



Making an Impact for Canadians

2021-22 Annual Report

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Message from the Board Chair

There is a direct link between infrastructure and the outcomes we want as a society: infrastructure enables a strong and sustainable economy, a healthy environment, liveable communities, and greater prosperity. Since joining the Canada Infrastructure Bank (CIB) as Board Chair in February 2021, I have become increasingly proud of the progress we have made accelerating and catalyzing such investment in vital infrastructure projects across the country.

A key focus for the CIB over the past year has been to generate value as an impact investor. Through our investments, we are focused on creating benefits for Canadians. Our aim through impact investing is to achieve four key outcomes: increased economic growth, connected Canadians and communities, infrastructure in Indigenous communities, and action on climate change.

In the face of a large infrastructure deficit, we know it will take the efforts of all of us to build the country we want. Infrastructure is a challenge that requires determination to see impactful projects come into fruition, along with the funding sources and the financial structure to make sure projects happen. The CIB has a unique role and opportunity to catalyze projects that wouldn't otherwise get built by bringing together public and private financing.

This past year we made significant progress in every one of our priority sectors. In 2021-22 we committed over \$4 billion to catalyze over \$9.8 billion worth of projects. Ultimately, these investment commitments translate into tangible outcomes for Canadians. The projects we closed in this past year will deliver a reduction of over 3.7 million tonnes of GHGs towards Canada's targets, reach over 130,000 homes with high-speed broadband and make meaningful impacts in Indigenous communities in Quebec, Newfoundland and Labrador and Saskatchewan, with more to come.

As an organization, the CIB is deeply committed to achieving sustainable outcomes. I was pleased to see the 2022 federal budget identify for the CIB a broadened role to invest in private sector-led infrastructure projects that will accelerate Canada's transition to a low-carbon economy. Looking ahead, the CIB will invest in new areas such as carbon capture utilization and storage, zero-emission vehicle charging and refuelling infrastructure, clean fuels, hydrogen and small modular reactors.

We had a strong year and I want to congratulate all of our employees and partners for making that happen. Our growth and our results over the past 12 months are indicative of the CIB's bright future and our potential to achieve greater outcomes for Canadians.



A handwritten signature in black ink, appearing to read 'TV', written in a cursive style.

Tamara Vrooman
Chair of the Board of Directors

Message from the Chief Executive Officer

It has been an exciting time of growth and opportunity for the CIB. In partnership with private, institutional and public partners, we made 20 new investment commitments, reached financial close on 15 projects and cemented our focus as an infrastructure impact investor for Canada.

The CIB has moved beyond its initial start-up phase and is now steadily delivering investments. We have a clearer and more disciplined approach to targeting the economic and risk gaps that are preventing projects from proceeding and understanding how our careful, long-term risk sharing approach helps projects get unstuck. We are more streamlined in our decision-making, with our Board approving investment commitments within our priority sectors identified by our shareholder.

This past year we accelerated our pace of investment significantly and added a number of new projects to our portfolio. Our overall portfolio of investment commitments now stands at 28 projects across five key sectors. We have partnered with a wide array of private and institutional investors to leverage approximately \$7.6 billion additional dollars towards infrastructure. This shows immense momentum and will result in long-lasting public value for Canadians.

This was enabled by the team of professionals we are building at the CIB. Our organization boasts a diverse team of experts across the organization, including advisory, acceleration, investment structuring and infrastructure knowledge and research talent. Our growth and success over the past year is the direct result of the hard work that they do and the passion they share for building better outcomes for Canadians.

Our investment approach has evolved as part of our growth. With a focus on impact, we assess the benefits of potential projects against the use of our risk capital. We are building a portfolio that features a mix of projects at different scales and timelines, whether that be a \$600 million commitment to Enwave's \$1.4 billion district energy expansion, or a \$15.4 million loan to the Kahkewistahaw Business Landing Limited Partnership to support development of the urban reserve owned by the Kahkewistahaw First Nation community in Saskatchewan. This combination of multiple horizons allows the CIB to invest in our future, while also creating an immediate impact by working with local communities and partners to catalyze change.

Our investments have already allowed partners to generate this change:

- **Zero-emission buses (ZEBs)** have been delivered using our **Autobus Séguin** investment commitment. When procurement is complete, Laval children will travel to and from school on 131 electric buses, which will eliminate more than 2,100 tonnes of GHGs per year.
- New **broadband** installations are connecting up to 49,000 homes for thousands of Manitoba residents in chronically underserved communities as part of **Manitoba Fibre**.
- **Alberta Irrigation** sees work underway to modernize irrigation infrastructure and significantly expand irrigable land by approximately 200,000 acres. It is the single largest irrigation investment in Alberta's history.

- **Algoma Steel's** transition to electric arc furnaces (EAFs) is in its opening phases with foundation pours. The EAFs are expected to cut GHG emissions by more than 3 million metric tonnes per year by 2030.
- **Toronto Western Hospital** is advancing on the **world's largest raw wastewater energy transfer retrofit project**. Over the next 30 years, the hospital will see a cumulative reduction in GHGs of more than 250,000 tonnes.

One consistent theme through these investments is how they accelerate our transition to a sustainable, prosperous net-zero economy. I look forward to releasing our first dedicated report this Fall that explores how the CIB contributes to sustainability.

Looking ahead, I am excited by our prospects for even greater impact. In our current areas of focus, we have a strong funnel of projects and opportunities that will continue to progress into investments for Canadians. The CIB will also be at the forefront of investment into new areas that have the potential to contribute significantly to climate objectives, such as carbon capture, utilization and storage, hydrogen, small modular reactors and clean fuels production. And we have been given a role by government to invest \$500 million in critical zero emission vehicle infrastructure.

Organizationally, the CIB has also made great strides this past year. We recognize that having a diverse and inclusive team is a foundation of our strength and have a dedicated cross-functional employee committee working to advance this view.

The pandemic remained a challenge, and the CIB operated largely in a remote work environment as we planned for a gradual return to the office environment. At the same time, we continued to build our team of investment professionals to deliver on our mandate and expand our presence across the country with team members in both western Canada and Quebec. As our projects move into construction, we are building the capabilities and systems to manage a growing portfolio of projects.

The CIB showed phenomenal growth this past year, and we have a lot to be proud of as an organization. I want to thank all of our employees who contributed to this success through their efforts, their dedication and their passion. Going forward, I am excited for the opportunity for the CIB to become a global leader in impact investing and advancing critical infrastructure for our future.



A handwritten signature in black ink that reads "Ehren Cory".

Ehren Cory
Chief Executive Officer

Our Progress to Date

Key facts and figures related to 2021-22 accomplishments.



Expected Outcomes Supported to Date (based on financial closed investments)



3.7 Mt
Annual GHGs
Reduced



174,000
Daily Transit Riders



136,000
Homes Connected
to Broadband



16,000
Jobs



**4,384 to
4,884**
of ZEBs Financed



4
Indigenous
Communities
Benefiting



\$60^M
Annual Agricultural
Value Added



Financial Closes by Year





Growth in CIB Portfolio (based on Investment Commitments)

End of 2020-21

\$11.1^B

\$3.1^B
CIB

\$5.4^B
Private and
Institutional

\$2.6^B
Other
Public Partners

End of 2021-22

\$20.9^B

\$7.2^B

\$7.6^B

\$6.1^B

Investment Commitments by Sector Total as of end of 2020-21 vs. end of 2021-22



3 vs. 9
Public Transit

2 vs. 4
Clean Power

1 vs. 6
Green
Infrastructure

1 vs. 6
Broadband

1 vs. 3
Trade and
Transportation









The Importance of CIB's Infrastructure Investments

Canadians recognize that infrastructure is critically important to our future – that it is more than just a collection of construction projects or a line in a budget.

Why? Because it is infrastructure that leads to the outcomes we want for society. Outcomes like cleaner and renewable energy, higher speed internet, ports and corridors to move goods to markets, and seamless public transit to move people to where they want to go. Infrastructure is the foundation for Canada's future as a prosperous, inclusive and sustainable nation.

