s.18.1(1)(b)

s.24(1)

Boswell, Karyn

From: Horton, Karen
Sent: Monday, April 18, 2011 5:55 PM
To: Sullivan, Jennifer
Cc: Trinneer, Dianne
Subject: [redacted]

Ok- I'm reviewing right now

From: Sullivan, Jennifer
Sent: Monday, April 18, 2011 2:05 PM
To: Horton, Karen
Cc: Sturrock, Abbey; Trinneer, Dianne
Subject: [redacted]

Please see our suggested changes attached.

Jennifer

From: Horton, Karen
Sent: Monday, April 18, 2011 8:59 AM
To: Trinneer, Dianne; Sullivan, Jennifer
Cc: Sturrock, Abbey
Subject: [redacted]

Please note that I have inserted my last comment on Sunday. I will bring down a photocopy of pierre and jim's comments in 20 minutes on the way to my course.

s.18.1(1)(b)
s.24(1)

Boswell, Karyn

From: Trinneer, Dianne
Sent: Monday, April 18, 2011 2:22 PM
To: Sullivan, Jennifer
Subject: [redacted]

Feel free to grab me to join you.

From: Horton, Karen
Sent: Monday, April 18, 2011 2:20 PM
To: Sullivan, Jennifer
Cc: Sturrock, Abbey; Trinneer, Dianne
Subject: [redacted]

I'll try to call at a break to discuss

From: Sullivan, Jennifer
Sent: Monday, April 18, 2011 2:05 PM
To: Horton, Karen
Cc: Sturrock, Abbey; Trinneer, Dianne
Subject: [redacted]

Please see our suggested changes attached.

Jennifer

From: Horton, Karen
Sent: Monday, April 18, 2011 8:59 AM
To: Trinneer, Dianne; Sullivan, Jennifer
Cc: Sturrock, Abbey
Subject: [redacted]

Please note that I have inserted my last comment on Sunday. I will bring down a photocopy of pierre and jim's comments in 20 minutes on the way to my course.

Boswell, Karyn

From: Horton, Karen
Sent: Monday, April 18, 2011 6:42 PM
To: Sullivan, Jennifer
Cc: Sturrock, Abbey; Trinneer, Dianne
Subject: [redacted]

Importance: High

s.18.1(1)(b)
s.24(1)

Excellent – thank you everyone!
I will reread and then send to Pierre (copy jp

From: Sullivan, Jennifer
Sent: Monday, April 18, 2011 2:05 PM
To: Horton, Karen
Cc: Sturrock, Abbey; Trinneer, Dianne
Subject: [redacted]

Please see our suggested changes attached.

Jennifer

From: Horton, Karen
Sent: Monday, April 18, 2011 8:59 AM
To: Trinneer, Dianne; Sullivan, Jennifer
Cc: Sturrock, Abbey
Subject: [redacted]

Please note that I have inserted my last comment on Sunday. I will bring down a photocopy of pierre and jim's comments in 20 minutes on the way to my course.

Pages 28364 to / à 28365
are withheld pursuant to sections
sont retenues en vertu des articles

18.1(1)(b), 23, 24(1)

of the Access to Information Act
de la Loi de l’accès à l’information

Kind regards,
Abbey

s.24(1)

s.18.1(1)(b)

Boswell, Karyn

From: Sullivan, Jennifer
Sent: Thursday, April 07, 2011 8:14 PM
To: Horton, Karen; Sturrock, Abbey
Cc: Trinneer, Dianne
Subject: [redacted]
Attachments:

Sorry. Here's the clean copy. The blacklined copy I just sent you was OK (and I compared my revised draft to the draft you sent this evening).

From: Sullivan, Jennifer
Sent: Thursday, April 07, 2011 8:10 PM
To: Horton, Karen; Sturrock, Abbey
Cc: Trinneer, Dianne
Subject: [redacted]

Please find attached our suggested changes to the above-referenced document (clean and blacklined copies are attached). Please call me tomorrow if you would like to discuss.

Jennifer (x 3056)

s.18.1(1)(b)

s.24(1)

Boswell, Karyn

From: Horton, Karen
Sent: Thursday, April 07, 2011 8:49 PM
To: Sullivan, Jennifer; Sturrock, Abbey
Cc: Trinneer, Dianne
Subject: [redacted]

Thanks Jennifer for your input and extremely quick turnaround. I will re-review tomorrow morning on my computer rather than blackberry.
K

From: Sullivan, Jennifer
Sent: Thursday, April 07, 2011 08:09 PM
To: Horton, Karen; Sturrock, Abbey
Cc: Trinneer, Dianne
Subject: [redacted]

Please find attached our suggested changes to the above-referenced document (clean and blacklined copies are attached). Please call me tomorrow if you would like to discuss.

Jennifer (x 3056)

Boswell, Karyn

From: van Eeden, Albert
Sent: Thursday, August 25, 2011 8:16 AM
To: Sullivan, Jennifer
Cc: Boyce, Jane; Ross, Daniel; Trinneer, Dianne
Subject: RE: [redacted]

Just to advise that Dan picked up the docs at the mailroom this morning

Cheers

From: Sullivan, Jennifer
Sent: Wednesday, August 24, 2011 7:45 PM
To: van Eeden, Albert
Cc: Boyce, Jane; Ross, Daniel; Trinneer, Dianne
Subject: RE: [redacted]

Thanks. I didn't get your voice mail until now (and the Mailroom is now closed). Dianne Trinneer (on behalf of Legal and CARD) will contact you tomorrow am to arrange for pick-up.

From: van Eeden, Albert
Sent: Wednesday, August 24, 2011 5:33 PM
To: Sullivan, Jennifer
Subject: Re: [redacted]

Left you a vmail - thx

Sent from BlackBerry

From: Sullivan, Jennifer
Sent: Wednesday, August 24, 2011 03:41 PM
To: van Eeden, Albert
Subject: FW: [redacted]

Albert, have you seen [redacted] The package (or box) may have been sent to you or Joanne. We urgently need to track down the package.

Thanks,

Jennifer (x 3056)

From: Sullivan, Jennifer
Sent: Wednesday, August 24, 2011 3:22 PM
To: Boyce, Jane
Cc: Ross, Daniel
Subject: [redacted]
Importance: High

Jane, we're expecting [redacted] (which should have arrived yesterday) and we think that they would have been sent to Joanne. Can you please let us know ASAP if you have seen them?

Thanks!

Jennifer

Boswell, Karyn

From: Ross, Daniel
Sent: Thursday, August 25, 2011 8:49 AM
To: Trinneer, Dianne
Subject: RE: URGENT - [redacted]

One copy ... comprised of 4 x 5" binders ... 3 of the 4 binders are full with the last one being about ½ full.

From: Trinneer, Dianne
Sent: Thursday, August 25, 2011 8:45 AM
To: Ross, Daniel
Subject: RE: URGENT - [redacted]

Is it just one copy and that takes 2 boxes, or is it a few copies?

From: Ross, Daniel
Sent: Thursday, August 25, 2011 8:20 AM
To: Trinneer, Dianne
Cc: Sullivan, Jennifer
Subject: RE: URGENT - [redacted]

I have the 2 boxes of documents here on the 4th floor now

Dan

From: Trinneer, Dianne
Sent: Thursday, August 25, 2011 7:19 AM
To: Ross, Daniel
Cc: Sullivan, Jennifer
Subject: Re: URGENT - [redacted]

It sounded as though it may not have been picked up from the mail room.

From: Ross, Daniel
Sent: Thursday, August 25, 2011 07:14 AM
To: Trinneer, Dianne
Subject: RE: URGENT - [redacted]

Not a problem ... just went over to 150 Slater ... no one on the 12th floor in the PRI area and the Mail Room doesn't open until 8:00 ... I will go back around 8:00 for the box. Did Jane say that they had it on the 12th floor ... or will it be waiting for us in the mail room?

From: Trinneer, Dianne
Sent: Thursday, August 25, 2011 6:52 AM
To: Ross, Daniel
Subject: Re: URGENT - [redacted]

I thought a time advantage would be gained!

From: Ross, Daniel
Sent: Thursday, August 25, 2011 06:48 AM

s.19(1)
s.24(1)

To: Trinneer, Dianne
Cc: Sullivan, Jennifer
Subject: RE: URGENT - [redacted]

Just got in Dianne ... I will go over to 150 Slater and pick up the package ... I will also ask our Admin to make 5 copies for now ... I will have them set the original aside and also to scan them and put them on a restricted My Space site I am setting up so we can all have them electronically

Dan

From: Trinneer, Dianne
Sent: Wednesday, August 24, 2011 8:00 PM
To: Ross, Daniel
Subject: FW: URGENT - [redacted]

Hi Dan,

Jennifer and I agreed that I would arrange for pick up of [redacted] because I will be in first, so I could go over to the new building as soon as I get in [redacted], and while I am over there arrange to have some copies made. Though I don't know what time Barry gets in. It has just occurred to me that you may be in much earlier than that, and that you may be anxious to get the ball rolling. If so, that's OK, but please let me know so that I don't go over if you already have.

We were thinking that we would decide how many copies to get made after we see what the package looks like. We thought we would make 5 copies for now (2 for CARD, 2 for Legal, 1 for Dan P.). However, if it is bound in such a way that it would be a pain in the neck to take apart we might make 1 or 2 extra, so as not to have to take it apart again. Thoughts?

p.s. one copy, probably the original, should be kept aside and not used by anyone or marked, in case it may be needed in the future.

Call in the morning if you want to discuss.

Dianne
2536

From: Sullivan, Jennifer
Sent: Wednesday, August 24, 2011 7:45 PM
To: van Eeden, Albert
Cc: Boyce, Jane; Ross, Daniel; Trinneer, Dianne
Subject: RE: URGENT - [redacted]

Thanks. I didn't get your voice mail until now (and the Mailroom is now closed). Dianne Trinneer (on behalf of Legal and CARD) will contact you tomorrow am to arrange for pick-up.

From: van Eeden, Albert
Sent: Wednesday, August 24, 2011 5:33 PM
To: Sullivan, Jennifer
Subject: Re: URGENT - [redacted]

Left you a vmail - thx

s.24(1)

Sent from BlackBerry

From: Sullivan, Jennifer
Sent: Wednesday, August 24, 2011 03:41 PM
To: van Eeden, Albert
Subject: FW: URGENT - [redacted]

Albert, have you seen a package [redacted]? The package (or box) may have been sent to you or Joanne. We urgently need to track down the package.

Thanks,

Jennifer (x 3056)

From: Sullivan, Jennifer
Sent: Wednesday, August 24, 2011 3:22 PM
To: Boyce, Jane
Cc: Ross, Daniel
Subject: URGENT - [redacted]
Importance: High

Jane, we're expecting documents [redacted] (which should have arrived yesterday) and we think that they would have been sent to Joanne. Can you please let us know ASAP if you have seen them?

Thanks!

Jennifer

s.18.1(1)(b)

s.24(1)

Boswell, Karyn

From: Richter, Michael
Sent: Thursday, August 11, 2011 10:59 AM
To: Trinneer, Dianne
Subject: Research ([redacted]
Attachments: Memo [redacted]

Dear Dianne,

Please see attached a memo requested by Jennifer [redacted]. I will bring a printed copy to you.

Please let me know if I can assist with anything else on this matter.

Regards,
Michael

Boswell, Karyn

Subject: [redacted]
Location: Jennifer's Office

Start: Wed 3/30/2011 3:45 PM
End: Wed 3/30/2011 4:15 PM
Show Time As: Tentative

Recurrence: (none)

Meeting Status: Not yet responded

Organizer: Sturrock, Abbey
Required Attendees: Sullivan, Jennifer; Trinneer, Dianne

In an effort to reserve time [redacted]

Boswell, Karyn

From: Sturrock, Abbey
Sent: Wednesday, March 30, 2011 10:58 AM
To: Sullivan, Jennifer; Trinneer, Dianne; Horton, Karen
Subject: [redacted]

s.18.1(1)(b)
s.24(1)

Unfortunately I am stuck at the Venezuelan Embassy and will not be there in time for the meeting. I am very, very sorry for this inconvenience.

Boswell, Karyn

From: Trinneer, Dianne
Sent: Tuesday, June 07, 2011 9:27 AM
To: Sullivan, Jennifer
Subject: [redacted] s.24(1)

I liked Joanne's note, especially the salutation.

 s.24(1)

From: Sullivan, Jennifer
Sent: Tuesday, March 15, 2011 7:22 PM
To: Palmer, Joanne; Sturrock, Abbey
Cc: Trinneer, Dianne
Subject: [redacted]

Before responding to [redacted] we'd like to further discuss the request with you tomorrow. I'll send you a meeting invitation.

s.24(1)

Boswell, Karyn

Subject: [redacted]
Location: My office

Start: Thu 3/3/2011 2:30 PM
End: Thu 3/3/2011 3:00 PM
Show Time As: Tentative

Recurrence: (none)

Meeting Status: Not yet responded

Organizer: Sullivan, Jennifer
Required Attendees: Horton, Karen; Sturrock, Abbey; Trinneer, Dianne

Boswell, Karyn

From: Sullivan, Jennifer
Sent: Wednesday, March 16, 2011 3:23 PM
To: Trinneer, Dianne
Subject: [redacted]
Attachments:

Please see attached for your review and comment.

s.18.1(1)(b)
s.23
s.24(1)

Boswell, Karyn

From: Sullivan, Jennifer
Sent: Thursday, August 11, 2011 7:12 PM
To: Trinneer, Dianne
Subject: [redacted]
Attachments: [redacted]

Sorry. Please discard the draft I sent you earlier and please review the attached. I have highlighted issues in yellow which requires further discussion between us.

s.18.1(1)(b)
s.23
s.24(1)

Boswell, Karyn

From: Sullivan, Jennifer
Sent: Monday, April 18, 2011 10:53 AM
To: Trinneer, Dianne
Subject: [redacted]
Attachments:

Attached are my suggested changes to Karen's latest draft.

s.18.1(1)(b)
s.24(1)

Boswell, Karyn

From: Horton, Karen
Sent: Friday, April 08, 2011 12:58 PM
To: Sullivan, Jennifer; Trinneer, Dianne
Cc: Sturrock, Abbey
Subject: [redacted]
Attachments:

Hi Jennifer
Please see my revisions blacklined to yours.
It is probably faster to do this on the phone the reasons for my changes.

Boswell, Karyn

From: Trinneer, Dianne
Sent: Tuesday, March 01, 2011 12:58 PM
To: Godard, Cheryl
Cc: Sullivan, Jennifer
Subject: [redacted]

Cheryl,

Can you please make a copy [redacted] for me? If you do not know where to find it, Jennifer can tell you. Thanks.

Dianne

Boswell, Karyn

From: Sullivan, Jennifer
Sent: Friday, May 06, 2011 11:09 AM
To: Palmer, Joanne; Proulx, Dominique; Ross, Daniel; Suys, Colin
Cc: Trinneer, Dianne
Subject: [redacted]
Attachments:

s.18.1(1)(b)

s.24(1)

Further to my earlier meeting invitation, please find attached a copy [redacted] It would be helpful for our meeting next Tuesday if you could review/consider the attached before the meeting.

Thanks very much,

Jennifer (x 3056)

Jennifer Sullivan
Senior Legal Counsel
Legal Services

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s.18.1(1)(b)

s.24(1)

Boswell, Karyn

From: Trinneer, Dianne
Sent: Tuesday, August 23, 2011 9:24 AM
To: Sullivan, Jennifer
Subject: [redacted]

I noticed [redacted] yesterday's letter to Director, Political Risk Insurance with no name. Presumably whoever receives it will know that they should get it to the right people. Not sure whether they will have sent more than one copy, but since it's a document with tabs we may want to ask that if it looks like something that the print shop could handle more easily that they get it there and have enough copies made.

A0038619_1-028915

s.18.1(1)(b)
s.23

Boswell, Karyn

From: Trinneer, Dianne
Sent: Thursday, March 17, 2011 3:00 PM
To: Palmer, Joanne; Maioni, Teresa
Subject: unexpected phone call

Importance: High

Hi,

Jennifer and I have just received an unexpected call [redacted] We won't be much longer but I think we need to keep speaking with him. Can I have a few minutes and start our meeting as soon as we are finished?

Dianne

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18.1(1)(b), 24(1)

of the Access to Information Act
de la Loi de l'accès à l'information

s.18.1(1)(b)

[redacted]

John Bitzan
Political Risk Analyst, Middle East and North Africa
Analyste des risques politiques, Moyen-orient et afrique du nord
Political and Human Rights Risk Assessment
Evaluation des risques politiques et des droits de la personne
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Ottawa, Ontario
Canada KIA 1K3
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From: Duford, Philippe E
Sent: Monday, February 28, 2011 11:43 AM
To: Campagna, Susanna; Grall, Etienne; Horton, Karen; Schneider, Signi; Forbes, Robert; Sullivan, Jennifer; Palmer, Joanne; Sturrock, Abbey; Taylor, Phil; Bitzan, John; Georgiou, Taso; Brown, Gary; Paquette, Joanne; CR 17A-03 - Audio Visual Room - Seats 14; Pipin, Anna; Bentolila, Patricia; Young, Anna; Bitzan, John; Bentolila, Patricia; Brouillard, Vicky; Campagna, Susanna; Edgeworth, Charles; Harkins, Michael; Leong, Richard; Melanson, Marie-Chantal; Pipin, Anna; Polisena, Arturo; Saab, Gabriela; Schuster, Richard; Chomyn, Roman; Hall, Peter G
Subject: Government Sanctions - Libya

On behalf of the Government, Minister Baird just announced the following:

The Canadian Government would enact the UN Security Council resolution that imposed (1) impose an arms embargo on Libya; (2) freeze the assets of Mr. Gadhafi, four of his sons and a daughter, (3) a travel ban on the Gadhafi family and close associates, including leaders of the revolutionary committees accused of much of the violence against regime opponents. Canada will also impose an asset freeze on, and a prohibition of financial transactions with the government of Libya, its institutions and agencies, including the Libyan Central Bank.

Minister Baird also noted that these are temporary and do not impose regulations on commercial transactions not related to the Government of Libya.

Philippe Duford
Advisor, Planning & Government Relations/Conseiller, Planification et Relations gouvernementales
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151 O'Connor, Ottawa, Ontario K1A 1K3
pduford@edc.ca

Boswell, Karyn

From: Sullivan, Jennifer
Sent: Friday, March 25, 2011 10:48 AM
To: 'Milos Barutciski'
Cc: Trinneer, Dianne; Jesse Goldman; Laura Murray
Subject: [redacted]
Attachments: Memo to EDC - EDC Comments Mar 25 11.DOCX

s.23
s.24(1)

Thank you, Milos. Please see my preliminary comments to your draft memo marked in the attached. Unfortunately, I will not be able to obtain Dianne's comments until the early afternoon as she is in meetings until that time.

[redacted]

Thank you again,

Jennifer

Jennifer Sullivan
Senior Legal Counsel
Legal Services

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Canada K1A 1K3
www.edc.ca

From: Milos Barutciski [mailto:BarutciskiM@bennettjones.com]
Sent: Friday, March 25, 2011 5:48 AM
To: Sullivan, Jennifer
Cc: Trinneer, Dianne; Jesse Goldman; Laura Murray
Subject: [redacted]

Dianne/Jennifer:
As promised, [redacted] I have not had a chance to review the issues with Jesse and/or Laura and, by copy of this email, I am asking them to get back to me with any comments they may have. Also, if you have any comments or questions, please forward them to all three of us and I will Jesse revise and finalize the memorandum.
In the meantime, I will have email access and am reachable over the next 3 or 4 hours to a limited extent, but will be more available later in the day.
Best regards,
Milos

s.23

s.24(1)

-----Original Message-----
From: Sullivan, Jennifer [mailto:JSullivan@edc.ca]
Sent: Thu 3/24/2011 5:07 PM
To: Milos Barutciski
Cc: Trinneer, Dianne
Subject: [redacted]

[redacted]

Thank you.

Boswell, Karyn

From: Palmer, Joanne
Sent: Wednesday, March 16, 2011 9:49 PM
To: Sullivan, Jennifer; Sturrock, Abbey
Cc: Trinneer, Dianne
Subject: [redacted]

That wording is fine with me.

Abbey you can send early morning [redacted] Jennifer and Dianne, appreciate all your work on this. Thanks. Joanne

---

From: Sullivan, Jennifer
Sent: Wednesday, March 16, 2011 07:35 PM
To: Sullivan, Jennifer; Palmer, Joanne; Sturrock, Abbey
Cc: Trinneer, Dianne
Subject: RE: [redacted]

s.18.1(1)(b)
s.21(1)(b)
s.23
s.24(1)

Sorry. You can call us tonight up to 8pm at 613-598-3056.

From: Sullivan, Jennifer
Sent: Wednesday, March 16, 2011 7:27 PM
To: Palmer, Joanne; Sturrock, Abbey
Cc: Trinneer, Dianne
Subject: [redacted]
Importance: High

[redacted] We will be in the office tonight until 8pm and after 8pm, we will be checking our blackberries. If our suggested wording below is acceptable, please feel free to send it [redacted]

****

[redacted]

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23, 24(1)

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18.1(1)(b), 24(1)

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Political and Human Rights Risk Assessment
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Ottawa, Ontario
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Canada EDC

From: Duford, Philippe E
Sent: Monday, February 28, 2011 11:43 AM
To: Campagna, Susanna; Grall, Etienne; Horton, Karen; Schneider, Signi; Forbes, Robert; Sullivan, Jennifer; Palmer, Joanne; Sturrock, Abbey; Taylor, Phil; Bitzan, John; Georgiou, Taso; Brown, Gary; Paquette, Joanne; CR 17A-03 - Audio Visual Room - Seats 14; Pipin, Anna; Bentolila, Patricia; Young, Anna; Bitzan, John; Bentolila, Patricia; Brouillard, Vicky; Campagna, Susanna; Edgeworth, Charles; Harkins, Michael; Leong, Richard; Melanson, Marie-Chantal; Pipin, Anna; Polisena, Arturo; Saab, Gabriela; Schuster, Richard; Chomyn, Roman; Hall, Peter G
Subject: Government Sanctions - Libya

On behalf of the Government, Minister Baird just announced the following:

The Canadian Government would enact the UN Security Council resolution that imposed (1) impose an arms embargo on Libya; (2) freeze the assets of Mr. Gadhafi, four of his sons and a daughter, (3) a travel ban on the Gadhafi family and close associates, including leaders of the revolutionary committees accused of much of the violence against regime opponents. Canada will also impose an asset freeze on, and a prohibition of financial transactions with the government of Libya, its institutions and agencies, including the Libyan Central Bank.

Minister Baird also noted that these are temporary and do not impose regulations on commercial transactions not related to the Government of Libya.

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Boswell, Karyn

s.18.1(1)(b)
s.24(1)

From: Milos Barutciski [BarutciskiM@bennettjones.com]
Sent: Wednesday, June 22, 2011 7:57 PM
To: Sullivan, Jennifer
Cc: Jesse Goldman
Subject: [redacted]

Hi Jennifer. My windows tomorrow are limited. I cd do a call b/w 11-12 or b/w 145-215 as I head out to the airport for a 315. Alternatively, Friday is pretty clear except b/w 1030-1130. Let me know what works best.

[redacted]

Best,
Milos

From: Sullivan, Jennifer [mailto:JSullivan@edc.ca]
Sent: Wednesday, June 22, 2011 05:49 PM
To: Milos Barutciski
Subject: [redacted]

Milos, I'd like to have another brief discussion with you tomorrow [redacted]

[redacted]

Please let me know when you'd be available to speak with me.

Thanks very much,

Jennifer

Jennifer Sullivan
Senior Legal Counsel

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Canada EDC

From: Sullivan, Jennifer
Sent: Monday, March 14, 2011 8:27 PM
To: BarutciskiM@bennettjones.com; GoldmanJ@bennettjones.com
Cc: Trinneer, Dianne
Subject: [redacted]
Attachments:

s.23
s.24(1)

Please find attached a copy of:

[redacted]

Thank you and regards,

Jennifer

Jennifer Sullivan
Senior Legal Counsel
Legal Services
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F: 613.598.3113
151 O'Connor St.
Ottawa, Ontario
Canada K1A 1K3
www.edc.ca

From: Sullivan, Jennifer
Sent: Monday, March 14, 2011 9:56 AM
To: 'BarutciskiM@bennettjones.com'; 'GoldmanJ@bennettjones.com'
Cc: Trinneer, Dianne
Subject: [redacted]

Please find attached [redacted]

Jennifer

Jennifer Sullivan
Senior Legal Counsel
Legal Services

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Canada EDC

Boswell, Karyn

From: Palmer, Joanne
Sent: Saturday, June 11, 2011 10:55 AM
To: Sullivan, Jennifer
Subject: [redacted]

Fully agree. That certainly was my intention [redacted] I don't think we need to talk but will monitor emails Monday. Thanks!!

s.18.1(1)(b)
s.21(1)(a)
s.21(1)(b)
s.24(1)

From: Sullivan, Jennifer
Sent: Friday, June 10, 2011 08:07 PM
To: Palmer, Joanne
Subject: [redacted]

Please call me on Monday if you wish to discuss. [redacted]

From: Sullivan, Jennifer
Sent: Friday, June 10, 2011 7:48 PM
To: [redacted]
Cc: [redacted] Palmer, Joanne; Brown, Gary; Ross, Daniel; Roach, Joseph; Trinneer, Dianne; [redacted]
Subject: [redacted]

[redacted]

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18.1(1)(b), 24(1)

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Boswell, Karyn

From: Trinneer, Dianne
Sent: Friday, September 02, 2011 1:42 PM
To: Sullivan, Jennifer
Cc: Maioni, Teresa
Subject: RE: Libya

Kim checked your calendar [redacted]

From: Sullivan, Jennifer
Sent: Friday, September 02, 2011 12:19 PM
To: Maioni, Teresa
Cc: Trinneer, Dianne
Subject: Fw: Libya
Importance: High

Are you able to attend this meeting? I'm [redacted]nd can't' attend.

From: Sullivan, Jennifer
Sent: Friday, September 02, 2011 11:59 AM
To: Trinneer, Dianne
Subject: Libya

Are you able to attend this MENA meeting? I'm a conference call [redacted]

Subject: Libya

Location: CR-IBD Conf #2 1-866-946-0397 or 1-646-216-4844 Mod 3846031 Par [redacted]; CR 150 - 0568 - Zone B

Start: Fri 9/2/2011 1:00 PM

End: Fri 9/2/2011 2:00 PM

Show Time As: Tentative

Recurrence: (none)

Meeting Status: Declined

Organizer: Pipin, Anna

s.16(2)

Required Attendees: Bentolila, Patricia; Bitzan, John; Champagne, Stéphane; Duford, Philippe E; Harkins, Michael; Horton, Karen; Melanson, Marie-Chantal; Popov, Anna; Ross, Daniel; Schuster, Richard; Sullivan, Jennifer; Wyllie, Michael; Tobman, Ian; Taylor, Phil

Importance: High

When: Friday, September 02, 2011 1:00 PM-2:00 PM (UTC-05:00) Eastern Time (US & Canada).

Where: CR-IBD Conf #2 1-866-946-0397 or 1-646-216-4844 Mod 3846031 Par [redacted]; CR 150 - 0568 - Zone B

Note: The GMT offset above does not reflect daylight saving time adjustments.

~~*~*~*~*~*~*~*~*

Good morning,

Our apologies for the last minute meeting request however we feel it is important to have a work cell alignment meeting on Libya prior to a 2 p.m. call with DFAIT.

The dial-in number for this meeting will be 1-866-946-0397

Participant code: [redacted]

Thank you,

Boswell, Karyn

From: Duford, Philippe E
Sent: Wednesday, March 09, 2011 1:34 PM
To: Sullivan, Jennifer
Cc: Trinneer, Dianne
Subject: Libya - CIB - Jan 31 2011.xlsx
Attachments: Libya - CIB - Jan 31 2011.xlsx

Please find attached the business report for ARI, CIB and PRI in more manageable format. Hope this is what you are looking for!

s.18.1(1)(b)
s.23

Boswell, Karyn

From: Sullivan, Jennifer
Sent: Friday, July 15, 2011 5:36 PM
To: Trinneer, Dianne
Subject: [redacted]
Attachments:

Please see attached. I left a hard copy on your chair.

Jennifer

P.S. I will send my note to Anthony/John re you as my back-up later tonight/tomorrow.

