EXPORT DEVELOPMENT CANADA
QUARTERLY FINANCIAL REPORT

BETTER THROUGH TRADE

SEPTEMBER 30, 2023 | UNAUDITED

TABLE OF CONTENTS

Caution regarding forward-looking statements
This document contains projections and other forward-looking statements regarding future events. Such statements require us to make assumptions and are subject to inherent risks and uncertainties. These may cause actual results to differ materially from expectations expressed in the forward-looking statements.

EDC

OVERVIEW

Export Development Canada (EDC) is Canada's export credit agency. Our mandate is to support and develop, directly or indirectly, Canada's export trade, and the capacity of Canada to engage in trade and respond to international business opportunities, as well as to provide development financing and other forms of development support in a manner consistent with Canada's international development priorities through our wholly-owned subsidiary Development Finance Institute Canada Inc. (FinDev Canada). We provide insurance, financial, guarantee and knowledge solutions. Our customers are Canadian exporters, investors and their international buyers. We place a particular emphasis on small and medium enterprises by developing tools to help them succeed in international markets. EDC is a Crown corporation, wholly owned by the Government of Canada and accountable to Parliament through the Minister of Export Promotion, International Trade and Economic Development. Our revenue is generated primarily by collecting interest on our loans, fees on our guarantee products and premiums on our insurance products.

Economic Environment

Global economic growth moderated in the quarter after a stronger-than-anticipated first half of 2023. Inflation pressures are cooling but remain above central banks' target ranges in many countries. While price pressures have eased compared to a year ago, progress in recent months has stalled. In order to bring inflation down to their targets many central banks, including the Bank of Canada, U.S. Federal Reserve and European Central Bank (ECB), increased policy interest rates again in the third quarter. As interest rates have increased, global financial conditions have tightened with bond yields rising alongside interest rates hikes. Consumers in advanced economies have been using the remnants of their pandemic excess savings to support spending while global investment and demand for goods are cooling.

The U.S. economy continued to perform well in the third quarter thanks to resilient domestic demand. Consumers are leveraging what little remains of excess savings while businesses benefit from supportive industrial policies and investment related to reorienting some global supply chains. The labour market remained strong but showed clear signs of cooling with job gains averaging 270,000 in the quarter, down from 430,000 one year ago. Other measures like the number of job openings and the number of people quitting existing positions have also fallen, indicating growing slack. Overall resilient economic data pared back recession calls in the U.S., but signs of slowing are showing up as the lagging effects of high interest rates kicks in.

The Chinese economy continued to struggle in the third quarter. The ending of the country's zero-COVID policies at the end of 2022 has not provided a sustained boost in economic activity, with retail sales slowing down and the property sector slump deepening. Low consumer confidence and soft inflation figures had led its central bank to lower interest rates, but fiscal stimulus from the government has been modest. The lack of a rebound in China has restrained growth globally.

The Euro Area avoided a more severe downturn in the first half of 2023 thanks to warmer weather and energy supplies. However, the region is still struggling with inflation, high borrowing costs and the fallout from a weak Chinese recovery. Germany, the bloc's largest economy, is struggling to restart its economy following energy shocks and the weakness from China, a critical trading partner. Faced with the dilemma of persistent high inflation and weak demand, the ECB chose to focus on addressing inflation, raising its benchmark interest rate to a record 4.75% by the end of the third quarter.

Weakening demand from China, Europe, and the U.S. are driving a downward trend in some key commodities. Oil prices were more robust, with West Texas averaging USD 82 in the quarter versus USD 74 per barrel in the second quarter, as OPEC+ works to offset weaker demand by removing oil supply from the market.

The Canadian economy has weakened more than the U.S. in large part due to the Bank of Canada acting earlier in its hiking cycle and the weaker position of the Canadian consumer. The Canadian economy contracted mildly in the second quarter as an extreme wildfire season and a port strike on Canada's West Coast weighed on activity. Third quarter growth will remain challenging. Progress on bringing down inflation has slowed, as headline consumer price inflation was 3.8% in September and core inflation measures saw minimal improvement. While inflation remains above the Bank of Canada's 2% target, weakening economic data has shifted the Bank into pausing its hiking cycle. The Canadian dollar appreciated slightly, averaging 75 cents per U.S. dollar in the third quarter.

Macroeconomic Outlook

Our expected credit loss impairment model uses forward looking information determined from reasonable and supportable forecasts of future economic conditions as at the reporting date. Our forecasts are updated quarterly, and the impact of the update is reflected in the expected credit losses for the period.

Base case, upside and downside scenario probabilities were set at 60%, 10% and 30% respectively, unchanged from the previous quarter. While banking sector risks in the U.S. have eased compared to the start of the year, the risks related to China have increased. Higher interest rates, after such a long period of low rates, could reveal new risks leading us to maintain a higher probability weight on our downside scenario.

EDC's downside scenario sees a deep global recession affecting both developed and emerging markets. In this scenario financial conditions deteriorate starting in Q1 2024, and damage to the broader economy starts in Q2 2024. Global banking sector strains lead to weakness in financial markets, credit conditions tightening, and the cost of borrowing going up. This reveals vulnerabilities in the corporate sector increasing default risk and risk perceptions. Continued U.S. dollar strength makes it more difficult for emerging market sovereigns and corporates to borrow. EDC's upside scenario sees higher spending by consumers and businesses driving greater economic activity than in the base case beginning in Q2 2024.

Risk Management

Our business activities expose us to a wide variety of risks including strategic, financial and operational risks. We manage risk with a three lines of defence risk governance structure, which emphasizes and balances strong central oversight and control of risk with clear accountability for and ownership of risk within the "front lines". The structure supports the cascade of EDC's risk appetite throughout the organization and provides forums for risks to be appropriately considered, discussed, debated and factored into business decisions at all levels and across all functions. This structure will allow us to continue to manage our business as risks evolve in the current economic environment. As credit conditions tighten with the rising interest rate environment EDC will continue to leverage our strong capital position to bring value to Canadian companies.

For a more comprehensive discussion on our risk management, please refer to pages 143-151 of our 2022 Annual Report. Refer to Note 7 of the accompanying financial statements for details on financial instrument risks.

Impact of Foreign Exchange Translation on Financial Results

Our foreign currency-denominated results are impacted by exchange rate fluctuations. The Canadian dollar relative to the U.S. dollar, at the end of the third quarter in 2023, resulted in a rate of $0.74, consistent with the rate at the end of 2022. The Canadian dollar averaged $0.75 against the U.S. dollar in the third quarter, compared to $0.77 for the third quarter of 2022. This weakening had a favourable impact on our financial results, as the components of net income as well as our business facilitated are translated at the average exchange rates.

Business Facilitated

Business facilitated for financing and investments increased by $6.3 billion compared to the same period in 2022 mainly due to increases in direct lending, guarantees and project finance. The increase in direct lending activity primarily occurred in the finance and insurance and resources sectors where we signed a higher number of large transactions when compared to the first nine months of 2022. The increase in guarantees is mainly due to a large project finance guarantee in the Indo-Pacific region. The increase in project finance primarily occurred in the utilities sector where we signed a higher number of large transactions when compared to the same period in 2022.

Business Facilitated

	For the nine months ended	
(in millions of Canadian dollars)	**Sep 2023**	Sep 2022
Business Facilitated		
Direct lending	**14,929**	10,827
Project finance	**4,053**	2,939
Loan guarantees	**3,535**	2,409
Investments	**493**	488
Total financing and investments	**23,010**	16,663
Credit insurance	**62,711**	66,643
Financial institutions insurance	**5,038**	4,870
International trade guarantee	**7,081**	5,730
Political risk insurance	**228**	625
Total insurance	**75,058**	77,868
Total	**$98,068**	$94,531

Business facilitated for credit insurance decreased by 6% compared to the same period in 2022 primarily due to decreases in the wholesale and retail trade and utilities sectors as a result of lower commodity prices.

Business facilitated for international trade guarantee increased by 24% compared to the same period in 2022 primarily due to broad growth from existing and new customers in the utilities, finance and insurance and manufacturing sectors.

SUMMARY OF FINANCIAL RESULTS

EDC adopted the requirements as per *IFRS 17 – Insurance Contracts* effective January 1, 2023, with retroactive application to January 1, 2022. This adoption resulted in an increase to the opening retained earnings on January 1, 2022 of $164 million. All comparative figures have been restated as required by the standard. Further disclosure on the transition to IFRS 17 is provided in Note 1 of the condensed consolidated financial statements.

Financial Performance

	For the three months ended		For the nine months ended		
(in millions of Canadian dollars)	**Sep 2023**	Sep 2022	**Sep 2023**	Sep 2022	Sep 2023 Corporate Plan[1]
Net financing and investment income	**294**	266	**878**	865	792
Loan guarantee fees	**20**	20	**58**	53	57
Net insurance service revenue[2]	**71**	62	**205**	183	203
Realized gains (losses)[3]	**(7)**	44	**(5)**	66	13
Net revenue	**378**	392	**1,136**	1,167	1,065
Administrative expenses	**142**	128	**419**	386	476
Net insurance service expenses[2]	**56**	50	**167**	87	53
Provision for (reversal of) credit losses	**157**	(164)	**90**	197	127
Income before unrealized (gains) losses	**23**	378	**460**	497	409
Unrealized (gains) losses on financial instruments[3]	**(106)**	(531)	**(175)**	(519)	-
Net income	**129**	909	**635**	1,016	409
Other comprehensive income	**1**	70	**63**	49	3
Comprehensive income	**$130**	$979	**$698**	$1,065	$412

(1) The Corporate Plan was prepared under IFRS 4 and has not been restated to conform to IFRS 17.
(2) Included in Net Insurance Service Result on the Condensed Consolidated Statement of Comprehensive Income
(3) Included in Other (Income) Expenses on the Condensed Consolidated Statement of Comprehensive Income

Quarter Highlights

We had **net income** of $129 million in the third quarter of 2023 compared to net income of $909 million for the same period in 2022 mainly due to a decrease in the unrealized gains on our financial instruments carried at fair value and an increase in the provision for credit losses.

