



**Political Risk Insurance
Export Development Canada**

**Facilitating Canadian Exports and
Investment into Africa**

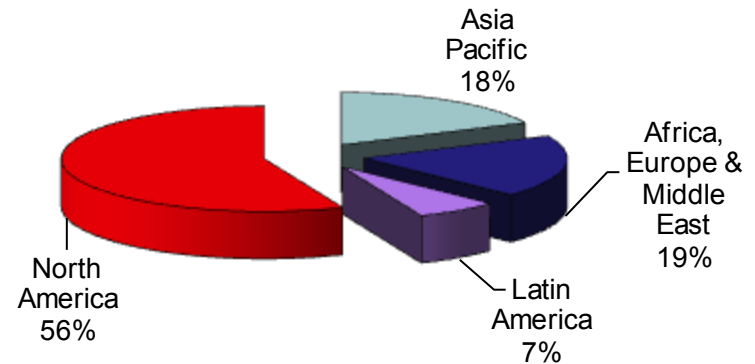
November 8, 2011

Presentation Outline

- ▶ About EDC
- ▶ EDC Involvement in Africa
- ▶ Business Impacts of Political Events
- ▶ A Few EDC PRI Case Studies
- ▶ The EDC Value Proposition
- ▶ EDC PRI Application – Information Requirements
- ▶ Q&A

A Global Financial Services Partner

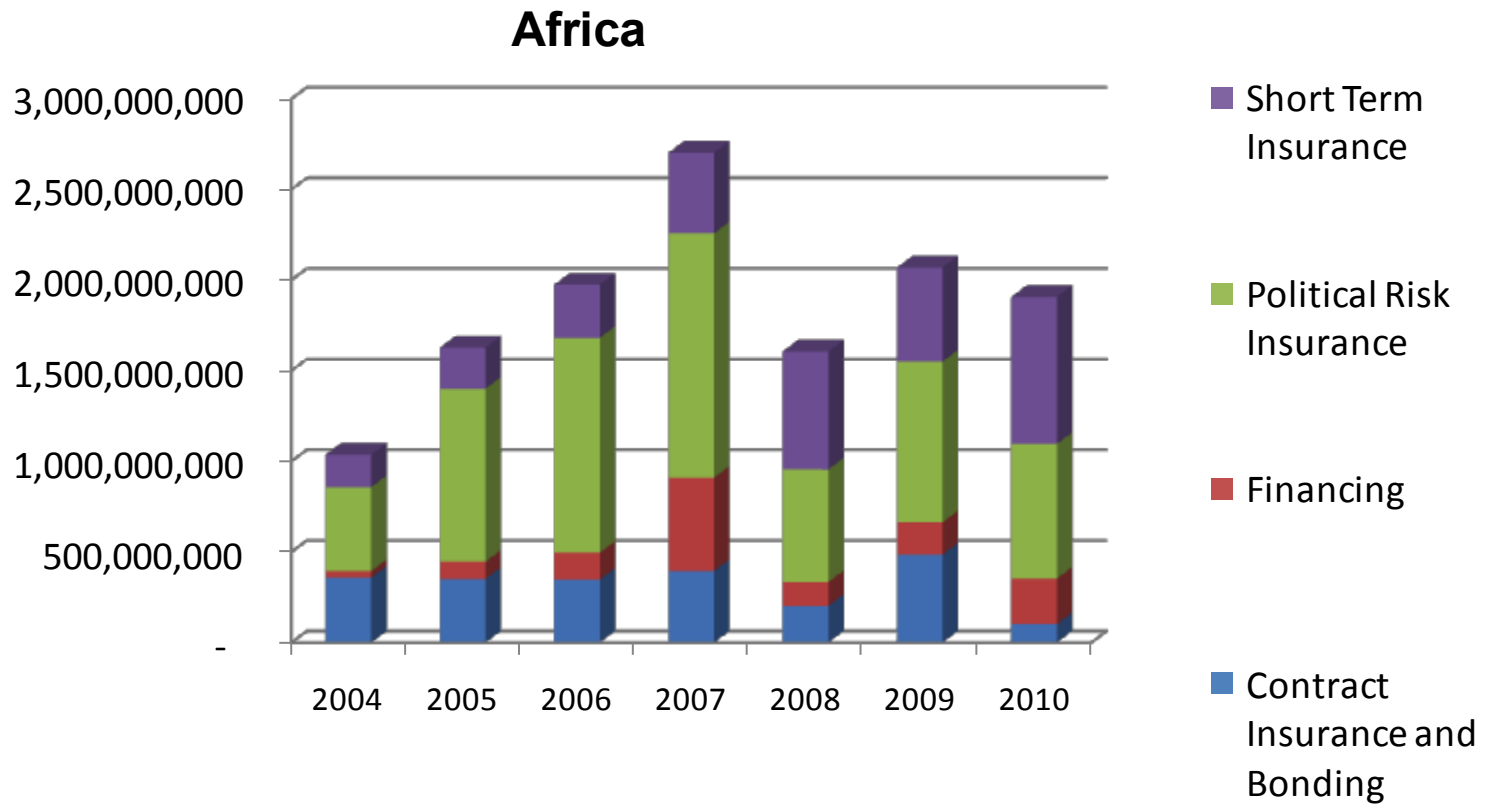
- ▶ Canada's Export Credit Agency
- ▶ Crown corporation wholly owned by Government of Canada
- ▶ Financially self-sustaining
- ▶ Operates on commercial principles
- ▶ EDC's role is to support and develop Canada's export trade and international business efforts
- ▶ EDC's products include financing and insurance solutions for Canadian exporters and investors