A0038883_1-029790

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Thanks,
Louis

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Boswell, Karyn

From: Sullivan, Jennifer
Sent: Tuesday, March 08, 2011 6:54 PM
To: barutciskim@bennettjones.com
Subject: [redacted]

s.23

s.24(1)

[redacted]

Thanks,

Jennifer

Jennifer Sullivan
Senior Legal Counsel
Legal Services

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s.18.1(1)(b)

s.24(1)

[redacted]

[redacted]

[redacted]

John Bitzan
Political Risk Analyst, Middle East and North Africa
Analyste des risques politiques, Moyen-orient et afrique du nord
Political and Human Rights Risk Assessment
Evaluation des risques politiques et des droits de la personne
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From: Duford, Philippe E
Sent: Monday, February 28, 2011 11:43 AM
To: Campagna, Susanna; Grall, Etienne; Horton, Karen; Schneider, Signi; Forbes, Robert; Sullivan, Jennifer; Palmer, Joanne; Sturrock, Abbey; Taylor, Phil; Bitzan, John; Georgiou, Taso; Brown, Gary; Paquette, Joanne; CR 17A-03 - Audio Visual Room - Seats 14; Pipin, Anna; Bentolila, Patricia; Young, Anna; Bitzan, John; Bentolila, Patricia; Brouillard, Vicky; Campagna, Susanna; Edgeworth, Charles; Harkins, Michael; Leong, Richard; Melanson, Marie-Chantal; Pipin, Anna; Polisena, Arturo; Saab, Gabriela; Schuster, Richard; Chomyn, Roman; Hall, Peter G
Subject: Government Sanctions - Libya

On behalf of the Government, Minister Baird just announced the following:

The Canadian Government would enact the UN Security Council resolution that imposed (1) impose an arms embargo on Libya; (2) freeze the assets of Mr. Gadhafi, four of his sons and a daughter, (3) a travel ban on the Gadhafi family and close associates, including leaders of the revolutionary committees accused of much of the violence against regime opponents. Canada will also impose an asset freeze on, and a prohibition of financial transactions with the government of Libya, its institutions and agencies, including the Libyan Central Bank.

Minister Baird also noted that these are temporary and do not impose regulations on commercial transactions not related to the Government of Libya.

Philippe Duford
Advisor, Planning & Government Relations/Conseiller, Planification et Relations gouvernementales
Export Development Canada/Exportation et développement Canada
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Let me know. Thanks,

Anna Popov
Associate-Africa, Eastern Mediterranean, Caucasus & Middle East
International Business Development Group
Associée- Afrique, Méditerranée orientale, le Caucase et Moyen-Orient
Développement des affaires - Marchés internationaux
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International Business Development Group
Associée- Afrique, Méditerranée orientale, le Caucase et Moyen-Orient
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s.19(1)

s.18.1(1)(b)
s.24(1)

Boswell, Karyn

From: Sullivan, Jennifer
Sent: Thursday, July 07, 2011 11:27 AM
To: Goodfellow, Leslie; Ross, Daniel; Palmer, Joanne
Subject: [redacted]
Attachments: [redacted]

The attached includes my suggested changes.

From: Goodfellow, Leslie
Sent: Wednesday, July 06, 2011 7:28 PM
To: Sullivan, Jennifer; Ross, Daniel; Palmer, Joanne
Subject: [redacted]

Hi all,
As discussed this aft, [redacted] I've taken a stab at another update for Pierre. Jennifer, can you please provide the wording for the latest update [redacted]
Please let me know by noon tomorrow if you have any suggested changes.
Thank you,
Leslie

s.18.1(1)(b)

s.24(1)

Boswell, Karyn

From: Palmer, Joanne
Sent: Wednesday, June 22, 2011 7:06 PM
To: Goodfellow, Leslie; Ross, Daniel; Sullivan, Jennifer; Brown, Gary
Subject: [redacted]
Attachments:

Great job Lesliie and Jennifer---Over to Gary

From: Sullivan, Jennifer
Sent: Wednesday, June 22, 2011 11:19 AM
To: Goodfellow, Leslie
Cc: Palmer, Joanne; Brown, Gary; Ross, Daniel
Subject: [redacted]

Leslie, please find attached my suggested changes/comments marked in the attached.

Please let me know if you would like to discuss.

Jennifer (x 3056)

From: Goodfellow, Leslie
Sent: Tuesday, June 21, 2011 6:53 PM
To: Palmer, Joanne; Brown, Gary; Ross, Daniel; Sullivan, Jennifer
Subject: [redacted]

Hi everyone,
At Pierre's request, I've drafted the following subsequent to our meeting earlier this week (Jennifer – fyi, Pierre has asked that Joanne, Dan, Gary and I form a virtual team on [redacted] your involvement and guidance will certainly be very key along the way and as such I've named you as an "extended member – subject matter expert").

I've tried to capture the background, latest key developments, current status, and key next steps.
Can you please review and let me know what edits, additions, clarifications are required.

Appreciate it if you could please get back to me tomorrow as I would like to send to Pierre on Thursday.
Many thanks,
Leslie

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Boswell, Karyn

From: Smith, Rod [Rod.Smith@clydeco.com]
Sent: Wednesday, August 22, 2012 11:51 AM
To: Sullivan, Jennifer; Kilner, Vanessa
Subject: [redacted]

Dear Jennifer,

Thank you so much for your email. Yes, it has been quite a summer here with the Olympics and we have even had a change in the weather with some sunshine over the last few weeks. I hope yours has been good too.

[redacted]

With kind regards,

Rod

Rod Smith
Partner | Clyde & Co LLP
Direct Dial: +44 20 7876 4477 | **Mobile:** +44 7771 865 895

CLYDE&CO

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Main +44 20 7876 5000 | **Fax** +44 20 7876 5111 | **www.clydeco.com**
The merged firm of Clyde & Co and Barlow Lyde & Gilbert

From: Sullivan, Jennifer [mailto:JSullivan@edc.ca]
Sent: Wednesday, August 22, 2012 14:46
To: Smith, Rod; Kilner, Vanessa
Subject: [redacted]

s.23

s.24(1)

Dear Rod and Vanessa:

I hope you are well and have had a nice summer.

[redacted]

[redacted]

Thank you and kind regards,

s.23

Jennifer

s.24(1)

Jennifer Sullivan
Senior Legal Counsel
Legal Services

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---

and any attachments, and do not use, copy, store and/or disclose to any person this email and any attachments.

---

s.18.1(1)(b)
s.19(1)
s.24(1)

Boswell, Karyn

From: Horton, Karen
Sent: Friday, September 28, 2012 12:19 PM
To: Sullivan, Jennifer; Boyce, Jane
Subject: Jane -Delete this one- the date has been changed [redacted] on the pdf version. [redacted]

Importance: High

Jane, please don't use the word doc that I sent you. I see that Jennifer, rightfully changed the date last night on the pdf vesrion.is one. Jennifer, appreciate if you can provide Jane the word version which will allow her to insert our signatures and we can also file.
[redacted]

From: Horton, Karen
Sent: Friday, September 28, 2012 12:12 PM
To: Boyce, Jane
Subject: [redacted]

Here is the word doc. How are you going to do it, given they will come back with it signed in the pdf form?
[redacted]

A0039177_1-030865

Boswell, Karyn

From: Sullivan, Jennifer
Sent: Thursday, September 27, 2012 1:43 PM
To: 'Ren Bucholz'
Cc: Glenn Smith
Subject: [redacted]

s.23
s.24(1)

[redacted]

Jennifer

From: Ren Bucholz [mailto:rbucholz@litigate.com]
Sent: Thursday, September 27, 2012 1:20 PM
To: Sullivan, Jennifer; Glenn Smith
Subject: [redacted]

Hi Jennifer,

Thanks for the call - [redacted]

=-=-=-=-=-

[redacted]

From: Sullivan, Jennifer [mailto:JSullivan@edc.ca]
Sent: Thursday, September 27, 2012 12:01 PM
To: Ren Bucholz; Glenn Smith
Subject: [redacted]
Importance: High

[redacted]

Please call me if you'd like to discuss and apologies for the urgency.

Jennifer

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Boswell, Karyn

From: Pallascio, John
Sent: Wednesday, December 21, 2011 8:18 PM
To: Sullivan, Jennifer; Abraham, Anthony
Subject: [redacted]

Let discuss thanks.
John Pallascio

General Counsel & Senior Assistant Secretary | Legal Services

Export Development Canada

(613) 598-2889

Sent via Blackberry

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From: Pallascio, John
Sent: Wednesday, December 21, 2011 08:01 PM
To: Primeau, Daniel; Gignac, Pierre; McArdle, Jim
Subject: [redacted]

Dan,
Many thanks - i am available to meet tomorrow or Friday to further discuss [redacted]
John
John Pallascio

General Counsel & Senior Assistant Secretary | Legal Services

Export Development Canada

(613) 598-2889

Sent via Blackberry

Pages 31374 to / à 31375

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Boswell, Karyn

From: Pallascio, John
Sent: Tuesday, January 17, 2012 12:28 PM
To: Donnelly, Amy
Subject: [redacted] - P. Gignac, J. McArdle, J. Pallascio, A. Abraham, D. Primeau, J. Sullivan

yes

John G. Pallascio
General Counsel & Senior Assistant Secretary
Legal Services

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From: Donnelly, Amy
Sent: Tuesday, January 17, 2012 8:42 AM
To: Pallascio, John
Subject: [redacted] - P. Gignac, J. McArdle, J. Pallascio, A. Abraham, D. Primeau, J. Sullivan

John – as this conflict with NDCH tomorrow, shall I request that Miguel attend?

-----Original Appointment-----
From: Gignac, Pierre
Sent: Monday, January 16, 2012 8:34 PM
To: Martin, Christine; Donnelly, Amy
Subject: [redacted]P. Gignac, J. McArdle, J. Pallascio, A. Abraham, D. Primeau, J. Sullivan
When: Wednesday, January 18, 2012 10:00 AM-11:00 AM (GMT-05:00) Eastern Time (US & Canada).
Where: Pierre's Office

Availability on some calendars is quite difficult. Appreciate your help rescheduling any conflicting meetings if possible.

Dan who is in Paris (+6hrs) can be reached via his Blackberry: 613-292-1995

Thank you,
Mary

s.18.1(1)(b)

s.24(1)

Boswell, Karyn

From: Pallascio, John
Sent: Friday, May 11, 2012 4:46 PM
To: Sullivan, Jennifer
Subject: [redacted]

Many thanks for all your efforts - enjoy the weekend - let's connect on Monday.
John
John Pallascio

Vice President, General Counsel & Senior Assistant Secretary | Legal Services

Export Development Canada

(613) 598-2889

Sent via Blackberry

----- Original Message -----
From: Sullivan, Jennifer
Sent: Friday, May 11, 2012 04:04 PM
To: Pallascio, John
Subject: [redacted]

[redacted]

I'll brief you more fully on Monday.

Have a good weekend.

Jennifer

Boswell, Karyn

From: Pallascio, John
Sent: Thursday, January 05, 2012 4:59 PM
To: Donnelly, Amy
Subject: [redacted]

Yes thanks

John G. Pallascio

General Counsel & Senior Assistant Secretary Legal Services

Chef des Services juridiques & secrétaire adjoint principal Services juridiques

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-----Original Message-----
From: Donnelly, Amy
Sent: Thursday, January 05, 2012 4:02 PM
To: Pallascio, John
Subject: [redacted]

John - I can clear your calendar from 11-12 (or longer) if you'd like tomorrow. Please advise - thanks!

-----Original Message-----
From: Primeau, Daniel
Sent: Thursday, January 05, 2012 3:52 PM
To: Gignac, Pierre; Pallascio, John; McArdle, Jim; Abraham, Anthony; Sullivan, Jennifer
Cc: Seymour, Mary; Jackson, Tracy-Lynn; Goodfellow, Leslie; Donnelly, Amy; Edmonds, Stacy

s.24(1)

Subject: [redacted]

Can we meet at 11am in Pierre's office - or dial-in for Daniel - to discuss today's meeting?

s.24(1)

s.19(1)

Boswell, Karyn

From: Pallascio, John
Sent: Thursday, January 05, 2012 4:06 PM
To: Sullivan, Jennifer
Subject: [redacted]

[redacted]

John G. Pallascio

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-----Original Message-----
From: Sullivan, Jennifer
Sent: Thursday, January 05, 2012 3:58 PM
To: Pallascio, John; Abraham, Anthony
Subject: [redacted]

Hi John. The meeting went well and was productive. [redacted] We can debrief you fully tomorrow am.

Jennifer

----- Original Message -----
From: Pallascio, John

Sent: Thursday, January 05, 2012 03:54 PM
To: Abraham, Anthony
Cc: Sullivan, Jennifer
Subject: [redacted]

I hope the meeting was productive - I look forward to a debrief at your earliest convenience - thanks

John G. Pallascio

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-----Original Message-----
From: Primeau, Daniel
Sent: Thursday, January 05, 2012 3:52 PM
To: Gignac, Pierre; Pallascio, John; McArdle, Jim; Abraham, Anthony; Sullivan, Jennifer
Cc: Seymour, Mary; Jackson, Tracy-Lynn; Goodfellow, Leslie; Donnelly, Amy; Edmonds, Stacy
Subject: [redacted]

Can we meet at 11am in Pierre's office - or dial-in for Daniel - to discuss today's meeting?

s.24(1)

s.19(1)

Boswell, Karyn

From: Pallascio, John
Sent: Thursday, January 05, 2012 4:02 PM
To: Sullivan, Jennifer; Abraham, Anthony
Subject: RE: [redacted]

Very good to hear, many thanks

John G. Pallascio

General Counsel & Senior Assistant Secretary Legal Services

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-----Original Message-----
From: Sullivan, Jennifer
Sent: Thursday, January 05, 2012 3:58 PM
To: Pallascio, John; Abraham, Anthony
Subject: Re: [redacted]

Hi John. The meeting went well and was productive. [redacted] We can debrief you fully tomorrow am.

Jennifer

----- Original Message -----
From: Pallascio, John
Sent: Thursday, January 05, 2012 03:54 PM

To: Abraham, Anthony
Cc: Sullivan, Jennifer
Subject: FW: [redacted]

I hope the meeting was productive - I look forward to a debrief at your earliest convenience - thanks

John G. Pallascio

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-----Original Message-----
From: Primeau, Daniel
Sent: Thursday, January 05, 2012 3:52 PM
To: Gignac, Pierre; Pallascio, John; McArdle, Jim; Abraham, Anthony; Sullivan, Jennifer
Cc: Seymour, Mary; Jackson, Tracy-Lynn; Goodfellow, Leslie; Donnelly, Amy; Edmonds, Stacy
Subject: [redacted]

Can we meet at 11am in Pierre's office - or dial-in for Daniel - to discuss today's meeting?

Boswell, Karyn

From: Pallascio, John
Sent: Thursday, January 05, 2012 3:53 PM
To: Primeau, Daniel
Subject: [redacted]

I will be available

John G. Pallascio

General Counsel & Senior Assistant Secretary Legal Services

Chef des Services juridiques & secrétaire adjoint principal Services juridiques

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-----Original Message-----
From: Primeau, Daniel
Sent: Thursday, January 05, 2012 3:52 PM
To: Gignac, Pierre; Pallascio, John; McArdle, Jim; Abraham, Anthony; Sullivan, Jennifer
Cc: Seymour, Mary; Jackson, Tracy-Lynn; Goodfellow, Leslie; Donnelly, Amy; Edmonds, Stacy
Subject: [redacted]

Can we meet at 11am in Pierre's office - or dial-in for Daniel - to discuss today's meeting?

Boswell, Karyn

From: Pallascio, John
Sent: Thursday, January 05, 2012 5:57 PM
To: Primeau, Daniel; Gignac, Pierre; Abraham, Anthony; Sullivan, Jennifer
Subject: [redacted]

I look forward to the debrief. Thanks. John John Pallascio

General Counsel & Senior Assistant Secretary | Legal Services

Export Development Canada

(613) 598-2889

Sent via Blackberry

----- Original Message -----
From: Primeau, Daniel
Sent: Thursday, January 05, 2012 05:30 PM
To: Pallascio, John; Gignac, Pierre; Abraham, Anthony; Sullivan, Jennifer
Subject: Fw: [redacted]

----- Original Message -----
From: Edmonds, Stacy
Sent: Thursday, January 05, 2012 05:29 PM
To: Primeau, Daniel
Cc: Jackson, Tracy-Lynn
Subject: RE: [redacted]

Jim is good to meet at 11am - I'll add to his calendar :)

-----Original Message-----
From: Primeau, Daniel
Sent: Thursday, January 05, 2012 3:52 PM
To: Gignac, Pierre; Pallascio, John; McArdle, Jim; Abraham, Anthony; Sullivan, Jennifer
Cc: Seymour, Mary; Jackson, Tracy-Lynn; Goodfellow, Leslie; Donnelly, Amy; Edmonds, Stacy
Subject: [redacted]

Can we meet at 11am in Pierre's office - or dial-in for Daniel - to discuss today's meeting?

Boswell, Karyn

From: Pallascio, John
Sent: Tuesday, November 20, 2012 5:35 PM
To: Simard, Miguel
Cc: Sullivan, Jennifer; Abraham, Anthony
Subject: RE: [redacted]

Noted – again many thanks Jenn (and Anthony/Miguel) [redacted]
John

John G. Pallascio
Vice President, General Counsel & Senior Assistant Secretary
Legal Services

Vice président, Chef des Services juridiques & secrétaire adjoint principal
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From: Simard, Miguel
Sent: Tuesday, November 20, 2012 5:31 PM
To: Pallascio, John
Cc: Sullivan, Jennifer; Abraham, Anthony
Subject: [redacted]

Miguel Simard
Assistant General Counsel - Insurance /Chef adjoint des Services juridiques - Assurances
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Boswell, Karyn

From: Pallascio, John
Sent: Thursday, December 22, 2011 7:14 AM
To: Primeau, Daniel
Cc: Sullivan, Jennifer
Subject: Re: [redacted]

Dan,
No i did not get the note but was briefed verbally by Jim - as noted, I am available to meet today or tomorrow to discuss next steps. I would also like to clarify [redacted] as referenced in the note which appears to differs from the last briefing with Jim and Pierre.
Thanks.
John
John Pallascio

General Counsel & Senior Assistant Secretary | Legal Services

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(613) 598-2889

Sent via Blackberry

From: Primeau, Daniel
Sent: Thursday, December 22, 2011 06:31 AM
To: Pallascio, John
Subject: Fw[redacted]

John
Looking back through last evening's string of notes, I'm not sure if this one was sent to you.
In any event, here it is.
I apologize for the oversight
Daniel

From: McArdle, Jim
Sent: Wednesday, December 21, 2011 06:30 PM
To: Gignac, Pierre; Primeau, Daniel
Subject: FW[redacted]

Pages 31430 to / à 31431

are withheld pursuant to sections

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18.1(1)(b), 24(1)

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Boswell, Karyn

From: Pallascio, John
Sent: Saturday, July 21, 2012 12:32 PM
To: Primeau, Daniel
Subject: Re: [redacted]

Dan,
No problem, simply helpful for me to stay lockstep with updates. - enjoy the weekend. John
John Pallascio

Vice President, General Counsel & Senior Assistant Secretary | Legal Services

Export Development Canada

(613) 598-2889

Sent via Blackberry

From: Primeau, Daniel
Sent: Saturday, July 21, 2012 12:22 PM
To: Pallascio, John
Subject: Re: [redacted]

Sorry

From: Pallascio, John
Sent: Saturday, July 21, 2012 08:28 AM
To: Primeau, Daniel
Subject: Fw: [redacted]

Dan,
Grateful if you can cc me on any key updates you prepare.
Bon weekend.
John
John Pallascio

Vice President, General Counsel & Senior Assistant Secretary | Legal Services

Export Development Canada

s.18.1(1)(b)
s.24(1)

(613) 598-2889

Sent via Blackberry

From: Sullivan, Jennifer
Sent: Friday, July 20, 2012 05:00 PM
To: Pallascio, John; Simard, Miguel
Subject: FW: [redacted]

FYI.

From: Primeau, Daniel
Sent: Friday, July 20, 2012 4:32 PM
To: Gignac, Pierre; Dunlop, Bruce
Cc: Witter, Clive; McArdle, Jim
Subject: RE: [redacted]

Updated

Merci

Daniel

[redacted]

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Boswell, Karyn

From: Pallascio, John
Sent: Tuesday, April 24, 2012 4:44 PM
To: Sullivan, Jennifer
Subject: [redacted]

Please stop by - I unfortunately missed the briefing. Thanks.
John
John Pallascio

Vice President, General Counsel & Senior Assistant Secretary | Legal Services

Export Development Canada

(613) 598-2889

Sent via Blackberry

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Boswell, Karyn

From: Sullivan, Jennifer
Sent: Thursday, July 12, 2012 4:00 PM
To: 'Ren Bucholz'
Cc: gsmith@litigate.com
Subject: [redacted]
Attachments:

s.18.1(1)(b)
s.23
s.24(1)

Thank you, Ren. [redacted]

[redacted]

Thanks,

Jennifer

Jennifer Sullivan
Senior Legal Counsel
Legal Services

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From: Ren Bucholz [mailto:rbucholz@litigate.com]
Sent: Wednesday, July 11, 2012 5:14 PM
To: Sullivan, Jennifer
Cc: gsmith@litigate.com
Subject: [redacted]

s.23
s.24(1)

Jennifer,

Further to our telephone call today, I wanted to reiterate a few points.

[redacted]

We are very happy to meet/talk with folks at EDC about this if you like.

Best,

Ren

Ren Bucholz

Lenczner Slaght

2600-130 Adelaide Street West

Toronto, Ontario M5H 3P5

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rbucholz@litigate.com www.litigate.com

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18.1(1)(b), 21(1)(b), 23, 24(1)

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On behalf of Daniel, please see attached Memorandum.

Thanks
TJ

Tracy-Lynn Jackson
Administrator
Program and Customer Support

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Jennifer Sullivan
Senior Legal Counsel
Legal Services

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Leslie

EXPORT DEVELOPMENT CANADA
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at *(in millions of Canadian dollars)*	Dec. 31, 2012	Dec.31, 2011
Assets		
Cash	80	90
Marketable securities: (Note 3)		
At fair value through profit or loss	4,082	3,720
At amortized cost	74	76
Derivative instruments (Note 17)	1,352	1,541
Loans receivable (Notes 4 and 5)	30,131	28,680
Allowance for losses on loans (Note 6)	(1,182)	(1,680)
Investments at fair value through profit or loss (Note 7)	429	385
Equipment available for lease (Note 8)	525	55
Net investment in aircraft under finance leases (Note 9)	80	92
Recoverable insurance claims (Note 10)	200	44
Reinsurers' share of policy and claims liabilities (Note 19)	90	129
Other assets (Note 11)	99	174
Property, plant and equipment (Note 12)	66	74
Intangible assets (Note 13)	38	40
Building under finance lease (Note 14)	169	176
Total Assets	$36,233	$ 33,596
Liabilities and Equity		
Accounts payable and other credits (Note 15)	113	159
Loans payable: (Note 16)		
Designated at fair value through profit or loss	24,862	21,505
At amortized cost	1,018	2,065
Derivative instruments (Note 17)	120	178
Obligation under finance lease (Note 14)	173	177
Retirement benefit obligations (Note 38)	68	74
Allowance for losses on loan commitments (Note 6)	58	41
Policy and claims liabilities (Note 19)	583	875
Loan guarantees (Note 21)	161	266
	27,156	25,340
Financing Commitments (Note 20) and Contingent Liabilities (Note 21)		
Equity		
Share capital (Note 24)	1,333	1,333
Retained earnings	7,744	6,923
	9,077	8,256
Total Liabilities and Equity	$36,233	$33,596

The accompanying notes are an integral part of these consolidated financial statements.

EXPORT DEVELOPMENT CANADA
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the year ended December 31

(in millions of Canadian dollars)	2012	2011
Financing and investment revenue:		
Loan (Note 30)	**1,116**	1,009
Finance lease (Note 9)	**6**	7
Operating lease (Note 8)	**17**	21
Debt relief	**-**	4
Marketable securities (Note 31)	**36**	46
Investments (Note 7)	4	12
Total financing and investment revenue	**1,179**	1,099
Interest expense (Note 32)	**108**	93
Leasing and financing related expenses (Note 33)	**32**	32
Net Financing and Investment Income	**1,039**	974
Loan Guarantee Fees	**38**	32
Insurance premiums and guarantee fees	**204**	238
Reinsurance assumed	**12**	13
Reinsurance ceded	**(20)**	(17)
Net Insurance Premiums and Guarantee Fees (Note 22)	**196**	234
Other Income (Expenses) (Note 36)	**(16)**	61
Administrative Expenses (Note 37)	**314**	284
Income before Provision and Claims-Related Expenses (Recovery)	**943**	1,017
Provision for (Reversal of) Credit Losses (Note 34)	**(340)**	125
Claims-Related Expenses (Recovery) (Note 35)	**(38)**	247
Net Income	**1,321**	645
Other comprehensive income	**-**	-
Comprehensive Income	**$1,321**	$645

The accompanying notes are an integral part of these consolidated financial statements

EXPORT DEVELOPMENT CANADA
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the year ended December 31

(in millions of Canadian dollars)	2012	2011
Share Capital (Note 24)	1,333	1,333
Retained Earnings		
Balance beginning of year	6,923	6,628
Comprehensive income	1,321	645
Dividend paid	(500)	(350)
Balance end of year	7,744	6,923
Total Equity at End of Year	$9,077	$8,256

The accompanying notes are an integral part of these consolidated financial statements.

EXPORT DEVELOPMENT CANADA
CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ended December 31
(in millions of Canadian dollars)

	2012	2011
Cash Flows from (used in) Operating Activities		
Comprehensive income	**1,321**	645
Adjustments to determine net cash from (used in) operating activities		
Provision for (reversal of) credit losses	**(340)**	125
Actuarial change in the net allowance for claims	**(233)**	179
Depreciation and amortization	**52**	48
Changes in operating assets and liabilities		
Change in accrued interest and fees receivable	**(3)**	20
Change in fair value of marketable securities	**(11)**	(47)
Change in fair value of loans payable	**(47)**	164
Change in derivative instruments receivable	**50**	174
Change in derivative instruments payable	**144**	(138)
Other	**(195)**	38
Loan receivable disbursements	**(11,887)**	(10,393)
Loan receivable repayments	**9,232**	8,735
Net cash used in operating activities	**(1,917)**	(450)
Cash Flows from (used in) Investing Activities		
Disbursements for investments	**(121)**	(106)
Receipts from investments	**63**	29
Finance lease repayments	**10**	9
Purchases of marketable securities at fair value through profit or loss	**(40,579)**	(40,793)
Sales/maturities of marketable securities at fair value through profit or loss	**40,151**	40,852
Purchases of marketable securities at amortized cost	**-**	(869)
Sales/maturities of marketable securities at amortized cost	**-**	814
Distribution from investment in joint ventures	**-**	54
Net cash used in investing activities	**(476)**	(10)
Cash Flows from (used in) Financing Activities		
Issue of long-term loans payable – designated at fair value through profit or loss	**8,768**	5,708
Repayment of long-term loans payable – designated at fair value through profit or loss	**(5,943)**	(6,135)
Repayment of long-term loans payable at amortized cost	**(999)**	-
Issue of short-term loans payable – designated at fair value through profit or loss	**29,601**	22,751
Repayment of short-term loans payable – designated at fair value through profit or loss	**(28,650)**	(21,870)
Change in derivative instruments receivable	**137**	296
Change in derivative instruments payable	**(30)**	25
Dividend paid	**(500)**	(350)
Net cash from financing activities	**2,384**	425
Effect of exchange rate changes on cash	**(1)**	1
Net decrease in cash	**(10)**	(34)
Cash		
Beginning of year	**90**	124
End of year	**$80**	$90
Operating Cash Flows from Interest		
Cash paid for interest on loans payable	**182**	156
Cash received for interest on currency swaps related to capital	**65**	70
Cash received for interest on loan assets and marketable securities	**1,121**	1,046

The accompanying notes are an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate Mandate

Export Development Canada (the "Corporation" or "EDC") was established on October 1, 1969 by the *Export Development Act* (the "Act"), a statute of the Parliament of Canada. The *Budget Implementation Act, 2009* amended the Act to expand the mandate of the Corporation for a two-year period to include domestic activities, in addition to its traditional mandate related to export trade, and the regulations governing its domestic financing and insurance activities were suspended. The period was extended to March 12, 2013. The Corporation is named in Part I of Schedule III to the *Financial Administration Act* (the "FA Act") and is accountable for its affairs to Parliament through the Minister of International Trade (the "Minister").

In September 2008, EDC, together with other federal Crown corporations, was given a directive (PC 2008-1598) pursuant to Section 89 of the FA Act, entitled Order giving a direction to parent Crown corporations involved in commercial lending to give due consideration to the personal integrity of those they lend to or provide benefits to, in accordance with the Federal Government's policy to improve the accountability and integrity of federal institutions. The Corporation has, since, implemented the Directive and the President and Chief Executive Officer of EDC has notified the Minister in accordance with Subsection 89(6) of the FA Act.

The Government of Canada is the sole shareholder of Export Development Canada.

We incorporated Exinvest Inc. as a wholly-owned subsidiary (the "Subsidiary") under the *Canada Business Corporations Act* in 1995.

Our earnings and those of our Subsidiary are not subject to the requirements of the *Income Tax Act*.

We are subject to a limit imposed by the Act on our contingent liability arrangements. The Act specifies that the limit applies to the principal amount owing under all outstanding arrangements which have the effect of providing, to any person, any insurance, reinsurance, indemnity or guarantee. This limit shall at no time exceed the greater of an amount equal to 10 times our authorized capital, and $45.0 billion which amount may be varied in an Appropriation Act. At the end of December 2012, the amount of these contingent liabilities was $23.6 billion (2011 – $28.5 billion).

