)	(483)	(661)	(911)	(1,167)	(1,372)
Loan repayments	60	137	136	135	196	258	360	509
Net cash used in operating activities	(225)	(254)	(301)	(319)	(442)	(636)	(794)	(853)
Cash Flows used in Investing Activities								
Disbursements for equity investments	(67)	(95)	(64)	(94)	(137)	(161)	(150)	(148)
Receipts from equity investments	2	-	2	-	-	-	-	-
Purchases of marketable securities	-	(350)	(30)	(100)	-	-	-	-
Sales/maturities of marketable securities	-	350	20	100	-	-	-	-
Purchases of property, plant, and equipment	-	(4)	(3)	(1)	-	-	(2)	-
Net cash used in investing activities	(65)	(99)	(75)	(95)	(137)	(161)	(152)	(148)
Cash Flows from Financing Activities								
Issue of long-term loans payable	347	117	215	32	575	1,039	1,029	1,577
Repayment of long-term loans payable	(359)	(116)	(198)	(14)	-	(242)	(83)	(575)
Increase (decrease) in amount due to EDC	-	-	3	-	-	-	-	-
Issuance of share capital	300	350	350	400	-	-	-	-
Net cash from financing activities	288	351	370	418	575	797	946	1,002
Net increase (decrease) in cash and cash equivalents	(2)	(2)	(6)	4	(4)	-	-	1
Cash and Cash Equivalents								
Beginning of year	28	31	26	20	24	20	20	20
End of year	26	29	20	24	20	20	20	21
Cash and Cash Equivalents are comprised of:								
Cash	10	9	11	15	11	11	11	11
Cash equivalents	16	20	9	9	9	9	9	9
	26	29	20	24	20	20	20	20
Operating Cash Flows from Interest								
Cash paid for interest	19	11	12	14	21	47	80	121
Cash received for interest	45	64	75	95	104	138	184	242

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Accounting Policies and Future Accounting Changes

The accounting policies used in the preparation of this Financial Plan are in accordance with International Financial Reporting Standards (IFRS) currently in effect as issued by the International Accounting Standard Board (IASB). The earnings of the corporation are not subject to the requirements of the *Income Tax Act*.

Amended and Evolving Standards

The IASB has a number of projects underway, please refer to Note 2 – Summary of Material Accounting Policy Information in the 2023 Annual Report.

Capital Management

Capital Adequacy Policy (CAP)

FinDev Canada manages capital through its capital management policy in order to meet the demands of current and future business while maintaining the ability to withstand future, unpredictable risks.

FinDev Canada's approach to capital management introduces the concept of Economic Capital, which is the amount of equity needed to absorb losses over a certain time horizon while maintaining a target solvency. This approach is rooted in Basel III principles and aligns with practices in place at most regulated international commercial financial institutions. It has also been designed to ensure alignment with its parent, EDC. Like EDC, FinDev Canada's target solvency rating has been set to A which has been updated in 2024 from the previous AA rating as a result of requirements under the 2024 Federal Budget.

3.2 Operating Budget and Notes

Administrative Expenses

FinDev Canada's administrative expenses reflect both the growing nature of a young organization while considering the Government of Canada's expectation for Crown Corporations to manage costs. Throughout the Plan period, NFII is projected to exceed administrative expenses, therefore FinDev Canada is more than amply covering its costs.

Budget 2023, released on March 28, 2023 outlined expectations for Crown Corporations to achieve expense savings. In order to adhere to the requirements FinDev Canada reduced spending in the 2024-2028 Corporate Plan in a number of areas including travel from what was included in the 2023-2027 Corporate Plan reflecting savings of \$6.9 million. However, an increase in expenses is reflected in the Plan, as the corporation has received new mandates in 2024 for concessional finance and technical assistance in addition to the buildout of international representations required to support the growth in the portfolio.

Table 6: Projected Administrative Expenses

<i>(in millions of Canadian dollars)</i>	2023 Actual	2024 Plan	2024 Fcst	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan
Salaries and benefits	16.3	23.6	23.6	29.8	35.3	39.5	43.1	45.2
Professional services	4.1	5.7	5.7	6.0	6.3	6.9	7.3	7.6
Administration costs	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.9
Occupancy	1.1	1.4	1.4	1.4	1.4	1.4	1.4	1.5
Travel, hospitality and conferences	1.0	1.4	1.4	1.7	2.1	2.6	3.1	3.2
Systems Costs	0.9	1.0	1.0	0.9	0.9	1.0	1.1	1.1
Marketing and communications	0.6	0.6	0.6	0.7	0.7	0.8	0.8	0.9
Amortization and depreciation	0.2	0.8	0.8	0.9	0.9	1.0	1.0	1.1
Information services	0.1	0.3	0.3	0.4	0.4	0.5	0.5	0.6
Other	0.7	0.8	0.7	0.8	1.2	0.8	0.8	0.9
Subtotal ¹	26.8	37.4	37.3	44.4	51.0	56.3	60.9	64.0
Increase to support regional representations, concessional finance and technical assistance	-	-	1.5	8.5	10.4	15.0	18.3	21.4
Total administrative expenses	26.8	37.4	38.8	52.9	61.4	71.3	79.2	85.4

¹ The subtotal aligns with the administrative expenses submitted in the 2024-2028 Corporate Plan.

[Download accessible versions of all financial tables here.](#)

2024 Forecast

Administrative expenses are expected to be higher than projected in the 2024 Plan primarily due to revised human resources costs, including the expansion into the Indo-Pacific region and higher service level agreement expenses in connection with the support functions provided by EDC partially offset by reductions in professional services due to delays in the implementation of the Digital roadmap.