**EDC 2010 Business Volume
by Geographic Area**

EDC Volume in Africa – By Product

EDC Business Volume (CAD \$)



Business Impacts of Political Events

▶ **Government Actions:**

- ▶ Royalty increase → Financial viability threatened
- ▶ Confiscation of investment → Loss of invested capital & future earnings
- ▶ Termination of key contract without justification → Loss of contract & associated earnings

▶ **Economic Instability:**

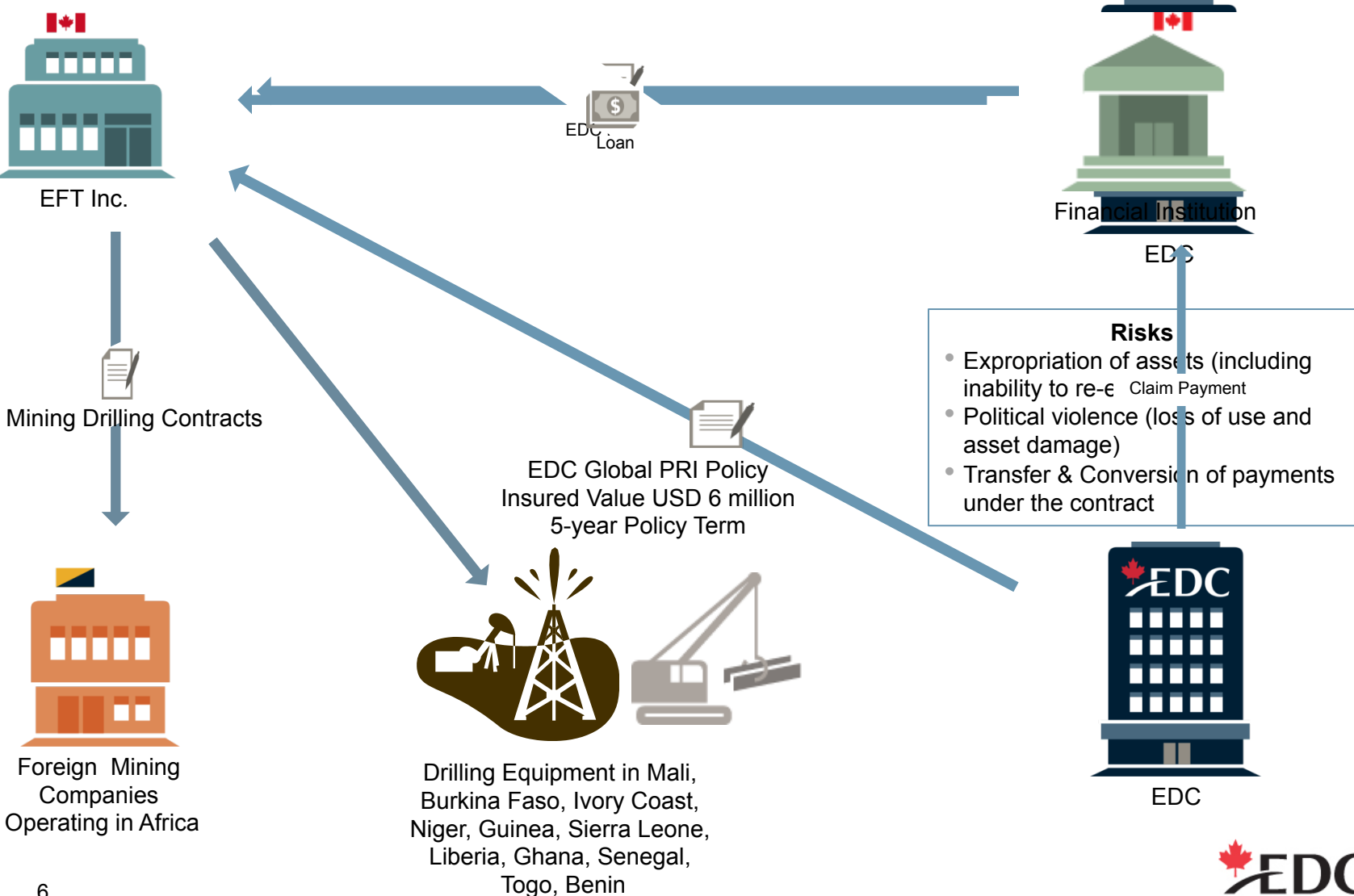
- ▶ Imposition of currency controls → Cannot repatriate dividends
- ▶ Liquidity Crisis → Widespread Government default → Loss of revenue

▶ **Civil Commotion:**

- ▶ Widespread rioting → Loss of earnings from inability to operate
- ▶ Civil war → Assets damages, destruction or confiscation

Political Risk Insurance can help to mitigate these losses!