We are for all purposes an agent of Her Majesty in right of Canada. As a result, all obligations under debt instruments we issue are obligations of Canada. The Act allows us to borrow and have outstanding borrowings up to a maximum of 15 times the aggregate of (a) our current paid-in capital and (b) our retained earnings determined in accordance with the previous year's audited financial statements. The maximum applicable to December 31, 2012 is $123.8 billion (2011 – $122.7 billion), against which borrowings amounted to $25.9 billion (2011 – $23.6 billion).

2. Summary of Significant Accounting Policies

Basis of Presentation
Our consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The significant accounting policies used in the preparation of these consolidated financial statements are summarized on the following pages and conform in all material respects to IFRS.

Basis of Consolidation
Our consolidated financial statements include the assets, liabilities, results of operations and cash flows of our wholly-owned subsidiary and those special purpose entities consolidated under *Standing Interpretations Committee (SIC) 12 Consolidation – Special Purpose Entities*. Under SIC 12, when a reporting entity is exposed, or has rights to variable returns from its involvement with an SPE or has the ability to affect those returns through its decision-making power over the SPE, the SPE is consolidated within that entity's financial statements. These assets are included in equipment available for lease, net investment in aircraft under finance leases, and aircraft held-for-sale. Aircraft held-for-sale are included in Other Assets. Intercompany transactions and balances have been eliminated. We report our interests in jointly controlled entities using the equity method.

Use of Judgment, Estimates and Assumptions
To prepare our financial statements in accordance with IFRS, it is necessary for management to exercise judgment and make use of estimates and assumptions, in applying certain accounting policies. We utilize current market data, our own historical experience and other information available to us as at the date of the financial statements in arriving at our decisions. We have established procedures to ensure that the process for determining our estimates and assumptions is well controlled, and occurs in an appropriate and systematic manner.

Uncertainty is inherent in the use of estimates and assumptions and as a result, actual results may vary significantly from management's estimates. Uncertainty arises, in part, from the use of historical experience and data at a point in time to establish our assumptions. While this data may be the most reliable basis available on which to base our assumptions, economic events may occur subsequently that render previous assumptions invalid and cause a material change to actual results.

Areas where management has exercised judgment and made significant use of estimates and assumptions are discussed below.

Note 6 - Allowance for Losses on Loans, Loan Commitments and Guarantees
The allowance for losses on loans, loan commitments and guarantees represents management's best estimate of probable credit losses. Management determines the allowances through the use of judgment and various assumptions based on its assessment of the impact of recent events and changes in economic conditions and trends. These estimates are reviewed periodically during the year and in detail as at the date of the financial statements.

The purpose of the collective allowance is to provide an estimate of probable incurred losses inherent in the loan portfolio that have not been identified on an individual loan basis. Management judgment is required with respect to assessment of probabilities of default, loss severity in the event of default also referred to as loss given default, review of credit quality for internally rated obligors and the value of any collateral. Management also considers the impact of economic events, industry trends and risk concentrations on the portfolio and the required allowance.

Allowances are established on an individual basis for loans, commitments and guarantees that management has determined to be impaired and/or for which losses have been incurred. When an obligor is considered impaired, we reduce the carrying value of the loan to its net realizable value. Management is required to make a number of estimates including the timing and amount of future cash flows, residual values of underlying security, as well as the initial judgment as to whether the loan is impaired or performing.

Note 8 - Equipment Available for Lease
When aircraft are returned to us as a result of default under the related obligors' loan agreements, we determine their fair value using market values obtained from an independent appraiser supplemented by additional current market data and other information available to us. Judgment is involved in allocating the resulting fair value between the components of the aircraft and in establishing the remaining useful life of the components.

We review the aircraft in our leasing portfolio for impairment quarterly. Judgment as to the impact of current economic events, trends or other circumstances on the viability of our aircraft is required in determining whether impairment has occurred or has been reversed within our portfolio. If an event is judged to have impacted the carrying value of our portfolio, estimates and assumptions surrounding the recoverable amount of the aircraft are made. These include the current fair value of the aircraft; estimated cash flows to be generated from the use of the aircraft; projected future rentals and lease rates; and estimated costs to sell the aircraft.

Note 10 - Recoverable Insurance Claims
When an insurance claim is paid, management estimates any future recovery and records it within recoverable insurance claims. The estimation process is dependent upon our assessment of the future cash flows to be realized through collection efforts made by us, the policyholder or collection agencies. The estimated recoverable amount is reviewed and adjusted on a quarterly basis.

Note 19 - Policy and Claims Liabilities
The policy and claims liabilities are based on our estimate of future claims under the terms and conditions of our insurance policies. The actuarial valuation uses simulation techniques and is based on assumptions relevant to the insurance programs and is derived in conjunction with our own experience. Management judgment is required in estimating the variables that are part of the actuarial calculation of the policy and claims liabilities. These variables include severity of loss, loss development, frequency of claim and discount rates used. Management judgment is also used in selecting the confidence level for adverse deviation.

Note 28 - Financial Instruments Measured at Fair Value
The majority of financial instruments are recognized on our consolidated statement of financial position at their fair value. These financial instruments include marketable securities at fair value through profit or loss, derivative instruments, investments at fair value through profit or loss, and loans payable designated at fair value through profit or loss. Fair value is defined as the amount for which a financial asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Our financial instruments are categorized into one of three levels based on whether the techniques employed to value the instruments use observable or unobservable market inputs. Financial instruments categorized as Level 1 are valued using quoted market prices, thus minimal judgment or estimates are required. Those instruments categorized as Level 2 and 3 require the use of increasing levels of judgment and assumptions, including the selection of appropriate discount rates, yield curves and other inputs into our models. Refer to Note 28 for additional details on the techniques used to value our financial instruments.

Note 38 - Retirement Benefit Obligations
EDC maintains defined benefit pension plans and other benefit plans. IFRS requires that management measure the plans' defined benefit obligations and annual costs using assumptions that are long-term in nature and reflect our best judgment and estimates. We review key assumptions on an annual basis with our actuaries using relevant experience, in conjunction with market related data. The key assumptions include expected long-term rate of return on plan assets, rate of compensation increase, the discount rate and the longevity of plan members.

The management assumption with the greatest potential impact on our defined benefit obligation is the discount rate. The discount rate is determined by reference to the yield of a portfolio of high quality fixed income instruments (rated AA or higher), which has the same duration as the plan's defined benefit obligation.

Marketable Securities
We hold marketable securities for liquidity purposes. The size and nature of our marketable securities portfolio is governed by Board approved policies. Our marketable securities are held with creditworthy counterparties that must have a minimum credit rating from an external credit rating agency of A- for all transactions.

Marketable securities held directly by EDC are recorded at fair value through profit or loss to reflect our business model for managing these instruments. We measure performance for this portfolio against appropriate benchmarks. Purchases and sales of marketable securities are recorded on the trade date and the transaction costs are expensed as incurred. Interest revenue is recorded in marketable securities revenue in the consolidated statement of comprehensive income. Realized and unrealized gains and losses on these securities are included in other income (expenses) in the consolidated statement of comprehensive income.

Marketable securities held by our subsidiary are carried at amortized cost, as the business model for managing these instruments is to collect contractual cash flows which represent the payment of principal and interest. Upon initial recognition the securities are recorded at their fair value plus any transaction costs. Subsequently they are carried at amortized cost using the effective interest method, less any impairment losses. Interest revenue is recorded in marketable securities revenue in the consolidated statement of comprehensive income.

Loans Receivable
Loans receivable are recorded at fair value upon initial recognition and subsequently measured at amortized cost using the effective interest method. Our loans receivable are held in order to collect contractual cash flows which represent payments of principal, interest and fees. They are derecognized when the rights to receive cash flows have expired or we have transferred substantially all the risks and rewards of ownership.

The effective interest method is a method of calculating the amortized cost of a financial asset and of allocating the interest income over the relevant period in financing and investment revenue in the consolidated statement of comprehensive income. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset. When calculating the effective interest rate, we estimate cash flows considering all contractual terms of the financial instrument (for example, prepayment options) but do not consider future credit losses. The calculation includes all fees paid or received that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

While it is generally our intention to hold performing loan assets until maturity, in some cases the loans are sold prior to maturity for risk mitigation purposes. Gains and losses on the sale of performing loans and gains on the sale of impaired loans are included in other income (expenses). Losses on sales of impaired loans are reported in the provision for (reversal of) credit losses.

Loan Guarantees
In the ordinary course of business we issue loan guarantees to cover non-payment of principal, interest and fees due to banks and financial institutions providing loans to Canadian exporters or buyers of Canadian goods and services. Loan guarantees are initially recognized in the financial statements at fair value in the liability for loan guarantees. Fair value is determined to be the premium received. Subsequent to initial recognition, our liability is measured at the higher of the unamortized premiums and the allowance calculated that estimates the loss that is anticipated to be incurred as a result of satisfying our obligation under that guarantee.

Any increase in liability relating to loan guarantees is recorded in the consolidated statement of comprehensive income in the provision for (reversal of) credit losses. Guarantee fees received up-front are recognized in the consolidated statement of comprehensive income on a straight-line basis over the life of the guarantee. Guarantee fees that are received in arrears are recognized in the consolidated statement of comprehensive income on an accrual basis.

Impairment of Financial Instruments

Marketable Securities
At the end of each reporting period, for marketable securities at amortized cost, an impairment loss is recognized when there is objective evidence that there has been a deterioration of credit quality subsequent to the initial recognition of the security to the extent that we no longer have reasonable assurance as to the timely collection of the full amount of the principal and interest. The impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate.

Loans Receivable
Loans that have been individually assessed to be impaired meet one or more of the following criteria which represent objective evidence of impairment:

- there has been a deterioration in credit quality to the extent that there is no longer reasonable assurance of the timely collection of the full amount of principal and interest; or
- for commercial loans, when there are payments overdue of 90 days or more, unless the loan is fully secured or collection efforts are reasonably expected to result in repayment of debt.

If there is objective evidence that an impairment loss has occurred on an individual loan, the amount of the loss is measured as the difference between the loan's carrying amount and the present value of any estimated future cash flows discounted at the loan's original effective interest rate. The principal portion of the carrying amount of the loan is reduced through the use of an individual allowance and any accrued unpaid contractual interest and other receivables that form part of the carrying value of the loan are reduced to zero through income.

Thereafter, interest income on individually impaired loans is recognized based on the reduced carrying value of the loan using the original effective interest rate of the loan.

When a loan is uncollectible, it is written off against the individual allowance. Such loans are written off when all collection methods have been exhausted and no further prospect of recovery is likely.

Loans are returned to performing status when it is likely that contractual payments will continue pursuant to the terms of the loan. When restructured loans containing concessions are returned to performing status, their carrying value is adjusted to reflect the original yield of the loan or the weighted average yield in the case of loan consolidations.

Sovereign Loans Receivable
In compliance with the terms of Paris Club rescheduling agreements, contractual interest maturities for individually impaired sovereign loans are included in gross loans receivable. The Paris Club is an international forum of sovereign creditors, including Canada, who agree to formally reschedule a sovereign borrower's debt when they are experiencing financial difficulties and are unable to meet their obligations.

Sovereign loans undergoing debt rescheduling are classified as individually impaired. The resulting agreements provide for the consolidation and deferred repayment of principal and interest maturities at concessional interest rates. While impaired, we reduce the loan's carrying value by the impact of the interest rescheduled which is included in deferred loan revenue and other credits in Notes 4 and 5. At the time the loan is returned to performing status, the carrying value of the loan is adjusted to reflect the original yield of the loan.

Loan Guarantees
Loan guarantees with impaired obligors are identified using the same criteria on the underlying loan as used to assess the impairment of direct loans carried at amortized cost. When the underlying loan is individually assessed to be impaired, it is probable that a call on the guarantee will be made representing an outflow of economic benefits that would be required to settle our obligation under the guarantee. The amount of any credit loss and any subsequent changes due to the re-evaluation of the obligation are recognized in the consolidated statement of comprehensive income as part of the provision for (reversal of) credit losses.

Allowance for Losses on Loans, Loan Commitments and Loan Guarantees
The allowance for losses on loans, loan commitments and loan guarantees represents management's best estimate of probable credit losses and is based on the incurred loss model. The allowance is determined based on a review of all loans, loan guarantees and commitments and includes both individual and collective allowances.

Allowances on Individually Impaired Loans
The individual allowance is the difference between the carrying value of the loan and the present value of the estimated future cash flows discounted at the loan's original effective interest rate. The calculation of the present value of the estimated future cash flows of a collateralized loan asset reflects the cash flows that are expected to result on foreclosure less costs to obtain and sell the collateral whether or not foreclosure is probable.

If, in a subsequent period, the amount of the impairment loss either increases or decreases and the change can be related objectively to an event occurring after the impairment was recognized (such as a change in the obligor's financial position or a change in the estimate of future cash flows), the previously recognized impairment loss is adjusted through the individual allowance.

The amount of initial impairment loss and any subsequent changes due to the re-evaluation of estimated future cash flows are recognized in the consolidated statement of comprehensive income as part of the provision for (reversal of) credit losses.

Collective Allowance
A collective allowance is established for losses which we estimate to have occurred, but have not yet been individually identified within our portfolio. Loans and loan guarantees not found to be individually impaired, as well as loan commitments are included in the collective assessment. The assessment is based on events that have occurred as of the reporting date and include factors such as business cycle trends and the fair value of collateral. The collective allowance is comprised of a base allowance, calculated using counterparty credit ratings, exposure, loss severity and probability of default factors. The collective allowance may also include concentration and market overlays.

For the ***base allowance*** we group our commercial performing loans, loan commitments and loan guarantees by industry of risk and then by secured and unsecured exposures. Sovereign exposures are classified into one portfolio. We assign credit ratings to our commercial and sovereign obligors using a system of nineteen credit ratings (AAA to C-) which are consistent with ratings used by our credit risk management policies. For secured portfolios, the exposure for each obligor is reduced by the fair value of collateral adjusted for estimated repossession costs. Based on these exposures we determine the appropriate base allowance. Loss severity is determined based on historical loan loss rates and by management estimates for each of our exposure categories. Default rates are based on an internally developed standard probability of default rate table.

We have a number of significant single name counterparty concentrations as a result of our mandate. A ***counterparty concentration*** overlay is established for counterparties whose exposure is deemed by management to represent an increased amount of risk. This overlay is applied to counterparties whose exposure exceeds 10% of our equity determined in accordance with the previous year's audited financial statements.

We determine the collective allowance using various assumptions based upon current counterparty credit ratings. We also assess the extent to which these ratings do not reflect recent economic events that may result in credit deterioration. In these cases we will estimate the potential impact on our allowances and apply ***market overlays*** to specific industries or other exposure categories that we deem appropriate.

The collective allowances for performing loans and individual allowances for impaired loans are shown as a reduction to loans receivable on the consolidated statement of financial position. Collective and individual allowances for loan commitments and loan guarantees are shown as liabilities on the consolidated statement of financial position.

Foreclosed Assets

Assets that are returned to us[1] because of default under loan agreements are classified as held-for-use or held-for-sale according to management's intention. Those classified as held-for-use are included in equipment available for lease or reclassified as finance leases. Assets classified as held-for-use are initially recorded at fair value and subsequently recorded at cost less accumulated depreciation and impairment losses. Those classified as held-for-sale include aircraft or component parts held for sale and are recorded in other assets initially at fair value less costs to sell. Any write-downs at recognition are reported in the provision for (reversal of) credit losses and any gains are recorded in other income (expenses). We determine fair value based on market prices obtained from an independent appraiser along with current market data and other information available to us. Subsequent impairment losses or reversals of impairment losses are determined as the difference between the carrying amount and the recoverable amount and are recorded in other income (expenses).

Investments at Fair Value Through Profit or Loss

Investments are comprised of direct investments that we have made in private and public companies and investments in private equity funds. Purchases and sales of these investments are recorded on a trade-date basis and are measured at fair value. Subsequent changes in fair value and any realized gains and losses are recorded in other income (expenses). Transaction costs are expensed as incurred and included within leasing and financing related expenses.

Equipment Available for Lease

Equipment available for lease consists of aircraft that were returned to us because of default under the related obligors' loan agreements. While we do not in the ordinary course of business act as a lessor, from time to time we may engage in leasing activities for asset management purposes to maximize recoveries on returned aircraft and minimize potential losses.

Equipment available for lease is accounted for using the cost model, and is stated at cost less accumulated depreciation and impairment losses. Upon initial recognition of the asset, engines are treated as a separate component and are depreciated on a straight-line basis over their remaining useful life net of their residual value. The remaining useful lives of the engines range from one to nineteen years. The remaining components of the aircraft are grouped together and depreciation is calculated on a straight-line basis over the remaining useful life of the aircraft after consideration of any residual value. The remaining useful lives of the aircraft range from one

[1] *All aircraft returned to us for which the equity interest in the leveraged lease structure has been foreclosed have been registered with a number of trusts of which we are exposed, or have rights, to variable returns from our involvement with a Special Purpose Entity (SPE) and have the ability to affect those returns through our decision-making power over the SPE.*

to nineteen years. Residual values of the aircraft and engines are reviewed on an annual basis. The costs of subsequent major overhauls are capitalized and amortized over the period to the next overhaul, from one to three years.

Depreciation as well as insurance and other costs related to the equipment available for lease are included in leasing and financing related expenses. Lease set-up costs are capitalized as part of the carrying value of the aircraft and amortized over a period equaling the term of the specific lease. Operating lease revenue is recognized on a straight-line basis over the terms of the underlying leases.

A review for impairment of equipment available for lease is performed quarterly. When events or changes in circumstances indicate that an aircraft may be impaired, or that a previously recorded impairment loss may no longer exist or may have increased or decreased, the recoverable amount of the asset is estimated.

An aircraft is impaired when its carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the fair value less costs to sell and the value in use. Fair value is determined by considering market data and other information available to us. The value in use is the present value of the cash flows expected to result from the aircraft's use and eventual disposition. Current lease rentals, as well as market information on projected future rentals and fair values, form the basis of this calculation.

The amount of the impairment loss recognized is calculated as the difference between the carrying amount of the asset and its recoverable amount. When there is a reversal of impairment loss, the carrying amount of the aircraft is increased to the lower of the recoverable amount and the carrying amount that the aircraft would have had if the previous impairment loss had not been recognized. In both cases, the adjustment to the carrying value of the aircraft is recorded in other income (expenses).

Finance Leases
Leases in which substantially all the risks and rewards of ownership are transferred to EDC are classified as finance leases. We have two types of finance leases – aircraft under finance leases and building under finance lease.

Lessor
Aircraft under finance leases relate to aircraft that were returned to us due to default under the related obligor's loan agreements and were subsequently placed back with the obligor under long-term, financing leases. These leases are recorded on the consolidated statement of financial position at the aggregate future minimum lease payments plus estimated residual values less unearned finance income. Residual values are based on independent appraisals and are reviewed periodically. An allowance for impairment is calculated consistent with the methodology used for our secured loan portfolio which is described on the previous page.

Finance lease revenue is recognized in a manner that produces a constant rate of return on the investment in the lease.

Lessee
Our head office building is held under a finance lease. The building has been recorded on our consolidated statement of financial position at its estimated fair value at the inception of the lease. Lease payments are allocated between finance charges and by repayment of the obligation under finance lease to achieve a constant rate of interest on the remaining balance of the obligation. The leased building is being depreciated over the most likely lease term. The estimated lease period is reviewed periodically.

Finance charges and depreciation expense on the building are recorded as accommodation costs within administrative expenses in the consolidated statement of comprehensive income.

Property, Plant and Equipment
Property, plant and equipment are carried at cost less accumulated depreciation and impairment losses. Depreciation is charged on a straight-line basis over the estimated useful lives of the assets or the term of the relevant lease. The estimated useful lives and depreciation methods are reviewed at the end of each year, with the effect of any changes in estimate being accounted for on a prospective basis. The useful life used in the calculation of depreciation for furniture and equipment is five years and three years for computer hardware. Leasehold improvements are depreciated over the shorter of the term of the respective lease or the useful

economic life of the leasehold improvement. Depreciation is recorded in administrative expenses.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset, and is recognized in other income (expenses).

Intangible assets
Intangible assets represent internally developed and purchased computer software. They are carried at cost less accumulated amortization and impairment losses. Amortization is charged on a straight-line basis over the estimated useful lives of the intangible assets. The estimated useful lives and amortization methods are reviewed at the end of each year, with the effect of any changes in estimate being accounted for on a prospective basis. The useful life used in the calculation of amortization for internally developed software and computer software is five years. Amortization is recorded in administrative expenses.

Insurance Premiums
Insurance contracts are those contracts where we have accepted significant insurance risk from the policyholders by agreeing to compensate the policyholders if a specified uncertain future event adversely affects the policyholders.

Premiums on insurance policies are deferred and recognized in income over the term of the policy on a straight-line basis.

Recoverable Insurance Claims
Recoverable insurance claims represent the portion of insurance claims paid that are expected to be recovered. Recoverable insurance claims are reviewed and adjusted on a quarterly basis with any subsequent net gain or loss on recovery credited or charged to claims-related expenses (recovery).

Policy and Claims Liabilities
Policy and claims liabilities represent our estimate of future claims under the terms and conditions of our insurance policies. An actuarial valuation, which conforms to the recommendations of the Canadian Institute of Actuaries, is performed to establish our liability. The valuation uses simulation techniques and assumptions derived from our own experience (severity of loss, loss development, frequency of claim, and discount rates used) relevant to our insurance programs. The liability is comprised of reported claims, incurred but not reported claims (IBNR), and management's best estimate of the net present value of net future claims under existing policies.

Deferred insurance premiums are the portion of premiums received on policies written that relate to risk periods after the current fiscal year. To the extent that our deferred premiums are not sufficient to cover our liability, an allowance is established. Any adjustments to the liability are reflected in claims-related expenses (recovery) in the period in which they become known. Future developments may result in claims which are materially different than the allowance provided.

Policy and claims liabilities on our consolidated statement of financial position include both the deferred premiums and the allowance.

Reinsurance
In the ordinary course of business, we assume and cede reinsurance with other insurance companies. We cede reinsurance to mitigate our risk. The ceding arrangements provide greater diversification of the business and minimize the net loss potential arising from large risks. Ceded reinsurance contracts do not relieve us of our obligations to the insured but they do provide for the recovery of claims arising from the liabilities ceded. We also assume reinsurance and thereby take on risk. Reinsurance premiums, unearned premiums ceded to reinsurers and recoveries and estimates of recoveries on claims are recorded in the same manner as if the reinsurance were considered direct business. Amounts recoverable from the reinsurers are estimated in a manner consistent with the claims liability associated with the reinsured policy and are recorded within reinsurers' share of policy and claims liabilities. Reinsurance assets or liabilities are derecognized when the contractual rights are extinguished or expire.

Reinsurance assets are reviewed for impairment at each reporting date or more frequently when an indication of impairment arises during the reporting year. Impairment occurs when there is objective evidence as a result of an event that occurred after initial recognition of the reinsurance asset that EDC may not receive all outstanding amounts due under the terms of the contract and the event has a reliably measurable impact on the amounts that EDC will receive from the reinsurer.

Deferred Revenue
Deferred loan revenue, which consists of exposure, administration, and other upfront loan fees, is included in loans receivable and amortized as a yield increment over the term of the related loan. Guarantee fee revenue and insurance premium revenue are recognized as deferred revenue and are amortized over the term of the related guarantee or insurance policy.

Derivative Instruments
Derivative instruments (derivatives) are financial contracts that derive their value from underlying changes in interest rates, foreign exchange rates, equities, credit spreads or other financial measures. Derivatives that we currently use include interest rate swaps, cross currency interest rate swaps, foreign exchange swaps, foreign exchange forwards, non-deliverable forwards, non-deliverable foreign exchange swaps and credit default swaps.

We use derivatives to manage interest rate risk, foreign exchange risk, and credit risk. These derivatives are only contracted with creditworthy counterparties in accordance with policies established by our Risk Management Office and approved by our Board of Directors.

We do not apply hedge accounting to our derivatives. Derivatives are accounted for at fair value and are recognized on the consolidated statement of financial position upon the trade date and are removed from the consolidated statement of financial position when they expire or are terminated. Derivatives with a positive fair value are reported as derivative instruments within assets, while derivatives with a negative fair value are reported as derivative instruments within liabilities. Realized and unrealized gains or losses due to a change in fair value of derivatives associated with our long and short-term loans payable and those associated with our marketable securities are recorded in other income (expenses). Realized and unrealized gains and losses due to changes in fair value of credit default swaps are also included in other income (expenses).

We also hold a portfolio of derivatives which we use to manage the foreign exchange risk associated with using our capital to fund our operations largely denominated in U.S. dollars. All income and expenses associated with this portfolio are included in interest expense, while realized and unrealized gains and losses are recorded in other income (expenses).

Long-term currency swaps are considered part of the financing cash flows on the consolidated statement of cash flows because these swaps are used to manage our funding. We often issue debt in currencies which offer a more advantageous cost. We then use currency swaps to bring those funds into the currency required to disburse on our loans. All other swaps are included in operating cash flows as they are used to alter the interest rate risk profile of the portfolio.

Loans Payable
We have designated the majority of our debt, including structured debt, at fair value through profit or loss in order to obtain the same accounting treatment as the related derivatives. In general, these derivatives are transacted to manage interest and foreign exchange rate risk on the related debt. Contractual interest on our long-term debt and commercial paper is recorded in interest expense. Any change in fair value on these instruments is recorded in other income (expenses).

Our fixed rate bonds which do not have derivatives associated with them are carried at amortized cost using the effective interest rate method with interest recorded in interest expense.

The transaction costs related to our loans payable carried at amortized cost are capitalized. The transaction costs related to our loans payable designated at fair value through profit or loss are expensed as they are incurred and are included within interest expense.

Any fair value gains or losses on initial recognition of our debt or derivatives at Level 3 on the fair value hierarchy are deferred and amortized over the life of the instruments.

Accounts Payable and Other Credits
Accounts payable and other credits are carried at amortized cost.

Translation of Foreign Currency
All monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars at exchange rates prevailing at the end of the year. Income and expenses are translated at either daily or monthly average exchange rates in effect during the year. Exchange gains and losses resulting from the translation of foreign currency balances and transactions are included in other income (expenses).

Retirement Benefit Obligations
We maintain defined benefit pension plans, a defined contribution plan, and other post-retirement benefit plans including a retiring allowance plan and life insurance, health and dental care benefits.

The accrued benefit obligations are actuarially determined using the projected unit credit method (which incorporates management's best estimate of future salary levels, retirement ages of employees and other actuarial factors).

Pension fund assets are valued at fair value for the purpose of calculating the expected return on plan assets.

The defined benefit expense (included in administrative expenses) consists of the actuarially determined retirement benefits for the current year's service, imputed interest on projected benefit obligations net of interest earned on any plan assets and the amortization of actuarial gains or losses and other items over the average remaining working lives of employees expected to receive benefits under the plans.

Actuarial gains or losses arise from the difference between the actual rate of return and the expected rate of return on plan assets for that period and from changes in actuarial assumptions used to determine the accrued benefit obligation. They are amortized on a straight-line basis over the average remaining working lives of employees expected to receive benefits under the plans only if the net actuarial gain or loss at the beginning of the year is in excess of 10% of the greater of the accrued benefit obligation and the fair value of plan assets. Amounts below the 10% threshold are not recognized in income.

Future Accounting Changes
A number of new standards, interpretations, amendments and improvements have been issued by the International Accounting Standards Board. The standards that are relevant to EDC are listed below. Except as indicated, the standards are effective for annual periods beginning on or after January 1, 2013.

New standards include:

- *IFRS 10 – Consolidated Financial Statements* – provides a new definition of control that focuses on whether the investor is exposed or has rights, to variable returns from its involvement with the investee and also has the ability to affect the returns through its power over the investee.
- *IFRS 11 – Joint Arrangements* – focuses on the rights and obligations of an arrangement, rather than its legal form in determining whether a joint operation or joint venture exists. With this new standard the equity method must be used to account for all joint ventures.
- *IFRS 12 – Disclosure of Interest in Other Entities* – outlines the disclosure requirements for all forms of interests in other entities, both on and off the balance sheet.
- *IFRS 13 – Fair Value Measurement* – provides a consistent definition of fair value; guidance on how it should be measured; and disclosure requirements for use across all IFRSs.

Amended standards include:

- *IAS 1 – Presentation of Financial Statements* – amendments to revise the way other comprehensive income is presented. Effective for annual periods beginning on or after July 1, 2012.
- *IAS 19 – Employee Benefits* – we have quantified the impact of implementing this amendment, which was issued by the IASB in June 2011. The amendment removes the option to use the corridor method to defer gains and losses; requires that the impact of re-measuring pension assets and liabilities be recorded in other comprehensive income; and provides enhanced disclosure requirements for defined benefit plans. In addition, under the revised standard the expected rate of return on plan assets will be replaced with the net interest approach. The net interest approach is measured based on the plan's discount rate. The new requirements will be effective January 1, 2013 and must be applied retrospectively. The transition adjustment upon adoption of the amended standard will reduce opening

retained earnings by $259 million. In addition, 2012 pension expense is expected to decrease by $5 million in restated comparatives.

