

WHY CANACCEDE CAN OFFER YOU PEACE OF MIND?

Experience Matters

- We are the largest purchaser of insolvency receivables with experience in forward flow acquisitions from Schedule 1 banks.
- We have the ability to both service and acquire portfolios of any size across the credit spectrum.

End-To-End Solutions

- Canaccede is the only fully-integrated service and purchasing provider in Canada. We don't outsource administration.
- Through our innovative internal management structure, we arrange both administering and purchasing agreements.

Returns Optimization

- We optimize your return while limiting unnecessary operational burdens for your organization.

Risk Management

- We can assume credit and operation risks with the portfolios while providing recovery stability.

Benefits of Fully-Wrapped Solution

RISK MANAGEMENT

- **Credit Risk**—Under a sole-servicing arrangement, the credit risk remains with your organization. If economic conditions worsen and liquidation rates decrease or annulment rates increase, that cost is borne by the bank. Under our sale solution, you fix the salvage value on insolvent accounts and eliminate these risks.
- **Loss Provisioning**—Selling your impaired loans enhances the reliability and accuracy of your loss forecasting and allows you to manage loss provisions for stability and consistency from period to period.
- **Capital Requirement**—Sale of impaired loans allows your organization to minimize the associated risk-weighted asset and free up capital from non-core assets.
- **Reputational Risk**—As Canaccede deals with trustees through a prescribed process and not consumers directly, there is no effect on customer relationships or brand.
- **Execution Risk**—Materially lower than establishing a new buyer on forward flows and negotiating a servicing agreement with a third party.

COST CONTROL

- **Eliminate Redundant Costs**—By selling pre-filing, you can eliminate expenses associated upfront proof of claim filing, ongoing servicing (paperwork, correspondences etc.), compliance burden and operational risk, as well as capital carrying costs.
- **Resource Reallocation**—Reallocate resources to focus on higher margin activities and higher growth areas for your core operations.

LIQUIDITY ENHANCEMENT

- **Upfront Monetization**—Sale of accounts at an early stage maximizes liquidity and ensures the salvage value on insolvency losses is predictable and stable.
- **Return Enhancement**—As a cash flow stream from insolvency, assets cannot be borrowed against. Realizing a sale upfront allows proceeds to be leveraged and directed towards core activities and optimizes returns.
- **Flexible Execution**—Responsive commitment to your needs, including ongoing purchases which provide price certainty and insulation from economic and performance risk over time, or one-time transactions within short time frames.

FAVORABLE PRICING

- **Blended Economics**—Our developed integrated model combines the economics of servicing and purchasing. This means Canaccede has the ability to price assets as a strategic acquirer instead of a sole transactional buyer.
- **Lower Risk Premiums**—Front-end management allows for greater transparency into underlying proposals, enabling a lower required risk premium and therefore higher pricing for the seller.
- **Discount Rate Arbitrage**—Assets that require full capital allocation need to be discounted at your organization's equity returns, whereas Canaccede can purchase these at lower unlevered discount rates.
- **Pass-Through Benefits From Enhanced Recovery**—By selling at the pre-filing stage, Canaccede is able to optimize the voting strategy. This allows us to enhance recovery levels and ultimately pay a higher price than a post-filing forward flow sale.

