The present and the future of Development Financial Institutions

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BDC
Entrepreneurs first

Canada

> Vision: Accelerate the success of entrepreneurs
  - SME Financing
  - Venture Capital
  - Consulting

> Total Assets: $20 Billions
> 30,000 clients
> 100+ business centres
> 2000 employees

Today’s Development Financial Institutions and Private Financial Institutions

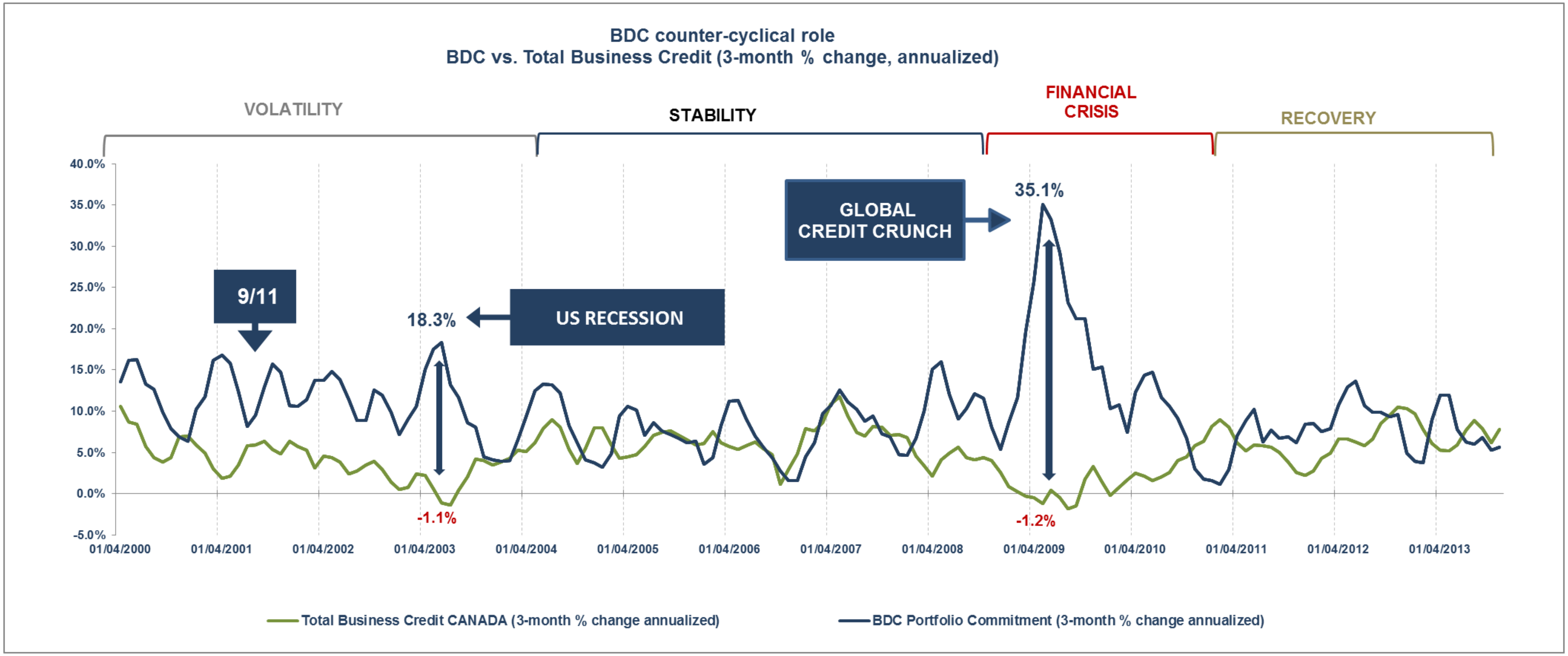