- *IAS 27 – Separate Financial Statements* – this standard has been renamed and amended to maintain the accounting guidance on issuing separate financial statements.
- *IAS 28 – Investments in Associates and Joint Ventures* – amended as a consequence of the new standard on joint arrangements.

Except as otherwise disclosed, we do not expect these standards to have a significant impact on future financial results.

3. Marketable Securities

We maintain liquidity sufficient to meet general operating requirements, to maintain stability in our short-term borrowing program and to provide flexibility in achieving corporate objectives. Consistent with our business model for managing these instruments, they are carried at fair value through profit or loss or at amortized cost.

(in millions of Canadian dollars)			**Dec. 31, 2012**			Dec. 31, 2011
Issued or guaranteed by:	**At fair value through profit or loss**	**At amortized cost[2]**	**Total**	At fair value through profit or loss	At amortized cost[2]	Total
U.S. government	**2,954**	**55**	**3,009**	2,798	57	2,855
Financial institutions	**673**	**-**	**673**	506	-	506
Other government	**320**	**-**	**320**	217	-	217
Canadian government[1]	**121**	**19**	**140**	185	19	204
Corporate	**14**	**-**	**14**	14	-	14
Total marketable securities	**$4,082**	**$74**	**$4,156**	$3,720	$76	$3,796

[1] *Canadian government includes federal and provincial governments and Crown corporations.*

[2] *Represent securities held by our subsidiary Exinvest Inc.*

The following table provides a breakdown of our marketable securities by remaining term to maturity:

(in millions of Canadian dollars)				**Dec. 31, 2012**				Dec. 31, 2011
	Remaining term to maturity				Remaining term to maturity			
	Under 1 year	**1 to 3 years**	**Over 3 years**	**Total**	Under 1 year	1 to 3 years	Over 3 years	Total
At fair value through profit or loss								
Short-term instruments	**1,951**	**-**	**-**	**1,951**	1,690	-	-	1,690
Long-term fixed rate securities	**103**	**799**	**1,229**	**2,131**	104	742	1,184	2,030
Total at fair value through profit or loss	**2,054**	**799**	**1,229**	**4,082**	1,794	742	1,184	3,720
At amortized cost								
Long-term fixed rate securities	**18**	**37**	**19**	**74**	-	38	38	76
Total marketable securities	**$2,072**	**$836**	**$1,248**	**$4,156**	$1,794	$780	$1,222	$3,796

4. Loans Receivable

The following table presents the various components of loans receivable and the contractual maturity and related contractual effective yields for gross loans receivable. The yields are computed on a weighted average basis by amount and term. Floating rate yields are expressed as spreads over base rates which consist mainly of LIBOR for U.S. dollars and CDOR for Canadian dollars.

(in millions of Canadian dollars)					Dec. 31, 2012					Dec. 31, 2011
	Floating $	**Spread %**	**Fixed $**	**Yield to maturity %**	**Total $**	Floating $	Spread %	Fixed $	Yield to maturity %	Total $
Performing:										
Past due	**11**	**3.72**	**-**	**-**	**11**	20	1.96	8	6.25	28
2012	**-**	**-**	**-**	**-**	**-**	2,807	1.86	1,034	5.30	3,841
2013	**3,378**	**1.94**	**1,035**	**5.24**	**4,413**	2,554	2.04	1,010	5.44	3,564
2014	**2,834**	**2.14**	**1,047**	**5.34**	**3,881**	2,977	1.99	974	5.50	3,951
2015	**3,880**	**2.54**	**902**	**5.46**	**4,782**	2,868	2.58	833	5.65	3,701
2016	**2,970**	**2.03**	**810**	**5.39**	**3,780**	2,417	2.21	729	5.57	3,146
2017	**2,550**	**2.43**	**916**	**4.90**	**3,466**	1,154	2.45	743	5.39	1,897
2018-2022	**4,314**	**2.15**	**2,675**	**4.72**	**6,989**	3,437	1.97	2,204	5.04	5,641
2023 and beyond	**1,505**	**1.89**	**349**	**4.51**	**1,854**	1,254	1.58	265	4.70	1,519
Performing gross loans receivable	**21,442**	**2.15**	**7,734**	**4.86**	**29,176**	19,488	2.03	7,800	5.20	27,288
Impaired (Note 5)	**868**	**2.40**	**292**	**5.83**	**1,160**	1,033	1.76	772	5.41	1,805
Gross loans receivable	**$22,310**		**$8,026**		**$30,336**	$20,521		$8,572		$29,093
Accrued interest and fees receivable					**157**					145
Deferred loan revenue and other credits					**(362)**					(558)
Loans receivable					**$30,131**					$28,680

At the end of December 2012, the floating rate performing gross loans receivable yield was 2.83% (2011 – 3.02%) with an average term to reset of 109 days (2011 – 95 days).

Sovereign loans represent 4% of total performing gross loans receivable, consistent with December 31, 2011.

We have country risk concentrations as outlined below:

(in millions of Canadian dollars)		Dec. 31, 2012		Dec. 31, 2011
Country	**Performing gross loans receivable**	**%**	Performing gross loans receivable	%
United States	**7,326**	**25**	8,373	31
Canada	**3,945**	**14**	3,508	13
Brazil	**2,252**	**8**	1,391	5
Mexico	**1,888**	**6**	1,744	6
India	**1,472**	**5**	1,458	5
Australia	**1,153**	**4**	730	3
Chile	**1,136**	**4**	959	4
United Kingdom	**861**	**3**	915	3
Qatar	**745**	**3**	768	3
Germany	**561**	**2**	428	2
Other	**7,837**	**26**	7,014	25
Total	**$29,176**	**100**	$27,288	100

We have single counterparty performing gross loans receivable totalling $2,772 million with two airlines (2011 - $3,210 million with two airlines) located in the United States, $2,190 million with two oil and gas entities located in Mexico and Brazil (2011 - $892 million with one oil and gas entity in Mexico) and $954 million with an extractive entity located in Brazil.

We sold $197 million in loans to various counterparties in 2012 (2011 - $139 million). This amount includes nine performing loans totalling $107 million (2011 – five performing loans totalling $101 million). The performing loans were sold without recourse and the sales resulted in a loss of $1 million (2011 - $2 million).

The breakdown of our gross loans receivable by credit grade is as follows:

(in millions of Canadian dollars)	**Dec. 31, 2012**		Dec. 31, 2011	
	$	**% of total**	$	% of total
Investment grade*	**14,480**	**48**	11,972	41
Below investment grade	**14,696**	**48**	15,316	53
Individually impaired loans (Note 5)	**1,160**	**4**	1,805	6
Total gross loans receivable	**$30,336**	**100**	$29,093	100

**Investment grade exposure is defined by those obligors with credit ratings of BBB- and above*

We employ a range of policies to mitigate credit risk on our commercial loans which includes obtaining certain forms of security interest. The principal types of security interest are mortgages on equipment (mainly aircraft and rolling stock) and real estate, assignments or pledges on various business assets such as trade receivables, inventory, property, plant and equipment, equity shares and bank accounts. Other principal forms of credit enhancement include guarantees from counterparties with higher credit ratings who may be related to the borrower, such as a parent company.

As at December 31, 2012, 33% of our loans are collateralized mainly by aircraft and rolling stock (2011 - 38%).

Our concentrations of risk are managed by obligor, country and industry sector. The maximum gross loans receivable exposure to any one obligor as at December 31, 2012 was $1,581 million (2011 - $1,849 million) before taking into account collateral and $669 million (2011 - $838 million) net of collateral.

A loan payment is considered past due when the obligor has failed to make the payment by the contractual due date. The breakdown of our gross loans receivable that are past due but not impaired is as follows:

(in millions of Canadian dollars)	**Dec. 31, 2012**	Dec. 31, 2011
Less than 30 days	**7**	26
30 to 180 days	**4**	1
Greater than 180 days	**-**	1
Total	**$11**	$28

The following reflects the movement in gross loans receivable during the year:

(in millions of Canadian dollars)	Dec. 31, 2012	Dec. 31, 2011
Balance at beginning of year	29,093	26,997
Disbursements	11,887	10,330
Loan purchases	-	63
Principal repayments	(9,082)	(8,609)
Value of repossessed assets from loan foreclosures	(465)	(1)
Loans written off	(408)	(76)
Principal recoveries from asset sales	(150)	(122)
Foreign exchange translation	(552)	511
Other*	13	-
Balance at end of year	$30,336	$29,093

** Includes capitalized interest of $9 million (2011 - $4 million) and financing of aircraft previously held-for-sale of $4 million (2011 – nil). In 2012 there were no receipts from the Government of Canada for soverign debt relief (2011 - $4 million).*

5. Individually Impaired Loans

The following table shows the carrying amount of loans specifically identified as impaired:

(in millions of Canadian dollars)	Dec. 31, 2012	Dec. 31, 2011
Gross loans receivable		
Sovereign	78	248
Commercial	1,082	1,557
	1,160	1,805
Less: Deferred loan revenue and other credits*	24	205
Individual allowance	298	422
Carrying amount of individually impaired loans	$838	$1,178

** Reflects the write-off of two impaired loans to sovereign borrowers totalling $175 million which had a zero carrying value.*

The following reflects the movement in individually impaired gross loans receivable during the year:

(in millions of Canadian dollars)	Dec. 31, 2012	Dec. 31, 2011
Balance at beginning of year	1,805	710
Loans classified as impaired	361	1,383
Disbursements on loan guarantees called	72	21
Value of repossessed assets from loan foreclosures	(465)	(1)
Loans written off	(407)	(74)
Principal repayments	(123)	(19)
Principal recoveries from asset sales	(46)	(23)
Loans reinstated to performing	-	(191)
Foreign exchange translation	(37)	1
Other*	-	(2)
Balance at end of year	$1,160	$1,805

** In 2012 there was no capitalized interest (2011 - $2 million) and there were no receipts from the government of Canada for sovereign debt relief (2011 - $4 million).*

In the third and fourth quarters of 2012, EDC repossessed a total of 34 aircraft from two impaired airline obligors for which we have provided secured financing, and as a result $465 million of related loans were removed from our books and replaced with aircraft assets which have been or will be leased out. This also resulted in loan principal write-offs totalling $59 million.

During the year, impaired loans to 29 commercial borrowers and 2 sovereign borrowers, totalling $407 million of principal (2011 – 35 commercial borrowers totalling $74 million and sovereign borrowers nil) were written off. These loans were written off after all collection methods had been exhausted and no further prospect of recovery was likely. In the case of the sovereign write-offs, pursuant to the terms set out by the Paris Club these countries were granted full debt forgiveness by their creditor countries. For the five years ended December 2012, cumulative write-offs of impaired loans totalled $624 million, of which 88% occurred in the past three years.

During 2012, payments of principal and interest from impaired borrowers, as well as proceeds from sales of impaired loans were $225 million (2011 - $47 million). These amounts were applied against the carrying value of the impaired loans.

We sold $91 million in impaired loans to various counterparties in 2012 (2011 - $38 million). We recovered $46 million and the remaining $45 million was written off.

Interest income recognized on impaired loans was $41 million in 2012 (2011 - $9 million).

As at December 31, 2012, impaired loans totalling $776 million (2011 - $1,296 million) were secured by assets consisting of aircraft with an estimated fair value of $502 million (2011 - $925 million).

6. Allowance for Losses on Loans, Loan Commitments and Loan Guarantees

The composition of the allowance for losses on loans, loan commitments and loan guarantees is as follows:

(in millions of Canadian dollars)	**Dec. 31, 2012**	Dec. 31, 2011
Base allowance		
Investment grade exposure	**70**	98
Non-investment grade exposure	**869**	1,216
Total base allowance	**939**	1,314
Counterparty concentration		
Investment grade exposure	**4**	2
Non-investment grade exposure	**93**	102
Total counterparty concentration	**97**	104
Total collective allowance*	**1,036**	1,418
Allowance for individually impaired loans, loan commitments and loan guarantees	**314**	509
Total allowance for losses on loans, loan commitments and loan guarantees	**$1,350**	$1,927

** Includes allowance on finance leases of $17 million (2011 - $23 million)*

The following table provides a breakdown of our allowance for losses on loans, loan commitments and loan guarantees by commercial and sovereign risk:

(in millions of Canadian dollars)			**Dec. 31, 2012**			Dec. 31, 2011
	Collective	**Individual**	**Total**	Collective	Individual	Total
Commercial	**958**	**275**	**1,233**	1,327	476	1,803
Sovereign	**78**	**39**	**117**	91	33	124
Total allowance	**$1,036**	**$314**	**$1,350**	$1,418	$509	$1,927

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During the year, changes to the allowance for losses on loans, loan commitments and loan guarantees were as follows:

(in millions of Canadian dollars)			Dec. 31, 2012			Dec. 31, 2011
	Collective	**Individual**	**Total**	Collective	Individual	Total
Allowance for losses on loans						
Balance at beginning of year	**1,258**	**422**	**1,680**	1,304	257	1,561
Provision for (reversal of) losses on loans	**(355)**	**92**	**(263)**	(65)	227	162
Write–offs	**-**	**(212)**	**(212)**	-	(70)	(70)
Recovery of amounts written-off in prior years	**-**	**5**	**5**	-	5	5
Foreign exchange translation	**(19)**	**(9)**	**(28)**	19	3	22
Total	**884**	**298**	**1,182**	1,258	422	1,680
Allowance for losses on loan commitments						
Balance at beginning of year	**41**	**-**	**41**	93	-	93
Provision for (reversal of) losses on loan commitments	**15**	**3**	**18**	(53)	-	(53)
Foreign exchange translation	**(1)**	**-**	**(1)**	1	-	1
Total	**55**	**3**	**58**	41	-	41
Allowance for losses on loan guarantees*						
Balance at beginning of year	**119**	**87**	**206**	163	22	185
Provision for (reversal of) losses on loan guarantees	**(21)**	**(74)**	**(95)**	(50)	66	16
Foreign exchange translation	**(1)**	**-**	**(1)**	6	(1)	5
Total	**97**	**13**	**110**	119	87	206
Total allowance for losses on loans, loan commitments and loan guarantees	**$1,036**	**$314**	**$1,350**	$1,418	$509	$1,927

* *Included in the liability for loan guarantees*

In 2011, we initiated a multi-year project to update and standardize our credit risk rating methodology and processes. In 2012, this project resulted in changes to our allowance assumptions for probability of default. The updated probability of default rates were generated by a new credit risk rating tool that uses external historical experience to generate default tables. In prior years, default rates were based on a weighted average of Moody's and Standard & Poor's default tables. The difference between using our new tool and the approach from prior years as at December 31, 2012 is a $93 million release in provision and represents a change in accounting estimate. The impact on future periods has not been determined as it is impracticable to estimate.

In June 2012 we updated the loss given default assumption in our collective allowance calculation for our commercial unsecured & sovereign portfolios. The reduction in our assumption was a result of an analysis done on the historical loss rate of our portfolio. The difference between using the updated assumption and the prior assumption as at December 31, 2012 is a $53 million release in provision and represents a change in accounting estimate. The impact on future periods has not been determined as it is impracticable to estimate.

The provision for individually impaired loans, loan commitments and loan guarantees for 2012 of $21 million (2011 - $293 million) includes:

- a charge of $294 million (2011 - $376 million) as a result of new impairments and increases to allowances on existing impaired obligors, and
- reversals of $273 million (2011 - $83 million) due to changes in the estimated future cash flows or recoveries anticipated from existing impaired obligors.

7. Investments at Fair Value Through Profit or Loss

The investments portfolio is comprised of the following:

(in millions of Canadian dollars)	Dec. 31, 2012		Dec. 31, 2011	
	Cost	Fair value	Cost	Fair value
Direct investments				
Loans and debt securities	11	7	15	9
Equity interests	51	36	52	48
	62	43	67	57
Fund investments	402	386	344	328
Total investments	$464	$429	$411	$385

Investments revenue was $ 4 million in 2012 (2011 - $12 million). There was an unrealized loss of $10 million resulting from the change in fair value of investments in 2012 (2011 –$14 million). In 2012, we realized a capital gain of $13 million from the sale of two direct investments, recorded a capital gain of $10 million from six funds and a realized loss of $10 million from the write-off of three direct and one fund investments.

8. Equipment Available for Lease

Equipment available for lease consists of aircraft that were returned to us because of default under the related obligors' loan agreements.

(in millions of Canadian dollars)	Dec. 31, 2012				Dec. 31, 2011			
	Aircraft	Engines	Major overhaul costs	Total	Aircraft	Engines	Major overhaul costs	Total
Cost:								
Balance at beginning of year	79	60	12	151	167	132	22	321
Additions	364	124	4	492	-	-	-	-
Transfers to held-for-sale	(5)	(3)	-	(8)	(88)	(72)	(10)	(170)
Balance at end of year	438	181	16	635	79	60	12	151
Accumulated depreciation and impairment:								
Balance at beginning of year	(51)	(37)	(9)	(97)	(94)	(72)	(15)	(181)
Depreciation expense	(11)	(5)	(2)	(18)	(8)	(5)	(3)	(16)
Elimination on transfer to held-for-sale	3	2	-	5	51	40	9	100
Balance at end of year	(59)	(40)	(11)	(110)	(51)	(37)	(9)	(97)
Carrying amount	379	141	5	525	28	23	3	54
Lease setup costs				-				1
Total equipment available for lease				$525				$55
Number of aircraft *				54				20

** In addition to the 54 aircraft, there are also two spare engines represented in this portfolio. In 2011, the 20 aircraft represent 19 aircraft and one airframe.*

On a quarterly basis we assess whether there is any indication of impairment of our aircraft given current market conditions. In 2012, recent aircraft sales, leasing rates and other market conditions did not lead to any indication of impairment of our aircraft within this portfolio and therefore no impairment loss was recorded in 2012. Based on these same conditions, there was also no indication that a reversal of previous impairment losses would be required.

During 2012, 34 aircraft and two spare engines valued at $465 million (2011 - nil) that were returned to us as a result of loan foreclosures, were transferred into this portfolio. Also new to this portfolio are 2 aircraft valued at $23 million that were received from a non-monetary exchange agreement at the end of 2011. In 2011, these aircraft were classified under other assets as they were to undergo refurbishment in 2012. During 2012 we capitalised $4 million of major overhaul maintenance costs, (2011 – nil) these costs will be amortized over a period of 36 months. In addition, we reclassified 1 aircraft and one airframe valued at $3 million (2011 – 23 aircraft and three engines valued at $71 million) out of this portfolio to the held-for-sale portfolio which is included in other assets.

The following table illustrates the carrying amount by aircraft type and summarizes the current leasing arrangements within the equipment available for lease portfolio.

(in millions of Canadian dollars)			Dec. 31, 2012					Dec 31, 2011
	Number of aircraft in portfolio	**Carrying amount**	**Number of aircraft on operating lease**	**Current lease term range**	Number of aircraft in portfolio	Carrying amount	Number of aircraft on operating lease	Current lease term range
Aircraft type								
CRJ200 Regional Jets	18	44	18	8 to 41 months	20	54	20	12 to 60 months
CRJ900 Regional Jets	8	94	-	-	-	-	-	-
Dash 8 – Q400*	28	387	14	91 to 95 months	-	-	-	-
Total portfolio	54	$525	32		20	$54	20	-

* *In addition to the 28 aircraft, there are two Dash8-Q400 spare engines available for lease.*

Operating lease revenue for the year was $17 million (2011 - $21 million). At the end of December 2012, 32 aircraft were subject to operating leases with six airlines (2011 – 20 aircraft). The remaining 14 Dash 8 - Q400s and two spare engines are contracted to go out on lease with the same lessee in 2013 for a lease term of 96 months. At the end of December 2012 there were 8 idle CRJ900 regional jets available for lease (2011 - no idle aircraft).

The following table presents minimum future lease payments receivable:

(in millions of Canadian dollars)	**Dec. 31, 2012**	Dec. 31, 2011
2012	-	13
2013	51	12
2014	48	8
2015	44	4
2016	41	1
2017	41	-
2018 and beyond	122	-
Total	$347	$38

Aircraft or component parts held-for-sale

During 2012, we sold 7 aircraft, one airframe and three engines with a carrying value of $8 million.

In addition to the above sales, 4 aircraft valued at $11 million that were subject to a non-monetary exchange agreement at the end of 2011, were delivered in early 2012 and are no longer in the aircraft held-for-sale portfolio.

At year end there were 6 aircraft and two engines with a carrying value of $9 million that have been contracted for part-out whereby we will seek recovery by selling the component parts of the aircraft. During 2012 the carrying value of these assets were reduced by $3 million, $2 million was a result of a write-down of 4 aircraft values and the remaining $1 million was payments received from the sale of component parts.

9. Net Investment in Aircraft under Finance Leases

The following table presents the reconciliation between our gross investment in aircraft under finance leases and the present value of the minimum lease payments receivable:

(in millions of Canadian dollars)	**Dec. 31, 2012**	Dec. 31, 2011
Total minimum lease payments receivable	**63**	81
Estimated residual values of leased aircraft	**33**	34
Gross investment in finance leases	**96**	115
Unearned income	**(17)**	(23)
Finance lease interest receivable	**1**	-
Net investment in finance leases	**80**	92
Present value of estimated residual values	**(25)**	(24)
Present value of minimum lease payments receivable	**$55**	$68
Allowance for losses*	**$17**	$23

* *Included within the allowance for losses on loans*

The following table presents minimum lease payments receivable, estimated residual values, gross investment in finance leases, as well as the present value of minimum lease payments receivable:

(in millions of Canadian dollars)				**Dec. 31, 2012**				Dec. 31, 2011
	Minimum lease payments receivable	**Estimated residual values**	**Gross investment in finance leases**	**Present value of minimum lease payments receivable**	Minimum lease payments receivable	Estimated residual values	Gross investment in finance leases	Present value of minimum lease payments receivable
2012	**-**	**-**	**-**	**-**	17	-	17	16
2013	**16**	**-**	**16**	**16**	17	-	17	15
2014	**16**	**-**	**16**	**15**	17	-	17	14
2015	**16**	**-**	**16**	**13**	17	-	17	13
2016	**12**	**20**	**32**	**9**	11	21	32	9
2017	**3**	**13**	**16**	**2**	2	13	15	1
	$63	**$33**	**$96**	**$55**	$81	$34	$115	$68

Finance lease revenue for the year was $6 million (2011 - $7 million). At the end of December 2012, 13 aircraft were subject to finance leases with one airline, consistent with 2011. The remaining lease terms range from 40 to 59 months.

10. Recoverable Insurance Claims

During the year, changes to the recoverable insurance claims were as follows:

(in millions of Canadian dollars)	**Dec. 31, 2012**	Dec. 31, 2011
Balance at beginning of year	**44**	94
Claims paid	**355**	54
Claims paid – reinsured policies	**3**	1
Claims recovered	**(22)**	(40)
Change in recoverable portion of cumulative claims paid	**(179)**	(66)
Foreign exchange translation	**(1)**	1
Balance at end of year	**$200**	$44

Of the $358 million (2011 - $55 million) in claim payments made during 2012, 84% were related to the political risk insurance program (2011 – 72% related to the credit insurance program). The largest concentrations of claim payments and recoveries were in the following geographic areas:

Comment [m1]: Percentgage of claims under PRI

(in millions of Canadian dollars)		**Dec. 31, 2012**		Dec. 31, 2011
	Claims paid	**Claims recovered**	Claims paid	Claims recovered
Middle East and Africa	**305**	**2**	5	2
North America and Caribbean	**25**	**12**	30	22
Europe	**13**	**2**	11	10
Asia and Pacific	**11**	**1**	4	-
South and Central America	**4**	**5**	5	6
Total	**$358**	**$22**	$55	$40

Comment [m2]: Geographic area

11. Other Assets

(in millions of Canadian dollars)	**Dec. 31, 2012**	Dec. 31, 2011
Restructuring payments receivable	**48**	55
Insurance premiums receivable/prepaid reinsurance	**14**	26
Aircraft or component parts held-for-sale*	**9**	31
Guarantee fees receivable	**7**	6
Prepaid expenses	**5**	7
Investment in joint ventures	**1**	2
Other aircraft*	**-**	23
Other	**15**	24
Total other assets	**$99**	$174

** Refer to Note 8*

Restructuring payments receivable relate to an agreement between EDC and an airline obligor as part of the terms of a loan restructuring that was finalized in 2007. The receivable relates to a payable as shown in Note 15.

12. Property, Plant and Equipment

During the year, changes to property, plant and equipment were as follows:

(in millions of Canadian dollars)				Dec. 31, 2012				Dec. 31, 2011
	Computer hardware	**Furniture and equipment**	**Leasehold improvements**	**Total**	Computer hardware	Furniture and equipment	Leasehold improvements	Total
Cost:								
Balance at beginning of year	22	19	50	91	73	33	32	138
Additions	3	1	1	5	9	12	30	51
Disposals	(1)	(3)	-	(4)	(60)	(26)	(12)	(98)
Balance at end of year	24	17	51	92	22	19	50	91
Accumulated depreciation:								
Balance at beginning of year	(9)	(5)	(3)	(17)	(62)	(29)	(14)	(105)
Depreciation expense	(7)	(4)	(2)	(13)	(7)	(2)	(1)	(10)
Disposals	1	3	-	4	60	26	12	98
Balance at end of year	(15)	(6)	(5)	(26)	(9)	(5)	(3)	(17)
Carrying amount	$9	$11	$46	$66	$13	$14	$47	$74

Future contractual commitments related to property, plant and equipment as at December 31, 2012 were $1 million (2011 - $1 million).

13. Intangible Assets

During the year, changes to intangible assets were as follows:

(in millions of Canadian dollars)			Dec. 31, 2012			Dec. 31, 2011
	Internally developed software	**Acquired computer software**	**Total**	Internally developed software	Acquired computer software	Total
Cost:						
Balance at beginning of year	81	86	167	78	76	154
Additions	6	8	14	3	10	13
Disposals	(3)	-	(3)	-	-	-
Balance at end of year	84	94	178	81	86	167
Accumulated amortization:						
Balance at beginning of year	(71)	(56)	(127)	(66)	(46)	(112)
Amortization expense	(4)	(12)	(16)	(5)	(10)	(15)
Disposals	3	-	3	-	-	-
Balance at end of year	(72)	(68)	(140)	(71)	(56)	(127)
Carrying amount	$12	$26	$38	$10	$30	$40

Future contractual commitments related to intangible assets as at December 31, 2012 were $7 million (2011 – $4 million).

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14. Building under Finance Lease

Our head office building is held under a finance lease. Future minimum lease payments under the obligation under finance lease as well as the present value of the minimum lease payments, based on an expected 25 year lease term are as follows:

(in millions of Canadian dollars)		**Dec. 31, 2012**		Dec. 31, 2011
	Minimum payments	**Present value of minimum lease payments**	Minimum payments	Present value of minimum lease payments
2012	**-**	**-**	11	11
2013	**11**	**11**	11	10
2014	**11**	**10**	11	10
2015	**11**	**10**	11	9
2016	**11**	**9**	11	9
2017	**11**	**9**	11	9
2018 and beyond	**232**	**124**	232	119
Total	**287**	**173**	298	177
Less: future finance charges	**(114)**	**-**	(121)	-
Present value of minimum lease payments	**$173**	**$173**	$177	$177

During the year changes to the building under finance lease were as follows:

(in millions of Canadian dollars)	**Dec. 31, 2012**	Dec. 31, 2011
Cost:		
Balance at beginning of year	**177**	-
Additions	**-**	177
Balance at end of year	**177**	177
Accumulated depreciation:		
Balance at beginning of year	**(1)**	-
Depreciation expense	**(7)**	(1)
Balance at end of year	**(8)**	(1)
Carrying amount	**$169**	$176

15. Accounts Payable and Other Credits

(in millions of Canadian dollars)	**Dec. 31, 2012**	Dec. 31, 2011
Restructuring payments payable	**48**	53
Employee benefit accruals	**18**	21
Aircraft maintenance reserve	**14**	13
Trade payables and accruals	**12**	19
Canada Account payable	**11**	11
Aircraft lease security deposit	**3**	8
Obligation under an exchange of non-monetary assets*	**-**	11
Other payables and other credits	**7**	23
Total accounts payable and other credits	**$113**	$159

** Refer to Note 8*

Restructuring payments payable relate to an agreement between EDC and an airline obligor as part of the terms of a loan restructuring that was finalized in 2007. The payable relates to a receivable as shown in Note 11.

Aircraft maintenance reserve represents payments received from lessees for our leased aircraft that are reserved for major repairs and overhauls of the aircraft.

Canada Account payable primarily represents the amount of cash repayments (principal and interest) received by EDC from borrowers on Canada Account loans which were not yet remitted at year-end to the Consolidated Revenue Fund.

In 2011, we recorded an obligation under an exchange for non-monetary assets as a result of entering into an agreement to exchange 8 CRJ200 aircraft for 2 CRJ900 aircraft. Four of the aircraft were delivered in 2011; the remaining 4 aircraft were delivered in early 2012. There is no obligation outstanding at the end of 2012.

Aircraft lease security deposits are received from lessees for our leased aircraft, and are held over the life of the lease term.