Sectors to Outcomes

<p>Public Transit</p>	<p>Increased ridership</p> 
<p>Green Infrastructure</p>	<p>Climate action through GHG reduction</p> 
<p>Clean Power</p>	<p>Climate action through GHG reduction</p> 
<p>Trade and Transportation</p>	<p>Growth in value and volume of goods moved</p> 
<p>Broadband</p>	<p>Households and communities connected</p> 
<p>Indigenous Infrastructure</p>	<p>Critical infrastructure gaps addressed</p> 

Across Canada, there is an understanding that our infrastructure gap is significant, and that progress needs to be made. For some, including rural, remote and Indigenous communities, this gap is even more profound, where a lack of essential infrastructure is an urgent concern.

Infrastructure in Canada varies greatly. Much of it, like roads and transit, is publicly owned. Other components, like telecommunications, are delivered privately. All can play a role in achieving positive outcomes. At the CIB, we partner with governments, Indigenous communities and the private sector to build the infrastructure Canadians

need. Our innovative approach to financing investment seeks out revenue-generating infrastructure projects where, alongside private and institutional investors, we can source more investment and accelerate critical infrastructure delivery.

With \$35 billion in capital, we are focused on five priority sectors: public transit, clean power, green infrastructure, broadband, and trade and transport. Across these priority sectors we also have a targeted goal of investing \$1 billion in partnership with and for the benefit of Indigenous Peoples.

With our experience, our expertise and our efforts, we provide infrastructure advice, insight and services that will help Canada go from investment to impact.



A Focus on Partnership

At the CIB, we bring together partners from across the Canadian infrastructure landscape and act as a catalyst to get projects built.

We work extensively with federal, provincial, territorial, municipal and Indigenous communities (FPTMI), who collectively drive the majority of infrastructure in the country. As an active partner in the early stages of a project, we offer advice to public sponsors to help inform their decisions about priorities and investment options to achieve their infrastructure goals.

The CIB also works with private and institutional partners who can play a critical role in accelerating infrastructure investment across the country. We identify and develop ways to structure, innovate and allocate risks and returns among our partners fairly to get more built quicker.

And finally, we work closely with Infrastructure Canada and other federal departments, aligning priorities and exploring ways to ensure our respective efforts can work together to leverage better outcomes. The CIB's direct investment and partnership approach complements, yet is distinct from, government programs that provide grants and contributions.

Closing Gaps to Get Infrastructure Projects Built

As an outcome-based impact investor, the CIB is deploying \$35 billion to develop the next generation of infrastructure that Canada needs. We use our capital to help to fill gaps in the financing structure of new infrastructure opportunities that would otherwise prevent a project from advancing. We focus on projects with revenue generating potential that can be leveraged to ensure repayment of CIB capital over time, providing an alternative to grants and unlocking needed resources for future projects.

The CIB is able to assume risks that a private sector or institutional investor would not. The CIB uses an array of approaches, including concessional returns, longer or more flexible financing terms, patient risk capital and other innovative structuring features. Balancing risk transfer with the private sector and public sector partners will always be an important consideration for any CIB investment.

By investing federal money into infrastructure, in the form of a loan or equity rather than a grant, the CIB can stretch public dollars much further, allowing for the reinvestment of our capital into future opportunities driving greater beneficial outcomes for Canadians.

A Growing Portfolio

The Government of Canada has set out priorities for the CIB to invest in five critical areas: public transit, clean power, green infrastructure, broadband, and trade and transportation. As of March 31, 2022, the CIB has a portfolio of investment commitments across the country in all priority sectors. The CIB is also participating in a number of projects in an advisory capacity.



PUBLIC TRANSIT	CLEAN POWER	GREEN INFRASTRUCTURE	BROADBAND	TRADE AND TRANSPORTATION	INDIGENOUS INFRASTRUCTURE
Autobus Séguin Zero-Emission School Buses	Enwave District Energy	Algoma Steel Retrofit	Kivalliq Hydro-Fibre Link	Alberta Irrigation	Kahkewistahaw Landing Infrastructure
British Columbia Zero-Emission School Buses	Kivalliq Hydro-Fibre Link	City of Edmonton Building Retrofits	Manitoba Fibre	Calgary-Banff Rail	Kivalliq Hydro-Fibre Link
City of Brampton Zero-Emission Buses	Lake Erie Connector	Dream Retrofits	Ontario Rural Broadband	Contrecoeur Port Terminal	Oneida Energy Storage
City of Edmonton Zero-Emission Buses	Lulu Island District Energy	Johnson Controls Retrofits		High Frequency Rail	Tshiuetin Rail
City of Ottawa Zero-Emission Buses	Oneida Energy Storage	SOFIAC Retrofits		Highway 697 Toll Bridge	
Montréal-Trudeau International Airport REM Station	Pirate Harbour Wind Farm	Toronto Western Hospital Retrofit		Kahkewistahaw Landing Infrastructure	
Quebec Zero-Emission School Buses	Taltson Hydroelectricity Expansion			MD of Acadia and Special Areas Irrigation	
Réseau express métropolitain (REM)				New Westminster Rail Bridge	
				Newfoundland and Labrador Fixed Link	
				Tshiuetin Railway	

A Professional Organization

The CIB is a Crown Corporation which operates at arm's length from the federal government within priorities set by the federal government.

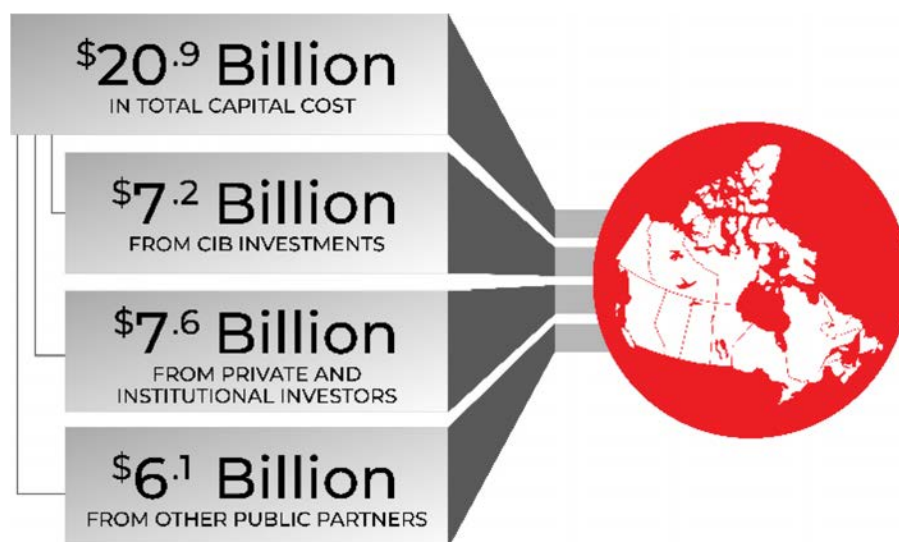
The CIB works closely with federal departments, but is independent in how we execute on our mandate, set strategic direction, establish outcomes, and structure deals in order to deliver on them.

CIB investment decisions are overseen and approved by our professional, independent Board of Directors.

Our team is made up of highly talented individuals drawn from the private and public sectors with expertise in investment, finance, risk, human resources and administration and policy.

Achieving Results

As of March 31, 2022, the total capital value of infrastructure projects to which we have made commitments is \$20.9 billion, across 28 projects.



The CIB's investment portfolio is diverse, with commitments in each of our five priority sectors¹:

- \$2.9 billion in transit
- \$1.5 billion in clean power
- \$0.6 billion in green infrastructure
- \$1.6 billion in broadband
- \$0.5 billion in trade and transportation

Included in these totals, we have made investment commitments in four projects featuring Indigenous participation.

We have reached a steady state of investments and expect to see \$4-\$5 billion of CIB capital invested annually with \$10-\$20 billion in total capital value realized annually.

¹ Figures may vary due to rounding



Management Discussion and Analysis

Management Discussion and Analysis

The purpose of the management discussion and analysis (MD&A) is to provide a narrative explanation, through the eyes of management, of how the CIB performed in the fiscal year ended March 31, 2022, its financial position at year-end, and its outlook. The MD&A is intended to complement and supplement the information provided in the financial statements and accompanying note disclosures. It is approved by the Board of Directors.

