

EXPORT DEVELOPMENT CANADA GREEN BOND PROGRAM

Export Development Canada (EDC) is Canada's export credit agency. Our mandate is to support and develop Canada's export trade by helping Canadian companies respond to international business opportunities. We are a Crown corporation that operates at arm's length from the Government. EDC is financially self-sustaining and operates on commercial principles; we collect interest on our loans and premiums on our insurance products. To support our activities, our Treasury raises funds in the global capital markets.

Green Bond program

EDC issued its inaugural green bond as part of our Green Asset portfolio in January 2014, a USD 300 million, three year offering. This newsletter represents EDC's first report to investors in our green bond program. Eligible transactions supporting EDC's green bonds program include direct loans in sectors that will preserve, protect or remediate air, water or soil, or help mitigate climate change. For example:

- Renewable Energy
- Industrial Process Improvements
- Recycling & Recovery
- Biofuels & Bioenergy
- Waste Management
- Water Management
- Alternative Energy Transportation
- Public Ground Transport

EDC's criteria for selecting eligible transactions has received endorsement from the Center for International Climate and Environmental Research (CICERO) an independent research center associated with the University of Oslo in Norway. The list of eligible transactions is updated quarterly by EDC's Environmental Advisory Services and Infrastructure and Financial Services teams, based on the CICERO criteria.

SAMPLE TRANSACTIONS

A non-exhaustive list of the transactions considered by EDC to be eligible for the green asset program include:

- China Gas Holdings Limited (China) - Alternative Energy
- GoldLinQ Consortium (Australia) - Public Ground Transport
- Angel Trains Limited (UK) - Public Ground Transport
- BioAmber (Canada) – Biofuels and Bioenergy

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PROJECT PROFILE: PROJECT GEMINI

In June 2014, EDC provided financing of EUR 92.4 million for Buitengaats C.V. and ZeeEnergie C.V., subsidiaries of Toronto-based energy developer / operator Northland Power Inc. (NPI), the largest loan EDC has ever provided in the wind power sector.

The financing will be used by the Borrowers to develop and construct Project Gemini, a 600 MW offshore wind farm in the Dutch North Sea. Once completed in 2017, Project Gemini will be the second largest wind farm in the world, and the largest in the North Sea. Once constructed, Project Gemini will provide enough clean energy to supply the needs of 1.5 million people annually while reducing 1,250,000 tons of CO₂ emissions per year.

In addition to EDC, 10 international commercial banks were involved in securing the total EUR 2.8 billion term loan. As well, NPI and the Danish pension fund PKA have provided subordinated loans totaling EUR 200 million.

EDC credit is Canadian sovereign risk. Our bonds are the full faith and credit of the Government of Canada. The ratings reflect EDC's status as an agent of her Majesty in right of Canada and EDC's 100 per cent ownership by the Government of Canada. Repayment of the bonds is not linked to the credit performance of the projects, so investors do not assume specific project risk.

We are committed to the principles of corporate social responsibility (CSR). Our rigorous due diligence requirements ensure that all projects and transactions we support are financially, environmentally and socially responsible. We believe that good business — adopting and embracing these principles while we facilitate trade for Canadian investors and exporters — is good for business.

Ce document est également disponible en français.

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