Net financing and investment income increased by $28 million compared to the same period in 2022 primarily due to an increase in loan and marketable securities revenue as a result of increased interest rates and growth in the loan portfolio, partially offset by an increase in interest expense as a result of funding this growth.

We recorded a **provision for credit losses** of $157 million in the quarter compared to a reversal of credit losses of $164 million in the same period last year. The overall impact of the update to macroeconomic assumptions within our performing portfolio, particularly within the manufacturing industry, resulted in a provision for credit losses in the third quarter of 2023. In addition, we realized credit losses in our impaired portfolio primarily due to new impairments and higher impaired provision rates for a small number of obligors, as well as downward credit migration within our performing portfolio. The impact of these items was partially offset by repayments from impaired obligors. The release in 2022 was primarily due to credit migration and loan repayments, particularly within our impaired portfolio.

Net unrealized gains of $106 million in the third quarter of 2023 compared to $531 million in the same period in the prior year were primarily due to the volatility associated with our financial instruments carried at fair value through profit or loss.

Year to Date Highlights

Net income for the first nine months of 2023 was $635 million compared to $1.0 billion for the same period in 2022 mainly due to a decrease in the unrealized gains on our financial instruments carried at fair value and an increase in the net insurance service expenses in 2023, partially offset by a reduction in provision for credit losses when compared to 2022.

Net insurance service expenses increased by $80 million compared to the same period last year primarily due to higher claims activity in the period.

We recorded a **provision for credit losses** of $90 million compared to $197 million in the prior year period. The provision for credit losses in the first three quarters of 2023 was primarily due to net downward credit migration in our impaired portfolio partially offset by net upward credit migration in our performing portfolio. The provision charge in 2022 was primarily due to an update in the macroeconomic forecast and net downward credit migration, partially offset by the impact of net repayments and maturities.

Net unrealized gains of $175 million for the first nine months of 2023 compared to $519 million in the prior year period were primarily due to the volatility associated with our financial instruments carried at fair value through profit or loss. Due to the volatility and difficulty in estimating fair value gains or losses on financial instruments, a forecast for these items is not included in the Corporate Plan.

We recorded **other comprehensive income** of $63 million mainly due to positive returns on plan assets and an increase in the discount rate used to value the pension obligations.

Comparing the year-to-date results to the Corporate Plan, **net income** has increased $226 million from Plan. Items of note are as follows:

- **Unrealized gains on financial instruments** are $175 million higher than Plan. Due to the volatility and difficulty in estimating them, no forecast is included in the Corporate Plan.
- **Net insurance service expenses** increased by $114 million compared to Plan primarily due to actual results being recorded under IFRS 17 where $80 million of administrative expenses was allocated to insurance service expenses. The Corporate Plan was prepared under IFRS 4 which does not contemplate this allocation of expenses.
- **Net financing and investment** income has increased $86 million primarily as a result of an increase in net disbursements for our loan portfolio.

Provision for (Reversal of) Credit Losses by Sector

Activity within the provision for (reversal of) credit losses during the third quarter by sector was as follows:

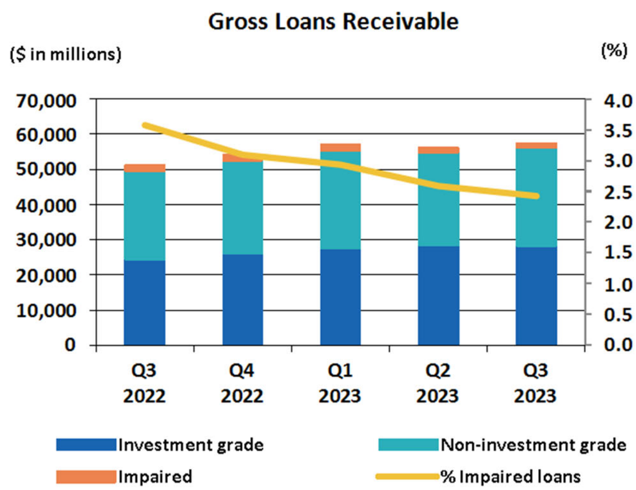
	Three months ended September 30, 2023			Three months ended September 30, 2022		
(in millions of Canadian dollars)	**Performing**	**Impaired**	**Total**	Performing	Impaired	Total
Manufacturing	**62**	**9**	**71**	64	3	67
Resources	**44**	**3**	**47**	5	(5)	-
Sovereign	**(47)**	**-**	**(47)**	(20)	-	(20)
Professional services	**23**	**3**	**26**	17	(4)	13
Wholesale and retail trade	**10**	**13**	**23**	5	(6)	(1)
Utilities	**18**	**-**	**18**	7	(5)	2
Information	**5**	**11**	**16**	28	(91)	(63)
Transportation and storage	**(9)**	**(6)**	**(15)**	(212)	16	(196)
Other	**19**	**(1)**	**18**	19	15	34
Total	**$125**	**$32**	**$157**	$(87)	$(77)	$(164)

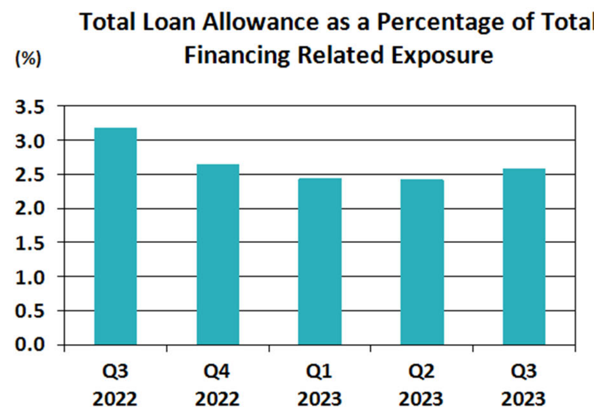
Activity within the provision for (reversal of) credit losses during the first nine months by sector was as follows:

	Nine months ended September 30, 2023			Nine months ended September 30, 2022		
(in millions of Canadian dollars)	**Performing**	**Impaired**	**Total**	Performing	Impaired	Total
Manufacturing	**53**	**58**	**111**	47	(1)	46
Transportation and storage	**(140)**	**44**	**(96)**	191	21	212
Sovereign	**(80)**	**-**	**(80)**	(47)	-	(47)
Wholesale and retail trade	**26**	**23**	**49**	25	(4)	21
Resources	**40**	**8**	**48**	(13)	(5)	(18)
Professional services	**43**	**4**	**47**	20	(4)	16
Information	**1**	**10**	**11**	37	(170)	(133)
Finance and insurance	**(4)**	**(1)**	**(5)**	14	-	14
Other	**2**	**3**	**5**	61	25	86
Total	**$(59)**	**$149**	**$90**	$335	$(138)	$197

Financial Position

As at *(in millions of Canadian dollars)*	**Sep 2023**	Dec 2022	Sep 2023 Corporate Plan
Total assets	**72,973**	67,729	66,823
Total liabilities	**59,922**	55,376	55,205
Equity	**13,051**	12,353	11,618
Gross loans receivable	**57,437**	54,193	53,022
Total allowances - loans portfolio	**1,910**	1,840	2,011





Total assets are $5.2 billion higher than December 2022 primarily due to an increase of $3.2 billion in gross loans receivable as a result of net loan disbursements and a $1.1 billion increase in marketable securities.

Total liabilities are $4.6 billion higher than December 2022 primarily due to a net $4.5 billion increase in loans payable, as we took advantage of favourable market conditions to pre-fund a portion of our anticipated borrowing requirements for the remainder of the year. The excess funds that will be used for future loan disbursements and to pay down upcoming debt maturities were held as marketable securities at the end of September 2023.

Impaired loans as a percentage of gross loans receivable decreased compared to the fourth quarter of 2022 as the level of impaired loans has decreased due to an obligor returning to performing status while the overall loans receivable portfolio grew in the first nine months of 2023 as previously mentioned.

Loan allowance as a percentage of total financing exposure increased compared to the second quarter of 2023. The key components impacting the change in allowance during the quarter were as follows:

- updated macroeconomic assumptions – increase of $92 million;
- new originations – increase of $89 million;
- remeasurements due to credit migration – increase of $84 million;
- impact of foreign exchange – increase of $19 million;
- loan write-offs – decrease of $6 million; and
- net repayments and maturities – reduction of $108 million.

STATEMENT OF MANAGEMENT RESPONSIBILITY

Management is responsible for the preparation and fair presentation of these condensed consolidated quarterly financial statements in accordance with the Treasury Board of Canada's *Directive on Accounting Standards: GC 5200 Crown Corporations Quarterly Financial Reports,* and for such internal controls as management determines is necessary to enable the preparation of condensed consolidated quarterly financial statements that are free from material misstatement. Management is also responsible for ensuring all other information in this Quarterly Financial Report is consistent, where appropriate, with the condensed consolidated quarterly financial statements.

These condensed consolidated quarterly financial statements have not been audited or reviewed by an external auditor.