2025 Corporate Plan

FinDev Canada is targeting administrative expenses of \$52.9 million for 2025. Items of significance in the administrative expense projections for 2025 are as follows:

- ➔ Salaries and benefits are projected to increase as new employees are hired to support the growth of FinDev Canada's business including concessional financing, technical assistance and the regional expansions, consistent with its long-term strategy.
- ➔ Professional services are expected to grow in 2025, primarily due to higher IT consulting fees as the corporation builds out its digital infrastructure and executes against the roadmap presented in Chapter 3.

Table 7: Travel and Hospitality Expenses

<i>(in thousands of Canadian dollars)</i>	2023 Actual	2024 Plan	2024 Fcst	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan
Travel	884	1,312	1,345	1,865	2,474	3,289	3,895	4,385
Hospitality	79	66	96	214	242	274	306	333
Conferences	13	39	39	58	79	92	115	130
Total	975	1,417	1,480	2,137	2,795	3,655	4,316	4,848

[Download accessible versions of all financial tables here.](#)

Table 8: Travel and Hospitality Expenses as a Percentage of Total Administrative Expenses

<i>(in thousands of Canadian dollars)</i>	2023 Actual	2024 Plan	2024 Fcst	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan
Total travel, hospitality and conferences expenses	975	1,417	1,480	2,137	2,795	3,655	4,316	4,848
Total administrative expenses	26,801	37,421	38,836	52,808	61,255	71,213	79,242	85,376
Travel and hospitality as a % of total administrative expenses	3.6%	3.8%	3.8%	4.0%	4.6%	5.1%	5.4%	5.7%

[Download accessible versions of all financial tables here.](#)

3.3 Capital Budgets and Notes

Capital Expenditures

Table 9: Projected Capital Expenditures

<i>(in millions of Canadian dollars)</i>	2023 Actual	2024 Plan	2024 Fcst	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan
Facilities	0.2	4.2	2.5	1.4	0.3	0.3	1.7	0.3
Information technology	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Total capital expenditures	0.3	4.3	2.6	1.5	0.4	0.4	1.8	0.4

Facilities capital expenditures include leasehold improvements, furniture and equipment. Information technology capital expenditures include hardware, internally developed and purchased software.

[Download accessible versions of all financial tables here.](#)

Capital Expenditures in 2024 are projected to be lower than Plan primarily due to Montreal new office revised costs and improvements for the Ottawa office postponed to 2025.

The facilities forecast for 2028 is expected to increase mainly due to projected requirements to support the growth of FinDev Canada's business.

No capital expenditures during the Plan period meet the requirements for disclosure per the value and risk tests.

Appendix 4: Borrowing Plan

Borrowing Authority

Pursuant to EDC's expanded mandate under section 10(1)(c) of the amended *Export Development Act*, EDC has incorporated Development Finance Institute Canada (DFIC) Inc., trade name FinDev Canada, as a wholly owned subsidiary of EDC.

Borrowing Strategy

FinDev Canada is currently forecasted to have outstanding borrowings from EDC of \$332 million at the end of 2025. This is viewed as the corporation's baseline borrowing requirement.

EDC Treasury will leverage its expertise to undertake all borrowing, investing, hedging and foreign exchange activities on behalf of FinDev Canada.

As of March 31, 2024, the balance of the loan payable to EDC was \$126 million. The balance is expected to increase to \$310 million at the end of the year, which is within the current approved limit of the borrowing facility. All loans outstanding were made on commercial terms including a market interest rate.

Appendix 5: Compliance with Legislative and Policy Requirements

FinDev Canada is subject to a diverse range of legislation, regulations, international agreements and treaties, government policies, directives and compliance with industry standards across multiple jurisdictions.

FinDev Canada's suite of policies address the legislative and policy requirements relevant to our operations in order to protect the company, our employees, and the Government of Canada from potential exposure to legal, reputational and financial consequences.

To manage the risk of non-compliance with our obligations and policies, FinDev Canada aligns its practices with those of EDC, whenever relevant to our mandate and to our operating environment. This is the case for directives that are issued to EDC under Section 89 of the *Financial Administration Act* (FAA).

Furthermore, EDC monitors new bills tabled in Parliament, to ensure that EDC and FinDev Canada are in compliance with new federal requirements.

Appendix 6: Government Priorities and Direction

Transparency and Open Government

FinDev Canada is committed to trust and accountability, including accurate and timely disclosure of information. As such, the corporation updated its *Transparency & Disclosure Policy*³⁵ which was approved by the Board of Directors in 2023, in response to the evolution of the operating environment.

FinDev Canada provides access to information while maintaining the commercial confidentiality of our customers. The Policy governs how we publicly release information on transactions. We place FinDev Canada in a leading position, by instituting pre-signing disclosure of the transactions it considers entering into.

FinDev Canada will also provide regular reporting on its aggregate activities, including development impact performance, and information on all transactions entered into. FinDev Canada also makes the following information publicly available on its website:

- Travel and Hospitality expenses;
- Annual Reports on the Administration of the *Access to Information Act*;
- Information about our function, programs, activities and information holdings (Info Source); and
- Any disclosure reports of wrongdoing under the *Public Servants Disclosure Protection Act*.

FinDev Canada engages with stakeholders and civil society through consultations and by participating in events to discuss issues of mutual concern and solicits feedback on our own practices. FinDev Canada will continue to provide increased access to information for its clients, partners and civil society over the planning period.

³⁵ *Transparency Disclosure and Policy*. FinDev Canada. 2023. <https://www.findevcanada.ca/sites/default/files/2023-06/Transparency%20and%20Disclosure%20Policy%202023.pdf>