The MD&A is structured to provide information on the following:

- The context in which the CIB operates
- Priorities as set by government
- Management and expertise of the CIB
- The strategic direction that has been set for the organization
- The investment approach of the organization
- Outcomes and results
- An overview of the portfolio and project and initiative updates
- Corporate information, including updates on advisory activities, research, and other supporting functions

Figures are expressed in Canadian dollars unless stated otherwise. Figures may not add due to rounding.

Context and Operating Environment

Since its establishment in 2017, the CIB has focused its efforts on making infrastructure investments, forging partnerships with governments, Indigenous communities, and private and institutional investors, and building a modern results-oriented and accountable organization.

In the latter half of fiscal 2020-21 the CIB welcomed new management into the organization. Ehren Cory, CEO, joined the CIB in November 2020, followed shortly thereafter by Tamara Vrooman, who joined as Chair in January 2021.

Over the course of 2021-22 (the period from April 1, 2021 to March 31, 2022), the CIB under its new leadership had graduated from its start-up phase into a more mature state with an emphasis on executing a steady flow of investments, achieving impactful outcomes for Canadians and operating in accordance with exceptionally strong business practices.

We have built a strong pipeline of investment opportunities, working with project owners across the country. Our advisory services remain squarely focused on helping project proponents explore the opportunity for private financing and for a potential eventual CIB investment. And our research efforts have been reinvigorated, with a focus on better understanding key risk gaps and investment opportunities in priority and emerging sectors like clean power, retrofits, low-carbon fuels, carbon capture, utilization and storage (CCUS), and electric vehicle charging and fueling infrastructure. Key initiatives were advanced to achieve outcomes in large-scale infrastructure investments and critical areas of focus, including the implementation of the CIB Growth Plan and Indigenous Community Infrastructure Initiative.

While the CIB evolved internally, 2021-22 was also a year of change externally. The need for climate action was a dominant theme of discourse in government, in business and more broadly across all sectors throughout the year. Building on commitments made at the COP 26 conference in Glasgow, the federal government released its first

Emissions Reduction Plan in March 2022, outlining how the government intends to meet its targets of reaching a 40-45% reduction in emissions by 2030, and net-zero by 2050. Another constant in 2021-22 was the growing uncertainty in markets and trade, as impacts stemming from the ongoing pandemic, the Russian invasion of the Ukraine and rising inflation rates impact supply chains and challenge long-held assumptions that feed into business decisions.

In April 2022, the federal budget was released, signalling a new and expanded role for the CIB to invest in private sector-led infrastructure projects that will accelerate Canada's transition to a low-carbon economy. These external trends only reinforce the CIB's core focus on investing in new infrastructure that increases Canada's competitiveness, enhances connectivity, and supports our efforts to meet climate commitments. The CIB believes that in this environment, it is well positioned both in terms of mandate and capacity to play a critical role in helping Canada through infrastructure investments to address the challenges of climate change and supporting Canadian prosperity.

Government Priorities

The *Canada Infrastructure Bank Act (CIB Act)* and the 2021 Statement of Priorities and Accountabilities (SPA) are central guiding documents for the CIB.

The SPA is clear about the authorities and accountabilities for the CIB Board, noting that “the CIB's Board is responsible for the organization's ongoing governance and supervision of its business, final investment decisions, and forward-planning and strategic direction, in line with the Government of Canada's priorities.”

The SPA outlines the CIB's five priority sectors for investment in the public interest – public transit, clean power, green infrastructure, broadband, and trade and transportation. The SPA also sets out that “the CIB should establish a new investment target of \$1 billion for Indigenous infrastructure projects across the five priority areas.”

The CIB is also guided by priorities as set out in federal budgets, policy documents, plans and other similar documents.

Management, Leadership and Expertise of the CIB

To succeed, the CIB must execute financing for infrastructure projects that results in positive outcomes for Canadians. This takes strong leadership.

Ehren Cory, who was appointed CEO of the CIB on November 9, 2020, is responsible for strategic business leadership and overall performance of the organization.

Under the direction of the CEO, the Executive Committee leads the CIB's operations and activities to execute on corporate strategy and objectives, implements organizational policies and procedures, and executes direction from the Board of Directors. Led by the CEO, the Executive Committee includes the:

- Chief Investment Officer who is responsible for advisory and investment strategy and activities and capital deployment.
- Chief Financial Officer who is responsible for corporate finance, risk, information technology, asset management and administration.
- Group Head, Communications and Public Affairs, who is responsible for government relations, communications, and media and stakeholder relations.
- Head of Strategy, who is responsible for sector development and strategy, investment framework and outcomes, corporate planning, policy and research.
- General Counsel and Corporate Secretary, who is responsible for legal affairs, compliance, governance and corporate secretarial functions.

The CIB team has striven to build an admired and welcoming culture which is critical to deliver on the capital investment that is planned. The organization has assembled a staff with the expertise to contribute to and deliver our program, particularly as the pace of investment activity accelerates and the size of the CIB portfolio grows. This includes expertise in finance and investment as well as supporting functions and building a presence in western Canada and Quebec to ensure we are able to support investment activity across Canada.

Strategic priorities

In developing its plan for the 2021-22 year, the CIB established three strategic priorities to serve as a focus for the organization in executing on its vision. These priorities were streamlined from those of previous years to reflect more clearly and directly the driving focus of the organization on making investments in infrastructure that will deliver positive outcomes to Canadians.

1. Accelerating investment to modernize our infrastructure

The CIB works to increase the total of infrastructure investment in Canada. It does so by catalyzing innovative partnerships that bring together the CIB, public sponsors of infrastructure projects and private and institutional capital. The CIB set out to measure its success on this strategic priority in the total volume of its investment, the diversity of its portfolio across sectors and geography, its progress towards the \$1 billion target for Indigenous Infrastructure investment and its ability to attract private and institutional capital.

2. Delivering outcomes that benefit Canadians

We measure our success in the outcomes that our projects deliver for Canadians. In alignment with our SPA, our outcomes have been defined as increasing economic growth, connecting Canadians and communities, expanding action on climate change and closing the Indigenous infrastructure gap as part of reconciliation. We have developed a series of metrics to measure our progress against these outcomes.

Highlighting the importance of outcomes, all CIB investment decisions are made taking into account the outcomes that are generated in relation to the capital invested, risk profile and overall positioning within the CIB portfolio.

3. Executing as a results-focused and accountable organization

The CIB is entrusted with investing public funds and takes this responsibility seriously. We are committed to being an efficient, effective organization that acts with integrity.

The performance of the CIB is measured and assessed based on the outcomes realized and investments executed. Given the importance of what our investments can achieve and the timeline on which we must deliver, it is critical that the CIB continues to evolve by strengthening its processes, enhancing its capabilities, investing in its people and demonstrating it is an accountable and responsive institution.

The CIB Investment Approach

The Model

The CIB employs an investment approach and project structures that drive needed infrastructure to be built that benefit Canadians.

With a country the size of Canada, our infrastructure needs are great. Modern infrastructure is critical to support our economy, facilitate trade, connect our communities and enhance our way of life. At the same time, we face a critical imperative to transform our infrastructure to address and prepare for the impacts of a changing climate. This means, for example, finding new sources of clean and renewable power, building cleaner and more resilient transportation networks and finding innovative approaches to save energy.

The CIB has a unique and important role to play in meeting these challenges. We are purpose built to seek out and attract private sector and institutional investment over the lifecycle of a project, bringing more capital to the table to get more infrastructure projects built and achieve better outcomes for Canadians.

On the one hand, this is not new. Historically, Canada has always looked to both public and private sectors to do their part in building our infrastructure, whether it be public transit that is owned by our municipalities, utilities that are regulated by our provinces, or private telecoms that have built the networks that allow us to engage each other coast to coast to coast.

What is new is that the CIB has been given the task of bringing these efforts together to identify opportunities where public investment can partner with the private sector or other funders to address gaps in project financing that would otherwise prevent projects from going forward.