Based on our knowledge, these unaudited condensed consolidated quarterly financial statements present fairly, in all material respects, the financial position, results of operations and cash flows of the corporation, as at September 30, 2023 and for the periods presented in the condensed consolidated quarterly financial statements.

Mairead Lavery

Mairead Lavery,
President & CEO

Scott Moore

Scott Moore,
Executive Vice-President & CFO

Ottawa, Canada
November 16, 2023

Export Development Canada

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in millions of Canadian dollars)

As at

	Notes	**Sep 2023**	Dec 2022	Jan 1 2022
Assets				
Cash		**206**	275	207
Marketable securities		**10,626**	9,539	9,082
Derivative instruments		**1,922**	1,654	1,139
Assets held for sale		**12**	80	1
Loans receivable	2	**57,634**	54,182	48,345
Allowance for losses on loans	2	**(1,560)**	(1,630)	(1,760)
Investments		**3,155**	2,771	2,707
Reinsurance contract assets	3	**62**	60	64
Property, plant and equipment		**41**	40	44
Intangible assets		**35**	46	63
Right-of-use assets		**111**	118	127
Retirement benefit assets		**517**	453	346
Other assets		**212**	141	150
Total Assets		**$72,973**	$67,729	$60,515
Liabilities and Equity				
Accounts payable and other credits		**212**	150	179
Loan guarantees	2	**361**	234	188
Loans payable		**55,121**	50,568	43,525
Derivative instruments		**3,563**	3,712	1,003
Lease liabilities		**145**	152	158
Allowance for losses on loan commitments	2	**30**	10	20
Insurance contract liabilities	3	**331**	388	412
Retirement benefit obligations		**159**	162	226
Total Liabilities		**59,922**	55,376	45,711
Financing commitments (Note 2) and contingent liabilities (Note 4)				
Equity				
Share capital	5	**8,490**	8,490	12,300
Retained earnings		**4,561**	3,863	2,504
Total Equity		**13,051**	12,353	14,804
Total Liabilities and Equity		**$72,973**	$67,729	$60,515

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

These financial statements were approved for issuance by the Board of Directors on November 16, 2023.

Manjit Sharma
Director

Mairead Lavery
Director

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in millions of Canadian dollars)

	Notes	For the three months ended Sep 2023	Sep 2022	For the nine months ended Sep 2023	Sep 2022
Financing and Investment Revenue:					
Loan		**957**	511	**2,693**	1,263
Marketable securities		**124**	55	**307**	108
Investments		**2**	3	**11**	19
Total financing and investment revenue		**1,083**	569	**3,011**	1,390
Interest expense		**783**	294	**2,099**	503
Financing-related expenses		**6**	9	**34**	22
Net Financing and Investment Income		**294**	266	**878**	865
Loan Guarantee Fees		**20**	20	**58**	53
Insurance revenue	8	**81**	74	**241**	214
Insurance service expenses	8	**(50)**	(52)	**(194)**	(86)
Reinsurance service expenses		**(16)**	(10)	**(9)**	(32)
Net Insurance Service Result		**15**	12	**38**	96
Other (Income) Expenses	9	**(99)**	(575)	**(170)**	(585)
Administrative Expenses	10	**142**	128	**419**	386
Income before Provision		**286**	745	**725**	1,213
Provision for (Reversal of) Credit Losses	2	**157**	(164)	**90**	197
Net Income		**129**	909	**635**	1,016
Other comprehensive income:					
Retirement benefit plans remeasurement		**1**	70	**63**	49
Comprehensive Income		**$130**	$979	**$698**	$1,065

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(in millions of Canadian dollars)

		For the three months ended		For the nine months ended	
	Notes	**Sep 2023**	Sep 2022	**Sep 2023**	Sep 2022
Share Capital					
Balance beginning of period		**8,490**	9,990	**8,490**	12,300
Shares repurchased	5	**-**	1,500	**-**	3,810
Balance end of period		**8,490**	8,490	**8,490**	8,490
Retained Earnings					
Balance beginning of period		**4,431**	2,590	**3,863**	2,340
IFRS 17 transition adjustment		**-**	-	**-**	164
Revised balance beginning of period		**4,431**	2,590	**3,863**	2,504
Net income		**129**	909	**635**	1,016
Other comprehensive income					
Retirement benefit plans remeasurement		**1**	70	**63**	49
Balance end of period		**4,561**	3,569	**4,561**	3,569
Total Equity End of Period		**$13,051**	$12,059	**$13,051**	$12,059

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(in millions of Canadian dollars)

	For the three months ended		For the nine months ended	
	Sep 2023	Sep 2022	**Sep 2023**	Sep 2022
Cash Flows from (used in) Operating Activities				
Net income	**129**	909	**635**	1,016
Adjustments to determine net cash flows from (used in) operating activities				
Provision for (reversal of) credit losses	**157**	(164)	**90**	197
Depreciation and amortization	**8**	9	**24**	26
Realized (gains) and losses	**18**	(15)	**26**	(32)
Changes in operating assets and liabilities				
Change in accrued interest and fees on loans receivable	**(151)**	(99)	**(267)**	(141)
Change in accrued interest and fair value of marketable securities	**27**	121	**(15)**	398
Change in accrued interest and fair value of loans payable	**38**	(746)	**139**	(1,553)
Change in fair value of investments	**(27)**	110	**(50)**	282
Change in derivative instruments	**(151)**	744	**(477)**	1,686
Other	**45**	185	**66**	90
Loan disbursements	**(4,486)**	(5,998)	**(14,798)**	(13,669)
Loan repayments and principal recoveries from loan asset sales	**3,845**	3,867	**11,555**	11,919
Net cash from (used in) operating activities	**(548)**	(1,077)	**(3,072)**	219
Cash Flows from (used in) Investing Activities				
Disbursements for investments	**(157)**	(207)	**(498)**	(447)
Receipts from investments	**45**	118	**133**	368
Purchases of marketable securities	**(925)**	(2,171)	**(5,883)**	(6,505)
Sales/maturities of marketable securities	**1,308**	2,907	**5,564**	7,642
Purchases of property, plant and equipment	**(5)**	-	**(6)**	(1)
Net cash from (used in) investing activities	**266**	647	**(690)**	1,057
Cash Flows from (used in) Financing Activities				
Issue of long-term loans payable	**491**	4,521	**16,610**	12,469
Repayment of long-term loans payable	**(858)**	(3,665)	**(10,507)**	(10,380)
Issue of short-term loans payable	**3,871**	12,119	**27,946**	36,542
Repayment of short-term loans payable	**(7,252)**	(11,021)	**(29,440)**	(32,048)
Disbursements from sale/maturity of derivative instruments	**(80)**	(80)	**(318)**	(177)
Receipts from sale/maturity of derivative instruments	**32**	21	**97**	37
Issue (repurchase) of share capital	**-**	(1,500)	**-**	(3,810)
Net cash from (used in) financing activities	**(3,796)**	395	**4,388**	2,633
Effect of exchange rate changes on cash and cash equivalents	**126**	256	**9**	306
Net increase (decrease) in cash and cash equivalents	**(3,952)**	221	**635**	4,215
Cash and cash equivalents				
Beginning of period	**7,642**	5,687	**3,055**	1,693
End of period	**$3,690**	$5,908	**$3,690**	$5,908
Cash and cash equivalents are comprised of:				
Cash	**206**	401	**206**	401
Cash equivalents included within marketable securities	**3,484**	5,507	**3,484**	5,507
	$3,690	$5,908	**$3,690**	$5,908
Operating Cash Flows from Interest				
Cash paid for interest	**$790**	$182	**$1,796**	$385
Cash received for interest	**$1,021**	$394	**$2,736**	$1,086

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

Notes to the Condensed Consolidated Financial Statements

1. Significant Accounting Policies

Basis of Presentation

Our condensed consolidated financial statements comply with the *Directive on Accounting Standards: G5200 Crown Corporations Quarterly Financial Report* issued by the Treasury Board of Canada.

Except as indicated below, these condensed consolidated financial statements follow the same accounting policies and methods of computation as our audited consolidated financial statements for the year ended December 31, 2022. They should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2022 and the accompanying notes as set out on pages 169-223 of our 2022 Integrated Annual Report.

Pursuant to the Export Development Act, the Minister of Minister of Export Promotion, International Trade and Economic Development, 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.

Basis of Consolidation

Our consolidated financial statements include the assets, liabilities, results of operations and cash flows of our wholly owned subsidiaries and those structured entities consolidated under *IFRS 10 – Consolidated Financial Statements*. Intercompany transactions and balances have been eliminated.

Application of New International Financial Reporting Standards

New standards, amendments and interpretations adopted during the quarter

There were no new standards, amendments or interpretation adopted in the third quarter of the year.

In the first quarter of the year, the following standard issued by the IASB was adopted for the annual period beginning January 1, 2023:

IFRS 17 – Insurance Contracts – In May 2017, the IASB issued IFRS 17 which establishes recognition, measurement, presentation, and disclosure requirements for insurance contracts. This replaces the previous guidance which was provided in *IFRS 4 – Insurance Contracts*. The standard requires entities to measure insurance contract liabilities using their current fulfillment cash flows and revenue to be recognized using one or more of three methods. We have adopted two of these methods – the general measurement model (GMM) and the premium allocation approach (PAA) – to measure insurance contracts. IFRS 17 is effective for annual periods beginning on or after January 1, 2023, with retroactive application to periods beginning on or after January 1, 2022.