> Countercyclical role remains relevant

> Market gaps persist

> Cooperation or competition

> Globalization and the impact on the role of the DFIs

DFIs come through in challenging economic times



Source: Bank of Canada and BDC

Market gaps persist

> Start-up and young firms

> Light assets financing

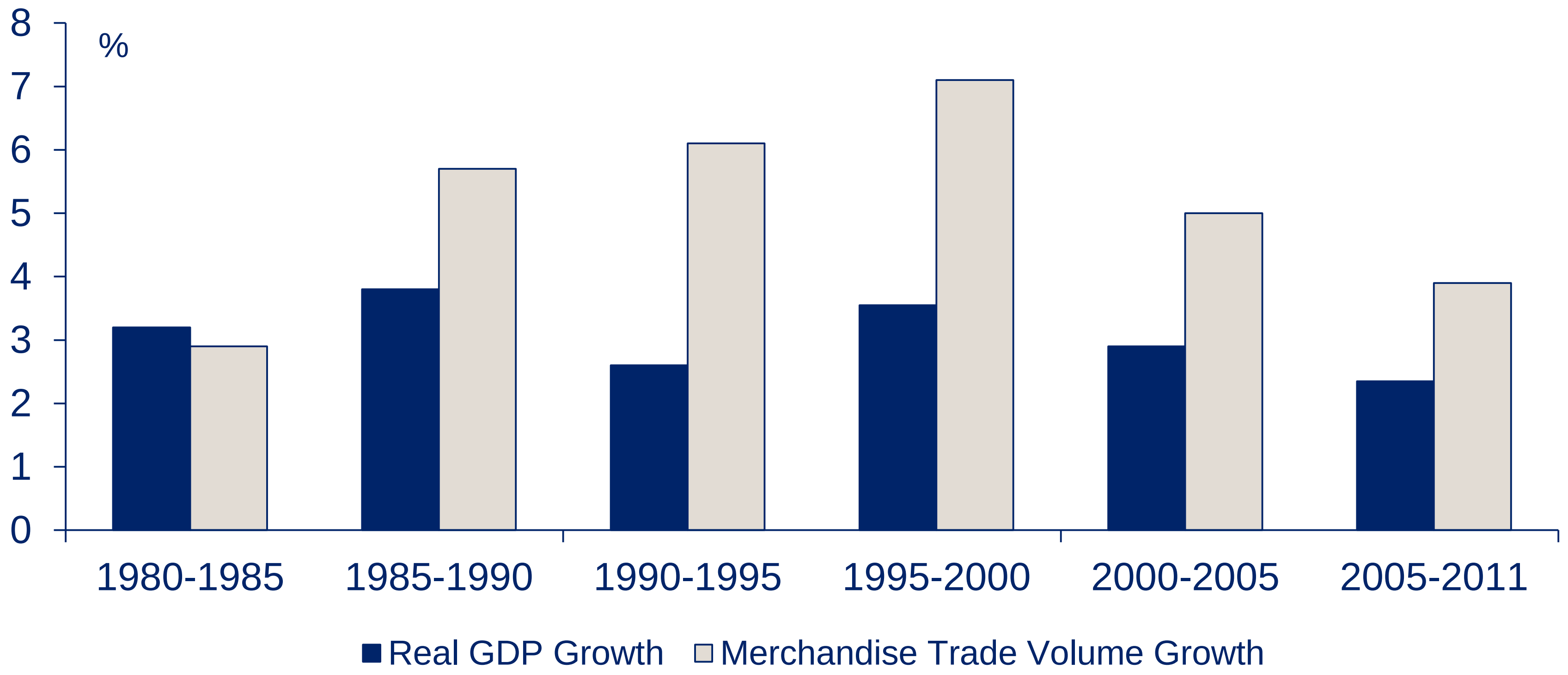
> High growth firms

Competition or Cooperation

- 20 % of BDC transactions are in partnership
  - Syndications
  - Pari passu
  - Loan referrals