16. Debt Instruments

We issue debt instruments in global capital markets. Short-term payables consist of commercial paper and other short-term debt related instruments that we issue with maturities under one year. Long-term payables represent bonds and other long-term instruments which we issue in Canadian dollars, U.S. dollars and other currencies. We use foreign exchange swaps as well as cross currency interest rate swaps to convert Canadian dollar and foreign currency denominated notes primarily to U.S. dollars. Interest rate swaps are principally used to convert fixed rate instruments to floating rates, primarily related to LIBOR. We use derivative contracts and structured notes to manage interest rate risk and foreign exchange risk, and also for asset liability management purposes.

EDC is wholly owned by the Government of Canada and our obligations are backed by the full faith and credit of the Government of Canada which holds an AAA credit rating. Therefore, there is no significant change in the value of our debt instruments that can be attributed to changes in our own credit risk.

Loans Payable

Loans payable (excluding derivatives) are comprised as follows:

(in millions of Canadian dollars)			**Dec. 31, 2012**			Dec. 31, 2011
	Designated at fair value through profit or loss	**At amortized cost**	**Total**	Designated at fair value through profit or loss	At amortized cost	Total
Short-term payables	**4,435**	**-**	**4,435**	3,567	-	3,567
Long-term payables						
due within current year	5,482	-	5,482	5,426	1,016	6,442
over one year	14,945	1,013	15,958	12,512	1,037	13,549
Total long-term payables	**20,427**	**1,013**	**21,440**	17,938	2,053	19,991
Accrued interest	**-**	**5**	**5**	-	12	12
Total loans payable	**$24,862**	**$1,018**	**$25,880**	$21,505	$2,065	$23,570

The amount to be paid at maturity on the debt designated at fair value through profit or loss is $24,317 million (2011 - $20,916 million), $545 million less than the December 2012 fair value (2011 - $589 million less than the December 31, 2011).

Structured Notes
We have entered into a number of structured notes as part of our funding program. Structured notes are hybrid securities that combine debt instruments with derivative components.

Structured notes outstanding, included in loans payable, are as follows:

(in millions of Canadian dollars)	**Dec. 31, 2012**	Dec. 31, 2011
Zero coupon	**320**	611
Callable/extendible	**97**	258
Inverse floating rate note	**40**	58
Float to fixed	**20**	21
Dual currency	**15**	39
Total	**$492**	$987

We have executed swap contracts to mitigate interest rate risk and foreign exchange risk on these structured borrowings. These contracts ensure that we will receive proceeds from the swap to meet the requirements of settling and servicing the debt obligation. We have in substance created floating rate debt by issuing bonds at fixed rates and entering into swap contracts whereby we receive fixed rate interest and pay interest at a floating rate. In swapping out of the underlying bond issue, the potential interest rate risk has been converted to credit risk. Credit exposure on derivative instruments is further discussed in Note 17.

17. Derivative Instruments

We use a variety of derivative instruments to manage costs, returns and levels of financial risk associated with our funding, investment and risk management activities.

We currently use, but are not limited to, the following types of instruments:

Interest rate swaps – transactions in which two parties exchange interest flows on a specified notional amount on predetermined dates for a specified period of time using agreed-upon fixed or floating rates of interest. Notional amounts upon which interest payments/receipts are based are not exchanged.

Cross currency interest rate swaps - transactions in which two parties exchange currencies at inception and at maturity, as well as interest flows on the exchanged amounts on predetermined dates for a specified period of time using agreed-upon fixed or floating rates of interest.

Foreign exchange swaps - commitments to exchange cash flows in different currencies where there are two exchanges, the first is made at the spot rate at inception and the second at a predetermined rate on a specified date in the future.

Foreign exchange forwards - commitments to exchange cash flows in different currencies, for which the foreign exchange rate is predetermined, at a specified date in the future.

Non-deliverable forwards - cash-settled, short-term forward contract, where the profit or loss at settlement date is calculated by taking the difference between the agreed upon exchange rate and the spot rate at the time of settlement, for an agreed upon notional amount of funds.

Non-deliverable foreign exchange swaps - a commitment to exchange cash flows in different currencies where there are two exchanges on pre-agreed dates and rates; with the unique characteristics that only the net value in a pre-agreed currency changes hands.

Credit default swaps - transactions between two counterparties that allow credit risks of a third-party reference entity or entities to be traded and managed. The buyer of credit protection pays a periodic fee to the protection seller over a specified term in return for compensation should a credit event (such as default or failure to pay) occur with the reference entity.

To diversify and reduce credit risk within our loan portfolio, we enter into credit default swap transactions that provide us with protection against credit risk. As at December 31, 2012 we held credit default swap protection against five single-name entities (December 31, 2011 – nine). We may offset the cost of these transactions by selling credit default swap protection on a series of collateralized debt obligations which contain a diversified group of corporate names. As at December 31, 2012 there was no outstanding credit default swap protection sold (December 31, 2011 – Two).

In any transaction there is a potential for loss. This loss potential is represented by (1) credit risk, wherein the counterparty fails to perform an obligation as agreed upon, causing the other party to incur a financial loss, and (2) interest rate risk and foreign exchange risk, where an exposure exists as a result of changes in foreign exchange rates or interest rates.

We manage our exposure to interest rate risk and foreign exchange risk using limits developed in consultation with the Department of Finance and approved by our Board of Directors.

Both our internal policies and guidelines (established in the Risk Management Office and approved by our Board of Directors) and those set by the Minister of Finance limit our use of derivatives. We do not use derivatives for speculative purposes. We manage our exposure to derivative counterparty credit risk by contracting only with creditworthy counterparties, establishing netting agreements, and in certain cases entering into collateral agreements, using Credit Support Annex (CSA) with those counterparties. Collateral agreements provide for the posting of collateral by the counterparty when our exposure to that entity exceeds a certain threshold. Collateral is held by a third party custodian and at the end of December 2012 totalled $979 million (2011 - $788 million) and consists of AAA rated government issued securities. All derivative counterparties must have a minimum credit rating of A-. Any exception must be approved by the Board of Directors. Internal policies and procedures establish credit approvals, controls and monitoring. We do not anticipate any significant non-performance by the counterparties.

In 2012, we reviewed our contracts for embedded derivatives and determined they did not significantly modify the cash flows that otherwise would be required by the contract and consequently they need not to be presented separately in the consolidated statement of financial position.

Notional amounts are not recorded as assets or liabilities on our consolidated statement of financial position as they represent the face amount of the contract to which a rate or a price is applied to determine the amount of cash flows to be exchanged.

The remaining term to maturity for the notional amounts of our derivative contracts is as follows:

(in millions of Canadian dollars)				**Dec. 31, 2012**				Dec. 31, 2011
	Remaining term to maturity				Remaining term to maturity			
	Under 1 year	**1 to 3 years**	**Over 3 years**	**Total**	Under 1 year	1 to 3 years	Over 3 years	Total
Interest rate swaps	**4,355**	**6,333**	**2,788**	**13,476**	3,337	4,232	4,349	11,918
Cross currency interest rate swaps	**1,495**	**5,354**	**5,906**	**12,755**	2,506	3,280	6,611	12,397
Foreign exchange swaps	**2,146**	**-**	**-**	**2,146**	2,673	-	-	2,673
Credit default swaps – protection purchased	**119**	**263**	**-**	**382**	589	107	269	965
Foreign exchange forwards	**299**	**-**	**-**	**299**	391	-	-	391
Non-deliverable forwards	**60**	**-**	**-**	**60**	414	64	-	478
Non-deliverable foreign exchange swaps	**-**	**-**	**-**	**-**	46	-	-	46
Credit default swaps – protection sold	**-**	**-**	**-**	**-**	(49)	-	-	(49)
Total derivative instruments	**$8,474**	**$11,950**	**$8,694**	**$29,118**	$9,907	$7,683	$11,229	$28,819

The following table provides the fair values for each category of derivative financial instrument:

(in millions of Canadian dollars)	**Dec. 31, 2012**	Dec. 31, 2011
Cross currency interest rate swaps	**1,011**	1,021
Interest rate swaps	**289**	292
Foreign exchange swaps	**(44)**	36
Credit default swaps – protection purchased	**(24)**	30
Credit default swaps – protection sold	**-**	(15)
Foreign exchange forwards	**-**	(1)
Total derivative instruments	**$1,232**	$1,363

The change in the fair value of the derivatives recognized in net income in 2012 amounted to a loss of $2 million (2011 – gain of $139 million).

18. Debt Instrument Maturities

We often combine debt instruments with derivative instruments to generate lower-cost funding. For example, a fixed rate debt issue can be combined with an interest rate swap to generate floating rate funding at a lower cost than issuing a floating rate note. The following table shows our resulting net fixed and floating rate debt positions, as well as the maturities and yields of those net positions. Although we measure our swaps and the majority of debt instruments at their fair value on the financial statements, they are shown below at their notional amounts in order to provide information on cash requirements at maturity of the instruments.

(in millions of Canadian dollars)				**Dec. 31, 2012**				Dec. 31, 2011
Year of maturity	**Debt issues**	**Swap contracts**	**Net**	**Yield* (%)**	Debt issues	Swap contracts	Net	Yield* (%)
Fixed rate issues								
2012	**-**	**-**	**-**	**-**	5,833	(4,817)	1,016	4.64
2013	**3,832**	**(3,832)**	**-**	**-**	2,239	(2,239)	-	-
2014	**3,899**	**(2,906)**	**993**	**3.19**	2,870	(1,854)	1,016	3.19
2015	**5,150**	**(5,150)**	**-**	**-**	3,757	(3,757)	-	-
2016	**2,029**	**(2,009)**	**20**	**8.16**	2,159	(2,138)	21	8.16
2017	**2,689**	**(2,689)**	**-**	**-**	278	(278)	-	-
2018 to 2022	**71**	**(71)**	**-**	**-**	97	(97)	-	-
2023 and beyond	**254**	**(254)**	**-**	**-**	539	(539)	-	-
Subtotal	**17,924**	**(16,911)**	**1,013**	**3.47**	17,772	(15,719)	2,053	3.71
Floating rate issues								
2012	**-**	**-**	**-**		4,091	4,653	8,744	
2013	**6,053**	**3,835**	**9,888**		396	2,255	2,651	
2014	**1,214**	**2,714**	**3,928**		585	1,677	2,262	
2015	**-**	**5,009**	**5,009**		-	3,656	3,656	
2016	**-**	**1,934**	**1,934**		-	2,081	2,081	
2017	**-**	**2,629**	**2,629**		-	221	221	
2018 to 2022	**139**	**70**	**209**		108	81	189	
2023 and beyond	**-**	**254**	**254**		17	539	556	
Subtotal	**7,406**	**16,445**	**23,851**	**0.32**	5,197	15,163	20,360	0.58
Total	**$25,330**	**$(466)**	**$24,864**		$22,969	$(556)	$22,413	

* *Refers to yield to maturity for fixed rate issues, and yield to reset for floating rate issues.*

At the end of December 2012, the contractual cash flows, including principal and interest, related to our debt portfolio are as follows:

(in millions of Canadian dollars)					Dec. 31, 2012					Dec. 31, 2011
	Under 1 year	1 to 3 years	Over 3 to 5 years	Over 5 years	Total	Under 1 year	1 to 3 years	Over 3 to 5 years	Over 5 years	Total
Debt	10,281	10,820	4,883	1,496	27,480	10,420	6,658	6,155	3,193	26,426
Swap contracts										
Receivable	(4,186)	(8,591)	(4,860)	(1,353)	(18,990)	(5,234)	(4,619)	(6,140)	(3,037)	(19,030)
Payable	3,858	7,721	4,561	320	16,460	4,695	3,932	5,734	836	15,197
Total	$9,953	$9,950	$4,584	$463	$24,950	$9,881	$5,971	$5,749	$992	$22,593

Credit exposure and other details of derivative instruments are included as part of Note 17.

19. Policy and Claims Liabilities

The policy and claims liabilities broken down by program are as follows:

(in millions of Canadian dollars)			Dec. 31, 2012			Dec. 31, 2011
	Insurance	Reinsurance	Net liability	Insurance	Reinsurance	Net liability
Credit insurance	114	(8)	106	143	(10)	133
Contract insurance and bonding	96	(2)	94	122	(4)	118
Political risk insurance	373	(80)	293	610	(115)	495
Total	$583	$(90)	$493	$875	$(129)	$746

The policy and claims liabilities are comprised of the following components:

(in millions of Canadian dollars)	Dec. 31, 2012	Dec. 31, 2011
Deferred insurance premiums	100	93
Allowance for claims on insurance	483	782
Total policy and claims liabilities	$583	$875

During the year, the policy and claims liabilities were impacted by the following factors:

(in millions of Canadian dollars)			Dec. 31, 2012			Dec. 31, 2011
	Insurance	Reinsurance	Net liability	Insurance	Reinsurance	Net liability
Balance at beginning of year	875	(129)	746	640	(109)	531
Change in portfolio make-up and risk ratings	(259)	33	(226)	227	(16)	211
Update of actuarial assumptions	(23)	4	(19)	6	(13)	(7)
Change due to special assumptions and calculation platform change	-	-	-	(11)	13	2
Foreign exchange translation	(10)	2	(8)	13	(4)	9
Balance at end of year	$583	$(90)	$493	$875	$(129)	$746

20. Financing Commitments

We have three types of financing commitments.

The first type is undisbursed amounts on signed loan agreements totalling $13,382 million (2011 – $9,722 million). These commitments are immediately available to the obligor for drawdown subject to continued adherence to contractual covenants established under the financing agreements.

Undisbursed amounts on signed loan agreements with their committed fixed rates or committed floating rate spreads are outlined in the following table. All yields are computed on a weighted average basis and the spreads over floating interest rates represent the spreads over base rates which consist mainly of LIBOR for U.S. dollars.

(in millions of Canadian dollars)					**Dec. 31, 2012**					Dec. 31, 2011
	Fixed $	**Estimated spot yield %**	**Floating $**	**Spread %**	**Total $**	Fixed $	Estimated spot yield %	Floating $	Spread %	Total
Commercial	**569**	**3.16**	**12,728**	**1.87**	**13,297**	314	4.54	9,202	1.83	9,516
Sovereign	**44**	**5.93**	**41**	**3.19**	**85**	103	5.93	103	3.33	206
Total	**$613**	**3.36**	**$12,769**	**1.87**	**$13,382**	$417	4.89	$9,305	1.85	$9,722

We also have loan commitments for which terms related to the transaction such as interest rate type and disbursement schedule have not yet been determined. This category of commitments includes letters of offer accepted and outstanding for loans of $3,857 million (2011 - $2,022 million) and loan guarantees of $52 million (2011 - $179 million) as well as unallocated, confirmed lines of credit of $111 million (2011 - $410 million).

We have $9 million of loan commitments for two obligors that are impaired.

The third type of financing commitments relate to investments and total $417 million (2011 - $283 million), of which all are commitments to investment funds. Commitments are generally drawn down over a five-year period and draw downs are normally at the discretion of the fund managers.

21. Contingent Liabilities

Our contingent liabilities include credit insurance, financial institutions insurance, contract insurance and bonding and political risk insurance policies and guarantees which represent direct risks undertaken. We also increase our contingent liability by assuming exposure from other insurers. We reduce our contingent liability by ceding reinsurance to other insurance companies.

The credit insurance program protects exporters of goods and services trading on credit terms of up to a year against non-payment due to commercial and political risks. Commercial and political risks covered include buyer insolvency, default, repudiation of goods by buyer, contract cancellation and conversion and risk transfer, cancellation of export or import permits, or war-related risks. The financial institutions insurance program provides Canadian banks with credit risk and payment risk mitigation on terms usually not greater than one year. The contract insurance and bonding program provides cover for sales on exposure terms usually greater than one year and includes export credit insurance and guarantees, performance guarantees and surety, extending cover for risks inherent in performance related obligations. Political risk insurance provides risk protection for equity and other investments abroad.

At the end of December 2012, we had contingent liabilities of $23,636 million (2011 – $28,472 million) which mature as follows:

(in millions of Canadian dollars) **Dec. 31, 2012**

	Credit insurance	Financial institutions insurance	Contract insurance and bonding	Political risk insurance	Guarantees*	Total
2013	7,750	4,112	472	33	4,250	16,617
2014	-	5	370	83	3,815	4,273
2015	-	1	221	42	337	601
2016	-	-	43	313	244	600
2017	-	-	193	298	52	543
2018 - 2022	-	-	161	504	97	762
2023 and beyond	-	-	-	230	10	240
Total	$7,750	$4,118	$1,460	$1,503	$8,805	$23,636

* *Includes $6,701 million of guarantees within the contract insurance and bonding program*

(in millions of Canadian dollars) Dec. 31, 2011

	Credit insurance	Financial institutions insurance	Contract insurance and bonding	Political risk insurance	Guarantees*	Total
2012	7,804	6,931	960	78	4,824	20,597
2013	-	35	455	138	4,216	4,844
2014	-	2	213	15	332	562
2015	-	1	201	37	96	335
2016	-	-	39	313	120	472
2017	-	-	175	469	68	712
2018 - 2022	-	-	162	477	61	700
2023 and beyond	-	-	-	241	9	250
Total	$7,804	$6,969	$2,205	$1,768	$9,726	$28,472

* *Includes $6,986 million of guarantees within the contract insurance and bonding program*

Insurance Policies

The major concentrations of risk by location are as follows:

Credit Insurance

(in millions of Canadian dollars)

Dec. 31, 2012

	Credit insurance	Reinsurance assumed	Reinsurance ceded	Net credit insurance
United States	3,702	42	(125)	3,619
Canada	232	129	(13)	348
Japan	357	-	(10)	347
Indonesia	315	-	-	316
United Kingdom	258	-	(15)	243
Mexico	232	12	(5)	239
Other	2,690	1	(52)	2,639
Total	$7,786	$184	$(220)	$7,760

Dec. 31, 2011

	Credit insurance	Reinsurance assumed	Reinsurance ceded	Net credit insurance
United States	3,737	22	(72)	3,687
Canada	322	140	(7)	455
China	446	-	(2)	444
Indonesia	324	1	-	325
United Kingdom	289	1	(20)	270
Japan	228	-	(1)	227
Other	2,434	34	(72)	2,396
Total	$7,780	$198	$(174)	$7,804

Financial Institutions Insurance

(in millions of Canadian dollars)	**Dec. 31, 2012**		Dec. 31, 2011
China	1,012	China	1,973
Turkey	759	Turkey	1,022
India	497	India	722
Brazil	430	South Korea	475
South Korea	386	Brazil	465
Chile	302	Russia	391
Other	732	Other	1,921
Total	$4,118	Total	$6,969

Contract Insurance and Bonding

(in millions of Canadian dollars)			**Dec. 31, 2012**				Dec. 31, 2011
	Contract insurance and bonding	**Reinsurance assumed**	**Net contract insurance and bonding[2]**		Contract insurance and bonding	Reinsurance assumed	Net contract insurance and bonding[2]
Canada	44	1,045	1,089[1]	Canada	31	1,542	1,573[1]
United States	21	159	180	United States	50	163	213
China	45	-	45	China	87	-	87
United Arab Emirates	21	-	21	Mexico	63	-	63
Israel	16	-	16	United Arab Emirates	54	-	54
Other	103	6	109	Other	209	6	215
Total	$250	$1,210	$1,460	Total	$494	$1,711	$2,205

[1] Of this amount, $243 million (2011 - $355 million) relates to our temporarily expanded mandate.

[2] Excludes guarantees

Political Risk Insurance

(in millions of Canadian dollars)				**Dec. 31, 2012**					Dec. 31, 2011
	Political risk insurance	**Reinsurance assumed**	**Reinsurance ceded**	**Net political risk insurance**		Political risk insurance	Reinsurance assumed	Reinsurance ceded	Net political risk insurance
Libya	300	-	-	300	Libya	300	-	-	300
China	39	179	-	218	Peru	366	-	(116)	250
Angola	271	-	(65)	206	China	29	183	-	212
Dominican Republic	316	-	(190)	126	Angola	277	-	(66)	211
Papua New Guinea	199	-	(99)	100	Thailand	188	-	(48)	140
Other	1,426	20	(893)	553	Other	1,320	61	(726)	655
Total	$2,551	$199	$(1,247)	$1,503	Total	$2,480	$244	$(956)	$1,768

Guarantees

We issue performance security guarantees which provide coverage to the exporter's bank for up to 100% of the guarantee value in the event of any call by the buyer. Financial security guarantees are issued to provide coverage to the exporter's bank for up to 100% of the guarantee value in the event of any call by the supplier and any foreign bank. Foreign exchange guarantees are also issued which provide a guarantee to secure the settlement risks associated with foreign exchange forward contracts. Each guarantee issued stipulates a recovery provision whereby the third party, the exporter, agrees to indemnify us should a payment be made under the guarantee. Unless otherwise stated, the indemnification agreement generally ranks as an unsecured liability of the exporter.

We issue loan guarantees to cover non-payment of principal, interest and fees due to banks and financial institutions providing loans to buyers of Canadian goods and services. Calls on guarantees result in our recognition of a loan asset within our financial statements and become a direct obligation of the buyer. At the end of December 2012, loan guarantees with performing obligors were $2,078 million of which $41 million were secured (2011 - $2,626 million in performing guarantees of which $53 million were secured). Our impaired guarantees were $26 million for 2012 of which $3 million are secured (2011 - $114 million of which none were secured).

At the end of December 2012, we have guarantees outstanding of $8,805 million (2011 - $9,726 million).

(in millions of Canadian dollars)	**Dec. 31, 2012**	Dec. 31, 2011
Contract insurance and bonding:		
Performance security guarantees[1]	**6,382**	6,613
Foreign exchange guarantees	**297**	339
Financial security guarantees	**22**	34
Contract insurance and bonding guarantees	**6,701**	6,986
Loan guarantees[2]	**2,104**	2,740
Total	**$8,805**	$9,726

[1] *Includes $615 million of domestic performance security guarantees relating to our temporarily expanded mandate (2011 - $610 million)*

[2] *Includes $64 million of domestic loan guarantees relating to our temporarily expanded mandate (2011 - $37 million)*

Loan guarantees on the consolidated statement of financial position are comprised as follows:

(in millions of Canadian dollars)	**Dec. 31, 2012**	Dec. 31, 2011
Deferred guarantee fee revenue	**51**	60
Allowance for losses on loan guarantees	**110**	206
Total	**$161**	$266

We are involved in various legal proceedings in the ordinary course of business. Management does not expect the outcome of any of these proceedings to have a material effect on our consolidated financial position or our results of operations.

22. Reinsurance Agreements

We cede reinsurance to limit exposure to large losses. Reinsurance contracts do not relieve us of our obligations to the insured. However, they do provide for the recovery of claims arising from the liabilities ceded. We have treaty and facultative reinsurance agreements covering the credit insurance portfolio, some bonding obligors as well as some country political risk exposures. Our risk management group assesses and monitors counterparty risks of the reinsurers; management has determined that no additional allowance is required for this ceded exposure.

We have assumed export risks for a number of Canadian exporters under facultative arrangements with private credit insurers. For the surety bond insurance line of business, within the contract insurance and bonding program, we have general reinsurance agreements with several surety companies. In addition, we have assumed facultative reinsurance positions under our contract frustration, surety bonding and political risk insurance products.

The effect of reinsurance on our contingent liability is disclosed in Note 21 and the impact on premiums is as follows:

(in millions of Canadian dollars)				Dec. 31, 2012				Dec. 31, 2011
	Direct premium and guarantee fees	**Reinsurance premium assumed**	**Reinsurance premium ceded**	**Total premium and guarantee fees**	Direct premium and guarantee fees	Reinsurance premium assumed	Reinsurance premium ceded	Total premium and guarantee fees
Credit insurance	110	4	(6)	108	131	5	(7)	129
Financial institutions insurance	18	-	-	18	32	-	-	32
Contract insurance and bonding	44	6	(2)	48	51	8	(1)	58
Political risk insurance	32	2	(12)	22	24	-	(9)	15
Total	$204	$12	$(20)	$196	$238	$13	$(17)	$234

23. Insurance Risks

Insurance and financial risk

The risks within our insurance program are mitigated by diversification across geographical markets, industries and a portfolio of insurance contracts across uncorrelated product lines. We further manage our risk through the application of a detailed underwriting process which ensures that exposures receive tiered levels of due diligence based on their size and level of risk. Our risk acceptance decisions are supported by the Corporation's strong resources in the areas of economics, political risk and legal. Our risk management procedures also include the use of risk transfer arrangements.

The core operating principles for risk transfer activity are to (1) mitigate potential large losses due to existing high concentration in obligor, sector and country risk, (2) protect from credit deterioration within the portfolio, and (3) proactively acquire additional credit capacity.

We engage in various risk transfer activities primarily through co-insurance and reinsurance. Co-insurance can be defined as leveraging another insurer's capacity by jointly sharing the risk of the original insurance policy. A co-insurance agreement is typically put in place at the time of origination of the transaction. Under this structure, we are not exposed to the credit risk of the co-insurer. Under a reinsurance structure, we assume the risk of the original policy, and cede that risk to a counterparty (the "reinsurer"). Under this structure, we are exposed to the credit risk of the reinsurer (referred to as counterparty risk.) To help mitigate this risk, our placement of reinsurance is diversified such that it is not dependent on a single reinsurer. Reinsurance counterparty exposure is managed under our reinsurance counterparty management procedures and monitored by our Market Risk Management team.

Insurance and Guarantee contracts

We principally issue insurance to our customers to protect them against non-payment by an obligor and/or other losses due to political risk. Guarantees are typically issued to the counterparties of our customers in order to provide them with recourse should our customers not perform as contracted.

A. Credit Risk

Within our credit insurance, financial institutions insurance and contract insurance and bonding programs, our primary risk is credit risk. The credit risk may be that of our customers or their obligors. During our underwriting process, our assessment considers both an entity's ability and willingness to pay. Ability to pay is primarily based on the financial strength, operations and leadership of the entity (commercial or sovereign) that is the source of our risk. Other factors such as their industry's environment, the economy, as well as political and geographical events are also considered. Willingness to pay primarily involves an assessment of the entity's payment history, reputation and governance.

B. Political Risk
Within our political risk insurance program, we primarily underwrite political risks as opposed to the credit risk as discussed above. Our assessment considers politically motivated events that may jeopardize our clients' assets or income in a foreign market. As a baseline for our risk assessment of a given market we assess the transfer and convertibility of local currency, expropriation risk as well as the risk of political violence.

In addition to our risk management procedures discussed above, our Claims and Recoveries team thoroughly reviews debt files at all stages of the overdue, claim and recovery process. This team manages and pursues debt files so as to minimize losses. Continuously evolving documentation and analytical standards also ensure that the claims process and its outcomes are appropriate and consistent.

We also manage our exposure through policy structuring measures including the use of maximum liability amounts and risk sharing with our customers on certain contracts.

Actuarial Calculation

Principal Risks
There is a limitation upon the accuracy of the policy and claims liabilities as there is an inherent uncertainty in any estimate of policy and claims liabilities. There is uncertainty in any estimate because future events could affect the ultimate claim amounts. Examples of future events include, but are not limited to:

(1) economic cycles;
(2) higher than anticipated claim loss development;
(3) concentration of credit losses; and
(4) geo-political considerations.

Therefore the actual ultimate claim amount may differ materially from estimates. However, we have employed standard actuarial techniques and appropriate assumptions to mitigate this risk.

Key Assumptions

The key risk components to the insurance provisioning exercise are claim frequency, claim severity, future claim development, and foreign exchange rates. These risk components are analyzed and estimated using EDC's own loss experience. A qualitative component is added to these quantitative risk components as warranted by external factors as mentioned above.

Sensitivity Analysis

The following table illustrates the impact on net income of variations in key risk components. A 10% change was applied to key risk components and the impact on policy and claims liabilities was quantified. The largest sensitivities pertain to claim frequency, claim severity and foreign exchange rates.

Key Risks Sensitivities

(in millions of Canadian dollars)			**Dec. 31, 2012**
	Changes in assumptions	**Impact on gross liabilities**	**Impact on net income**
Frequency of claims	+10%	39	32
Frequency of claims	-10%	(41)	(33)
Severity of claims	+10%	41	35
Severity of claims	-10%	(42)	(35)
Foreign exchange rates	+10%	58	47
Foreign exchange rates	-10%	(48)	(39)
Claims development	+10%	5	5
Claims development	-10%	(5)	(5)

(in millions of Canadian dollars)

			Dec. 31, 2011
	Changes in assumptions	Impact on gross liabilities	Impact on net income
Frequency of claims	+10%	45	36
Frequency of claims	-10%	(47)	(37)
Severity of claims	+10%	49	39
Severity of claims	-10%	(50)	(41)
Foreign exchange rates	+10%	63	48
Foreign exchange rates	-10%	(63)	(47)
Claims development	+10%	6	6
Claims development	-10%	(6)	(6)

Claims Development

As time passes the ultimate cost for the claims become more certain. The chart below compares actual claims with previous estimates for the credit insurance portfolio:

(in millions of Canadian dollars)

Underwriting Year	2008	2009	2010	2011	2012	Total
Estimate of cumulative claims:						
At end of underwriting year	92	68	51	44	38	
One year later	132	40	34	42		
Two years later	115	38	33			
Three years later	109	37				
Four years later	105					
Estimate of cumulative claims (at Dec. 31, 2012)	105	37	33	42	38	255
Cumulative incurred losses (at Dec. 31, 2012)	103	35	30	35	9	212
Effect of margin and discounting	2	-	-	1	4	7
2008-2012 Claim Liabilities (IBNR) (at Dec. 31, 2012)	4	2	3	8	33	50

24. Equity

EDC's authorized share capital is $3.0 billion consisting of 30 million shares with a par value of $100 each. The number of shares issued and fully paid is 13.3 million (2011 – 13.3 million). These shares entitle our shareholder to receive a dividend from time to time. No shares were issued in 2011 (2010 – nil). In March 2012, a dividend of $500 million was paid to the Government of Canada (2011 – $350 million). The dividend per share in 2012 was $37.59 (2011 – $26.32).