Our updated accounting policy is as follows:

Insurance Contracts

Insurance contracts are those contracts where we have accepted significant insurance risk by agreeing to compensate the policyholders if they are adversely affected by a specified uncertain future event. Insurance contract liabilities represent our estimate of future cash flows under the terms and conditions of our insurance policies and include liabilities for remaining coverage and liabilities for incurred claims. The actuarial calculation of the fulfilment cash flows uses key management assumptions for frequency of claims, severity of loss, future claim development, administrative expenses and relevant discount rates.

Insurance contracts are assessed on their issuance date to determine profitability and are then grouped into cohorts based on portfolio, recognition date and the profitability of the contract. Composition of the cohorts is not reassessed at subsequent measurement. We apply the GMM to our political risk insurance portfolio, as well as certain long-term contracts within our international trade guarantee portfolio. The PAA is applicable to all other insurance contracts.

Insurance Contract Liabilities – GMM

For insurance contracts to which we apply the GMM, the liabilities for remaining coverage and the liabilities for incurred claims are measured based on estimates of the present value of future cash flows under the contracts. These estimates include an explicit risk adjustment to reflect the non-financial risk EDC is exposed to due to uncertainty around the amount and timing of future cash flows.

For profitable groups of contracts, the liabilities for remaining coverage include the contractual service margin, which represents unearned profit, as well as the present value of the future cash flows. For onerous groups of contracts, a loss component is established on initial recognition and the loss recorded immediately as an insurance service expense. On subsequent measurement, insurance contract groups are assessed to determine changes in profitability. Changes in future cash flows related to onerous contracts are allocated between the loss component and the liabilities for remaining coverage excluding loss component in a systematic and rational manner.

Insurance Contract Liabilities – PAA

The PAA is a simplified version of the GMM which is applicable to contracts in our credit insurance portfolio given their coverage periods are one year or less. The PAA is also applied to our financial institutions portfolio and the majority of contracts in our international trade guarantee portfolio as it has been determined that using this simplified method would produce a measurement that would not materially differ from the results under the GMM.

For profitable insurance contract groups under this approach, our liabilities for remaining coverage reflect premiums received less revenue earned. For our financial institutions insurance and international trade guarantee groups, the liabilities for remaining coverage also include acquisition cash flows paid less amounts recognized. For onerous insurance contract groups, a loss component is established on initial recognitions which reflects our best estimates of the present value of future cash flows and includes a risk adjustment for non-financial risk. Insurance contract groups are assessed at subsequent measurement to determine changes in profitability.

Our liabilities for incurred claims are comprised of incurred claims as well as incurred but not reported claims (IBNR) and are adjusted to reflect the time value of money as well as a risk adjustment for non-financial risk.

Insurance Revenue

For profitable groups of contracts to which we apply the GMM, revenue is recorded as services are provided over the coverage period of the insurance contracts. The underlying exposure of the insurance contracts is used to reflect the insurance contract services provided in each period.

Expected premium receipts on our PAA group of insurance policies are recognized into income over the coverage period of each insurance contract group on a straight-line basis.

Insurance Service Expenses
Insurance service expenses include administrative expenses which are attributable to our insurance contracts, losses and recoveries of losses on onerous contracts, incurred claims and changes to the liabilities for incurred claims.

Administrative expenses which are attributable to our insurance contracts include acquisition costs, which are expenses incurred on the selling and underwriting of new insurance contracts, as well as policy administration and maintenance expenses. Acquisition expenses are allocated to the insurance contract groups in a systematic and rational method. Due to the short-term nature of the contracts within our credit insurance portfolio, we have elected to recognize acquisition expenses for these insurance contract groups when incurred. For the remaining insurance portfolios, we recognize acquisition expenses over the terms of the policies in a manner consistent with our recognition of the insurance revenue. Policy administration and maintenance expenses are allocated at the portfolio level and are expensed as incurred.

Reinsurance Contracts
In the ordinary course of business, we cede reinsurance with other insurance companies in order 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. EDC has both facultative reinsurance policies, which provide coverage on specific policies and buyers, as well as treaty reinsurance policies which provide coverage on a group of policies and obligors.

Reinsurance contracts are accounted for in a manner consistent with the underlying direct insurance contracts. Reinsurance contracts on our political risk insurance policies are accounted for under the GMM, while all other reinsurance policies are accounted for under the PAA.

Reinsurance premiums are recognized as an expense over the coverage period of the underlying policies for our facultative reinsurance policies and over the coverage period of the reinsurance policy for our treaty reinsurance policies.

Transition
IFRS 17 has been adopted effective January 1, 2023. As required by the standard, we have adopted IFRS 17 retrospectively and have applied the full retrospective approach to all insurance contracts in force at the transition date of January 1, 2022. All reasonable and supportable information was available for contracts at the transition date and no material estimates or judgements were made in determining the transition adjustment.

EDC has recognized and measured each group of insurance contracts as if IFRS 17 had always applied and derecognized any existing balances that would not have existed under IFRS 17. As a result, an adjustment of $164 million to opening retained earnings as at January 1, 2022 was made to reflect the impact of the transition to IFRS 17. We have restated all comparative figures for the 2022 reporting periods to reflect the implementation of the standard.

New standards, amendments and interpretations issued but not yet in effect
The standards, amendments and interpretations issued but not yet in effect are disclosed in Note 2 of our audited consolidated financial statements for the year ended December 31, 2022.

There were no new standards, amendments or interpretations issued in the first three quarters of the year that would have a possible effect on the consolidated financial statements in the future.

Use of Estimates and Key Judgments

The preparation of financial statements requires the use of estimates and key judgments. Judgment is required in the selection of accounting policies, and their application requires the use of estimates and assumptions to arrive at the reported carrying values of our assets and liabilities. Other areas where management has made use of significant estimates and exercised judgment include allowance for credit losses, insurance contract liabilities, insurance service results, assets held for sale, retirement benefit plans and financial instruments measured at fair value. Refer to page 173 of our 2022 Integrated Annual Report and the section above on the application of new IFRS standards for additional details.

2. Loans and Allowance for Credit Losses

Loans Receivable

(in millions of Canadian dollars)	**Sep 2023**	Dec 2022
Gross loans receivable	**57,437**	54,193
Accrued interest and fees receivable	**535**	312
Deferred loan revenue and other	**(338)**	(323)
Total loans receivable	**$57,634**	$54,182

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

(in millions of Canadian dollars)	**2023**	2022
Balance January 1	**54,193**	48,437
Disbursements	**14,798**	13,669
Principal repayments	**(11,320)**	(11,378)
Principal recoveries from loan asset sales	**(235)**	(541)
Loans written off	**(29)**	(57)
Capitalized interest	**32**	11
Foreign exchange translation	**(2)**	1,089
Balance September 30	**$57,437**	$51,230

Exposure and Allowance by Credit Grade

	Non-credit-impaired		Credit-impaired	Sep 2023		Dec 2022	
(in millions of Canadian dollars)	**Stage 1**	**Stage 2**	**Stage 3**	**$**	**% of total**	$	% of total
Gross loans receivable							
Investment grade*	**22,734**	**5,490**	**-**	**28,224**	**49%**	26,164	48%
Non-investment grade	**17,829**	**9,798**	**-**	**27,627**	**48%**	26,352	49%
Individually impaired	**-**	**-**	**1,183**	**1,183**	**2%**	1,253	2%
Originated credit-impaired	**-**	**193**	**210**	**403**	**1%**	424	1%
Gross loans receivable	**40,563**	**15,481**	**1,393**	**57,437**	**100%**	54,193	100%
Allowance for losses	**192**	**608**	**760**	**1,560**		1,630	
Net carrying value - loans receivable	**$40,371**	**$14,873**	**$633**	**$55,877**		$52,563	
Loan commitments							
Investment grade*	**3,788**	**1,110**	**-**	**4,898**	**42%**	5,582	49%
Non-investment grade	**5,121**	**1,573**	**-**	**6,694**	**58%**	5,763	51%
Total loan commitments	**8,909**	**2,683**	**$-**	**11,592**	**100%**	11,345	100%
Allowance for losses	**13**	**17**	**-**	**30**		10	
Net carrying value - loan commitments	**$8,896**	**$2,666**	**$-**	**$11,562**		$11,335	
Loan guarantees							
Investment grade*	**197**	**8**	**-**	**205**	**4%**	312	7%
Non-investment grade	**4,089**	**883**	**-**	**4,972**	**92%**	3,992	90%
Individually impaired	**-**	**-**	**206**	**206**	**4%**	114	3%
Total loan guarantees	**4,286**	**891**	**206**	**5,383**	**100%**	4,418	100%
Allowance for losses	**95**	**74**	**151**	**320**		200	
Net carrying value - loan guarantees	**$4,191**	**$817**	**$55**	**$5,063**		$4,218	

**Investment grade exposure represents obligors with credit ratings of BBB- and above, as determined based on our internal credit risk rating methodology. Exposures are presented before the effects of any risk-mitigation strategies.*

Allowance for Losses

Changes to the allowance for losses on loans receivable, loan commitments and loan guarantees as at and for the three months ended September 30 were as follows:

(in millions of Canadian dollars)	**Stage 1**	**Stage 2**	**Stage 3**	**Sep 2023 Total**	Stage 1	Stage 2	Stage 3	Sep 2022 Total
Allowance for losses on loans receivable								
Balance beginning of period	**160**	**542**	**748**	**1,450**	178	1,060	792	2,030
Provision for (reversal of) credit losses								
Transfer to stage 1	**36**	**(36)**	**-**	**-**	64	(64)	-	-
Transfer to stage 2	**(27)**	**27**	**-**	**-**	(28)	28	-	-
Remeasurements	**2**	**96**	**22**	**120**	(21)	(96)	14	(103)
New originations	**30**	**3**	**5**	**38**	28	25	14	67
Net repayments and maturities	**(10)**	**(28)**	**(22)**	**(60)**	(15)	(46)	(103)	(164)
Total provision for (reversal of) credit losses	**31**	**62**	**5**	**98**	28	(153)	(75)	(200)
Write-offs	**-**	**-**	**(6)**	**(6)**	-	-	10	10
Foreign exchange translation	**1**	**4**	**13**	**18**	5	19	36	60
Balance end of period	**192**	**608**	**760**	**1,560**	211	926	763	1,900
Allowance for losses on loan commitments								
Balance beginning of period	**17**	**13**	**-**	**30**	5	8	7	20
Provision for (reversal of) credit losses								
Transfer to stage 1	**10**	**(10)**	**-**	**-**	-	-	-	-
Transfer to stage 2	**(4)**	**4**	**-**	**-**	(1)	1	-	-
Remeasurements	**(14)**	**11**	**-**	**(3)**	(3)	8	2	7
New originations	**4**	**-**	**-**	**4**	2	2	-	4
Net repayments and maturities	**-**	**(1)**	**-**	**(1)**	-	(2)	(9)	(11)
Total provision for (reversal of) credit losses	**(4)**	**4**	**-**	**-**	(2)	9	(7)	-
Balance end of period	**13**	**17**	**-**	**30**	3	17	-	20
Allowance for losses on loan guarantees								
Balance beginning of period	**79**	**58**	**123**	**260**	39	52	79	170
Provision for (reversal of) credit losses								
Transfer to stage 1	**11**	**(11)**	**-**	**-**	12	(12)	-	-
Transfer to stage 2	**(21)**	**25**	**(4)**	**-**	(22)	22	-	-
Transfer to stage 3	**(3)**	**(10)**	**13**	**-**	-	(2)	2	-
Remeasurements	**1**	**29**	**29**	**59**	(8)	2	17	11
New originations	**47**	**-**	**-**	**47**	37	-	2	39
Net repayments and maturities	**(19)**	**(17)**	**(11)**	**(47)**	3	(1)	(16)	(14)
Total provision for credit losses	**16**	**16**	**27**	**59**	22	9	5	36
Foreign exchange translation	**-**	**-**	**1**	**1**	2	2	-	4
Balance end of period	**95**	**74**	**151**	**320**	63	63	84	210
Total allowance for losses on loans receivable, loan commitments and loan guarantees	**\$300**	**\$699**	**\$911**	**\$1,910**	\$277	\$1,006	\$847	\$2,130

Changes to the allowance for losses on loans receivable, loan commitments and loan guarantees as at and for the nine months ended September 30 were as follows:

(in millions of Canadian dollars)	**Stage 1**	**Stage 2**	**Stage 3**	**Sep 2023 Total**	Stage 1	Stage 2	Stage 3	Sep 2022 Total
Allowance for losses on loans receivable								
Balance beginning of period	**246**	**683**	**701**	**1,630**	54	821	885	1,760
Provision for (reversal of) credit losses								
Transfer to stage 1	**106**	**(106)**	**-**	**-**	161	(161)	-	-
Transfer to stage 2	**(71)**	**71**	**-**	**-**	(45)	51	(6)	-
Remeasurements	**(129)**	**16**	**94**	**(19)**	14	310	38	362
New originations	**76**	**49**	**23**	**148**	45	45	22	112
Net repayments and maturities	**(36)**	**(104)**	**(40)**	**(180)**	(23)	(142)	(189)	(354)
Total provision for (reversal of) credit losses	**(54)**	**(74)**	**77**	**(51)**	152	103	(135)	120
Write-offs	**-**	**-**	**(22)**	**(22)**	-	(1)	(30)	(31)
Foreign exchange translation	**-**	**(1)**	**4**	**3**	5	3	43	51
Balance end of period	**192**	**608**	**760**	**1,560**	211	926	763	1,900
Allowance for losses on loan commitments								
Balance beginning of period	**10**	**-**	**-**	**10**	2	12	6	20
Provision for (reversal of) credit losses								
Transfer to stage 1	**11**	**(11)**	**-**	**-**	2	(2)	-	-
Transfer to stage 2	**(6)**	**6**	**-**	**-**	(3)	3	-	-
Remeasurements	**(21)**	**22**	**1**	**2**	(1)	3	6	8
New originations	**21**	**1**	**1**	**23**	4	3	-	7
Net repayments and maturities	**(1)**	**(1)**	**(2)**	**(4)**	(1)	(2)	(12)	(15)
Total provision for (reversal of) credit losses	**4**	**17**	**-**	**21**	1	5	(6)	-
Foreign exchange translation	**(1)**	**-**	**-**	**(1)**	-	-	-	-
Balance end of period	**13**	**17**	**-**	**30**	3	17	-	20
Allowance for losses on loan guarantees								
Balance beginning of period	**82**	**39**	**79**	**200**	30	19	81	130
Provision for (reversal of) credit losses								
Transfer to stage 1	**33**	**(33)**	**-**	**-**	25	(25)	-	-
Transfer to stage 2	**(50)**	**54**	**(4)**	**-**	(35)	38	(3)	-
Transfer to stage 3	**(5)**	**(14)**	**19**	**-**	-	(2)	2	-
Remeasurements	**(49)**	**54**	**78**	**83**	(22)	28	34	40
New originations	**104**	**-**	**-**	**104**	72	-	2	74
Net repayments and maturities	**(20)**	**(26)**	**(21)**	**(67)**	(8)	3	(32)	(37)
Total provision for credit losses	**13**	**35**	**72**	**120**	32	42	3	77
Foreign exchange translation	**-**	**-**	**-**	**-**	1	2	-	3
Balance end of period	**95**	**74**	**151**	**320**	63	63	84	210
Total allowance for losses on loans receivable, loan commitments and loan guarantees	**$300**	**$699**	**$911**	**$1,910**	$277	$1,006	$847	$2,130

Financing Commitments

The following table shows our outstanding financing commitments by type:

(in millions of Canadian dollars)	**Sep 2023**	Dec 2022
Signed loan commitments	**11,592**	11,345
Letters of offer	**2,748**	2,148
Unallocated confirmed lines of credit	**123**	98
Total financing commitments	**$14,463**	$13,591

3. Insurance Contract Liabilities

The following tables provide a breakdown of our insurance contract liabilities and reinsurance contract assets by portfolio:

Insurance Contract Liabilities

(in millions of Canadian dollars)				**Sep 2023**				Dec 2022
	Liabilities for remaining coverage				Liabilities for remaining coverage			
	Excluding loss component	**Loss component**	**Liabilities for incurred claims**	**Insurance contract liabilities**	Excluding loss component	Loss component	Liabilities for incurred claims	Insurance contract liabilities
Credit insurance*	**(22)**	**27**	**153**	**158**	(20)	18	120	118
International trade guarantees	**81**	**31**	**4**	**116**	84	27	89	200
Political risk insurance	**24**	**33**	**-**	**57**	28	42	-	70
Total	**$83**	**$91**	**$157**	**$331**	$92	$87	$209	$388

**Includes insurance contract liabilities related to financial institutions insurance of $1 million (2022 - $3 million).*

Reinsurance Contract Assets

(in millions of Canadian dollars)				**Sep 2023**				Dec 2022
	Assets for remaining coverage				Assets for remaining coverage			
	Excluding loss-recovery component	**Loss-recovery component**	**Assets for incurred claims**	**Reinsurance contract assets**	Excluding loss-recovery component	Loss-recovery component	Assets for incurred claims	Reinsurance contract assets
International trade guarantees	**7**	**-**	**-**	**7**	6	-	-	6
Political risk insurance	**27**	**11**	**(7)**	**31**	32	11	-	43
Treaty reinsurance	**(2)**	**-**	**26**	**24**	(2)	-	13	11
Total	**$32**	**$11**	**$19**	**$62**	$36	$11	$13	$60

Changes to the insurance contract liabilities and reinsurance contract assets as at and for the three months ended September 30 were as follows:

Insurance Contracts

(in millions of Canadian dollars)						**Sep 2023**
	Liabilities for remaining coverage		**Liabilities for incurred claims**			
				Contracts under PAA		
	Excluding loss component	**Loss component**	**Contracts not under PAA**	**Estimates of present value of future cash flows**	**Risk adjustment**	**Total**
Balance beginning of period	**91**	**83**	**-**	**139**	**13**	**326**
Insurance revenue	**(81)**	**-**	**-**	**-**	**-**	**(81)**
Insurance service expenses:						
Incurred claims and other expenses	**-**	**-**	**-**	**58**	**2**	**60**
(Reversal of) losses on onerous contracts	**-**	**5**	**-**	**-**	**-**	**5**
Amortization of acquisition cash flows*	**4**	**-**	**-**	**-**	**-**	**4**
Changes to the liabilities for incurred claims	**-**	**-**	**(9)**	**(17)**	**(1)**	**(27)**
Insurance service result	**(77)**	**5**	**(9)**	**41**	**1**	**(39)**
Net finance expenses	**-**	**1**	**-**	**1**	**-**	**2**
Foreign exchange translation	**(2)**	**2**	**-**	**4**	**-**	**4**
Total changes in net income	**(79)**	**8**	**(9)**	**46**	**1**	**(33)**
Premiums received	**75**	**-**	**-**	**-**	**-**	**75**
Claims and other expenses paid	**-**	**-**	**9**	**(42)**	**-**	**(33)**
Acquisition cash flows	**(4)**	**-**	**-**	**-**	**-**	**(4)**
Total cash flows	**71**	**-**	**9**	**(42)**	**-**	**38**
Balance end of period	**$83**	**$91**	**$-**	**$143**	**$14**	**$331**