Since 1980 world trade has grown faster than world output

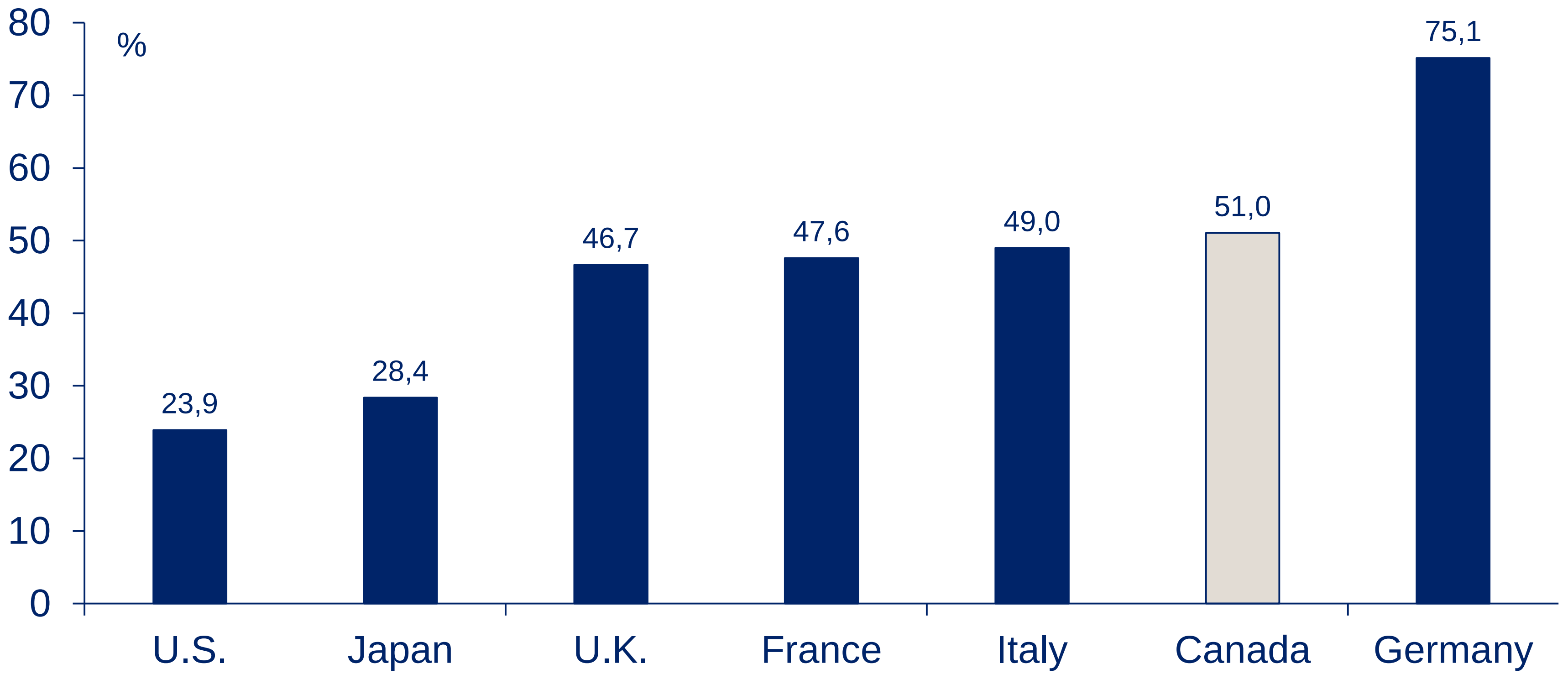
World merchandise trade volume* and real GDP, 1980-2011
(annual percent change)



•Merchandise trade refers to the average of exports and imports
•Source: The World Trade Organization

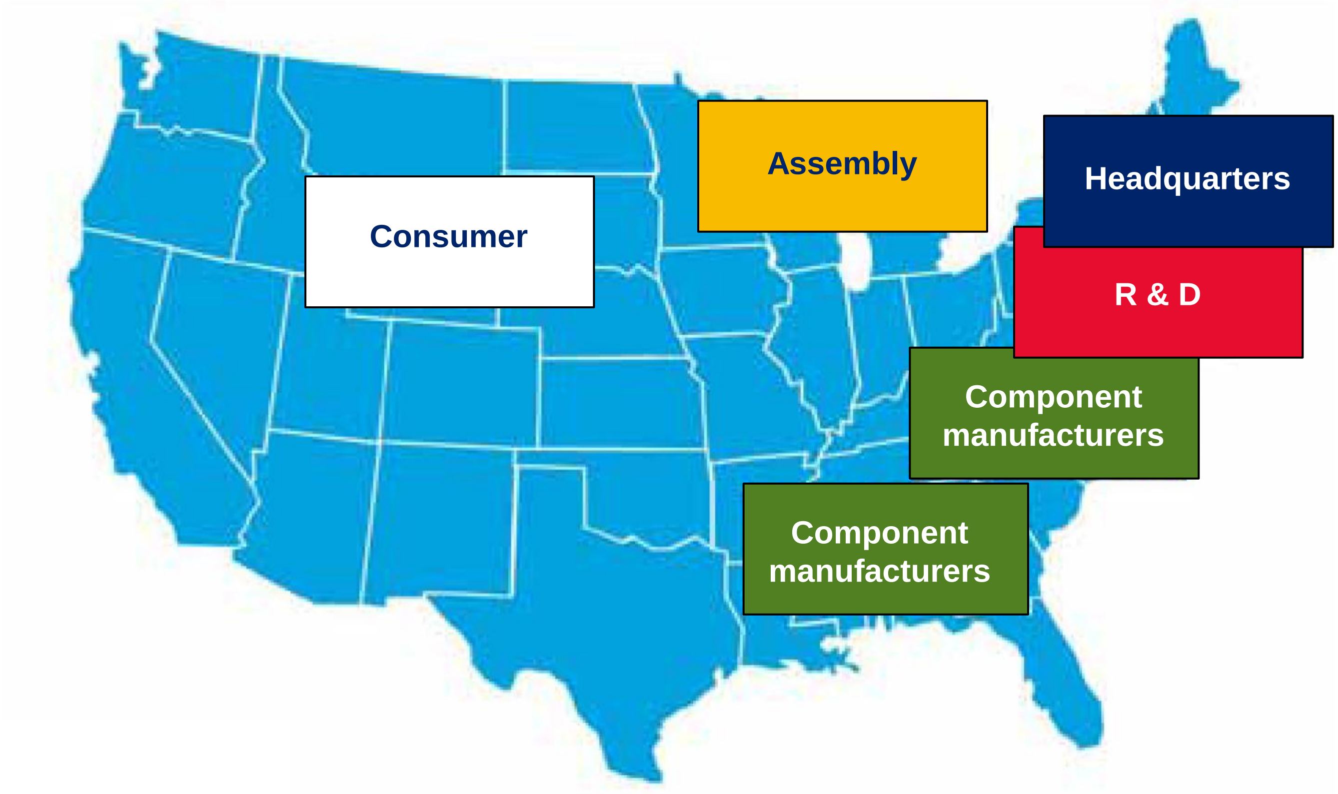
Canada is one of the most open economies in the G-7