25. Capital Management

EDC has a capital management process in place to ensure that we are appropriately capitalized and that our capital position is identified, measured, managed and regularly reported to the Board of Directors. We are not subject to externally imposed capital requirements.

Our primary objective with respect to capital management is to ensure that EDC has adequate capital to support the evolving needs of Canadian exporters and investors while remaining financially self-sustaining.

We manage our capital through a Board approved capital adequacy policy. Under our capital adequacy policy we determine whether we have adequate capital by comparing the supply of capital to the demand for capital. The policy also includes an eligible dividend methodology to guide the Board of Directors in determining a potential dividend amount. Demand for capital is calculated by a model which estimates the capital required to cover the extreme value of potential losses (including both expected and unexpected losses) arising from credit, interest rate, foreign exchange, operational and business risk. The supply of capital is determined by our financial statements and consists of paid-in share capital, retained earnings and allowances. Our capital adequacy policy was updated in 2012 to reflect the removal of strategic risk capital from the demand for capital calculation. Strategic risk capital was designated for facilitating higher risk business opportunities outside of our typical operational norm. The eligible dividend methodology was updated to capture our estimated need for capital related to this business while subjecting it to a foreign exchange test and to consider a standard set of stress tests which are performed according to current market practice.

A key principle in our capital management is the establishment of a target solvency standard or credit rating which determines the level of demand for capital that is required to cover EDC's exposures in exceptional circumstances. We target a level of capitalization sufficient to cover potential losses consistent with a rating standard of AA.

The following table represents the breakdown of EDC's supply of capital at December 31:

(in millions of Canadian dollars)	**Dec. 31, 2012**	Dec. 31, 2011
Allowance for losses on loans	**1,182**	1,680
Allowance for losses on loan commitments	**58**	41
Allowance for losses on loan guarantees	**110**	206
Allowance for claims on insurance	**483**	782
Reinsurers' share of policy and claims liabilities	**(90)**	(129)
Share capital	**1,333**	1,333
Retained earnings	**7,744**	6,923
Supply of capital	**$10,820**	$10,836

26. Interest Rate Risk

The following table summarizes our interest rate risk based on the gap between the notional amount of assets and liabilities grouped by the earlier of contractual re-pricing or maturity dates. Notional amounts reflect our true exposure to re-pricing at various maturities. The differences between the notional amounts and the carrying values, the positions not subject to re-pricing risk, and equity are presented in the non-interest rate sensitive column to ensure comparability with the consolidated statement of financial position. The effective interest rates shown indicate historical rates for fixed rate and floating rate instruments.

(in millions of Canadian dollars)	Immediately rate-sensitive	Up to 6 months	Over 6 to 12 months	Over 1 to 5 years	Over 5 years	Non-interest rate sensitive[2]	Dec. 31, 2012 Total
Assets							
Cash and marketable securities	80	2,065	17	1,485	466	133	4,236
Gross loans receivable	226	21,799	452	3,675	3,024	1,160	30,336
Effective interest rate %	*5.02%*	*2.89%*	*5.18%*	*5.30%*	*4.74%*		
Less:							
Deferred revenue and other credits	-	-	-	-	-	(362)	(362)
Allowance for losses on loans	-	-	-	-	-	(1,182)	(1,182)
Aircraft under finance leases	-	5	5	69	-	1	80
Effective interest rate %	-	*7.32%*	*7.32%*	*7.32%*	-		
Investments at fair value through profit or loss	-	-	-	-	-	429	429
Equipment available for lease, other assets and accrued interest	-	-	-	-	-	2,696	2,696
Total assets	$306	$23,859	$474	$5,229	$3,490	$2,875	$36,233
Liabilities and equity							
Loans payable	-	10,918	409	13,688	315	550	25,880
Effective interest rate %	-	*0.90%*	*2.87%*	*2.59%*	*7.95%*		
Total pay side instruments on swap contracts	-	21,376	84	-	-	6,870	28,330
Effective interest rate %	-	*0.56%*	*0.43%*	-	-		
Total receive side instruments on swap contracts	-	(7,411)	(489)	(13,668)	(316)	(6,852)	(28,736)
Effective interest rate %	-	*4.19%*	*4.66%*	*3.48%*	*4.11%*		
Cumulative foreign exchange translation on cross currency interest rate swaps[1]	-	-	-	-	-	406	406
Total loans payable							25,880
Other liabilities and deferred revenue	-	-	-	-	-	1,276	1,276
Equity						9,077	9,077
Total liabilities and equity	$-	$24,883	$4	$20	$(1)	$11,327	$36,233
At December 31, 2012							
Total gap	306	(1,024)	470	5,209	3,491	(8,452)	-
Cumulative gap	306	(718)	(248)	4,961	8,452	-	-
Canadian dollar	183	1,081	48	229	213	(1,753)	-
Foreign currency	123	(2,105)	422	4,980	3,278	(6,699)	-
Total gap	$306	$(1,024)	$470	$5,209	$3,491	$(8,452)	$-

[1] *Due to foreign exchange translation, the pay and receive side instruments may not net to zero. This amount represents the difference caused by foreign exchange translation on the pay and receive side instruments on swap contracts.*

[2] *Included in non-interest rate sensitive amounts are the differences between the carrying amounts and the notional amounts, foreign exchange contracts and foreign exchange forwards not sensitive to interest rates.*

(in millions of Canadian dollars)	Immediately rate-sensitive	Up to 6 months	Over 6 to 12 months	Over 1 to 5 years	Over 5 years	Non-interest rate sensitive[2]	Dec. 31, 2011 Total
Assets							
Cash and marketable securities	90	1,690	104	1,372	505	125	3,886
Gross loans receivable	350	19,702	478	3,546	3,212	1,805	29,093
Effective interest rate %	5.43%	3.04%	5.33%	5.57%	5.12%		
Less:							
Deferred revenue and other credits	-	-	-	-	-	(558)	(558)
Allowance for losses on loans	-	-	-	-	-	(1,680)	(1,680)
Aircraft under finance leases	-	5	5	66	16	-	92
Effective interest rate %		7.31%	7.31%	7.36%	7.20%		
Investments at fair value through profit or loss	-	-	-	-	-	385	385
Equipment available for lease, other assets and accrued interest	-	-	-	-	-	2,378	2,378
Total assets	$440	$21,397	$587	$4,984	$3,733	$2,455	$33,596
Liabilities and equity							
Loans payable	-	7,561	3,644	10,886	878	601	23,570
Effective interest rate %	-	*1.25%*	*3.36%*	*3.21%*	*5.81%*		
Total pay side instruments on swap contracts	-	19,979	409	-	-	6,884	27,272
Effective interest rate %	-	*0.98%*	-	-	-		
Total receive side instruments on swap contracts	-	(6,142)	(3,036)	(10,930)	(879)	(6,916)	(27,903)
Effective interest rate %	-	*4.19%*	*4.66%*	*3.48%*	*4.11%*		
Cumulative foreign exchange translation on cross currency interest rate swaps[1]	-	-	-	-	-	631	631
Total loans payable							23,570
Other liabilities and deferred revenue	-	-	-	-	-	1,770	1,770
Equity	-	-	-	-	-	8,256	8,256
Total liabilities and equity	$-	$21,398	$1,017	$(44)	$(1)	$11,226	$33,596
At December 31, 2011							
Total gap	440	(1)	(430)	5,028	3,734	(8,771)	-
Cumulative gap	440	439	9	5,037	8,771	-	-
Canadian dollar	186	1,166	(200)	(462)	503	(1,193)	-
Foreign currency	254	(1,167)	(230)	5,490	3,231	(7,578)	-
Total gap	$440	$(1)	$(430)	$5,028	$3,734	$(8,771)	$-

(1) *Due to foreign exchange translation, the pay and receive side instruments may not net to zero. This amount represents the difference caused by foreign exchange translation on the pay and receive side instruments on swap contracts.*
(2) *Included in non-interest rate sensitive amounts are the differences between the carrying amounts and the notional amounts, foreign exchange contracts and foreign exchange forwards not sensitive to interest rates.*

27. Foreign Currency Balances

We have substantial assets and liabilities denominated in U.S. dollars and in other currencies. In addition, we have derivative instruments denominated in various currencies. The purpose of these derivative instruments is to minimize our cost of capital and optimize our yields, while remaining within treasury guidelines and limits approved by our Board of Directors.

The following table shows where we have used derivative instruments to manage the foreign currency exposures of our asset and liability positions. The net foreign currency exposure at the end of December 2012 (expressed in Canadian equivalent dollars) is as follows:

(in millions of Canadian dollars)								**Dec. 31, 2012**
	Assets			**Liabilities**			**Net foreign currency**	**Foreign exchange**
	Gross	**DI***	**Net**	**Gross**	**DI***	**Net**	**exposure**	**rate**
U.S. dollars	27,980	132	28,112	(18,168)	(10,172)	(28,340)	(228)	0.9933
Euros	1,687	-	1,687	(6)	(1,680)	(1,686)	1	1.3107
Australian dollars	868	-	868	(3,146)	2,282	(864)	4	1.0321
British pounds	808	-	808	(2,476)	1,669	(807)	1	1.6138
Mexican peso	153	-	153	(22)	(129)	(151)	2	0.0771
Japanese yen	123	-	123	(438)	317	(121)	2	0.0115
Norwegian krone	92	-	92	(279)	187	(92)	-	0.1787
Polish zloty	75	-	75	-	(72)	(72)	3	0.3211
Czech koruna	64	-	64	-	(62)	(62)	2	0.0523
New Zealand dollars	35	-	35	(294)	257	(37)	(2)	0.8211
Tanzanian shilling	10	-	10	-	-	-	10	0.0006
Hong Kong dollars	1	-	1	(13)	13	-	1	0.1282
Turkish lira	-	-	-	(76)	76	-	-	0.5568
Brazilian real	-	-	-	(255)	256	1	1	0.4849
Swiss franc	-	-	-	(304)	304	-	-	1.0857

** DI represents derivative instruments. See Note 17.*

(in millions of Canadian dollars)								Dec. 31, 2011
	Assets			Liabilities			Net foreign currency	Foreign exchange
	Gross	DI*	Net	Gross	DI*	Net	exposure	rate
U.S. dollars	26,157	32	26,189	(17,187)	(9,287)	(26,474)	(285)	1.0164
Euros	1,260	-	1,260	(15)	(1,258)	(1,273)	(13)	1.3173
British pounds	997	-	997	(1,324)	330	(994)	3	1.5766
Australian dollars	654	-	654	(2,140)	1,464	(676)	(22)	1.0414
Japanese yen	287	-	287	(574)	287	(287)	-	0.0132
Mexican peso	164	-	164	-	(166)	(166)	(2)	0.0728
Polish zloty	67	-	67	-	(67)	(67)	-	0.2951
Czech koruna	63	-	63	-	(62)	(62)	1	0.0515
Brazilian real	45	-	45	-	(45)	(45)	-	0.5455
New Zealand dollars	42	-	42	-	(52)	(52)	(10)	0.7927
Hong Kong dollars	35	-	35	(276)	241	(35)	-	0.1309
Tanzanian shilling	11	-	11	-	(6)	(6)	5	0.0006
Turkish lira	-	-	-	(27)	27	-	-	0.5392
Swiss franc	-	-	-	(315)	315	-	-	1.0836
Swedish krona	-	-	-	(446)	446	-	-	0.1477
Norwegian krone	-	-	-	(457)	461	4	4	0.1701

** DI represents derivative instruments. See Note 17.*

28. Fair Value of Financial Instruments

Fair value represents our estimation of the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

As with any estimate, uncertainty is inherent due to the unpredictability of future events. In the case of estimating the fair value of our financial instruments, this uncertainty is magnified due to the large number of assumptions used and the wide range of acceptable valuation techniques. Estimates of fair values are based on market conditions at a certain point in time, and may not be reflective of future market conditions. Therefore, the estimates of the fair value of financial instruments outlined as follows do not necessarily reflect the actual values that may occur should the instruments be exchanged in the market.

(in millions of Canadian dollars)		**Dec. 31, 2012**		Dec. 31, 2011
	Carrying value	**Fair value**	Carrying value	Fair value
Assets				
Performing fixed rate loans	**7,462**	**8,237**	7,481	7,768
Performing floating rate loans	**20,666**	**20,774**	18,364	17,132
Total performing loans receivable	**28,128**	**29,011**	25,845	24,900
Carrying value of individually impaired loans	**838**	**838**	1,178	1,178
Loans receivable and accrued interest and fees	**28,966**	**29,849**	27,023	26,078
Cash	**80**	**80**	90	90
Marketable securities:				
At fair value through profit or loss	**4,082**	**4,082**	3,720	3,720
At amortized cost	**74**	**75**	76	76
Investments at fair value through profit or loss	**429**	**429**	385	385
Recoverable insurance claims	**200**	**200**	44	44
Derivative instruments	**1,352**	**1,352**	1,541	1,541
Liabilities				
Accounts payable	**113**	**113**	159	159
Loans payable:				
Designated at fair value through profit or loss	**24,862**	**24,862**	21,505	21,505
At amortized cost	**1,018**	**1,060**	2,065	2,155
Derivative instruments	**120**	**120**	178	178
Loan guarantees	**161**	**161**	266	266

We have controls and policies in place to ensure that our valuations are appropriate and realistic. In general, the methodologies, models and assumptions used to measure the fair value of our financial assets and liabilities are determined by our Market Risk Management team, which is not involved in the initiation of the transactions. The models, valuation methodologies, and market-based parameters and inputs that are used, are subject to regular review and validation, including a comparison with values from outside agencies. In limited circumstances where the valuation of a financial instrument is not independent from the initiation of the transaction, the resulting valuation is subject to review by a valuation committee.

The assumptions and valuation techniques that we use to estimate fair values are as follows:

Loans Receivable

In order to estimate the fair value of our performing loans receivable (including accrued interest receivable), we separate them into risk pools and calculate the net present value of principal and interest cash flows. The discount rates are obtained from yield curves for each risk pool and are specific to the credit risk and term to maturity associated with each principal and interest cash flow.

The fair value of impaired loans is considered to be equal to their carrying value.

Marketable Securities
We estimate the fair value of marketable securities using observable market prices. If such prices are not available, we determine the fair value by discounting future cash flows using an appropriate yield curve.

Investments
Our approach to fair value measurement has been derived by guidelines issued by the International Private Equity and Venture Capital ("IPEVC") Valuation Guideline. Depending on the type of investment, we estimate fair value using one of the following: (i) market-based methodologies, such as the quoted share price or the price of recent investments; (ii) discounted earnings or cash flow approaches; or (iii) liquidation or asset-based methods. The valuations are established by management and reviewed and approved by an independent valuation committee with representatives from our Risk Management and Finance groups.

Significant assumptions used in the determination of fair value can include discount or capitalization rate, rate of return and the weighting of forecasted earnings.

Recoverable Insurance Claims
The fair value of recoverable insurance claims is considered to be equal to their carrying value.

Loans Payable
The fair value of our less complex loans payable is determined using the discounted cash flow method. Forward rates are used to value floating rate cash flows occurring in the future. Cash flows are discounted using the respective currency's yield curve. Inputs to the models are market observable and may include interest rate yield curves and foreign exchange rates.

For our more complex loans payable which may include optionality, we estimate fair value using valuation models when independent market prices are not available. Inputs to these models include option volatilities and correlations in addition to interest rate yield curves and foreign exchange rates.

Derivative Instruments
Foreign exchange forwards and foreign exchange swaps are valued by discounting the notional amounts using the respective currency's yield curve and converting the amounts using the spot Canadian dollar exchange rate.

Interest rate and cross currency interest rate swaps are valued using a discounted cash flow method. Forward rates are used to determine floating rate cash flows occurring in the future. Cash flows are discounted using the respective currency's yield curve. Inputs to the models are market observable and may include interest rate yield curves and foreign exchange rates.

For more complex swaps which may include optionality, including cross currency interest rate swaps, interest rate swaps, and non-deliverable forwards, the fair value is determined using models which are developed from recognized valuation techniques. Inputs to these models include option volatilities and correlations in addition to interest rate yield curves and foreign exchange rates. Credit default swaps are valued with the additional input of market based par credit default swap spreads or by using quoted prices from dealers where appropriate.

The valuations determined using the methodologies described above are adjusted for the credit risk of the counterparty where appropriate.

Financial Instruments With Carrying Value Approximating Fair Value
Fair value is assumed to equal carrying value for cash, accounts payable and loan guarantees due to the short-term nature of these instruments.

Fair Value Hierarchy

The following table presents the fair value hierarchy for those items carried on our statement of financial position at fair value. The fair value hierarchy prioritizes the valuation techniques used to determine the fair value of a financial instrument based on whether the inputs to those techniques are observable or unobservable.

- *Level 1* - fair values are based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- *Level 2* - fair values are determined using inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices);
- *Level 3* - fair values are determined using inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

(in millions of Canadian dollars)				Dec. 31, 2012				Dec. 31, 2011
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets								
Marketable securities:								
At fair value through profit or loss	2,131	1,951	-	4,082	2,029	1,691	-	3,720
Investments at fair value through profit or loss	-	-	429	429	-	-	385	385
Derivative instruments	-	1,288	64	1,352	-	1,517	24	1,541
Liabilities								
Loans payable:								
Designated at fair value through profit or loss	-	24,542	320	24,862	-	20,894	611	21,505
Derivative instruments	-	120	-	120	-	178	-	178

The following table summarizes the reconciliation of Level 3 fair values between 2011 and 2012 for investments at fair value through profit or loss, loans payable designated at fair value through profit or loss and derivative instruments.

(in millions of Canadian dollars)				Dec. 31, 2012
	Investments at fair value through profit or loss	Loans payable designated at fair value through profit or loss	Derivative instruments	Total
Balance at beginning of year	385	(611)	24	(202)
Unrealized gains (losses) included in income	(10)	(12)	55	33
Purchases of assets/issuances of liabilities	121	-	-	121
Matured assets/liabilities	-	288	(14)	274
Return of capital	(53)	-	-	(53)
Write-off	(10)	-	-	(10)
Foreign exchange translation	(4)	15	(1)	10
Balance at end of year	$429	$(320)	$64	$173
Total gains (losses) for the year included in comprehensive income for instruments held at end of the year	$3	$(36)	$35	$2

(in millions of Canadian dollars)				Dec. 31, 2011
	Investments at fair value through profit or loss	Loans payable designated at fair value through profit or loss	Derivative instruments	Total
Balance at beginning of year	317	-	-	317
Unrealized gains (losses) included in income	(14)	(64)	26	(52)
Purchases of assets/issuances of liabilities	106	(519)	(2)	(415)
Return of capital	(29)	-	-	(29)
Foreign exchange translation	5	(28)	-	(23)
Balance at end of year	$385	$(611)	$24	$(202)
Total gains (losses) for the year included in comprehensive income for instruments held at end of the year	$(7)	$(64)	$26	$(45)

Changes in valuation methods may result in transfers into or out of levels 1, 2, and 3. In 2012 there were no transfers between levels (2011 – none).

In 2012, a sensitivity analysis was performed using possible alternative assumptions to recalculate the fair value of our Level 3 financial instruments. The fair value of Level 3 financial instruments is in whole or in part based on unobservable inputs. In preparing financial statements, appropriate levels for these unobservable inputs parameters are chosen so that they are consistent with prevailing market evidence or management judgment.

In order to perform our sensitivity analysis we adjusted the yield curve and volatility assumptions used to value our Level 3 loans payable and derivative assets. The results of our analysis on our Level 3 loans payable ranged from an unfavourable change of $15 million to a favourable change of $22 million. On our Level 3 derivative assets the impact ranged from an unfavourable change of $20 million to a favourable change of $11 million.

The effects of applying other possible alternative assumptions to our Level 3 Investments would range from a decrease of $ 3 million to an increase of $14 million of their fair value.

29. Financial Instrument Risks

The principal risks that we are exposed to as a result of holding financial instruments, are credit, market and liquidity risk.

Credit Risk

Credit risk is the risk of loss incurred if a counterparty fails to meet its financial commitments. We are exposed to credit risk on financial instruments under both our loans program and our treasury activities. Our objectives, policies and processes for managing credit risk as well as the methods we use to measure this risk are disclosed in the notes related to our derivative instruments and debt instruments, as well as in the text and tables highlighted in management's discussion and analysis on pages 86 to 88 of this annual report.

Concentration of Credit Risk

Concentration of credit risk exposure exists when a number of counterparties operate in the same geographical market or industry, or engage in similar activities. Changes in economic or political conditions may affect their ability to meet obligations in a similar manner. We have limits in place to ensure that our exposure is not overly concentrated in any one country, industry or counterparty. Exposure in excess of these limits requires approval of our Board of Directors.

The following table provides a breakdown, by the country in which the risk resides, of the maximum gross exposure to credit risk of financial instruments:

(in millions of Canadian dollars)	Gross loans receivable	Loan guarantees	Investments	Marketable securities and derivative instruments	Dec. 31, 2012 Exposure		Dec. 31, 2011 Exposure	
Country					$	%	$	%
United States	8,153	485	18	3,395	12,051	31	13,894	37
Canada	4,022	978	167	1,401	6,568	17	6,651	18
Brazil	2,252	51	14	-	2,317	6	1,456	4
Mexico	1,890	98	32	-	2,020	5	1,891	5
India	1,493	3	61	-	1,557	4	1,552	4
Australia	1,153	-	-	217	1,370	4	750	2
United Kingdom	863	-	19	297	1,179	3	1,025	3
Chile	1,136	-	-	-	1,136	3	960	3
Qatar	745	-	-	-	745	2	768	2
Germany	566	5	-	44	615	2	472	1
Other	8,063	484	118	234	8,899	23	8,226	21
Total	$30,336	$2,104	$429	$5,588	$38,457	100	$37,645	100

The concentration of credit risk by industry sector for our financial instruments is as follows:

(in millions of Canadian dollars)	Gross loans receivable	Loan guarantees	Investments	Marketable securities and derivative instruments	Dec. 31, 2012 Exposure		Dec. 31, 2011 Exposure	
Industry					$	%	$	%
Commercial:								
Aerospace	9,493	80	-	-	9,573	25	10,136	27
Extractive	8,472	279	13	-	8,764	23	6,835	18
Surface transportation	3,458	608	-	-	4,066	11	4,915	13
Financial institutions	1,036	28	167	2,105	3,336	9	3,233	9
Infrastructure and environment	2,693	306	70	-	3,069	8	3,094	8
Information and communication technology	2,550	140	107	-	2,797	7	2,855	8
Other	1,444	527	72	14	2,057	5	1,804	5
Total commercial	29,146	1,968	429	2,119	33,662	88	32,872	88
Sovereign	1,190	136	-	3,469	4,795	12	4,773	12
Total	$30,336	$2,104	$429	$5,588	$38,457	100	$37,645	100

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: foreign exchange risk, interest rate risk, and other price risk. We are exposed to potential negative impacts on the value of financial instruments resulting from adverse movements in interest and foreign exchange rates. We have policies and procedures in place to ensure that interest rate and foreign exchange risks are identified, measured, managed and regularly reported to management and the Board of Directors.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. We are exposed to potential adverse impacts on the value of financial instruments resulting from differences in the maturities or repricing dates of assets and liabilities, as well as from embedded optionality in those assets and liabilities.

Foreign Exchange Risk
Foreign exchange risk is the potential adverse impact on the value of financial instruments resulting from exchange rate movements. We are exposed to foreign exchange rate risk when there is a mismatch between assets and liabilities in any currency.

Our objectives, policies and processes for managing market risk as well as a sensitivity analysis for our exposure to both interest rate and foreign exchange risk is disclosed in the text and tables highlighted in management's discussion and analysis on pages 88 to 89 of this annual report.

Liquidity Risk
Liquidity risk is the risk that we would be unable to honour daily cash commitments or the risk that we would have to obtain funds rapidly, possibly at an excessively high premium during severe market conditions. We maintain liquidity through a variety of methods such as holding cash and marketable securities, and having access to commercial paper markets.

Our objectives, policies and processes for managing liquidity risk as well as the methods we use to measure this risk are disclosed in the text and tables displayed highlighted in management's discussion and analysis on pages 90 to 91 of this annual report.

30. Loan Revenue

(in millions of Canadian dollars)	**2012**	2011
Loan interest – floating rate	**551**	469
Loan interest – fixed rate	**385**	425
Loan fee revenue	**129**	98
Impaired revenue	**41**	9
Other loan revenue	**10**	8
Total loan revenue	**$1,116**	$1,009

31. Marketable Securities Revenue

(in millions of Canadian dollars)	**2012**	2011
Instruments at fair value through profit or loss		
Short-term instruments	**5**	5
Long-term instruments	**31**	41
Total marketable securities revenue	**$36**	$46

32. Interest Expense

(in millions of Canadian dollars)	2012	2011
Loans payable designated at fair value through profit or loss and related derivatives		
Short-term payables	28	23
Long-term payables - floating	100	78
Long-term payables – fixed*	(33)	(26)
Loans payable carried at amortized cost		
Long-term payables - fixed	71	78
Total interest expense on loans payable and related derivatives	166	153
Interest income on currency swaps related to capital	(66)	(70)
Other	8	10
Total interest expense	$108	$93

* *Includes interest on instruments with cash flows that offset the cash flows of long-term payables carried at amortized cost.*

33. Leasing and Financing Related Expenses

(in millions of Canadian dollars)	2012	2011
Maintenance and technical costs	4	4
Depreciation	18	16
Other	10	12
Total leasing and financing related expenses	$32	$32

34. Provision for (Reversal of) Credit Losses

The composition of the provision for credit losses, expressed on the consolidated statement of comprehensive income, is as follows:

(in millions of Canadian dollars)	2012	2011
Changes in portfolio composition[1]	(162)	(164)
Updates to independent variables:		
Changes in collateral values	75	190
Updated probability of default rates[2]	(156)	(84)
Update to loss given default[3]	(63)	-
Changes in loss emergence period	(12)	50
Increased concentration threshold	(4)	(28)
Credit migration	(13)	186
Other	(5)	(25)
Provision for (reversal of) credit losses	$(340)	$125

[1] *Represents provision release as a result of repayments, disbursements and new financing commitments.*
[2] *Refer to Note 6. Included in this amount is $93 million due to the change in estimate.*
[3] *Refer to Note 6. Included in this amount is $53 million due to the change in estimate.*

(in millions of Canadian dollars)	2012	2011
Provision for (reversal of) losses on loans	(263)	162
Reversal of losses on loan commitments	18	(53)
Provision for (reversal of) losses on loan guarantees	(95)	16
Provision for (reversal of) credit losses	$(340)	$125

35. Claims-Related Expenses (Recovery)

The composition of the claims-related expenses (recovery), expressed on the consolidated statement of comprehensive income, is as follows:

(in millions of Canadian dollars)	2012	2011
Claims paid	355	54
Claims paid – reinsured policies	3	1
Claims recovered	(22)	(40)
Actuarial increase/(decrease) in the net allowance for claims	(233)	179
Reinsurers' share of claims recovered	-	1
Decrease/(increase) in recoverable insurance claims	(156)	50
Claims handling and settlement expenses	15	2
Total claims-related expenses (recovery)	$(38)	$247

36. Other Income (Expenses)

(in millions of Canadian dollars)	2012	2011
Net unrealized gain on derivatives related to loans payable	68	135
Net unrealized loss on loans payable designated at fair value through profit or loss	(36)	(147)
Net realized and unrealized gain (loss) on loan related credit default swaps	(70)	24
Net realized and unrealized gain on marketable securities at fair value through profit or loss	9	71
Net realized and unrealized gain (loss) on investments at fair value through profit or loss*	3	(7)
Foreign exchange translation gain (loss)	2	(23)
Other	8	8
Total other income (expenses)	$(16)	$61

* *Refer to Note 7*

We have designated the majority of our long-term bonds at fair value through profit or loss in order to obtain the same accounting treatment as their related derivatives. In general, these derivatives are entered into to manage interest and foreign exchange rate risks on the related bonds.

During both 2012 and 2011 most rates relevant to the valuation of our debt fell leading to a loss on our loans payable and a gain on the related derivatives. These same rates fell less than in 2011 leading to a smaller loss on loans payable and gain on the related derivatives. In accordance with IFRS, our debt is valued on the basis of our credit rating (AAA) while the related derivatives are valued based on curves that reflect the credit risk of the resulting exposure. In 2012, the credit exposure of these instruments decreased and this further contributed to the gain on the related derivatives.

