



BDC's Annual Public Meeting
September 21, 2023

Remarks by Mike Pedersen, Chairperson of the Board, BDC
and Isabelle Hudon, President and CEO, BDC

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Mike Pedersen – Chairperson of the Board, BDC

[SLIDE 1]

Hello and welcome to BDC's 2023 Annual Public Meeting.

Thank you for joining us.

[SLIDE 2]

I am **Mike Pedersen**, Chairperson of BDC's Board of Directors.

I am **joining you from Toronto**, the traditional territory of many nations including the Mississaugas of the Credit, the Anishnabeg, the Chippewa, the Haudenosaunee and the Wendat peoples.

BDC's President and Chief Executive Officer Isabelle Hudon will soon join us virtually from Montreal to review the Bank's achievements and financial results for the year ended March 31, 2023.

[SLIDE 3]

BDC is the only bank in Canada devoted exclusively to entrepreneurs.

Our role is to **help small and medium-sized businesses** in all industries get the support, resources, and advice they need to succeed.

We do this by offering:

- **Financing**, in the form of term loans;
- **Capital investments**, which include venture capital and growth equity; and
- **Advisory services**, which sets BDC apart in the market.

[SLIDE 4]

In fiscal 2023, entrepreneurs faced a difficult year, fuelled by inflation, a tight labour market, supply chain issues, and the highest interest rate hike they had seen in 40 years.

BDC worked proactively to support entrepreneurs across the country—and in **underserved communities**—to navigate their way through these tumultuous waters.

[SLIDE 5]

Working with our partners and our shareholder, the Government of Canada, **BDC continued** to play an important complementary role to Canada's financial institutions.

In addition to helping existing clients, **BDC reached more entrepreneurs**, helping them ensure the continuity of their operations and pursue growth opportunities.

In fact, BDC had a record year in terms of impact on Canadian entrepreneurs, and now supports over 100,000 entrepreneurs throughout Canada, **an 80% increase compared to 2018** when I first joined the organization as Chair.

We also had a successful year in terms of financial results:

We authorized \$12.1 billion in financing and investments and had a consolidated net income of \$302.5 million.

[SLIDE 6]

The board focuses its efforts on ensuring that BDC has the right strategy, the talent to successfully execute the strategy, and a sound framework to manage the risks associated with its strategy.

This year, the board has closely followed **BDC's ongoing progress on its commitment to sustainability.**

BDC launched its first sustainability framework, which outlines its actions and targets across its workforce, workplace, marketplace, and community, in line with the United Nations Sustainable Development Goals.

BDC also made significant headway this year in showing leadership on **climate change.**

Using the **principles and guidelines of the Task Force on Climate-related Financial Disclosure**, BDC has begun to explore how its clients in different regions are exposed to the physical and transition risks of climate change.

Another important component of the Board's oversight role was to ensure that the Bank continues to invest significantly in its **digital transformation**, including improving the speed and ease of access to its financing via its **online offering.**

We also had the opportunity to appreciate the amplitude of BDC's work in support of Canadian entrepreneurs in the form of its **10-year Legislative Review.**

Every decade, the Bank is required to perform an exhaustive review exercise as part of the **BDC Act.**

It provides BDC with an opportunity to reflect on what it has achieved and its path forward.

The fruit of this reflection, which takes the form of the **BDC Legislative Review Position Paper**, was completed this year.

It provides a view on the Bank's 2010-2022 performance, as well as what it is looking forward to in the next 10 years.

I can tell you that we all have a lot to be proud of, and a lot to look forward to as well!

Finally, **the Board supported BDC's continued focus on diversity, equity and inclusion**, or "DEI", both internally and with its vendors and investee companies.

The **Board applauds BDC's determination to play a leadership role** in this area.

[SLIDE 7]

I would like to **thank my fellow board members** for their dedication, expertise, and strategic direction over the past fiscal year.

I would also like to thank **Isabelle Hudon, President and CEO**, and the senior management team for leading a strong BDC and its 2,900 employees to support entrepreneurs in a complex environment.