Sum of merchandise exports and imports divided by the value of GDP, all in current U.S. dollars (%, 2012)



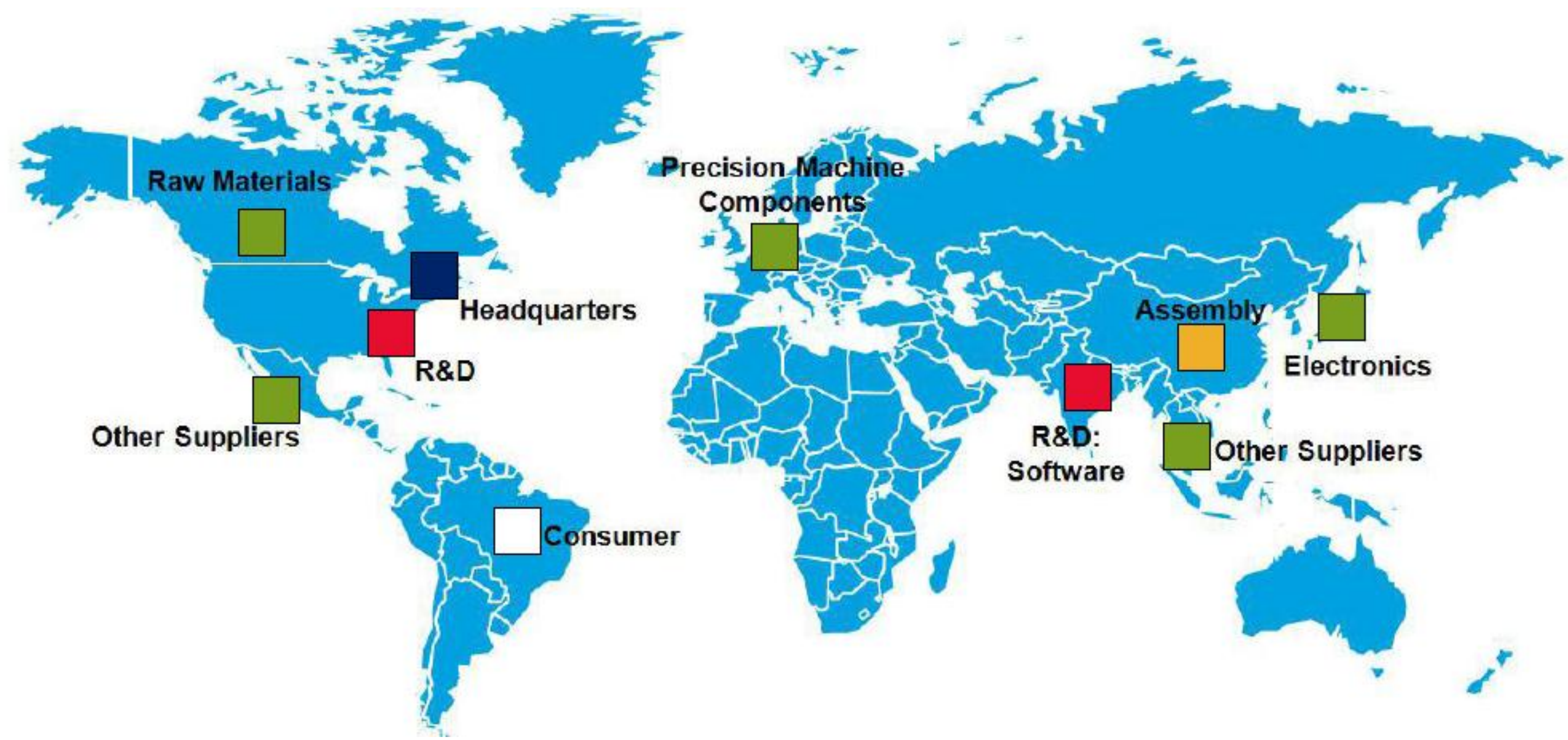
Source: The World Bank

From a domestic supply chain…



Source : Deloitte analysis

...to a globalized supply chain

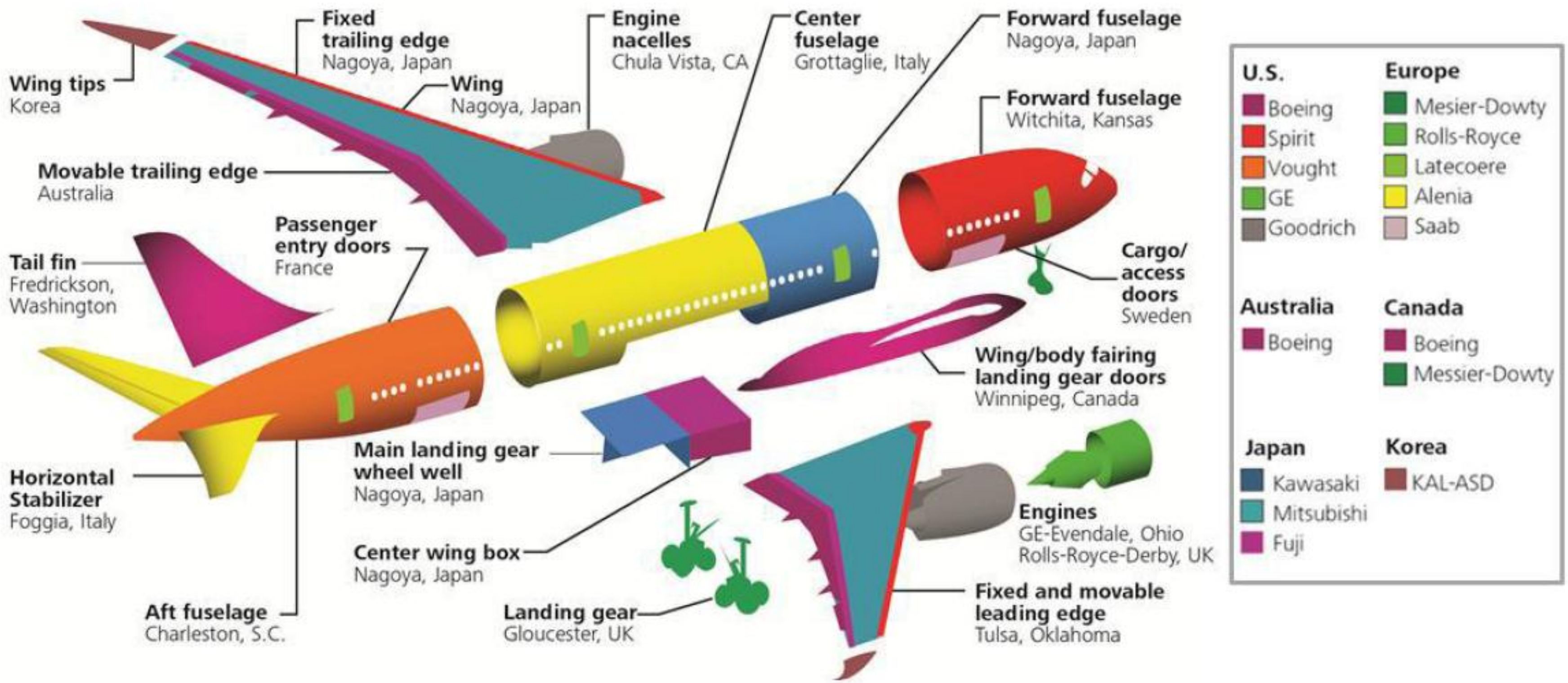


■ **Headquarters** ■ **Component manufacturers** ■ **R & D**

■ **Assembly** □ **Consumer**

Source : Deloitte analysis

The Boeing 787 Dreamliner



Source : The Boeing Company

Globalization is changing the business environment

> Competition is stronger than ever
  – Businesses need to adapt

> The world is more global (value chain)
  – Businesses need support to export

> Technology is changing rapidly
  – Businesses need to invest more

The role of Development Financial Institutions will evolve

- Financing needs are evolving
- Need to support businesses to become more competitive, more global, more sophisticated