



#### ACCOUNT PERFORMANCE SECURITY GUARANTEE

# UNLOCK CASH TIED TO INTERNATIONAL BONDS

## Posting bonds for international contracts ties up cash you could be using to take on the world.

Our **Account Performance Security Guarantee (Account PSG)** is the only bonding solution in Canada that gives your bank a 100% unconditional guarantee for bonds it posts on your behalf, freeing up your cash or credit line to build your business.

### FREE UP YOUR CASH FLOW

Our Account PSG replaces the collateral your bank normally needs to cover your bonds. It can also be used to negotiate open-account terms with suppliers or establish a payment schedule with your customers.

### Post bonds without impact

With our Account PSG, your bank knows it has an unconditional guarantee for eligible bonds it posts on your behalf. This means, there's no impact on your cash reserve or credit line.

### Manage your cash flow

Our Account PSG supports the establishment of advanced payment bonds, allowing you to establish payment milestones to help predict and manage your cash flow.

Canadian Hydro Components (CHC) has been building turbines for hydroelectric projects since 1987. For larger hydro installations, the guarantee requirement can be sizable. CHC needed an effective long-term solution that would work for them and their customers.

“EDC is the only provider for these guarantees and Account PSGs are now integral and essential to our operations. Without them, the collateral demands on our working capital would significantly limit our ability to manage and grow our export-led business.”

— Andrew Treble  
CFO, Canadian Hydro Components

EDC's Account PSG provides a third-party guarantee to CHC's bank, so that it can issue standby letters of credit without tying up CHC's cash, providing economically viable support for their guarantee needs while they grow their business.

## **Negotiate open-account terms with suppliers**

With our Account PSG, bonds issued to suppliers as payment security are covered, allowing you to negotiate a preferred payment schedule.

## **No-cost setup**

There is no cost to put our Account PSG in place. Rates are pre-set and you only pay for what you use, when you use it.

## **GET MORE INTERNATIONAL CONTACTS**

Our Account PSG gives you the freedom to issue more bonds and pursue more contracts, knowing you can meet the demands of new business.

## **Take on more contracts**

As an Account PSG customer, your coverage is predefined and requires less administration, resulting in a faster turnaround when pursuing new business opportunities.

## **Be more competitive**

Our Account PSG gives you the confidence to chase new business, knowing you already meet the prequalification for posting bonds attached to many international contracts.

## **Establish your credibility**

Having the ability to post bonds quickly assures your customers you're a reliable and credit-worthy company that can deliver on international contracts.

## **MANAGE YOUR BUSINESS BETTER**

With the Account PSG, your access to bonding is pre-approved at set rates. This frees up your working capital and allows you to bid on new contracts, knowing those costs can be built into your pricing to protect your profit margin.

## **Build your business for the future**

With our Account PSG, you have pre-approved support for eligible bonds, allowing you to pursue new opportunities or direct your working capital to other business needs.

## **Protect your profit margin**

By knowing exactly how much your bonding costs will be with our Account PSG gives you the competitive edge. Those rates can be factored into your contract pricing from the beginning.

## **Access bonding quickly and easily**

With our pre-approved coverage, there is less paperwork and faster turnaround, allowing you to post bonds when you need them.

## **HOW IT WORKS**

- › Through the Account PSG, we partner with your bank to provide a 100% risk transfer to access bonds when you need them.
- › If you only need to post bonds occasionally, we offer the Account PSG on a contract-by-contract basis.
- › Our Account PSG covers eligible contractual and financial bonding requirements associated with international contracts. This includes bids, advance payments, performance and warranty bonds.
- › There is no setup fee and the rate for the guarantee is pre-set based on your company's credit rating and how long the coverage is needed.
- › You only pay for what you use, when you use it. It's a no-cost solution because your related expenses can be built into your contract price.

**Join thousands of Canadian exporters already working with EDC to free up their working capital.**

Call **1-888-220-0047** to speak to a qualified advisor or submit a question at **[www.edc.ca/APSGQuestion](http://www.edc.ca/APSGQuestion)**.