The board maintains its total confidence in the Bank's leadership and its strategy, which continues to enable BDC to deliver even greater value to entrepreneurs and the Canadian economy.

[SLIDE 8]

This will likely be my **final year serving as Chairperson**, a role I have cherished.

I have **witnessed a significant evolution at BDC**, with its heightened ambition, renewed strategy, and great progress on risk management, digital transformation, and DEI.

BDC makes a **great impact on Canadian entrepreneurs**, thanks to our highly engaged and talented colleagues across the country.

I could not be prouder of the work we have accomplished together.

And I am **highly confident that BDC will achieve its ambition** to do even more for Canada's business owners and the economy in the future.

It has been a **pleasure and an honour** to serve as the Bank's Chair.

And now, I'd like to **hand things over to Isabelle Hudon, BDC's President and CEO**, to talk more about the year that was and what's ahead.

Isabelle Hudon – President and CEO, BDC

[SLIDE 9]

Thank you, Mike.

Hello everyone.

I would like to begin by acknowledging that today I'm joining you from Montreal, **the traditional homeland of the Kahnawake First Nation.**

In my **second year as CEO**, I was proud to see BDC once again mobilize to meet the moment, to support entrepreneurs through a new series of significant challenges.

Our **clients showed impressive resilience**, as did the Canadian economy.

Despite economic uncertainty, **entrepreneurs continued to invest in new and postponed growth projects**, fuelling significant demand for our products and services.

And I am proud to state that we once again delivered **solid financial results** and **laid the groundwork to play a more impactful role** for entrepreneurs across the nation.

[SLIDE 10]

BDC authorized \$12.1 billion during the last fiscal year in financing and investments.

[SLIDE 11]

And we are now serving a total of **100,000 clients** directly and indirectly, including 16,500 through private sector partners.

[SLIDE 12]

At a time when entrepreneurs needed guidance the most, we also **continued to provide essential, expert advice.**

Through our **Advisory Services practice**, we served entrepreneurs **through 2,500 advisory mandates**—our highest number since 2014, and a marked increase over last year—helping them make their

businesses more innovative, more productive, more profitable and more competitive.

This success was **fuelled by our support for entrepreneurs who seized the opportunity to digitize their businesses** as part of the Canadian Digital Adoption Program.

[SLIDE 13]

In fiscal 2023, we **articulated a renewed strategy** with the intent to evolve our support to reach more entrepreneurs and have more impact on their success.

We also put **greater emphasis on our development role** in building thriving businesses and an increasingly productive and inclusive economy.

We **made considerable progress and launched a series of new initiatives aligned with the objectives** at the heart of this renewed strategy.

We focused on deepening the positive impact we have on our entrepreneurs in four key areas:

[SLIDE 14]

The first key area is: To spur the growth of entrepreneurs and the competitiveness of Canada's economy.

[SLIDE 15]

As the **most active venture capital investor in Canada**, BDC has been a key catalyst of the industry's remarkable growth in recent years, in support of the country's most innovative businesses.

Our investment arm, **BDC Capital, with \$5.7 billion in investments committed to clients, continued to put smart money to work** to support the Canadian innovation ecosystem through its investment activities.

Through these activities, we **helped 700 Canadian innovators launch and grow technology-focused businesses** and commercialize innovations.

We also **played a leading role in developing diversity, equity and inclusion best practices for the industry.**

[SLIDE 16]

The second key area of deepening our positive impact is: To increase the reach and relevance of our support to entrepreneurs.

[SLIDE 17]

While we now serve **more than 100,000 clients**—including 16,500 through private sector partners—we recognize that **access to financing remains a top issue for many.**

That is why we have **doubled our efforts to be more present in underserved markets** and to reach entrepreneurs who need us most.

For example, we **authorized \$1.6 billion in loans for women-owned and -led companies** this year, as part of our **commitment to finance 19,000 women entrepreneurs by 2024.**

And we also **launched our new \$30-million financing envelope**, aimed at giving medium-sized businesses in **Canada's creative and cultural industries** the boost they need.