** Insurance acquisition cash flows related to credit insurance were $8 million for the three months ended September 30, 2023 (2022 - $10 million) and expensed as incurred.*

(in millions of Canadian dollars)						Sep 2022
	Liabilities for remaining coverage		Liabilities for incurred claims			
				Contracts under PAA		
	Excluding loss component	Loss component	Contracts not under PAA	Estimates of present value of future cash flows	Risk adjustment	Total
Balance beginning of period	68	70	-	221	18	377
Insurance revenue	(74)	-	-	-	-	(74)
Insurance service expenses:						
Incurred claims and other expenses	-	-	-	41	1	42
(Reversal of) losses on onerous contracts	-	3	-	-	-	3
Amortization of acquisition cash flows	4	-	-	-	-	4
Changes to the liabilities for incurred claims	-	-	6	(12)	(1)	(7)
Insurance service result	(70)	3	6	29	-	(32)
Net finance expenses	1	-	-	-	-	1
Foreign exchange translation	(3)	4	-	12	1	14
Total changes in net income	(72)	7	6	41	1	(17)
Premiums received	73	-	-	-	-	73
Claims and other expenses paid	-	-	(6)	(31)	-	(37)
Acquisition cash flows	(5)	-	-	-	-	(5)
Total cash flows	68	-	(6)	(31)	-	31
Balance end of period	$64	$77	$-	$231	$19	$391

Reinsurance Contracts

(in millions of Canadian dollars)					**Sep 2023**
	Assets for remaining coverage		**Assets for incurred claims**		
			Estimates of present value of future cash flows		
	Excluding loss-recovery component	**Loss-recovery component**	**Contracts under GMM**	**Contracts under PAA**	**Total**
Balance beginning of period	**34**	**10**	**16**	**24**	**84**
Allocation of reinsurance premiums paid	**(8)**	**-**	**-**	**-**	**(8)**
Recoveries of incurred claims	**-**	**-**	**-**	**1**	**1**
Recoveries of losses on onerous underlying contracts	**-**	**(3)**	**-**	**-**	**(3)**
Adjustments to assets for incurred claims	**-**	**-**	**(6)**	**-**	**(6)**
Reinsurance service expenses	**(8)**	**(3)**	**(6)**	**1**	**(16)**
Net finance expenses	**-**	**1**	**(1)**	**-**	**-**
Foreign exchange translation	**(2)**	**3**	**(2)**	**1**	**-**
Total changes in net income	**(10)**	**1**	**(9)**	**2**	**(16)**
Reinsurance premiums paid	**8**	**-**	**-**	**-**	**8**
Claims recovered	**-**	**-**	**(14)**	**-**	**(14)**
Total cash flows	**8**	**-**	**(14)**	**-**	**(6)**
Balance end of period	**$32**	**$11**	**$(7)**	**$26**	**$62**

(in millions of Canadian dollars)					Sep 2022
	Assets for remaining coverage		Assets for incurred claims		
			Estimates of present value of future cash flows		
	Excluding loss-recovery component	Loss-recovery component	Contracts under GMM	Contracts under PAA	Total
Balance beginning of period	33	14	-	18	65
Allocation of reinsurance premiums paid	(8)	-	-	-	(8)
Recoveries of losses on onerous underlying contracts	-	(1)	-	-	(1)
Adjustments to assets for incurred claims	-	-	(1)	-	(1)
Reinsurance service expenses	(8)	(1)	(1)	-	(10)
Foreign exchange translation	(1)	-	1	1	1
Total changes in net income	(9)	(1)	-	1	(9)
Reinsurance premiums paid	9	-	-	-	9
Total cash flows	9	-	-	-	9
Balance end of period	$33	$13	$-	$19	$65

Changes to the insurance contract liabilities and reinsurance contract assets as at and for the nine months ended September 30 were as follows:

Insurance Contracts

(in millions of Canadian dollars)

	Liabilities for remaining coverage		Liabilities for incurred claims			Sep 2023
				Contracts under PAA		
	Excluding loss component	**Loss component**	**Contracts not under PAA**	**Estimates of present value of future cash flows**	**Risk adjustment**	**Total**
Balance beginning of period	**92**	**87**	**-**	**193**	**16**	**388**
Insurance revenue	**(241)**	**-**	**-**	**-**	**-**	**(241)**
Insurance service expenses:						
Incurred claims and other expenses	**-**	**-**	**12**	**150**	**5**	**167**
(Reversal of) losses on onerous contracts	**-**	**2**	**-**	**-**	**-**	**2**
Amortization of acquisition cash flows*	**13**	**-**	**-**	**-**	**-**	**13**
Changes to the liabilities for incurred claims	**-**	**-**	**5**	**(10)**	**(7)**	**(12)**
Insurance service result	**(228)**	**2**	**17**	**140**	**(2)**	**(71)**
Net finance expenses	**1**	**3**	**-**	**-**	**-**	**4**
Foreign exchange translation	**-**	**(1)**	**-**	**(1)**	**-**	**(2)**
Total changes in net income	**(227)**	**4**	**17**	**139**	**(2)**	**(69)**
Premiums received	**231**	**-**	**-**	**-**	**-**	**231**
Claims and other expenses paid	**-**	**-**	**(17)**	**(189)**	**-**	**(206)**
Acquisition cash flows	**(13)**	**-**	**-**	**-**	**-**	**(13)**
Total cash flows	**218**	**-**	**(17)**	**(189)**	**-**	**12**
Balance end of period	**$83**	**$91**	**$-**	**$143**	**$14**	**$331**

** Insurance acquisition cash flows related to credit insurance were $24 million for the nine months ended September 30, 2023 (2022 - $27 million) and expensed as incurred.*

(in millions of Canadian dollars)

	Liabilities for remaining coverage		Liabilities for incurred claims			Sep 2022
				Contracts under PAA		
	Excluding loss component	Loss component	Contracts not under PAA	Estimates of present value of future cash flows	Risk adjustment	Total
Balance beginning of period	72	80	(5)	246	19	412
Insurance revenue	(214)	-	-	-	-	(214)
Insurance service expenses:						
Incurred claims and other expenses	-	-	1	137	4	142
(Reversal of) losses on onerous contracts	-	(4)	-	-	-	(4)
Amortization of acquisition cash flows	12	-	-	-	-	12
Changes to the liabilities for incurred claims	-	-	(9)	(77)	(5)	(91)
Insurance service result	(202)	(4)	(8)	60	(1)	(155)
Net finance expenses	1	(3)	-	-	-	(2)
Foreign exchange translation	(5)	4	-	15	1	15
Total changes in net income	(206)	(3)	(8)	75	-	(142)
Premiums received	211	-	-	-	-	211
Claims and other expenses paid	-	-	13	(90)	-	(77)
Acquisition cash flows	(13)	-	-	-	-	(13)
Total cash flows	198	-	13	(90)	-	121
Balance end of period	$64	$77	$-	$231	$19	$391

Reinsurance Contracts

(in millions of Canadian dollars)					**Sep 2023**
	Assets for remaining coverage		**Assets for incurred claims**		
			Estimates of present value of future cash flows		
	Excluding loss-recovery component	**Loss-recovery component**	**Contracts under GMM**	**Contracts under PAA**	**Total**
Balance beginning of period	**36**	**11**	**-**	**13**	**60**
Allocation of reinsurance premiums paid	**(29)**	**-**	**-**	**-**	**(29)**
Recoveries of incurred claims	**-**	**-**	**-**	**1**	**1**
Recoveries of losses on onerous underlying contracts	**-**	**(1)**	**-**	**-**	**(1)**
Adjustments to assets for incurred claims	**-**	**-**	**8**	**12**	**20**
Reinsurance service expenses	**(29)**	**(1)**	**8**	**13**	**(9)**
Net finance expenses	**1**	**1**	**-**	**-**	**2**
Foreign exchange translation	**-**	**-**	**(1)**	**-**	**(1)**
Total changes in net income	**(28)**	**-**	**7**	**13**	**(8)**
Reinsurance premiums paid	**24**	**-**	**-**	**-**	**24**
Claims recovered	**-**	**-**	**(14)**	**-**	**(14)**
Total cash flows	**24**	**-**	**(14)**	**-**	**10**
Balance end of period	**$32**	**$11**	**$(7)**	**$26**	**$62**

(in millions of Canadian dollars)					Sep 2022
	Assets for remaining coverage		Assets for incurred claims		
			Estimates of present value of future cash flows		
	Excluding loss-recovery component	Loss-recovery component	Contracts under GMM	Contracts under PAA	Total
Balance beginning of period	31	17	(2)	18	64
Allocation of reinsurance premiums paid	(24)	-	-	-	(24)
Recoveries of losses on onerous underlying contracts	-	(4)	-	-	(4)
Adjustments to assets for incurred claims	-	-	(4)	-	(4)
Reinsurance service expenses	(24)	(4)	(4)	-	(32)
Foreign exchange translation	(1)	-	1	1	1
Total changes in net income	(25)	(4)	(3)	1	(31)
Reinsurance premiums paid	27	-	-	-	27
Claims recovered	-	-	5	-	5
Total cash flows	27	-	5	-	32
Balance end of period	$33	$13	$-	$19	$65

Changes to each measurement component of insurance contract liabilities and reinsurance contract assets not measured under the premium allocation approach as at and for the three months ended September 30 were as follows:

Insurance Contracts

(in millions of Canadian dollars)			Sep 2023					Sep 2022
	Estimates of present value of future cash flows	**Risk adjustment**	**Contractual service margin**	**Total**	Estimates of present value of future cash flows	Risk adjustment	Contractual service margin	Total
Balance beginning of period	**35**	**8**	**19**	**62**	44	9	22	75
Changes that relate to current services:								
Contractual service margin recognized	**-**	**-**	**(1)**	**(1)**	-	-	(1)	(1)
Release of expired risk adjustment	**-**	**-**	**-**	**-**	-	(1)	-	(1)
Experience adjustments	**(3)**	**-**	**-**	**(3)**	(4)	-	-	(4)
Changes that relate to future services:								
Changes in estimates on onerous contracts	**1**	**-**	**-**	**1**	(2)	-	-	(2)
Changes in estimates that adjust the contractual service margin	**1**	**-**	**(1)**	**-**	1	-	(1)	-
Changes that relate to past services:								
Changes to the liabilities for incurred claims	**(9)**	**-**	**-**	**(9)**	6	-	-	6
Insurance service result	**(10)**	**-**	**(2)**	**(12)**	1	(1)	(2)	(2)
Net finance expenses	**-**	**-**	**1**	**1**	-	-	-	-
Foreign exchange translation	**-**	**-**	**-**	**-**	1	1	1	3
Total changes in net income	**(10)**	**-**	**(1)**	**(11)**	2	-	(1)	1
Premiums received	**(3)**	**-**	**-**	**(3)**	-	-	-	-
Claims and other insurance service expenses paid	**10**	**-**	**-**	**10**	(6)	-	-	(6)
Total cash flows	**7**	**-**	**-**	**7**	(6)	-	-	(6)
Balance end of period	**$32**	**$8**	**$18**	**$58**	$40	$9	$21	$70

Reinsurance Contracts

(in millions of Canadian dollars)			**Sep 2023**					Sep 2022
	Estimates of present value of future cash flows	**Risk adjustment**	**Contractual service margin**	**Total**	Estimates of present value of future cash flows	Risk adjustment	Contractual service margin	Total
Balance beginning of period	**43**	**1**	**12**	**56**	27	2	14	43
Changes that relate to current services:								
Contractual service margin recognized	**-**	**-**	**(1)**	**(1)**	-	-	(1)	(1)
Experience adjustments	**(2)**	**-**	**-**	**(2)**	(1)	-	-	(1)
Changes that relate to future services:								
Changes in estimates on onerous contracts	**(3)**	**-**	**-**	**(3)**	(1)	-	-	(1)
Changes in estimates that adjust the contractual service margin	**(1)**	**-**	**1**	**-**	(1)	-	-	(1)
Changes that relate to past services:								
Changes to the liabilities for incurred claims	**(7)**	**1**	**-**	**(6)**	-	-	-	-
Insurance service result	**(13)**	**1**	**-**	**(12)**	(3)	-	(1)	(4)
Net finance expenses	**-**	**-**	**-**	**-**	1	-	-	1
Foreign exchange translation	**-**	**-**	**1**	**1**	1	-	1	2
Claims recovered	**(14)**	**-**	**-**	**(14)**	-	-	-	-
Total cash flows	**(14)**	**-**	**-**	**(14)**	-	-	-	-
Balance end of period	**$16**	**$2**	**$13**	**$31**	$26	$2	$14	$42

Changes to each measurement component of insurance contract liabilities and reinsurance contract assets not measured under the premium allocation approach as at and for the nine months ended September 30 were as follows:

Insurance Contracts

(in millions of Canadian dollars)				**Sep 2023**				Sep 2022
	Estimates of present value of future cash flows	**Risk adjustment**	**Contractual service margin**	**Total**	Estimates of present value of future cash flows	Risk adjustment	Contractual service margin	Total
Balance beginning of period	**45**	**9**	**23**	**77**	45	12	24	81
Changes that relate to current services:								
Contractual service margin recognized	**-**	**-**	**(5)**	**(5)**	-	-	(4)	(4)
Release of expired risk adjustment	**-**	**(1)**	**-**	**(1)**	-	(2)	-	(2)
Experience adjustments	**-**	**-**	**-**	**-**	(12)	-	-	(12)
Changes that relate to future services:								
Changes in estimates on onerous contracts	**(2)**	**(1)**	**-**	**(3)**	(5)	(1)	-	(6)
Changes in estimates that adjust the contractual service margin	**-**	**-**	**(1)**	**(1)**	2	(1)	(1)	-
Changes that relate to past services:								
Changes to the liabilities for incurred claims	**4**	**1**	**-**	**5**	(9)	-	-	(9)
Insurance service result	**2**	**(1)**	**(6)**	**(5)**	(24)	(4)	(5)	(33)
Net finance expenses	**1**	**-**	**1**	**2**	(1)	-	1	-
Foreign exchange translation	**-**	**-**	**-**	**-**	1	1	1	3
Total changes in net income	**3**	**(1)**	**(5)**	**(3)**	(24)	(3)	(3)	(30)
Premiums received	**-**	**-**	**-**	**-**	6	-	-	6
Claims and other insurance service expenses paid	**(16)**	**-**	**-**	**(16)**	13	-	-	13
Total cash flows	**(16)**	**-**	**-**	**(16)**	19	-	-	19
Balance end of period	**$32**	**$8**	**$18**	**$58**	$40	$9	$21	$70

Reinsurance Contracts

(in millions of Canadian dollars)			**Sep 2023**					Sep 2022
	Estimates of present value of future cash flows	**Risk adjustment**	**Contractual service margin**	**Total**	Estimates of present value of future cash flows	Risk adjustment	Contractual service margin	Total
Balance beginning of period	**28**	**2**	**13**	**43**	28	2	14	44
Changes that relate to current services:								
Contractual service margin recognized	**-**	**-**	**(3)**	**(3)**	-	-	(3)	(3)
Release of expired risk adjustment	**-**	**(1)**	**-**	**(1)**	-	-	-	-
Experience adjustments	**(5)**	**-**	**1**	**(4)**	(5)	-	1	(4)
Changes that relate to future services:								
Changes in estimates on onerous contracts	**-**	**-**	**-**	**-**	(2)	-	-	(2)
Changes in estimates that adjust the contractual service margin	**(1)**	**-**	**1**	**-**	(1)	-	1	-
Changes that relate to past services:								
Changes to the liabilities for incurred claims	**7**	**1**	**-**	**8**	(4)	-	-	(4)
Insurance service result	**1**	**-**	**(1)**	**-**	(12)	-	(1)	(13)
Net finance expenses	**1**	**-**	**-**	**1**	-	-	-	-
Foreign exchange translation	**-**	**-**	**1**	**1**	1	-	1	2
Change in net income	**2**	**-**	**-**	**2**	(11)	-	-	(11)
Reinsurance premiums paid	**-**	**-**	**-**	**-**	4	-	-	4
Claims recovered	**(14)**	**-**	**-**	**(14)**	5	-	-	5
Total cash flows	**(14)**	**-**	**-**	**(14)**	9	-	-	9
Balance end of period	**$16**	**$2**	**$13**	**$31**	$26	$2	$14	$42

4. Contingent Liabilities

As explained on page 199 of the 2022 Integrated Annual Report, we are subject to a limit imposed by the Export Development Act on our contingent liability arrangements. The limit is currently $90 billion and our position against this limit is $39.9 billion as at September 30, 2023 (December 2022 - $37.1 billion).

5. Share Capital

EDC's authorized share capital is $15.0 billion consisting of 150 million shares with a par value of $100 each. As agreed to with our shareholder, for 2022 onwards dividends and/or special dividends will be paid by way of a share buyback until such time that our share capital returns to pre-pandemic levels. In 2023, we are not planning on repurchasing any shares. In the first three quarters of 2022, we repurchased 38.1 million shares at a price of $100 per share for a total of $3.81 billion based on the capital position of our core programs, the Business Credit Availability Program (BCAP) programs and a targeted Internal Capital Adequacy Assessment Process (ICAAP) ratio. The number of shares issued and fully paid at the end of the quarter is 84.9 million (2022 – 84.9 million).

6. Fair Value of Financial Instruments

Fair value represents our estimation of the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. For a full description of our controls, policies and valuation techniques surrounding fair value of financial instruments refer to Note 21 on page 206 of the 2022 Integrated Annual Report.

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 the process of assessing the fair value for certain investment instruments, estimates determined in a manner consistent with industry practice are employed in the models which cannot be directly observed in the market. The methodologies and values derived from these models were relatively unchanged at the end of the third quarter of 2023 from what was disclosed in the 2022 Integrated Annual Report.

