



May 15, 2020

Mr. Yves Giroux  
Parliamentary Budget Officer  
99 Bank Street, Suite 900  
Ottawa, Ontario  
K1A 0A9

Dear Mr. Giroux,

**Subject:** Information Request: IR0457

Thank you for your letter of April 24, 2020 requesting information to assist your mandate to estimate the cost of BDC's response to COVID-19.

As you know, BDC responded to market developments by introducing COVID-19 response measures to help bridge companies to more certain times. The underlying principle for these new offerings is that eligible companies must have been financially stable and viable prior to the current economic turmoil. In consultation with the federal government, BDC is continuing to monitor economic and health developments for the need for additional offerings within its mandate.

**BDC offerings:**

- Direct lending via an online financing loan (\$100K maximum direct BDC loan with higher risk threshold than normal at reduced pricing) as well as a Working capital loan (\$100K to \$2M with flexible repayment terms);
- Bridge Financing Program to match a current financing round being raised through qualified existing and/or new investors made into eligible Canadian VC-backed start-ups with convertible notes.

**BCAP offerings:**

- Alongside EDC under the BCAP SME Loan and Guarantee program, BDC is delivering a co-lending offering in partnership with private sector lenders (\$12.5M maximum loan amount, risk-shared at 80% by BDC and 20% by the financial institutions);
- Also, alongside EDC, BDC has introduced the Mid-Market Financing Program to make additional credit available to complement medium-sized businesses' existing debt facilities, working closely with their primary lenders. Qualifying companies will have annual revenues in excess of approximately \$100 million. These commercial loans, which will take the form of a junior loan done jointly with the business' primary lender, will range in size between \$12.5 million and \$60 million each.



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I will be pleased to share with you the requested data regarding these measures as they are implemented on a weekly basis. To this end, please find enclosed, in Annex A, a **summary of data currently available** (direct offerings) on the uptake of BDC's various COVID-19 support measures. I am also providing in Annex B, the **reply form attesting to the completeness of the response**.

**BCAP reporting will be provided as soon as it becomes available** from our partner financial institutions.

On your request for the **provisions for losses** booked arising from the loans, we will be able to provide this information in mid-June when it is finalized internally. Information on the performance of our portfolio will be made public by mid-July through the tabling of our Annual Report and Corporate Plan Summary, as well as the publication of our Q1 results on our website.

Should your office have any questions regarding this response, please do not hesitate to contact either Shannon Glenn, Assistant Vice-President, Government Relations, by email at [Shannon.GLENN@bdc.ca](mailto:Shannon.GLENN@bdc.ca) or by phone : (613) 216-3120 or Alec Boudreau, Senior Advisor, Government Relations : [Alec.BOUDREAU@bdc.ca](mailto:Alec.BOUDREAU@bdc.ca) or by phone at (613) 216-0110.

Yours sincerely,

A handwritten signature in blue ink, appearing to read "MD", is positioned above the name and title of the signatory.

Michael Denham  
President and CEO

Cc: Shannon Glenn, BDC  
Alec Boudreau, BDC

Enclosure

/lh