We invest in revenue-generating projects. Many infrastructure assets deliver revenues once in operation – whether from their users through transit fares, utility or broadband rates, or the cost savings that come from switching from diesel to electric buses. When the CIB and private and institutional investors provide financing against a source of revenue, it provides additional upfront capital for the project to proceed, without a future draw on tax dollars – allowing us to build more and quicker.

The CIB looks to deploy capital to fill gaps in financing that helps projects to advance, for example through accepting concessional returns, longer or more flexible financing terms, patient risk capital and other innovative structuring features. By doing so, the CIB is able to assume risks that a private sector or institutional investor would not. The CIB's financing is thus provided to support certain infrastructure projects that would otherwise be delivered traditionally by using grant funding on a longer time scale, or more likely not delivered at all.

The CIB is also able to partner directly with private sector proponents on projects when it can be determined that there are structural gaps in project financing that would prevent a project that can deliver benefits to Canadians from proceeding, or from proceeding in a manner that delivers such benefits. Examples of such projects increasingly include projects that could deliver meaningful GHG reductions – for example our investment commitment in Algoma Steel, which will reduce annual GHG emissions by over 3 megatonnes, as well as our partnership with Autobus Séguin – a privately owned school bus operator in Quebec.

The CIB is flexible, adaptable and targeted so that its investments help to get new infrastructure built. We structure each investment to crowd-in private sector and institutional investors who are willing to share in the risk and innovate. While we are disciplined in our focus on priority sectors and rigorous in our investment decision-making, we are not “one-size fits all” in our approach.

The Investment Framework

Introduced in 2021-22, the CIB's Investment Framework guides its investment decisions and helps ensure that proposed investments align with the CIB's desired outcomes, contribute to the achievement of corporate objectives and result in meaningful benefits for Canadians.

For each proposed investment, through the Investment Framework, the CIB applies a four part methodology that focuses on the relationship and interconnection between investment risk being accepted and the impact outcomes to be achieved relative to goals within sectors and the broader portfolio. It includes a set of "guardrails" to align outcomes / risks / impacts in the context of an overall portfolio and considers the growing importance of portfolio asset management to monitor performance over time.

In its assessment of each project, the CIB applies a disciplined process to size its investment commensurate with the gap that is preventing or delaying the project from proceeding. This could be an economic gap – where the revenues of the project are insufficient (for example, in rural areas with higher cost to serve), a commercial risk gap – where there are specific risks that are blocking a final investment decision (for example, in construction or the potential future demand), a structural gap – where no other sources of private financing are willing to participate and the CIB is seeking to demonstrate the ability to bring a financing tool, or a risk transfer gap where we are seeking to encourage public partners to crowd in additional private investment.

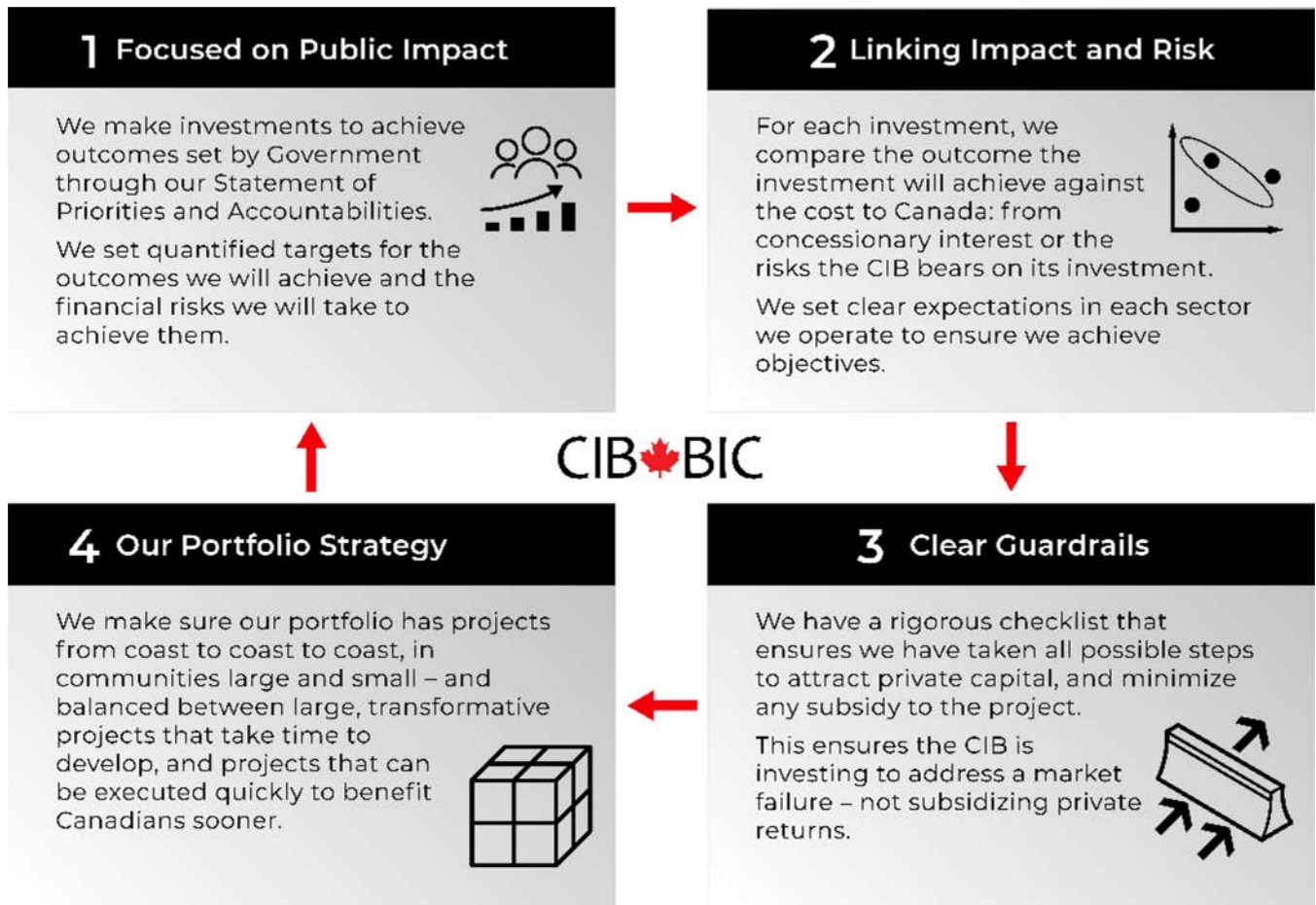
One of the most fundamental ways in which the CIB differs from traditional investors is how it measures the return on its capital. While a traditional investor will look to maximize return in the form of profits, the CIB seeks returns in the form of outcomes that benefit Canadians.

The CIB has a \$35 billion statutory appropriation with access to a maximum fiscal expense of \$15 billion with which it aims to catalyze projects that benefit Canadians. This provides the flexibility and scope for the CIB to use its capital to innovate, take more risk than the market will take, and be a patient impact investor.

Determining how and when to deploy this capital and for what type of return, however, requires an understanding of the differences among projects and sectors and the differing impacts and outcomes that may be achieved. Balancing risk transfer with the private sector and public sector partners will always be an important consideration for any CIB investment.

For this reason, the Investment Framework links the achievement of the portfolio's public interest outcomes to the use of the CIB's maximum \$15 billion in fiscal expense.

Fiscal impact includes concessionary pricing relative to the Government of Canada's borrowing rate and the impact of the risk being assumed in any given investment, including a credit risk assessment that considers factors such as market conditions, construction costs and other factors that can have a material impact on the likelihood of the CIB's investment being repaid.



The Process

A rigorous Investment Policy and approval process governs how CIB investments are advanced.

The approval process begins with the sourcing and development of projects by highly skilled and experienced investments professionals, and progressively requires the approvals of the CIB’s Chief Investment Officer, the Management Investment Committee, the Investment Committee of the CIB Board and ultimately the CIB Board itself.

Projects under consideration move through a formal project development process (see below) and are tracked in internal systems.