This **program is aimed at rapidly growing sectors such as media and audiovisual**, video game, and radio and television broadcasting.

We followed up our **Women in Technology (WIT) fund with the launch of the new \$500-million Thrive Venture Fund and Lab** to support Canadian women-led tech businesses.

The **Thrive platform** comprises a \$300-million direct investment fund, a \$100-million lab and a \$100-million indirect investment envelope.

It **provides a comprehensive approach to addressing barriers faced by women entrepreneurs**.

[SLIDE 18]

Our third key area is: To empower entrepreneurs to respond to the big challenges of our time.

[SLIDE 19]

We **doubled down on our commitment to fighting climate change** with our **\$400-million Climate Tech Fund II**, a new investment that will play a leadership role in creating world-class Canadian cleantech champions.

This new envelope **brings BDC's pledged investments in the innovative cleantech/climate tech sector to \$1 billion.**

We also launched an **environmental, social and governance (or "ESG") reporting template.**

It will help Canadian venture capital and mid-market private equity funds to track and report on key ESG metrics at the firm, fund, and portfolio company levels.

We anticipate that **it will also drive momentum within the industry**, as BDC Capital will expect all its portfolio general partners and their underlying portfolio companies to report their ESG metrics annually.

This year, **BDC will also publish its first Sustainability Report** in the fall, which will enable us to disclose our approach and performance on contributing to more inclusive, greener prosperity in Canada.

[SLIDE 20]

Our fourth key area is to deliver a world-class employee and client experience.

[SLIDE 21]

We are working **diligently to improve our client experience.**

We **conducted an extensive analysis of more than five years' worth of data** and thousands of client comments to pinpoint the areas that require our **focus to enhance the entrepreneurial experience.**

In addition, we have **significantly improved our online financing process.**

We **streamlined it to ensure that entrepreneurs can quickly and easily apply for and obtain critical funding.**

Furthermore, as part of our ongoing digital transformation, we **invested in cutting-edge IT systems**, process automation, and advanced data analytics to gain deeper insights into our clients' needs, enabling us to provide more personalized and effective solutions.

[SLIDE 22]

In **today's unpredictable business environment**, entrepreneurs are facing a **challenging and uncertain future.**

That is why **our role is more critical than ever.**

By providing the right support, we know that **we can help them grow strategically, invest in productivity and remain competitive**, both at home and abroad.

[SLIDE 23]

We are laying the foundation for a more sustainable and inclusive economic future for Canada, one business at a time.

I would like to **thank all my talented colleagues** for their dedication and agility.

You once again proved your commitment to Canada's entrepreneurs, by being there for them at every challenge and opportunity—and helping them turn their dreams into reality.

I would also like to **thank our outgoing Chairperson, Mike Pedersen,** for his five years of unparalleled service.

Mike has been an **exceptional Chairperson,** with the ideal experience and knowledge to lead our board and guide us through turbulent times and in the implementation of our **renewed vision.**

His unconditional support for BDC and all of its people has been a defining feature of his tenure and an invaluable source of inspiration.

I am deeply grateful.

Looking back at our successful year, we have been able to once again learn important lessons which we are already leveraging to improve our offering to **entrepreneurs**.

We are **dedicated to reaching as many business owners as possible** and utilizing all the tools and resources at our disposal to foster their success.

By **leveraging our strong partnerships with key stakeholders**, we can continue to set ourselves apart as **Canada's bank for entrepreneurs**, ready to act decisively and make a positive impact in their lives.

I look forward to continuing to perform our development role, because that is what entrepreneurs expect, and more importantly need, from BDC—**Canada's only bank exclusively committed to, and invested in, their success**.

This is one priority that will never change.

[SLIDE 24]

Thank you all.

This concludes today's meeting.

If you have any questions, please send them to info@bdc.ca. It would be our pleasure to answer them.

Have a great day.