Fair Value Hierarchy

The following table presents the fair value hierarchy of our financial instruments 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); and
- *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)				**Sep 2023**						Dec 2022
	Level 1	**Level 2**	**Level 3**	**Total Fair Value**	**Carrying Value**	Level 1	Level 2	Level 3	Total Fair Value	Carrying Value
Assets										
Performing fixed rate loans	**-**	**10,391**	**1,350**	**11,741**	**13,074**	-	10,068	1,476	11,544	12,785
Performing floating rate loans	**-**	**42,366**	**686**	**43,052**	**42,382**	-	38,618	368	38,986	38,820
Total performing loans receivable	**-**	**52,757**	**2,036**	**54,793**	**55,456**	-	48,686	1,844	50,530	51,605
Impaired loans	**-**	**618**	**-**	**618**	**618**	-	947	-	947	947
Loans receivable and accrued interest and fees	**-**	**53,375**	**2,036**	**55,411**	**56,074**	-	49,633	1,844	51,477	52,552
Marketable securities	**4,669**	**5,957**	**-**	**10,626**	**10,626**	4,464	5,075	-	9,539	9,539
Derivative instruments	**-**	**1,922**	**-**	**1,922**	**1,922**	-	1,654	-	1,654	1,654
Investments	**53**	**-**	**3,102**	**3,155**	**3,155**	86	-	2,685	2,771	2,771
Other assets	**212**	**-**	**-**	**212**	**212**	141	-	-	141	141
Liabilities										
Accounts payable and other credits	**212**	**-**	**-**	**212**	**212**	150	-	-	150	150
Loans payable	**-**	**55,121**	**-**	**55,121**	**55,121**	-	50,567	-	50,567	50,568
Derivative instruments	**-**	**3,563**	**-**	**3,563**	**3,563**	-	3,712	-	3,712	3,712
Loan guarantees	**-**	**354**	**-**	**354**	**361**	-	212	-	212	234

**Prior period amounts have been restated to reflect the implementation of IFRS 17.*

Changes in valuation methods may result in transfers into or out of Levels 1, 2 and 3. In the first nine months of 2023, there were no transfers between levels as a result of changes in valuation methods.

The following table is a year to date reconciliation of Level 3 fair values for the current year and prior year comparative period for the investments carried at fair value:

(in millions of Canadian dollars)	**Sep 2023**	Sep 2022
Balance beginning of year	**2,685**	2,373
Unrealized gains (losses) included in other (income) expenses	**31**	(95)
Purchases of assets	**552**	470
Return of capital	**(171)**	(304)
Transfer out of Level 3	**-**	(1)
Foreign exchange translation	**5**	102
Balance end of period	**$3,102**	$2,545
Total gains (losses) for the first nine months of the year included in comprehensive income for instruments held at the end of the quarter	**$64**	$(365)

7. Financial Instrument Risks

The principal risks that we are exposed to as a result of holding financial instruments are credit, market and liquidity risk. For a full description of our objectives, policies and processes for managing financial instrument risk refer to management's discussion and analysis on pages 146 to 150 and notes related to our derivative instruments and debt instruments on pages 194 to 196 of the 2022 Integrated Annual Report.

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.

Concentration of Credit Risk

The following table provides a breakdown, by the country in which the risk resides, of the maximum exposure to credit risk of financial instruments. The exposure includes gross loans receivable, loan guarantees, investments, marketable securities, derivative assets and cash. The concentration of credit risk exposure provided below also includes the impact of unfunded loan participations and loan default insurance, which we use to mitigate credit risk within the loan portfolio.

(in millions of Canadian dollars)		**Sep 2023 Exposure**		Dec 2022 Exposure
Country	$	%	$	%
United States	**16,945**	**22**	15,102	21
Canada	**15,434**	**20**	15,298	21
Chile	**7,013**	**9**	5,964	8
United Kingdom	**7,266**	**9**	7,390	10
Australia	**5,336**	**7**	4,766	7
Germany	**2,831**	**4**	2,680	4
India	**2,533**	**3**	2,228	3
Mexico	**2,202**	**3**	1,919	3
Spain	**1,679**	**2**	1,789	2
China	**1,348**	**2**	1,550	2
Other	**16,142**	**19**	14,164	19
Total	**$78,729**	**100**	$72,850	100

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

(in millions of Canadian dollars)		**Sep 2023 Exposure**		Dec 2022 Exposure
Sector	**$**	**%**	$	%
Commercial:				
Transportation and storage	**14,015**	**18**	14,716	20
Finance and insurance	**11,389**	**14**	10,566	15
Utilities	**11,101**	**14**	9,387	13
Manufacturing	**9,878**	**12**	8,797	12
Resources	**7,724**	**10**	6,345	9
Information	**5,974**	**8**	5,226	7
Wholesale and retail trade	**2,847**	**4**	2,680	4
Professional services	**2,518**	**3**	2,232	3
Commercial Properties	**2,354**	**3**	2,423	3
Construction	**713**	**1**	882	1
Other	**2,171**	**3**	1,763	2
Total commercial	**70,684**	**90**	65,017	89
Sovereign	**8,045**	**10**	7,833	11
Total	**$78,729**	**100**	$72,850	100

8. Insurance Service Result

(in millions of Canadian dollars)	Three months ended							
				Sep 2023				Sep 2022
	Credit Insurance[1]	**International Trade Guarantees**	**Political Risk Insurance**	**Total**	Credit Insurance[1]	International Trade Guarantees	Political Risk Insurance	Total
Insurance Revenue	**36**	**43**	**2**	**81**	42	30	2	74
Insurance Expenses:								
Incurred claims and other expenses	**(43)**	**(17)**	**-**	**(60)**	(37)	(5)	-	(42)
Reversal of (losses on) onerous contracts	**(7)**	**1**	**1**	**(5)**	(7)	1	3	(3)
Acquisition expenses[2]	**(8)**	**(4)**	**-**	**(12)**	(10)	(4)	-	(14)
Changes to the liabilities for incurred claims	**8**	**10**	**9**	**27**	11	2	(6)	7
Insurance Service Result	**$(14)**	**$33**	**$12**	**$31**	($1)	$24	$(1)	$22

[1] *Includes total insurance service results related to financial institutions insurance of $1 million (2022 - $2 million).*

[2] *Acquisition expenses include $8 million of acquisition cash flows related to credit insurance the three months ended Sep 30, 2023 (2022 - $10 million) that were expensed as incurred.*

(in millions of Canadian dollars)	Nine months ended							
				Sep 2023				Sep 2022
	Credit Insurance[1]	**International Trade Guarantees**	**Political Risk Insurance**	**Total**	Credit Insurance[1]	International Trade Guarantees	Political Risk Insurance	Total
Insurance Revenue	**117**	**118**	**6**	**241**	118	90	6	214
Insurance Expenses:								
Incurred claims and other expenses	**(113)**	**(42)**	**(12)**	**(167)**	(114)	(27)	(1)	(142)
Reversal of (losses on) onerous contracts	**(9)**	**(4)**	**11**	**(2)**	(6)	(3)	13	4
Acquisition expenses[2]	**(25)**	**(12)**	**-**	**(37)**	(28)	(11)	-	(39)
Changes to the liabilities for incurred claims	**(13)**	**30**	**(5)**	**12**	69	13	9	91
Insurance Service Result	**$(43)**	**$90**	**$-**	**$47**	$39	$62	$27	$128

[1] *Includes total insurance service results related to financial institutions insurance of $5 million (2022 - $15 million).*

[2] *Acquisition expenses include $24 million of acquisition cash flows related to credit insurance the nine months ended September 30, 2023 (2022 - $27 million) that were expensed as incurred.*

9. Other (Income) Expenses

(in millions of Canadian dollars)	Three months ended		Nine months ended	
	Sep 2023	Sep 2022	**Sep 2023**	Sep 2022
Net realized (gains) losses				
Marketable securities	**11**	10	**42**	19
Derivatives	**(15)**	-	**(20)**	-
Investments	**22**	(25)	**3**	(64)
Sale of loan assets	**-**	-	**1**	13
Foreign exchange translation	**(9)**	(33)	**(26)**	(35)
Other	**(2)**	4	**5**	1
Total net realized (gains) losses	**7**	(44)	**5**	(66)
Net unrealized (gains) losses				
Loans payable	**(45)**	(839)	**(91)**	(1,659)
Investments	**(26)**	113	**(51)**	286
Derivatives	**(82)**	60	**(37)**	441
Marketable securities	**48**	135	**11**	413
Fair value adjustments on loan disbursements	**(1)**	-	**(7)**	-
Total net unrealized (gains) losses	**(106)**	(531)	**(175)**	(519)
Total	**$(99)**	$(575)	**$(170)**	$(585)

** Prior period amounts have been restated to reflect the implementation of IFRS 17.*

10. Administrative Expenses

	Three months ended		Nine months ended	
(in millions of Canadian dollars)	**Sep 2023**	Sep 2022	**Sep 2023**	Sep 2022
Salaries and benefits	**92**	84	**277**	245
Pension benefit expense	**3**	8	**7**	24
Other post-employment benefit and severance expense	**3**	4	**10**	12
Professional services	**29**	25	**75**	75
Systems costs	**14**	13	**44**	38
Occupancy	**6**	7	**20**	21
Information services	**5**	4	**18**	15
Amortization and depreciation	**6**	6	**16**	18
Marketing and communications	**4**	5	**12**	17
Travel, hospitality and conferences	**1**	1	**5**	2
Other	**5**	4	**15**	14
Total administrative expenses	**$168**	$161	**$499**	$481
Amounts attributed to insurance contracts	**(26)**	(33)	**(80)**	(95)
Total	**$142**	$128	**$419**	$386

11. Related Party Transactions

The Government of Canada is the sole shareholder of Export Development Canada. We enter into transactions with other government departments, agencies and Crown corporations and our Pension Plan in the normal course of business, under terms and conditions similar to those that apply to unrelated parties.

In 2021, EDC's subsidiary FinDev Canada received a $75.9 million Concessional Facility (CF) from Global Affairs Canada (GAC). The CF is an arrangement between GAC and FinDev Canada for the purpose of fulfilling the Government of Canada's Gender Smart COVID-19 Recovery Facility. FinDev Canada will hold, manage, administer, use and invest the funds received from GAC under the facility, and financial results related to the CF will be reported to GAC and consolidated with the financial statements of the Government of Canada.

Canada

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