1 Intake & Mandate Filter	2 Appraisal & Advisory	3 Investment Structuring	4 Final Diligence & Closing	5 Funding Monitoring & Exit
<ul style="list-style-type: none"> ▪ CIB investment opportunities identified from governments and private sector ▪ Mandate Filter applied by CIB to determine if opportunities meet base criteria 	<ul style="list-style-type: none"> ▪ Initial assessment of feasibility, public impact / fiscal impact ▪ Assessment of whether project qualifies for Project Acceleration funding ▪ Advisory work / Acceleration funding can proceed but project remains in Appraisal (subject to Board approval) 	<ul style="list-style-type: none"> ▪ Detailed assessment of defined commitment amount, structure, risk allocation, term and pricing ▪ Assess using Investment Framework ▪ Negotiate Memorandum of Understanding and term sheet for recommendation to Board 	<ul style="list-style-type: none"> ▪ Negotiate final investment with counterparties ▪ Prepare final risk materials ▪ Closing can occur when conditions are met and Board approves 	<ul style="list-style-type: none"> ▪ Funding occurs over course of project ▪ Manage assets and monitor performance, results and outcomes ▪ Regular reporting

As a project progresses through the development process, it is reviewed through our Investment Framework to ensure a consistent, analytical assessment in relation to risk and outcome is conducted. The Investment Framework is discussed in more detail below. Additional factors that may have a bearing on decisions include coordination with federal departments and programs, partner and stakeholder input, risk tolerance and communications.

The Board makes decisions based on Investment Memos that are aligned to the Investment Framework. These bring together the perspectives of each of the CIB’s departments to address each consideration in the decision-making process, including investment structure and terms, an assessment of the public impact, compliance with authorities, relationship to corporate objectives and the stakeholder, coordination with federal policy and departments and reputational and communications considerations inherent in the investment.

Our Board-approved Investment Policy specifies that projects and related risks are overseen by our Management Investment Committee and the Investment Committee of the CIB Board at key decision points, with ultimate investment approval resting with the CIB Board. We take a systematic and disciplined approach to project origination and evaluation, with appropriate risk management.

More detail regarding the CIB investment approach and related Investment Policy can be found in the CIB Corporate Plan Summary, which can be found on the CIB’s website.

Managing Risk

As an investor, the CIB is exposed to infrastructure development risk in relation to its position in the project’s capital structure, as well as the specific project risk allocation. These risks may include risks in construction, operations, maintenance, lifecycle, or demand and are not specifically identified for each subsector. Like other investors, the CIB manages these risks through careful due diligence and asset management.

In order to effectively measure the CIB’s unique investment risk, the CIB has developed an internal investment risk rating methodology (“IRM”). The IRM serves as the foundation for both the Investment team’s consistent, disciplined underwriting process, in accordance with market best practices, and the Risk team’s tool to identify, assess and calculate risk. The methodology provides for a consistent approach to risk rating in accordance with best market practices.

2021-22 Corporate Outcomes and Results

The CIB is an infrastructure investment organization. Our focus is on looking for opportunities to invest in quality projects in our priority sectors, attracting private and institutional capital, and working with partners to achieve outcomes that benefit Canadians.

By all measures, the CIB had a tremendously successful year, with results that reflect the meaningful role and impact that the CIB can have for Canadians across the country by catalyzing and accelerating infrastructure investment.

Meeting Targets

The three strategic priorities formed the foundation upon which Corporate Outcomes were established along with targets on which the CIB's results are measured, both for the current year and over the longer term.

The CIB continually reviews its progress against targets and incorporates these results into its strategic decision-making and portfolio management. In doing so, the CIB not only ensures that it is holding itself to account to its shareholder and the public, it also becomes a more nimble and responsive organization that is attuned to the performance of its portfolio and changing market conditions. The CIB includes overall corporate performance as a factor in its compensation for senior leaders and executives.

Over the course of the year, the CIB achieved meaningful progress in all three of its strategic priority areas. The tables below provide results specific to the 2021-22 fiscal year and the status of our performance which is on track in relation to longer term targets set for 2025-26.

2021-22 Performance Results

STRATEGIC PRIORITY	OUTCOMES	RESULT INDICATOR	2021-22 TARGETS	2021-22 RESULTS
Investing to modernize infrastructure	Increase total infrastructure investment in Canada from the CIB and private and institutional investors	Scale of projects and diversity of portfolio	\$3.3 billion value of new CIB financial closes	\$3.2 billion
			17 new CIB financial closes	15 new financial closes
			\$3.7 billion value of new CIB investment commitments	\$4.1 billion
			19 new CIB investment commitments	20 new investment commitments
			At least 2 investments in each priority sector (financial close)	Transit: 6 Clean Power: 1 Green: 4 Broadband: 2 Trade: 2
			Less than 15% turnover	16% turnover
Executing as results-focused and accountable organization	Strengthen governance, capabilities, and process	Develop employee value proposition for attraction, retention, engagement, and development	Develop a Diversity and Inclusion policy and supportive initiatives, informed by engagement with and survey of the CIB employees. Success measured by Diversio Diversity & Inclusion Survey	Diversio Survey Score: 73
		Execute on key organizational improvements	Completion of portfolio of management operational improvement initiatives	Achieved

2025-26 (Long Term) Performance Status

STRATEGIC PRIORITY	OUTCOMES	RESULT INDICATOR	2021-22 TARGETS	2021-22 RESULTS
Investing to modernize infrastructure	Increase total infrastructure investment in Canada from the CIB and private and institutional investors	Scale of projects and diversity of portfolio	5 investments reaching financial close since inception in each geographic region (i.e., West, Ontario, Quebec, Atlantic)	West: 5 Ontario: 5 Quebec: 5 Atlantic: 1
			\$1.0 billion of CIB investments since inception reaching financial close in partnership with and benefits for Indigenous Peoples. This includes both the amount of CIB investments in projects that directly serve Indigenous communities, and a share of the CIB investment amount proportionate to the Indigenous equity participation when it invests alongside an Indigenous community in an infrastructure project	\$65.4 million
		Capital success factors	1x ratio of private and institutional capital to CIB capital across portfolio	1.2x*
		Fiscal impact remains below 30% as a percentage of capital committed	14.5%*	
Delivering outcomes that benefit Canadians**	Achieve public impact outcomes from project investments for climate action, connectivity of Canadians, Economic Growth, and Indigenous Infrastructure	Deliver the Growth Plan outcomes and go beyond to result in long-term benefits from new infrastructure	Greenhouse Gas Reduction: Cumulative 10Mt Annual CO2e reduction	3.7Mt*
			Cumulative 200,000 Daily Trips on mass transit, passenger rail and other modes	174,000*
			The CIB will also track and report the number of Zero Emission Buses financed by its investments	4,384-4,884*
			Cumulative 900,000 Underserved Households passed by 50/10 MBPS Broadband	136,000*
			Cumulative 60 Indigenous Communities with Infrastructure Gaps addressed	4*
			Contribution to economic growth, as measured by:	0*
			<ul style="list-style-type: none"> ▪ 12 million Total ton-equivalents of trade volume ▪ \$9 million Total agricultural value added 	~\$60 million* ~16,000 Jobs#
			The CIB will also track and report job creation from its investments, consistent with other Federal programs	

*figures based on projects reaching financial close

#employment calculation based on total of CIB investment at financial close and using Statistics Canada System of National Accounts

**When measuring outcomes, the CIB considers a project in its entirety, irrespective of the percentage share of financing provided by the CIB.