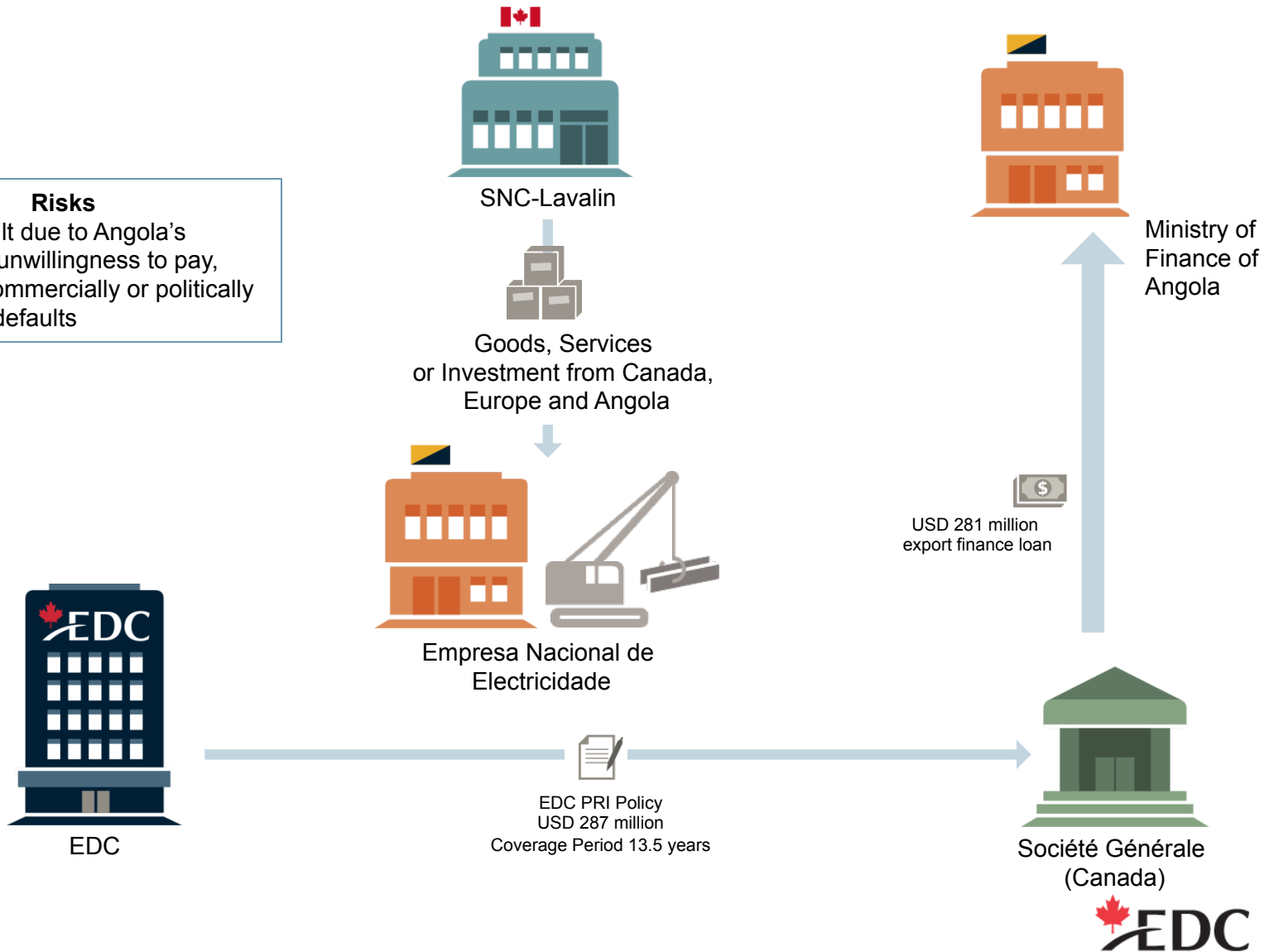
EFT Inc – Global Mobile Asset Coverage



SNC-Lavalin – Matala Dam Rehabilitation Project Non-Payment Insurance on Sovereign Loans

Risks

- Loan default due to Angola's inability or unwillingness to pay, covering commercially or politically motivated defaults



The EDC Value Proposition

- ▶ Highly customized solutions
- ▶ EDC can be an important advocacy partner
- ▶ Comprehensive in-house capabilities (economic and political risk analysis, legal resources, environmental and technical analyses)
- ▶ Assume selective longer-tenor and higher-risk transactions
- ▶ Well-developed re-insurance(syndication) partnerships with proven fronting capabilities
- ▶ Full spectrum of financing and risk mitigation products

EDC Information Requirements

▶ **Request a quote from EDC:**

- ▶ Countries of Interest
- ▶ Period of Coverage
- ▶ Investment Amount
- ▶ Value of Assets
- ▶ Investment/ Project details (ie. joint venture partners, sector)