The majority of our marketable securities are measured at fair value through profit or loss; consistent with our business model for managing these instruments. At the end of December 2012 realized and unrealized gains on marketable securities at fair value through profit or loss totalled $9 million (2011 – $71 million). The gain is less in 2012 as the rates applicable to the valuation of these instruments decreased less in 2012.

In 2012, we recorded a net realized and unrealized loss of $70 million (2011 - gain of $24 million) on our portfolio of loan related credit default swaps. The loss is primarily related to a decrease in the fair value of the credit default swaps we bought to mitigate our credit exposure as the credit condition of the underlying entities improved during 2012.

37. Administrative Expenses

(in millions of Canadian dollars)	2012	2011
Salaries and benefits	**150**	154
Pension, other retirement and post-employment benefits	**62**	30
Accommodation	**26**	20
Amortization and depreciation	**29**	25
Other	**47**	55
Total administrative expenses	**$314**	$284

38. Retirement Benefit Obligations

Pension Plans

The defined benefit component of the pension plan was established on April 24, 2000 and is available for employees hired prior to January 1, 2012. The plan provides benefits to retirees based on years of service and the best five consecutive years' average salary of the employees. Upon retirement, the benefits are fully indexed to inflation. All permanent employees hired prior to January 1, 2012 are members of the Registered Pension Plan; however, employee contributions to the plan are optional.

Upon the establishment of the defined benefit pension plan, employees made an election to transfer their benefits from the Public Service Superannuation Fund. The related obligation and the assets to fund the plans that were transferred from the Government of Canada are included in the obligation and assets shown in the table on the next page.

Effective January 1, 2012, we established the defined contribution component for all new permanent employees hired on or after January 1, 2012. Pension benefits are based on the accumulation of contributions and investment income allocated to the employee's account. Employee contributions are mandatory and may be 4%, 5% or 6% of an employee's annual earnings. The contributions are invested as directed by each employee from a selection of investment options that are authorized by the Pension Plan. We match the employee's contribution based on points determined by an employee's age and years of eligible service.

We maintain a registered and a supplemental pension plan for both the defined contribution and defined benefit plans. The purpose of the Supplementary Retirement Plan is to supplement benefits to those of its members whose benefits and/or contributions under the registered plan are affected by *Income Tax Act* maximums. It does so by increasing their benefits to the level which would be payable under the Registered Pension Plan if these maximums did not apply.

For 2012 the average remaining working lives of employees participating in the pension plans was 11 years (2011 – 11 years).

Our appointed actuaries measure the defined benefit obligations and the fair value of the plans' assets for accounting purposes as at December 31 of each year. We fund our defined benefit pension plans in accordance with actuarially determined amounts required to satisfy employee benefit obligations under current federal pension regulations. The most recent funding valuation for the Registered Pension Plan was as at December 31, 2011. The next required valuation, to be completed in 2013, will be as at December 31, 2012. For the Supplementary Retirement Plan, an annual funding valuation is prepared as at December 31 each year.

Other Benefit Plans

We maintain a retiring allowance program and provide certain life insurance, health and dental care benefits to retired employees. These plans are funded as the cost of benefits is incurred and costs are accrued based on actuarial calculations. In 2011, EDC announced changes to both our Severance Policy and our Supplementary Death Benefit.

- Effective July 1, 2013, employees will no longer accumulate service in respect of the retiring allowance portion of the corporate Severance Policy. Service accumulated as at July 1, 2013 will be banked and the relevant retiring allowance will be paid out, as per the policy, when the employee leaves the Corporation. As the defined benefit obligation is only reflective of service to date, this change in policy will not impact the pension obligation until the effective date.

- Effective July 1, 2013, the Supplementary Death Benefit will be cancelled. The cancellation of this benefit resulted in a reduction of the defined benefit obligation for other benefit plans of $1.8 million of which $1 million was recognized immediately in the 2011 defined benefit expense as it represented a vested past service cost benefit. The remainder of the impact was included in unrecognized past service benefit – non-vested and was partially amortized in 2012 using the corridor approach. The unamortized balance will be recognized in equity at January 1, 2013 as part of the transition to the revised IAS 19 standard.

For 2012 the average remaining working lives of employees participating in the other benefit plans was 13 years (2011 – 14 years).

The following table presents the financial position of our retirement benefit obligations:

(in millions of Canadian dollars)			Dec. 31, 2012			Dec 31, 2011
	Registered Pension Plan	Supplementary Retirement Plan	Other benefit plans	Registered Pension Plan	Supplementary Retirement Plan	Other benefit plans
Defined benefit obligation:						
Obligation beginning of year	630	52	139	471	35	103
Current service costs	29	2	8	20	2	6
Interest cost on benefit obligation	30	2	7	27	2	6
Employee contributions	7	-	-	7	-	-
Actuarial (gain) loss on benefit obligation	(18)	(6)	(2)	119	14	27
Benefits paid	(18)	(1)	(2)	(14)	(1)	(1)
Past service costs	-	-	-	-	-	(2)
Defined benefit obligation at end of year	660	49	160	630	52	139
Fair value of plan assets:						
Fair value at beginning of year	444	44	-	396	46	-
Expected return on plan assets	30	1	-	31	2	-
Actuarial gain (loss) on plan assets	14	1	-	(24)	(3)	-
Employer contributions	63	4	2	48	-	1
Employee contributions	7	-	-	7	-	-
Benefits paid	(18)	(1)	(2)	(14)	(1)	(1)
Fair value at end of year	540	49	-	444	44	-
Funded status – plan (deficit) surplus	(120)	-	(150)	(186)	(8)	(139)
Unamortized net actuarial loss	153	13	37	197	22	41
Unrecognized past service cost (benefit) non-vested	-	-	(1)	-	-	(1)
Defined benefit asset (liability)	$33	$13	$(114)	$11	$14	$(99)

The unamortized net actuarial loss in our Registered Pension Plan was $153 million (2011 - $197 million; which exceeded 10% of the defined benefit obligation by $87 million (2011 – $134 million) at the end of December 2012. Using the corridor method the excess amount is being amortized on a straight-line basis to pension expense over the expected average remaining working lives of employees participating in the plan. Effective January 1, 2013 under the revised IAS 19 standard the corridor method will no longer be permitted and the unamortized actuarial losses will be recognized in equity upon transition at January 1, 2013. Subsequent to January 1, 2013 any actuarial gains/losses will be recorded in other comprehensive income.

Asset Mix
Plan assets are invested in debt securities, equity securities, real estate and held in cash. For the Registered Pension Plan, the target allocation percentages are 30% in debt securities, 55% in equity securities and 15% in real estate. The actual investment allocations at the end of December 2012 were 31% in debt securities, 54% in equity securities (2011 – 34% and 53%), and 15% in real estate (2011 – 13%) For the Supplementary Retirement Plan, the target is 100% in equity securities, net of the cash in a refundable tax account as prescribed by Canada Revenue Agency. This resulted in actual investment allocations of 54% in cash and 46% in equity securities at the end of 2012 (2011 – 55% and 45%).

IAS 19 requires entities to disclose the defined benefit obligation, plan assets, surplus or deficit and the experience adjustments arising on plan assets and liabilities for the current annual period and previous four annual periods. Upon transition to IFRS, we elected to disclose this information prospectively from the date of transition. Additional years' information will be included as it becomes available.

Amounts for the current and previous two years are as follows:

(in millions of Canadian dollars)			Dec. 31, 2012			Dec. 31, 2011
	Registered Pension Plan	**Supplementary Retirement Plan**	**Other benefit plans**	Registered Pension Plan	Supplementary Retirement Plan	Other benefit plans
Defined benefit obligation	660	49	150	630	52	139
Plan assets	540	49	-	444	44	-
Deficit	(120)	-	(150)	(186)	(8)	(139)
Experience adjustments on plan liabilities	(18)	(6)	(1)	3	(5)	(1)
Experience adjustments on plan assets	14	1	-	(24)	(3)	-

(in millions of Canadian dollars)			Dec. 31, 2010
	Registered Pension Plan	Supplementary Retirement Plan	Other benefit plans
Defined benefit obligation	471	35	103
Plan assets	396	46	-
Surplus (deficit)	(75)	11	(103)
Experience adjustments on plan liabilities	2	(1)	4
Experience adjustments on plan assets	4	-	-

Defined Benefit Expense

(in millions of Canadian dollars)			2012			2011
	Registered Pension Plan	**Supplementary Retirement Plan**	**Other benefit plans**	Registered Pension Plan	Supplementary Retirement Plan	Other benefit plans
Current service costs	29	2	8	20	2	6
Interest cost on benefit obligation	30	2	7	27	2	6
Expected return on plan assets	(30)	(1)	-	(31)	(2)	-
Actuarial loss recognized during the period	11	2	2	1	-	-
Past service cost benefit -vested	-	-	-	-	-	(1)
Total expense recognized in profit or loss*	$40	$5	$17	$17	$2	$11
Actual return on plan assets	$44	$2	$-	$7	$(1)	$-

**An additional $212 thousand was recognized in profit or loss relating to the defined contribution plan.*

Total cash payments

Total cash payments for our retirement benefit obligations in 2012 totalled $68 million (2011 - $50 million). The payments consisted of cash contributions to the pension plans and payments paid directly to beneficiaries for the unfunded other benefit plans. Included in total cash payments in 2012 was $42 million (2011 – $28 million) in additional contributions to the Registered Pension Plan in relation to a plan deficit identified as a result of the funding valuations for 2011, 2010, 2009 and 2008 and a $4 million special contribution to the Supplementary Retirement Plan in relation to a plan deficit identified as a result of the 2011 funding valuation. In addition $212 thousand in contributions were made to the defined contribution plan in 2012. We expect to contribute $62 million to the pension plans in 2013 which includes $59 million in contributions to the Registered Pension Plan and $3 million for the other benefit plans.

Assumptions			**Dec. 31, 2012**			Dec. 31, 2011
(Weighted average)	**Registered Pension Plan**	**Supplementary Retirement Plan**	**Other benefit plans**	Registered Pension Plan	Supplementary Retirement Plan	Other benefit plans
Defined benefit obligation:						
Discount rate	**4.50%**	**4.50%**	**4.50%**	4.50%	4.50%	4.50%
Rate of compensation increase	**3.25% to 5.65%**	**3.25% to 5.65%**	**3.25% to 5.65%**	3.25% to 5.60%	3.25% to 5.60%	3.25% to 5.60%
Benefit costs:						
Expected rate of return on plan assets	**6.50%**	**3.25%**	**n/a**	7.50%	3.75%	n/a
Discount rate on projected defined benefit obligation	**4.50%**	**4.50%**	**4.50%**	5.50%	5.50%	5.50%
Inflation	**2.25%**	**2.25%**	**2.25%**	2.25%	2.25%	2.25%
Rate of compensation increase	**3.25% to 5.65%**	**3.25% to 5.65%**	**3.25% to 5.65%**	3.25% to 5.60%	3.25% to 5.60%	3.25% to 5.60%

As per IAS 19, the discount rate used to determine the defined benefit obligations should be based on market rates for high-quality corporate bonds that match the currency and estimated term of the obligations. Given the long-term nature of pension plan obligations, the yields for bonds with long terms to maturity are most important. In a market such as Canada, high-quality long-term corporate bonds are few in number. Due to this lack of depth in the long-term market, it is necessary to extrapolate the long end of the high-quality corporate bond yield curve with additional data points. Our methodology used to set the discount rate is based on the Canadian Institute of Actuaries' (CIA) preferred methodology which supplements the long-end of the curve by including Canadian provincial bonds rated AA with an adjustment to account for credit risk differentials when compared to corporate bond yields. We have further refined this model in deriving our discount rate of 4.50% which was then used to determine the defined benefit obligation for 2012.

The rate of compensation increase used for the defined benefit obligation represents a long-term assumption and includes components for inflation, productivity increases and merit and promotion adjustments.

The expected rate of return on plan assets is determined based on the target asset mix of the portfolio set out in the investment policy and on expected long-term real returns of the different asset classes.

Assumptions regarding future mortality experience are set based on actuarial advice in accordance with published statistics in the form of post-retirement mortality table. Consistent with 2011, the table used for 2012 was UP94 with dynamic projection (generational) using scale AA. These tables translate the average life expectancy of a pensioner retiring at age 65 into years.

For the other benefit plans, the initial annual rate of increase for covered medical care benefits is assumed to be 7.36% (2011 – 7.93%). This rate is projected to trend down over five years to an ultimate rate of 4.50% for 2017 (2011 – 4.50% for 2017) and subsequent years. For dental care, the trend rate used was consistent with 2011 at 4.50%.

Sensitivity Analysis

The following table outlines the potential impact of changes in certain key assumptions used in measuring the defined benefit obligations and benefit costs. The sensitivity analysis contained in this table is hypothetical and should be used with caution.

(in millions of Canadian dollars) **2012**

Sensitivity of Assumptions	Registered Pension Plan Obligation	Registered Pension Plan Expense	Supplementary Retirement Plan Obligation	Supplementary Retirement Plan Expense	Other benefit plans Obligation	Other benefit plans Expense
Discount rate	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%
Impact of: 1% increase ($)	(111)	(18)	(8)	(1)	(27)	(4)
1% decrease ($)	148	24	10	2	37	5
Expected long-term rate of return on assets	n/a	6.50%	n/a	3.25%	n/a	n/a
Impact of: 1% increase ($)	n/a	(5)	n/a	-	n/a	n/a
1% decrease ($)	n/a	5	n/a	-	n/a	n/a
Rate of compensation increase*	3.25% to 5.65%	3.25% to 5.65%	3.25% to 5.65%	3.25% to 5.65%	3.25% to 5.65%	3.25% to 5.65%
Impact of: 1% increase ($)	24	6	10	3	2	-
1% decrease ($)	(24)	(6)	(6)	(2)	(2)	-

** The rate of compensation increase includes a promotional component which varies by years of service for each individual employee.*

The financial health of a pension plan is measured by actuarial valuations, which are prepared on both a going-concern and a solvency basis. The EDC Registered Pension Plan ratios as at December 31, 2011 were 87.9% on a going-concern basis and 62.4% on a solvency basis. Since EDC's solvency ratio for the Registered Pension Plan is less than 100%, we are required by federal pension legislation to make special monthly solvency contributions. During 2012 we contributed special payments of $42 million into the Registered Pension Plan and will continue to remit all required solvency payments. The solvency ratio for the Supplementary Retirement Plan as at December 31, 2011 was 91.5% and EDC made a special contribution of $4 million to this plan in 2012 in order to eliminate this deficit. The next formal valuations will be conducted by the plans' actuaries in 2013 and will be as at December 31, 2012.

A one percentage point increase in assumed health care cost trends would have increased the service and interest costs by $3.8 million (2011 - $2.6 million) and the obligation by $35.2 million (2011 - $31.6 million). A one percentage point decrease in assumed health care cost trends would have decreased the service and interest costs and the obligation by $2.7 million (2011 - $1.9 million) and $25.9 million (2011 - $23.3 million).

39. Related Party Transactions

We enter into transactions with other government departments, agencies and Crown corporations in the normal course of business, under terms and conditions similar to those that apply to unrelated parties. The following disclosure is in addition to the related party disclosure provided elsewhere in these financial statements. All material related party transactions are either disclosed below or in the relevant notes. These transactions are measured at their exchange amounts.

Canada Account Administrative Expense Recovery

As described in Note 40, we enter into certain financial and contingent liability transactions on behalf of the Government of Canada known as "Canada Account" transactions. We are compensated for expenses and overhead relating to Canada Account activities. In 2012, we retained $5 million (2011 - $7 million) from Canada Account receipts and recoveries for these expenses and overhead. These amounts are netted against administrative expenses on the consolidated statement of comprehensive income.

Key Management Personnel Compensation

Key management personnel include the Board of Directors and the Executive Management team. Compensation paid or payable to key management personnel during the year, including non-cash benefits subject to income tax, was as follows:

(in millions of Canadian dollars)	**2012**	2011
Salaries and other short-term benefits	4	4
Post-employment benefits	2	1
Total	$6	$5

40. Canada Account Transactions

Pursuant to the Act, the Minister, with the concurrence of the Minister of Finance, may authorize us to undertake certain financial and contingent liability transactions on behalf of the Government of Canada. These transactions and the legislative authorities that underlie them have come to be known collectively as "Canada Account". Accounts for these transactions are maintained separately from our accounts and are consolidated annually as at March 31 with the financial statements of the Government of Canada, which are reported upon separately by the Government and audited by the Auditor General of Canada. The assets under the Canada Account, mainly loans receivable and accrued interest and fees recorded in accordance with the accounting policies and practices of the Government of Canada, amounted to $3,722 million at the end of December 2012 (2011 - $3,894 million).

The Act allows the Canada Account to have outstanding loans and commitments to borrowers, and arrangements giving rise to contingent liabilities under contracts of insurance and other agreements up to a maximum of $20 billion. The position against this limit at December 31, determined in accordance with the requirements of the Act, was $3.4 billion (2011 – $3.7 billion). The position against the statutory limit increases accordingly as we sign each new obligation that has the effect of extending credit or giving rise to a contingent liability.

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Ken

s.18.1(1)(b)
s.21(1)(a)
s.21(1)(b)
s.24(1)

Boswell, Karyn

From: Maioni, Teresa
Sent: Tuesday, December 06, 2011 2:39 PM
To: Duford, Philippe E
Subject: FYI - Due Diligence: [redacted]

Hello, just to keep you in the (never ending) loop, Teresa

From: Maioni, Teresa
Sent: Tuesday, December 06, 2011 1:39 PM
To: Simard, Miguel; Leong, Richard
Cc: Sullivan, Jennifer; Banks, Yolanda
Subject: Due Diligence: [redacted]

Hello Miguel and Richard: Sorry for the delay, I had to check with several people on this.

As you know most of the Libyan sanctions have been lifted and the only ones still existing are against Gadhafi affiliates.

[redacted]

[redacted]

Here is the list:

[redacted]

[redacted]

[redacted]

[redacted]

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s.24(1)

[redacted]

Thanks.

Boswell, Karyn

From: Primeau, Daniel
Sent: Monday, February 25, 2013 7:57 AM
To: Duford, Philippe E
Subject: FW: Press Release

En l'absence de Phil

Merci

Daniel

From: Primeau, Daniel
Sent: February 25, 2013 7:53 AM
To: Kember, Ken; Taylor, Phil
Cc: Witter, Clive
Subject: Press Release

I understand that a press release is about to be issued on our financial results. [redacted]

Would it be possible to get a copy of the P/R [redacted]

Amicalement vôtre,

DPrimeau

s.18.1(1)(b)
s.24(1)

Boswell, Karyn

From: Taylor, Phil
Sent: Thursday, March 29, 2012 7:23 PM
To: Duford, Philippe E
Subject: RE: Libya

Tx for this

From: Duford, Philippe E
Sent: March 29, 2012 5:00 PM
To: Taylor, Phil
Subject: Libya

- Almost all Canadian and UN sanctions have been lifted against Libya, including crucially the Central Bank of Libya. The Canadian Embassy in Tripoli has reopened and the Minister of International Trade was accompanied by 28 companies on a visit to Libya from Jan. 28-30th.
- [redacted]

s.18.1(1)(b)
s.24(1)

Buyer Name	Total Exp
[redacted]	[redacted]
[redacted]	[redacted]
[redacted]	[redacted]
[redacted]	[redacted]
Total	

s.18.1(1)(b)
s.24(1)

Current Exposure Amt CDN	Policy #	Exporter Name
[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]
$ [redacted]		

s.24(1)

Links to Designated	Comments
[redacted]	
[redacted]	[redacted]
[redacted]	[redacted]
[redacted]	
[redacted]	[redacted]

s.24(1)

s.18.1(1)(b)

Exporter_Name	Policy Number	Policyholder Name
[redacted]	[redacted]	[redacted]

s.24(1)

s.18.1(1)(b)

Buyer Name	Cover Expiry Date	Claims Expiry Date
[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]

s.18.1(1)(b)
s.24(1)

MTIP Liability Amount CAD	Contract Value
[redacted]	[redacted]
[redacted]	[redacted]
[redacted]	[redacted]

s.24(1)

s.18.1(1)(b)

Description of Goods	Name of CDN Issuing Bank
[redacted]	[redacted]

A0039898_4-033855

s.24(1)

s.18.1(1)(b)

Name of Foreign Bank Involvement	Status
[redacted]	[redacted]

s.24(1)

s.18.1(1)(b)

Exporter_Name	Policy_Number	Policyholder_Name	Cover_Expiry_Date
[redacted]	[redacted]	[redacted]	[redacted]

s.24(1)

s.18.1(1)(b)

Claims_Expiry_Date	MTIP_Liability_Amount_CAD
[redacted]	

s.18.1(1)(b)
s.24(1)
s.21(1)(a)

Gignac, Pierre

From: Primeau, Daniel
Sent: Friday, October 05, 2012 7:43 AM
To: McArdle, Jim; Gignac, Pierre
Subject: [redacted]

fl

Just some items for your consideration.

[redacted]

My 2¢

Happy to discuss at your convenience

Amicalement vôtre,

D Primeau

[redacted]

[redacted]

[redacted]

A0039912_1-033926

[redacted]

Gignac, Pierre

From: Primeau, Daniel
Sent: Wednesday, October 03, 2012 9:30 PM
To: Poloz, Stephen; Witter, Clive; McArdle, Jim; Gignac, Pierre; Pallascio, John; Simard, Miguel
Cc: Sullivan, Jennifer; Goodfellow, Leslie; Ross, Daniel
Subject: FW: UPDATE

[redacted]

Here is a summary of the results of the meeting.

[redacted]

Next Week:

✓ [redacted]

✓

Steve, both Jim and Pierre have been briefed on these matters; I expect to connect with Clive as soon as possible to do same.

We can discuss further at your convenience

Amicalement vôtre,

D Primeau

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s.23

s.24(1)

Gignac, Pierre

[redacted]

From:	Sullivan, Jennifer
Sent:	Friday, October 14, 2011 2:11 PM
To:	Gignac, Pierre; McArdle, Jim; Pallascio, John
Cc:	Primeau, Daniel; Goodfellow, Leslie; Abraham, Anthony [redacted]
Subject:	Protected: [redacted]
Attachments:	[redacted]

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[redacted] If you wish, we can discuss the draft letter at our meeting next Tuesday.

Thanks,

Jennifer

Jennifer Sullivan
Senior Legal Counsel

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Canada EDC

Please note the new address as of July 4, 2011.
S.V.P. veuillez noter la nouvelle adresse dès le 4 juillet 2011.

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Marie

DAN

From: "Gignac, Pierre" <PGignac@edc.ca>
To: [redacted]
Sent: Thursday, July 07, 2011 4:51 PM
Subject: Fw: Protected: [redacted]

s.18.1(1)(b)
s.19(1)
s.23
s.24(1)

From: Primeau, Daniel
Sent: Thursday, July 07, 2011 07:40 AM
To: Gignac, Pierre; Daignault, Benoit
Cc: McArdle, Jim
Subject: Protected: [redacted]

[redacted]

From: Sullivan, Jennifer
Sent: Wednesday, June 29, 2011 6:57 PM
To: Goodfellow, Leslie; Palmer, Joanne; Ross, Daniel; Brown, Gary
Cc: Trinneer, Dianne
Subject: Protected: [redacted]

[redacted]

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Boswell, Karyn

Full Name:	Glen Smith
Last Name:	Smith
First Name:	Glen
Job Title:	Senior Partner
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E-mail Display As:	Glen Smith (gsmith@litigate.com)
Web Page:	www.litigate.com

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Anita

Anita Frigan, CA
Director
Corporate Accounting

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EDC

Boswell, Karyn

From: Jackson, Tracy-Lynn on behalf of Primeau, Daniel
Sent: Friday, January 20, 2012 2:08 PM
To: Gignac, Pierre
Cc: McArdle, Jim; Pallascio, John; Abraham, Anthony; Sullivan, Jennifer; Goodfellow, Leslie; Suys, Colin; Ross, Daniel
Subject: [redacted]
Attachments: Memo_[redacted]

Good Afternoon,

On behalf of Daniel, please see attached Memorandum.

Thanks
TJ

Tracy-Lynn Jackson
Administrator
Program and Customer Support
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DPrimeau

Boswell, Karyn

From: Primeau, Daniel
Sent: Thursday, November 15, 2012 12:56 PM
To: Witter, Clive
Subject: [redacted] - for immediate action
Attachments: [redacted]

Clive,
Should you agree, please forward to Steve

Merci .
Daniel

Boswell, Karyn

From: Witter, Clive
Sent: Wednesday, February 20, 2013 8:55 AM
To: Osterhout, Alan
Subject: RE:

Alan

Thanks

From: Osterhout, Alan
Sent: Wednesday, February 20, 2013 8:53 AM
To: Witter, Clive; Alstrom, Agatha
Subject: RE:

Hi Clive,

[redacted]
Alan

From: Witter, Clive
Sent: Wednesday, February 20, 2013 8:50 AM
To: Alstrom, Agatha; Osterhout, Alan
Subject:

Agatha / Alan

Just one more question. [redacted]

Clive

Clive Witter
Senior Vice-President
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Premier vice-président
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EDC

s.18.1(1)(b)
s.24(1)

Boswell, Karyn

From: Witter, Clive
Sent: Wednesday, February 20, 2013 8:56 AM
To: Osterhout, Alan
Cc: Alstrom, Agatha
Subject: RE:

Sorry – missed in your covering note to the spreadsheet!

From: Osterhout, Alan
Sent: Wednesday, February 20, 2013 8:53 AM
To: Witter, Clive; Alstrom, Agatha
Subject: RE:

Hi Clive,

[redacted]

Alan

From: Witter, Clive
Sent: Wednesday, February 20, 2013 8:50 AM
To: Alstrom, Agatha; Osterhout, Alan
Subject:

Agatha / Alan

Just one more question. [redacted]

Clive

Clive Witter
Senior Vice-President
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Canada EDC

Boswell, Karyn

From: Witter, Clive
Sent: Monday, October 15, 2012 8:53 AM
To: Primeau, Daniel
Subject: RE: [redacted]- pdf version

Thanks Dan – I will touch base after the management meeting

Clive

From: Primeau, Daniel
Sent: Sunday, October 14, 2012 1:30 PM
To: Witter, Clive
Subject: RE: [redacted]- pdf version

Clive, I have sent you a note that should answer your questions.
At this late hour, I will not have a lot more information in time for the Board.
I will now be away for the rest of the day.
I expect to be in at 7am tomorrow morning if you wish to discuss

From: Witter, Clive
Sent: Sunday, October 14, 2012 11:29 AM
To: Primeau, Daniel
Cc: Poloz, Stephen; McArdle, Jim; Gignac, Pierre
Subject: Re: [redacted] - pdf version

Dan

Thanks for the update, which is great. Thanks also for the [redacted] half a pager.

[redacted]

s.18.1(1)(b)
s.24(1)

[redacted]

Thanks

Clive

Sent from my iPad

On Oct 13, 2012, at 8:46 PM, "Primeau, Daniel" <DPrimeau@edc.ca> wrote:

> Hopefully, this should reflect the situation as you leave for Vancouver on Monday evening.
> If any significant development occurs, I will forward a note.
>
> Merci
> *Daniel*
>
> [redacted]

Boswell, Karyn

From: Banks, Yolanda
Sent: Tuesday, March 08, 2011 6:20 AM
To: Pipin, Anna; Taylor, Phil; Duford, Philippe E; Bitzan, John; Harkins, Michael
Subject: FW: FW: EDC activities in Libya -- DRAFT RESPONSE FOR DISCUSSION AT OUR MEETING TODAY

Colleagues,

As you consider this response, I would like to get your views on (a) have we responded to the enquiry completely? (b) is there other data that we could provide? (c) is there information here that might be harmful and goes beyond her request? and (d) your view of the tone. Keep in mind that what the response will likely be used in part in a news article or editorial. Once we conclude a draft, I will give this response wider internal circ before sending.

Dear Pat,

Thank you for your enquiry into EDC support for business in Libya. As you are aware, we disclose via our website information on all individual transactions where financing was provided. This has been our practice since October 2001. Our records indicate that we provided no financing support for companies to do business in Libya between the period 2001 and 2009. In 2010, we provided support for two individual transactions which are listed at the end of this message.

We are unable to provide details on PRI support for individual transactions and companies. For reasons of 'moral hazard', this is common practice in the insurance industry. We only disclose PRI in cases where it is provided to lenders, i.e. financial institutions seeking PRI on assets to which they have extended loans. Due to this limitation, we are unable to answer your questions 2, 4, 5 and 6.

I have provided below as much aggregate data as possible, however please note that our Disclosure Policy limits disclosure of aggregate data if the dataset is too small, i.e. in cases where the data set is too small. Beyond what is contained there, we do not disclose details of individual contracts.

Here are the specific answers to your other questions:

1) Total value of PRI support for companies operating in Libya is XXX **does anyone have any data on this one?**
7) ARI: XXX XXX **does anyone have any data on this one?**
   Medium and long-term financing: XXX **does anyone have any data on this one?**
   PRI: XXX **does anyone have any data on this one?**
   EDC Payment Experience: **necessary to provide this??** Not really "an instrument"
8) **Michael/Philippe:** can you offer an answer to this one?