2021-22 Portfolio Snapshot and Performance

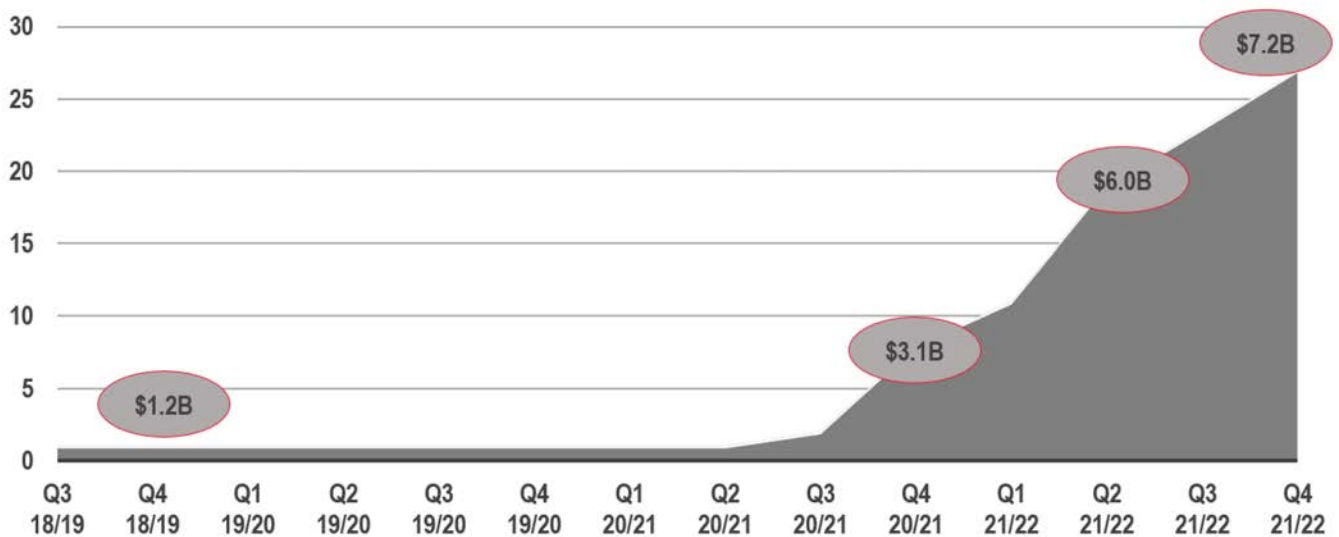
The CIB saw significant growth in its portfolio over the course of 2021-22.


Investment Commitments

Overall, the CIB made investment commitments to 20 new projects across its priority sectors, totalling over \$4 billion worth of investment commitment and bringing the overall number of projects in the CIB investment portfolio to 28.

Together with investment commitments from previous years, the total CIB investment portfolio as of the end of the fiscal year now stands at \$7.2 billion of investment commitments, leveraging \$7.6 billion in private and institutional capital which along with public partner investment of \$6.1 billion has catalyzed \$20.9 billion worth of infrastructure projects for Canadians. Over time, the CIB's investments will be repaid from the revenues generated from the projects.

Opportunities Reaching Investment Commitment



 = Total value CIB Investment Commitments

Investment Commitments and Financial Closes – What’s the Difference?

As part of its process to develop and measure its progress in making investments, the CIB tracks two significant milestones, Investment Commitments and Financial Closes. Both are referred to in this report.

Investment Commitment refers to when the CIB and its investment partners have come to a set of agreed upon terms (aka a “term sheet”) that sets out the capital commitment of each party and other financial terms of an investment, such as length, interest rates and financing structure. At this time, the investment is advanced sufficiently enough for the CIB and its counterparts to each secure appropriate approvals and embark on final due diligence in advance of closing. In addition, the counterparty is in the final stages of securing key stakeholder agreements, all other required public funding of the project is confirmed, and there is a defined and agreed upon schedule in place to reach financial close.

Public announcements are often made at this time, and for the CIB, the capital required for the investment is now considered allocated to the project and no longer available for other purposes.

As an indicator, Investment Commitment provides the best picture, as approved by Executive and the Board, of the overall allocation of CIB capital to projects and priority sectors, and in relation to our overall allocation to invest \$35 billion.

Financial Close refers to the point in time when the CIB and its investment partners have completed all due diligence and have entered into legally binding agreements. Financial close is the conclusion of the investment process, approved by the Board or designate, following which the CIB begins flowing the financing to the project in accordance with the agreement. If there are adjustments to the terms of the deal between Investment Commitment and the Financial Close, CIB metrics and reporting are updated accordingly.

As an indicator, financial close, with its binding legal agreements, is the appropriate point in time for a project’s impact and outcomes to be included in our Corporate scorecard.

When financial close occurs, a government funding receivable is recognized on the CIB’s financial statements for the CIB’s total obligation, which is then subsequently reduced as funding to our counterparts occurs.

Financial close typically follows Investment Commitment by a period of months, although for more complex or larger investments the time can be longer.

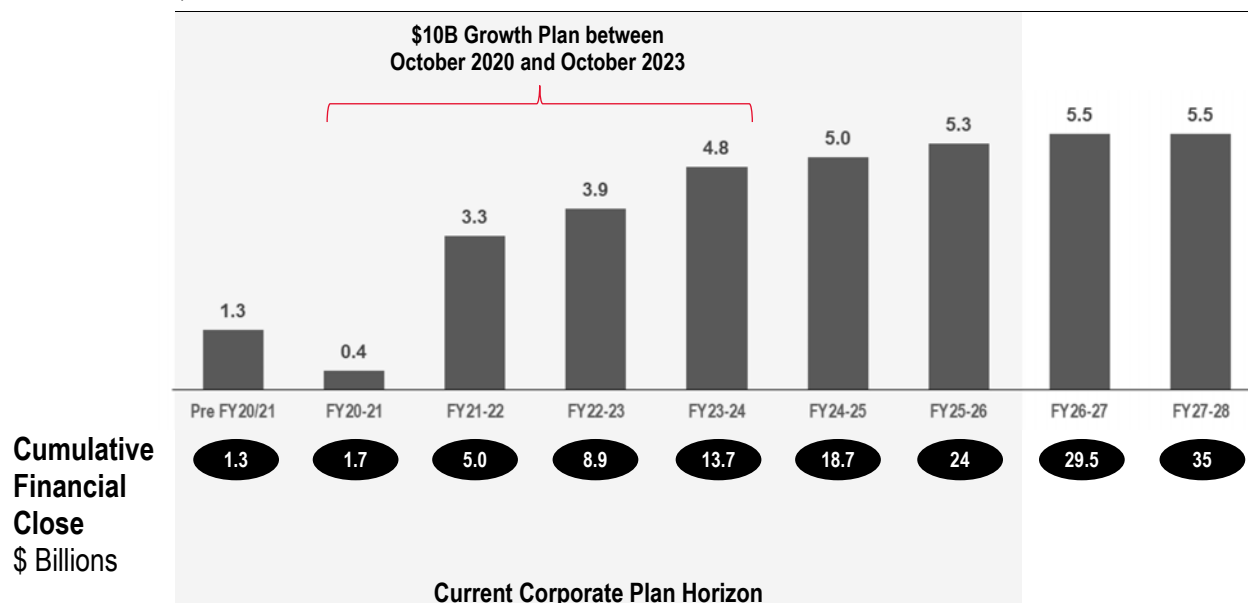
Financial Closes

Over the course of the year, the CIB reached financial close on 15 of its investment commitments. Financial close is a significant milestone in the CIB’s investment process, representing when all of the necessary due diligence on a project has been completed, agreements have been signed and the CIB’s investment financing can formally begin. During 2021-22, financial closes were achieved in every one of the CIB’s priority sectors.

Since inception, the CIB has achieved financial closes on \$4.9 billion of projects. This level of investment reaching financial close is strong evidence that the CIB is meeting the pace of cumulative financial closes set out in the 2021-22 Corporate Plan, and on track for investing \$35 billion by 2027-28.

Annual Financial Closes

\$ Billions



Progress towards targets

In alignment with the direction provided in the SPA, the CIB has been focused on making investment commitments in its five priority sectors. To further guide the allocation of \$35 billion in capital, the CIB follows capital deployment targets on two distinct time horizons:

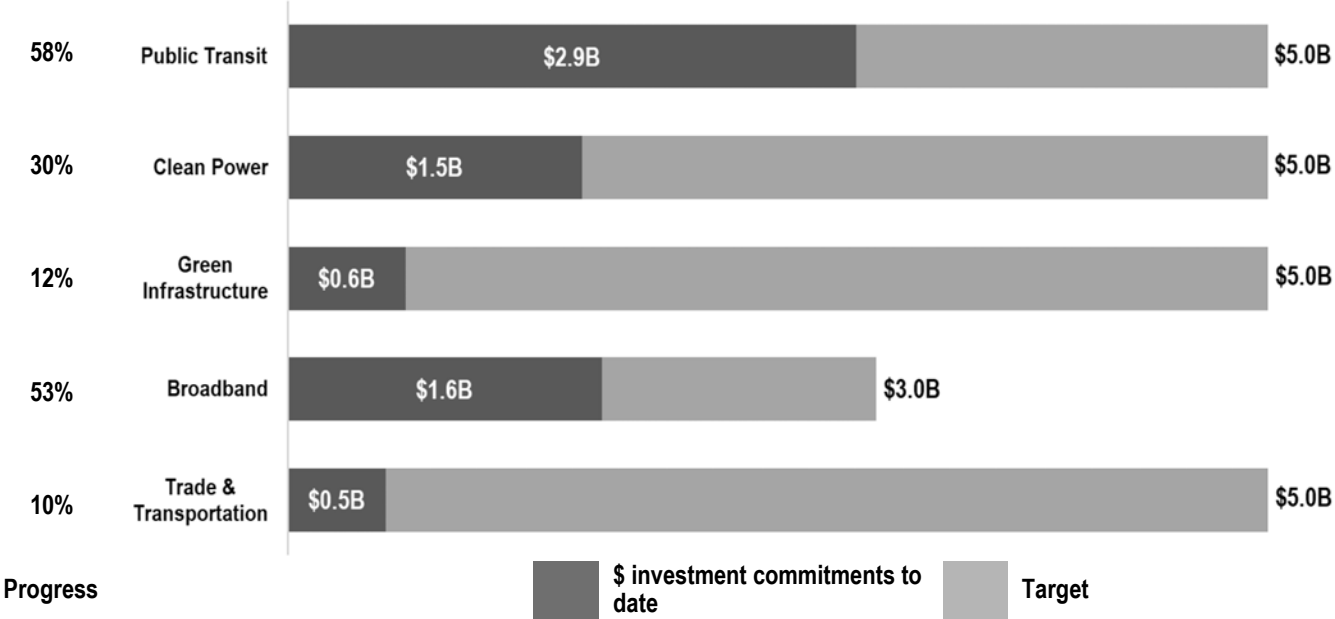
- **Long-term sector targets:** these capital targets have been identified by our shareholder for each of our five priority sectors as an amount within the overall \$35 billion in investments to be made by the CIB. The CIB counts all investment towards one of these five targets.
- **Growth Plan time horizon:** this subset of smaller capital targets is specific to the initiatives identified in the Growth Plan, which was announced in October 2020. In some sectors, a specific initiative or sub-sector has been identified as a focus for Growth Plan investment.

Public Transit	Clean Power	Green Infrastructure	Broadband	Trade and Transportation
Long-term sector target: \$5B	Long-term sector target: \$5B	Long-term sector target: \$5B	Long-term sector target: \$3B	Long-term sector target: \$5B
Sector includes: ZEBs, LRTs, BRTs, ferries, subways, commuter rail, transit-oriented development	Sector includes: zero-emission generation, small modular reactors, renewables, district energy, storage, interties, transmission	Sector includes: energy efficient retrofits, water, wastewater, carbon capture, utilization and storage, clean fuels, hydrogen, zero emission vehicle charging	Sector includes: unserved and underserved community broadband connectivity	Sector includes: agriculture infrastructure, ports, freight, highways, roads, bridges, tunnels, inter-regional and passenger rail
Growth Plan: \$1.5B for zero-emission buses	Growth Plan: \$2.5B for clean power	Growth Plan: \$2B for energy efficient retrofits	Growth Plan: \$2B for large-scale broadband projects	Growth Plan: \$1.5B for agriculture-related infrastructure
Indigenous Infrastructure \$1B across all priority sectors for projects in partnership with and for the benefit of Indigenous Peoples				
Project Acceleration \$500 million for project development and early works to shorten critical paths to construction				

Partnerships with Provinces, Territories, Municipalities, Indigenous Communities and the Private Sector and Institutional Investors

With extensive investment activity over the course of 2021-22, the CIB has made notable progress towards achieving the targets. As of the end of the fiscal year, progress towards our long term targets stood as follows:

Long Term Target Progress



Delivering the Growth Plan

In early 2020, life for Canadians began to change in ways we could not imagine at the time. The COVID-19 pandemic, still not well understood, introduced disruption and uncertainty in all facets of our lives.

While health and safety concerns took precedence, as time passed, we recognized that the lockdowns and distancing would go longer than first thought, and the impacts on our economy would be severe.

In October 2020, the CIB unveiled its 3-year \$10 billion Growth Plan. The Growth Plan was expressly designed for the CIB to do its part in pandemic recovery, accelerating infrastructure investment to support jobs and the economy, while maintaining momentum on projects that would support our transition to a cleaner future.

The Growth Plan included near-term targets for each priority sector and featured new programs for investment in zero emission buses, building retrofits, and agriculture – where smaller projects could be replicated at scale and deliver meaningful results.

At a project level, the Growth Plan is generating results. We are supporting cleaner buses in Ottawa, British Columbia, Quebec and Brampton, agricultural irrigation in Alberta, building retrofits across the country, and partnering with Algoma Steel to deliver significant GHG reduction in Algoma's steel facilities in Sault Ste. Marie.

The CIB has made almost \$6 billion in new investment commitments since the launch of the Growth Plan, putting us at \$7.2 billion in total investment commitment, ahead of pace to meet the \$10 billion total. While progress has been faster in some areas than others, we are pleased with our impact and take pride in playing our part to support Canadians through these challenging times.

Growth Plan in Action

CLEAN POWER

\$170M for Oneida Energy Storage, the largest facility of its kind in North America



TRADE & TRANSPORTATION

\$466M for Alberta's largest-ever agricultural irrigation expansion resulting in nearly 200,000 new irrigated acres of land



GREEN INFRASTRUCTURE

\$100M for SOFIAC to extend its turnkey solution for large-scale energy efficiency retrofits, to enable an estimated reduction of 20,000 tonnes of GHG emissions per year



BROADBAND

\$164M for better rural connectivity with Manitoba Fibre allowing up to 49,000 households to benefit from better connection

PUBLIC TRANSIT

\$1B towards a total of 1,300 zero emission buses including Edmonton, Ottawa, Brampton and more



INDIGENOUS INFRASTRUCTURE

\$50M to Tshiuetin Rail to connect Indigenous communities and create economic opportunity



Progress by sector

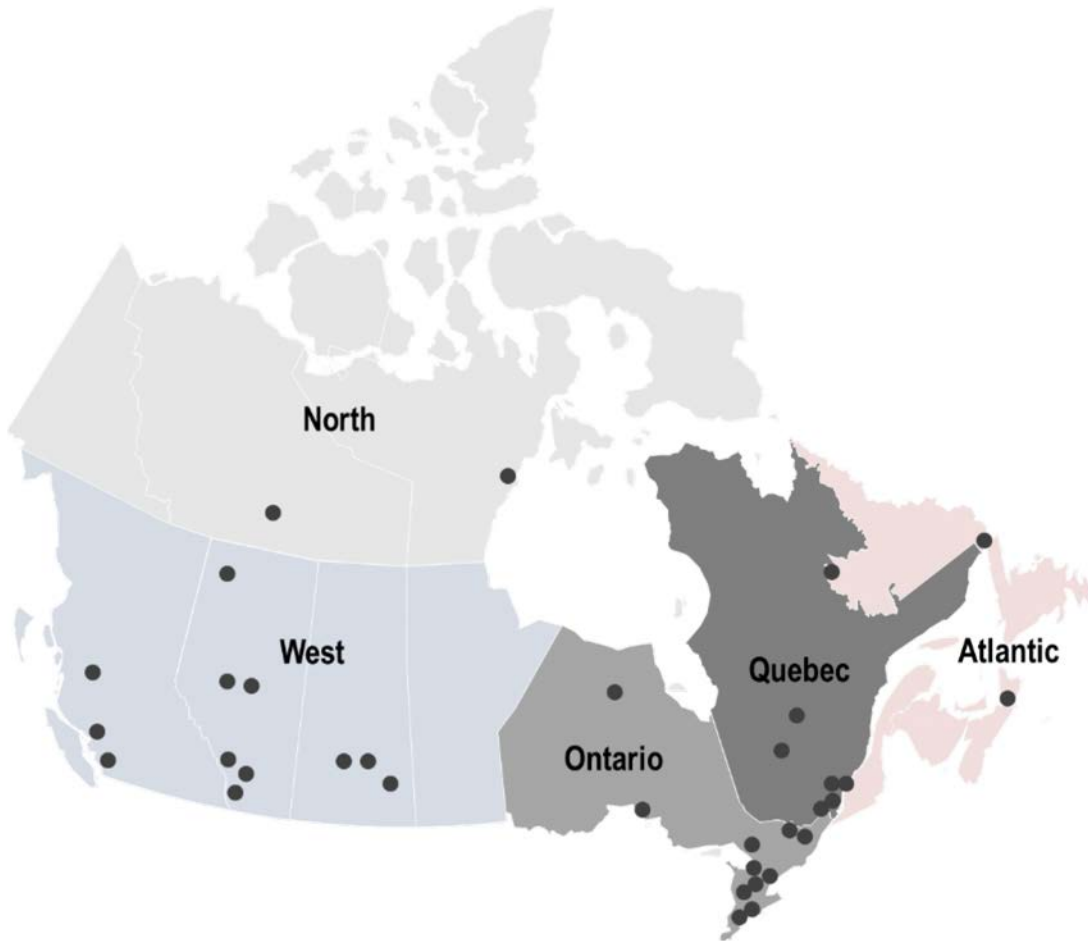
The CIB has been given five priority sectors by government in which to secure investments that will result in public benefits. As such, the CIB also tracks and measures its progress by seeking to ensure at least 2 projects reach financial close in each sector each year. In 2021-22 the CIB achieved or surpassed this target in all sectors except one.