I trust that this information will be useful to you.

Sincerely,

XXX

INDIVIDUAL FINANCING TRANSACTIONS DISCLOSED ON EDC'S WEBSITE AS OF OCTOBER 1, 2001

s.19(1)
s.24(1)

09/04/2010	Libya	HSBC Bank Canada (GMAT Litée, Groupe Métropolitain en Aménagement et Transport)	Guarantee	Support of foreign direct investment	< 1 mln.	GMAT Ltée, Groupe Métro Aménagement et Transpor
02/03/2010	Libya	National Bank of Canada (IPSO Media Inc.)	Guarantee	Sale of various Canadian goods and services	< 1 mln.	IPSO Media Inc.

From: Patricia Adams [redacted]
Sent: Sunday, March 06, 2011 8:34 PM
To: Banks, Yolanda
Subject: Re: FW: EDC activities in Libya

Hi Yolanda,

I look forward to hearing from you as soon as you can.

Sincerely,
Pat

On Fri, Mar 4, 2011 at 12:29 PM, Banks, Yolanda <YBanks@edc.ca> wrote:

Hi Pat,

I wanted to acknowledge the e-mail you sent to Phil Taylor, our media spokesperson, regarding EDC support for business in Libya. I will get back to you next week with our response.

Sincerely,

Yolanda Banks
Senior Corporate Social Responsibility Advisor / Conseiller principal en responsabilité sociale des entreprises
Export Development Canada / Exportation et Développement Canada
151 O'Connor Street Ottawa ON K1A 1K3
Tel: (613) 598-2586; 1-888-332-8224, #2586 Fax: (613) 598-3080
email: ybanks@edc.ca Website: www.edc.ca

From: Patricia Adams [redacted]
Sent: March 3, 2011 12:54 PM
To: Taylor, Phil

Subject: EDC activities in Libya

Dear Phil,

Can you please provide details about EDC's involvement in Libya? In particular:

1) What is the current value of political risk insurance issued by EDC for companies operating in Libya? The figure from your 2008 Annual Report (page 57) is $300 million.

2) Which companies and which investments are receiving PRI from EDC? What is the value of each political risk insurance policy?

3) Is EDC supporting SNC's work on the Great Man Made River Project? If so, with what instrument and what value?

4) Is EDC supporting SNC's work on the Benghazi airport? If so, with what instrument and what value?

5) Is EDC supporting SNC's work on the water supply project for coastal regions? If so, with what instrument and what value?

6) Is EDC supporting SNC's work on the prison? If so, with what instrument and what value?

7) Could you provide details of the use of these instruments in Libya?

8) I understand that the Government of Canada has prohibited financial transactions with the Government of Libya, its institutions and agencies, including the Libyan Central Bank. Could you please explain how this affects EDC's activities in Libya, especially in light of the various instruments that are in place and are detailed here.

Thank you for your assistance.

Patricia Adams

--
Patricia Adams
Executive Director
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http://journal.probeinternational.org/

Boswell, Karyn

From: Duford, Philippe E
Sent: Friday, March 04, 2011 10:19 AM
To: Bitzan, John
Cc: Banks, Yolanda; Harkins, Michael; Campagna, Susanna
Subject: RE: EDC activities in Libya
Attachments: [redacted]

John,

I have put it in one document to make it a little less confusing.

Philippe Duford
Advisor, Planning & Government Relations/Conseiller, Planification et Relations gouvernementales
Export Development Canada/Exportation et développement Canada
☎ (613) 598-2749 / Fax : (613) 598-2827
151 O'Connor, Ottawa, Ontario K1A 1K3
pduford@edc.ca

From: Bitzan, John
Sent: Friday, March 04, 2011 10:18 AM
To: Banks, Yolanda; Harkins, Michael; Duford, Philippe E; Campagna, Susanna
Subject: RE: EDC activities in Libya

Yolanda, the work cell has been working on pulling exposure data together. I will forward you what different members have provided so far.

From: Banks, Yolanda
Sent: Friday, March 04, 2011 9:53 AM
To: Harkins, Michael; Duford, Philippe E; Campagna, Susanna; Bitzan, John
Subject: FW: EDC activities in Libya

See below an NGO enquiry on Libya and my strategy for a response. I gather that you are also working on something. Let's consult. I'll look in our calendars for a convenient time.

Yolanda

From: Banks, Yolanda
Sent: Friday, March 04, 2011 9:29 AM
To: McArdle, Jim
Cc: Fothergill, Ruth; Keen, Brenda; Lemon, Christa; Schneider, Signi; Grall, Etienne; Harkins, Michael; Schneider, Signi
Subject: FW: EDC activities in Libya

Jim,

You should be aware that Pat Adams of Probe International (a long-time 'EDC-watcher') has submitted an enquiry on our support in projects for Libya. As she is an NGO, I'll be handling the response rather than Public Affairs.

I'll consult widely. My strategy will be to provide her with aggregate data (where minimum 10 data points is respected) and whatever is in the public domain (D2). She well knows that transactions specifics and PRI to sponsors is not disclosed, but I will remind her. I'll consult FITT and PGR on the answer to #8: affect of sanctions.

I'll acknowledge her response and try to get a final answer to her next week.

s.19(1)

Please do not hesitate to let me know if you have questions or recommendations.

Yolanda

From: Patricia Adams [redacted]
Sent: March 3, 2011 12:54 PM
To: Taylor, Phil
Subject: EDC activities in Libya

Dear Phil,

Can you please provide details about EDC's involvement in Libya? In particular:

1) What is the current value of political risk insurance issued by EDC for companies operating in Libya? The figure from your 2008 Annual Report (page 57) is $300 million.

2) Which companies and which investments are receiving PRI from EDC? What is the value of each political risk insurance policy?

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7) Could you provide details of the use of these instruments in Libya?

8) I understand that the Government of Canada has prohibited financial transactions with the Government of Libya, its institutions and agencies, including the Libyan Central Bank. Could you please explain how this affects EDC's activities in Libya, especially in light of the various instruments that are in place and are detailed here.

Thank you for your assistance.

Patricia Adams

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s.24(1)

s.18.1(1)(b)

Cino	Buyer Name	Ownership	Total Exp	Exposure T' STI R/L
[redacted]		[redacted]	[redacted]	

s.18.1(1)(b)
s.24(1)

Formal App	Term Type	Term Days	Covered By Notional Parent	Covered By Currency	Current Exposure A	Current Exposur	Current Decisi	Policy #	Exporter Nu
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]

A0040368_2-039439

s.18.1(1)(b)
s.24(1)

Exporter Name	Group	Business Team Code	FSM	Team	Analyst	Cino	Buyer Nam	Direct Exp	STI Risk	Buyer Statu	RAPM
[redacted]	[redacted]		[redacted]			[redacted]				[redacted]	

A0040368_3-039440

s.18.1(1)(b)
s.24(1)

Global Area	Industry Se	Industry Su	Total Exp
[redacted]		[redacted]	[redacted]

A0040368_4-039441

s.18.1(1)(b)
s.24(1)

Customer Name	Policy	Policy No	Issue-Dt	Cover-Start-Dt	Cover-Expiry-Dt	Claims-Dt	Liability-CDN	Insured-CDN

[redacted]

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of the Access to Information Act
de la Loi de l'accès à l'information

s.18.1(1)(b)
s.24(1)

Buyer-Name	Is Buyer Sovereign Entity?	MBC Transaction	Contact Value	Description of Goods/Contract	Autorenewal Clauses?
[redacted]					

A0040370_4-039448

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of the Access to Information Act
de la Loi de l’accès à l’information

s.18.1(1)(b)
s.21(1)(a)
s.21(1)(b)
s.24(1)

Boswell, Karyn

From: Bentolila, Patricia
Sent: Friday, June 22, 2012 3:21 PM
To: Bitzan, John
Subject: FW: Libya- [redacted]

From: Popov, Anna
Sent: 22 juin 2012 14:39
To: Bentolila, Patricia
Subject: FW: Libya- [redacted]

From: Horton, Karen
Sent: Friday, June 22, 2012 7:59 AM
To: Ross, Daniel; van Eeden, Albert; Sullivan, Jennifer; Goodfellow, Leslie; Clarke, Tammy; Primeau, Daniel
Cc: Popov, Anna
Subject: Re: Libya-[redacted]

Thanks Dan. John B/epic[redacted] I can forward his note to those who would like it. If any one has anything else to add, let me know.
Thx

From: Ross, Daniel
Sent: Friday, June 22, 2012 07:50 AM
To: Horton, Karen; van Eeden, Albert; Sullivan, Jennifer; Goodfellow, Leslie; Clarke, Tammy; Primeau, Daniel
Cc: Popov, Anna
Subject: RE: Libya-[redacted]

[redacted]

s.19(1)
s.21(1)(a)
s.21(1)(b)
s.18.1(1)(b)

My two cents ... CAD ... not USD ... it might be worth just a tiny bit more ;-)

From: Horton, Karen
Sent: Thursday, June 21, 2012 6:39 PM
To: van Eeden, Albert; Sullivan, Jennifer; Goodfellow, Leslie; Ross, Daniel; Clarke, Tammy; Primeau, Daniel
Cc: Popov, Anna
Subject: RE: Libya-[redacted]

Jennifer, Albert, Leslie, Dan, Daniel, Tammy,
Please note –

[redacted]

Appreciate you can also copy Albert [redacted]

[redacted]

[redacted]

Cheers

Karen

From: Horton, Karen
Sent: Thursday, June 21, 2012 6:05 PM
To: Popov, Anna; Dickens, Caroline; Duford, Philippe E; Maioni, Teresa; Meere, Alain; Schuster, Richard; Scott, Emma; Wyllie, Michael; Caminiti, Rocco
Cc: Bentolila, Patricia; Bitzan, John
Subject: RE: Libya-[redacted]

Hi everyone,
I recall asking at one of our last sessions, [redacted] Teresa – can you please follow up with Jennifer

s.19(1)
s.21(1)(a)
s.21(1)(b)
s.18.1(1)(b)

to see if she has a view on same. [redacted] so I will follow up with Albert, Claims, Insurance COE. [redacted]
[redacted] John/Patricia – [redacted]
Cheers
Karen

From: Popov, Anna
Sent: Thursday, June 21, 2012 2:40 PM
To: Dickens, Caroline; Duford, Philippe E; Horton, Karen; Maioni, Teresa; Meere, Alain; Schuster, Richard; Scott, Emma; Wyllie, Michael; Caminiti, Rocco
Cc: Bentolila, Patricia; Bitzan, John
Subject: Libya- [redacted]

Dear all, Libya [redacted].
The attached paper is still a draft and being worked on but in the meantime:

Rocco- [redacted] (Annex C), as well as [redacted] re: [redacted] (Annex D)

Product Groups: Karen, Mike, Emma & Caroline : could we please have your [redacted] (Annex D)

You will notice that the template has changed a bit from our last submission [redacted] if there are any questions please let me know.

In terms of timeframe: would end of day Friday be manageable? Otherwise, please send at your earliest convenience early next week.

Thank you,

Anna Popov
Associate-Africa, Eastern Mediterranean, Caucasus & Middle East
International Business Development Group
Associée- Afrique, Méditerranée orientale, le Caucase et Moyen-Orient
Développement des affaires - Marchés internationaux
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s.19(1)
s.21(1)(a)
s.21(1)(b)

Boswell, Karyn

s.18.1(1)(b)

From: Melanson, Marie-Chantal
Sent: Thursday, March 10, 2011 12:26 PM
To: Pipin, Anna; Harkins, Michael; Janiec, Paulina; Ross, Daniel; Saab, Gabriela; Schuster, Richard; Scott, Emma; Sullivan, Jennifer; Trinneer, Dianne
Cc: Banks, Yolanda; Duford, Philippe E; Bitzan, John; Schneider, Signi
Subject: RE: EDC activities in Libya -- [redacted]

Financing COE is good with the financing content in the response [redacted]
MCM

From: Pipin, Anna
Sent: Thursday, March 10, 2011 10:08 AM
To: Harkins, Michael; Janiec, Paulina; Melanson, Marie-Chantal; Ross, Daniel; Saab, Gabriela; Schuster, Richard; Scott, Emma; Sullivan, Jennifer; Trinneer, Dianne
Cc: Banks, Yolanda; Duford, Philippe E; Bitzan, John; Schneider, Signi
Subject: EDC activities in Libya -- [redacted]

Dear all,

As per the discussions in our work cell meeting last week, Yolanda has drafted a response to the recent NGO inquiry we received on Libya.

The original inquiry is below and the draft of the response is attached above.

Yolanda is hoping to send the response by end of day today. Please advise if you have any comments on the attached draft.

Thank you,

Anna

From: Patricia Adams [redacted]
Sent: March 3, 2011 12:54 PM
To: Taylor, Phil

Subject: EDC activities in Libya

Dear Phil,

Can you please provide details about EDC's involvement in Libya? In particular:

1) What is the current value of political risk insurance issued by EDC for companies operating in Libya? The figure from your 2008 Annual Report (page 57) is <u>$300 million</u>.

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Thank you for your assistance.

Patricia Adams

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--

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s.18.1(1)(b)
s.19(1)
s.24(1)

Boswell, Karyn

From: Gignac, Pierre
Sent: Friday, November 01, 2013 10:34 AM
To: Boswell, Karyn
Subject: FW: [redacted]

From: Primeau, Daniel
Sent: Thursday, July 19, 2012 6:14 PM
To: Gignac, Pierre; Dunlop, Bruce
Cc: Witter, Clive
Subject: RE: [redacted]

Hope this meets your expectations.
[redacted]

Merci

From: Gignac, Pierre
Sent: Thursday, July 19, 2012 4:19 PM
To: Primeau, Daniel; Dunlop, Bruce
Cc: Witter, Clive
Subject: RE: [redacted]

[redacted]

A0040383_1-039583

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Canada EDC

From Saab, Gabriela **Date** Tuesday, March 29, 2011 11:42:53 AM
To Palmer, Joanne
Cc Horton, Karen; Sturrock, Abbey
Subject RE: MENA question/[redacted]

s.18.1(1)(b)
s.21(1)(a)
s.24(1)

Will do. Thank you for your support and additional clarity Joanne!
Gabriela

From: Palmer, Joanne
Sent: Tuesday, March 29, 2011 9:57 AM
To: Raina, Tom; Saab, Gabriela; Sturrock, Abbey; Ross, Daniel
Cc: Horton, Karen
Subject: RE: MENA question[redacted]

Tom and Gabriel

[redacted]

Thanks
Joanne

From: Raina, Tom
Sent: Tuesday, March 29, 2011 9:08 AM
To: Saab, Gabriela; Sturrock, Abbey; Ross, Daniel
Cc: Palmer, Joanne; Horton, Karen
Subject: RE: MENA question

Hi Gabriela,

Can you please send me the summary as well. As you probably know, I am responsible for forecasting IG claims for this year. [redacted] I am awaiting Abbey / Dan's expert analysis on how we should proceed ☺

Thanks ☺

Tom

From: Saab, Gabriela s.18.1(1)(b)
Sent: Tuesday, March 29, 2011 8:24 AM s.24(1)
To: Sturrock, Abbey; Ross, Daniel
Cc: Palmer, Joanne; Horton, Karen; Raina, Tom
Subject: RE: MENA question

Hi Abbey and Dan,

What I am doing is just a cursory gathering of any information available on the MENA region re: claims/ODs as your team/CARD are in charge of upward communication in this area.

Dan – thank you for providing the MENA pending claims details that I will use as well as any OD information I can get. Any other information that you could think of in terms of OD for ARI or CIB would be appreciated.

Could I send my brief summary to both of you to ensure consistency?

Thank you for all your help!
Gabriela

From: Sturrock, Abbey
Sent: Monday, March 28, 2011 6:07 PM
To: Saab, Gabriela
Cc: Palmer, Joanne; Horton, Karen; Raina, Tom; Ross, Daniel
Subject: RE: MENA question

Hi Gabriela,

[redacted]

Thanks!
Abbey

From: Saab, Gabriela
Sent: Monday, March 28, 2011 4:10 PM
To: Sturrock, Abbey
Subject: MENA question

Hi Abbey,

Do you have any news re: potential claims for the MENA region? The reason I am asking is that I am summarizing potential/pending claims, overdues, etc. for the 4 Insurance programs for Dan Primeau.

Thank you!
Gabriela

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de la Loi de l'accès à l'information

s.24(1)

Boswell, Karyn

From: Nesbitt, Monique
Sent: Tuesday, November 05, 2013 2:52 PM
To: Boswell, Karyn
Subject: Unvaulted Libya sent
Attachments: [redacted]

s.18.1(1)(b)
s.24(1)

Boswell, Karyn

From: Witter, Clive
Sent: Sunday, September 09, 2012 11:49 AM
To: Primeau, Daniel
Subject: Re: [redacted]

Thanks for the update - it's nice and clear

From: Primeau, Daniel
Sent: Sunday, September 09, 2012 11:12 AM
To: Witter, Clive
Subject: FW: [redacted]

Just re-sending to help prep for Board ctee

From: Goodfellow, Leslie
Sent: Wednesday, August 29, 2012 9:54 PM
To: Witter, Clive
Cc: Primeau, Daniel; Simard, Miguel; Sullivan, Jennifer; Primeau, Daniel
Subject: RE: [redacted]

Clive,

Jennifer and I have reviewed, have added the key updates, and recommend the following:

[redacted]

If you have any questions, please let me know.

Tks,

Leslie

s.18.1(1)(b)
s.24(1)

Boswell, Karyn

From: Witter, Clive
Sent: Wednesday, August 29, 2012 3:11 PM
To: Goodfellow, Leslie; Simard, Miguel
Cc: Primeau, Daniel
Subject: FW: [redacted]

Leslie / Miguel

I have to construct a paragraph for the President's report to the Board in the next day or two [redacted]

I have used Dan's latest notes to construct a paragraph for the report based on Dan's latest notes.
Please would you give me any comments or changes (particularly if the situation has moved on since Dan's notes), that you think I should be reflecting in this very brief Board update.

[redacted]

Thanks

Clive

From: Primeau, Daniel
Sent: Friday, August 17, 2012 4:11 PM
To: Witter, Clive; McArdle, Jim; Gignac, Pierre; Pallascio, John
Cc: Simard, Miguel; Sullivan, Jennifer; Ross, Daniel; Goodfellow, Leslie; Abraham, Anthony
Subject: [redacted]

Just a quick update.

[redacted]

Amicalement vôtre,

DPrimeau

A0040411_1-039674

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Boswell, Karyn

From: Witter, Clive
Sent: Monday, July 23, 2012 4:10 PM
To: Poloz, Stephen; Nesbitt, Monique
Subject: FW: [redacted]

s.18.1(1)(b)
s.24(1)

Steve,

As we discussed last week, I will ask Monique to get a half hour slot in the diary for us to talk on the phone this week.

When we do, I will give you a verbal update on the attached note from Dan.

Clive

From: Primeau, Daniel
Sent: Friday, July 20, 2012 4:32 PM
To: Gignac, Pierre; Dunlop, Bruce
Cc: Witter, Clive; McArdle, Jim
Subject: RE: [redacted]

Updated

Merci

Daniel

[redacted]

Boswell, Karyn

From: Primeau, Daniel
Sent: Saturday, October 13, 2012 8:44 PM
To: McArdle, Jim; Gignac, Pierre; Witter, Clive s.18.1(1)(b)
Cc: Pallascio, John; Simard, Miguel; Sullivan, Jennifer; Goodfellow, Leslie; Ross, Daniel s.24(1)
Subject: Briefing on [redacted]
Attachments: Briefing on [redacted]

Hopefully, this should reflect the situation as you leave for Vancouver on Monday evening.
If any significant development occurs, I will forward a note.

s.18.1(1)(b)
s.24(1)

Boswell, Karyn

From: Primeau, Daniel
Sent: Sunday, September 09, 2012 11:13 AM
To: Witter, Clive
Subject: [redacted]

Just re-sending to help prep for Board ctee

From: Goodfellow, Leslie
Sent: Wednesday, August 29, 2012 9:54 PM
To: Witter, Clive
Cc: Primeau, Daniel; Simard, Miguel; Sullivan, Jennifer; Primeau, Daniel
Subject: [redacted]

Clive,

Jennifer and I have reviewed, have added the key updates, and recommend the following:

[redacted]

If you have any questions, please let me know.
Tks,
Leslie

A0040441_1-039724

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18.1(1)(b), 24(1)

of the Access to Information Act
de la Loi de l'accès à l'information

Amicalement vôtre,

DPrimeau

s.18.1(1)(b)
s.24(1)

Boswell, Karyn

From: Goodfellow, Leslie
Sent: Wednesday, August 29, 2012 3:40 PM
To: Witter, Clive; Simard, Miguel
Cc: Primeau, Daniel; Sullivan, Jennifer
Subject: Re: [redacted]

Hi Clive,
Jennifer Sullivan is our internal counsel on this claim. I'll review with Jennifer and revert to you tomorrow morning.
Rgds.
Leslie

From: Witter, Clive
Sent: Wednesday, August 29, 2012 03:11 PM
To: Goodfellow, Leslie; Simard, Miguel
Cc: Primeau, Daniel
Subject: FW: [redacted]

Leslie / Miguel

I have to construct a paragraph for the President's report to the Board in the next day or two [redacted]

I have used Dan's latest notes to construct a paragraph for the report based on Dan's latest notes.

Please would you give me any comments or changes (particularly if the situation has moved on since Dan's notes), that you think I should be reflecting in this very brief Board update.

[redacted]

Thanks

Clive

From: Primeau, Daniel
Sent: Friday, August 17, 2012 4:11 PM
To: Witter, Clive; McArdle, Jim; Gignac, Pierre; Pallascio, John
Cc: Simard, Miguel; Sullivan, Jennifer; Ross, Daniel; Goodfellow, Leslie; Abraham, Anthony
Subject: [redacted]

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24(1)

of the Access to Information Act

de la Loi de l’accès à l’information

s.18.1(1)(b)
s.21(1)(b)
s.24(1)

Boswell, Karyn

From: Kember, Ken
Sent: Wednesday, December 05, 2012 1:47 PM
To: Avery, Holly
Subject: backup binder

Hi Holly –thanks for the forecast back up binder. A few questions upon reviewing it:

[redacted]

Thanks

Ken

s.18.1(1)(b)
s.21(1)(a)
s.21(1)(b)
s.24(1)

Boswell, Karyn

From: Kember, Ken
Sent: Tuesday, February 12, 2013 8:17 AM
To: Dunlop, Bruce; Lennie, Sydney
Cc: Gignac, Pierre
Subject: for AR - risk2-1.pdf
Attachments: for AR - risk2-1.pdf; ATT00001.txt

Bruce, Sydney,

Pierre and I discussed and suggested the tweaks shown in the attached.
- not sure we need the para [redacted] suggest removing
- Clive has agreed [redacted]
- last paragraph - [redacted]

Let me know if you are with these edits.

Thanks

Kem

A0040515_1-039826

s.18.1(1)(b)
s.21(1)(b)

Boswell, Karyn

From: Acott, Marsha
Sent: Thursday, March 17, 2011 3:30 PM
To: Kember, Ken
Subject: FW: [redacted] Libya

Hi Ken,

Please see below for the update for Libya.

Let us know if you have any other questions,

Marsha

From: Brading, Robyn
Sent: Thursday, March 17, 2011 3:20 PM
To: Acott, Marsha
Cc: Seed, Mirella
Subject: RE: [redacted]

Hi Marsha,

Please see the note from Maripier below. [redacted]

Thanks,
Robyn

From: Gagnon-Bouchard, Maripier
Sent: Thursday, March 17, 2011 3:10 PM
To: Brading, Robyn
Cc: Seed, Mirella
Subject: [redacted]

Hi Robyn,

[redacted]

Let me know if you need anything else,
Maripier

From: Brading, Robyn
Sent: Thursday, March 17, 2011 10:03 AM

s.18.1(1)(b)
s.21(1)(b)

To: Gagnon-Bouchard, Maripier
Cc: Seed, Mirella
Subject: FW: [redacted]

Hi Maripier,

[redacted]

Thanks,
Robyn

From: Acott, Marsha
Sent: Thursday, March 17, 2011 9:58 AM
To: Brading, Robyn
Subject [redacted]

Hi Robyn,

[redacted]

Thanks
Marsha

Marsha Acott
Manager, Financial Reporting
Export Development Canada
151 O'Connor St
Ottawa, Ontario
K1A 1K3
T: 613.597.8695
F: 613.598.6672

s.18.1(1)(b)
s.21(1)(a)
s.21(1)(b)

Boswell, Karyn

From: Cosman, Dean
Sent: Thursday, February 24, 2011 3:52 PM
To: Kember, Ken
Subject: FW: Events in Lybya [redacted]

Hi Ken – we are looking at the situation in Libya [redacted]

I'll keep you posted.

Dean

From: Cossette, Charles
Sent: Thursday, February 24, 2011 3:23 PM
To: Layne, Derek
Cc: Cosman, Dean
Subject: Events in Lybya [redacted]

Derek

[redacted]

- [redacted]
- [redacted]

I spoke with Dean today and he will get circle back with Ken [redacted]

Regards,

A0040520_1-039834

Charles

Charles Cossette FCAS FCIA
Director, Analytics
Risk Management Office
Directeur de groupe, Actuariat
Bureau de gestion des risques
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18.1(1)(b), 21(1)(a), 21(1)(b), 24(1)

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Thanks

Ken

Boswell, Karyn

From: Gignac, Pierre
Sent: Wednesday, October 26, 2011 8:03 AM
To: Poloz, Stephen; Sharma, Rajesh (SVP); Daignault, Benoit; Kember, Ken
Cc: Pallascio, John; McArdle, Jim; Primeau, Daniel s.24(1)
Subject: FW: [redacted]
Attachments: [redacted]

This update may be of interest to you....will keep you posted.

Pages 39854 to / à 39856

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21(1)(b), 24(1)

of the Access to Information Act

de la Loi de l'accès à l'information

s.18.1(1)(b)
s.21(1)(b)
s.24(1)

Program Profitability
Comments for Business Development Committee
September 12, 2012

- standard presentation which we give every year to accompany the corporate plan

[redacted]

- info on 5 main product lines
    - Financing
    - Credit Insurance
    - Financial Institutions Insurance (new this year - previously grouped with credit insurance)
    - Contract insurance and bonding
    - Political Risk Insurance

-key observations:

[redacted]

s.18.1(1)(b)
s.21(1)(b)
s.24(1)

Boswell, Karyn

From: Diedrich, Chris
Sent: Tuesday, November 05, 2013 1:13 PM
To: Kember, Ken
Cc: Acott, Marsha; Lennie, Sydney; Mensah, Francis
Subject: QFR questions - follow-up

Hi Ken,

With regard to each of the questions your had in the Notes and Schedule sections, please find responses provided by the teams below:

Note 2 – Past due [redacted]

- [redacted]

Note 11 – Capitalization new to table

[redacted]

[redacted]

[redacted]

Note 11 – [redacted]

- [redacted]

Schedule A – [redacted]

- [redacted]

Schedule A – [redacted]

s.18.1(1)(b)
s.21(1)(b)
s.24(1)

- [redacted]

Schedule B – [redacted]

- [redacted]

- [redacted]

Schedule B – [redacted]

[redacted]

Schedule B – [redacted]

- [redacted]

If you have any further questions please let me know.

Thanks,
Chris

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18.1(1)(b), 24(1)

of the Access to Information Act
de la Loi de l'accès à l'information

s.18.1(1)(b)
s.21(1)(a)
s.21(1)(b)
s.24(1)

Boswell, Karyn

From: Kember, Ken
Sent: Monday, July 08, 2013 4:48 PM
To: Lennie, Sydney
Cc: Menard, Kerry-Anne; Acott, Marsha
Subject: Re: [redacted]

Hi Sydney - [redacted]

Thanks

Ken

From: Kember, Ken
Sent: Friday, July 05, 2013 05:53 PM
To: Lennie, Sydney
Cc: Menard, Kerry-Anne; Acott, Marsha
Subject: Re: [redacted]

Thanks Sydney. I agree with the logic. [redacted]

Ken

From: Lennie, Sydney
Sent: Friday, July 05, 2013 05:02 PM
To: Kember, Ken
Cc: Menard, Kerry-Anne; Acott, Marsha
Subject: [redacted]

Hi Ken,

[redacted]

Sydney

s.18.1(1)(b)

s.24(1)

Boswell, Karyn

From: Kember, Ken
Sent: Wednesday, November 21, 2012 9:26 AM
To: Goodfellow, Leslie
Subject: RE:[redacted]

Thanks Leslie.

Ken

From: Goodfellow, Leslie
Sent: November 21, 2012 9:05 AM
To: Kember, Ken
Cc: Witter, Clive; Primeau, Daniel
Subject:[redacted]

As requested,[redacted]

From: Jackson, Tracy-Lynn
Sent: Monday, November 19, 2012 4:11 PM
To: Sullivan, Jennifer; Goodfellow, Leslie; Ross, Daniel
Subject: RE:[redacted]

Here are the scanned copies.

Thanks
TJ

A0040559_1-039919