SECTOR	PRIOR YEARS	2021-22	TOTAL
Public Transit	1	6	7
Clean Power	0	1	1
Green Infrastructure	0	4	4
Broadband	0	2	2
Trade and Transportation	1	2	3
Total	2	15	17

Regional Balance

As a Crown corporation with a national mandate, the CIB seeks to achieve balance in its portfolio that is reflective of the geographic scope and diversity of Canada. For this reason, our corporate objectives also include targets related to the distribution of our investments, based on financial close. In 2021-22 the CIB established an objective of ensuring that a minimum number of projects reach financial close in each region of the country by 2025-26.

Portfolio Composition: Geographies



Note: North boundaries are illustrative, to be defined

Indigenous Investment

The CIB has set a specific target to invest \$1 billion across all its priority sectors that is in partnership with and for the benefit of Indigenous Peoples. The infrastructure deficit in First Nation, Métis and Inuit communities is extensive, and through targeted investment the CIB can help address this gap, make progress on outcomes and contribute to reconciliation.

To determine progress towards this target, the CIB is tracking the amount of investment it makes in projects that deliver direct benefits to Indigenous communities through the Indigenous Community Infrastructure Initiative (ICII). As of the end of 2021-22, the CIB had made investment commitments of over \$100 million towards this target including closed investments of \$50 million. The outlook for additional ICII projects is strong – as of the end of the fiscal year there are an additional 10 ICII projects in the investment structuring stage representing a potential for more than \$284 million in CIB investment.

This does not include other projects outside of the ICII program that may also be of benefit to and feature Indigenous participation. For example, Oneida Energy Storage is a ~\$500 million project, in which the CIB has made an investment commitment of \$170 million, alongside partners NRStor and the Six Nations of the Grand River Development Corporation. The CIB is determining how best it may include a share of these projects towards its \$1 billion ICII target.

Fiscal Impact of CIB's Investments

The CIB is designed to be a risk-bearing institution. Across its priority sectors, the CIB makes concessionary investments. These investments are meant to solve a gap in the capital structure of the project, either by bearing risks that other investors cannot effectively bear, or by providing concessionary pricing (i.e. cost below the Government of Canada's cost of borrowing) that makes the project's financial model viable.

While the CIB has a \$35 billion statutory appropriation with which to make investments, it is limited to a maximum of \$15 billion within that allocation that can be expensed against the government's fiscal framework. The \$15 billion of allowed fiscal impact provides the CIB with the room to offer financing terms that will fill structural gaps in project structures and catalyze projects that benefit Canadians. This provides the flexibility and scope for the CIB to use its capital to innovate, de-risk projects to make them market ready, and be a patient impact investor.

The fiscal impact is the long run cost of the CIB's investments to Canada, reflecting that we make investments that see return of principal – not grants. The fiscal impact includes the CIB's rate of return relative to the government's cost of capital, investment losses, and the CIB's operating expenses. The CIB ensures that as part of its consideration of investment opportunities, it assesses the fiscal impact of its investment relative to its benefits and can assess that figure in the context of its scope to expense \$15 billion.

The CIB has set a prudent measure of keeping its use of fiscal expense to 30% of invested capital across the portfolio, which provides contingency to the \$15B. As the portfolio grows and new sub-sectors of activity are also added, the CIB intends to make more use of this fiscal room in accordance with our ability to assume risk and produce a metric for its use of the fiscal expense in terms of capital expended.

Private and Institutional Capital

One of the core features of the CIB that makes it unique is its role to crowd in private and institutional capital. The CIB has established a target to achieve a 1x ratio of private and institutional capital to CIB capital across the portfolio by the end of 2025-26. As of March 31, 2022, that measure, based on financial closes, stands at 1.2.

What is Private Capital? What is Institutional Capital?

The *CIB Act* specifically contemplates investing alongside private and institutional investors.

“The purpose of the Bank is to invest, and seek to attract investment from private sector investors and institutional investors, in infrastructure projects in Canada or partly in Canada that will generate revenue and that will be in the public interest by, for example, supporting conditions that foster economic growth or by contributing to the sustainability of infrastructure in Canada.”

Source: *Canada Infrastructure Bank Act*

Attracting private and institutional capital means expanded total investment in infrastructure projects for the public dollars allocated to infrastructure as part of government policies and budgets.

In each of the CIB’s investments, there is a source of revenue that means the entire capital cost does not need to be funded by a government grant. This provides an opportunity to build more infrastructure for less government expenditure.

Private Investors

Private investment comes from organizations that are not controlled by governments in Canada and do not have recourse to public sources of funding. Another key defining feature of private partners on our projects is that they will share in the risks and rewards of the project to create incentives for improved performance.

The CIB’s investment in Manitoba Fibre includes private capital: DIF Capital is a private investor that has raised its money in the private market.

Another example of what the CIB considers as private capital comes from Alberta Irrigation Districts. While the Alberta Government has established the framework for these districts in legislation, the Boards of the districts are elected by the irrigators – i.e. the customers of the irrigation district, and the Districts are controlled by their private sector members and operate with the pooled resources of their private sector members.

Institutional Investors

The *CIB Act* contemplated investment from institutional investors, such as Canada’s large pension funds, many of whom have sizeable infrastructure portfolios.

Canada’s pension plans are considered by the market as institutional investors and make decisions at arms-length on a commercial, investment-only basis, similar to a private investor. When they choose to invest in Canada, they are doing so in comparison to other investment opportunities around the world. A choice to invest in Canada with repayment from the revenues of the project instead of elsewhere increases the amount of infrastructure that can be delivered in Canada.

The CIB has already made notable investments alongside institutional investors, including CDPQ Infra in the Réseau express métropolitain, and the Enwave District Energy project, which is owned in part by the Ontario Teachers’ Pension Plan.

Impact Outcomes

Growth in the CIB portfolio is important, but the reason that the CIB invests is to achieve outcomes for Canadians.

The CIB is an impact investor. Impact investing refers to investing with an intent to contribute to positive social or environmental impacts alongside financial returns. For the CIB, this is advanced by:

- Ensuring our investments deliver tangible benefits to Canadians such as GHG reductions, increased transit ridership, broadband underserved households passed and investment in Indigenous communities.
- Leveraging our ability to provide concessionary terms in the consideration of projects.
- Working across a longer time horizon, where we have more flexibility in repayment structures than private and institutional capital, for example through flexible draw schedules, longer repayment periods or sculpted repayments.

Through our participation as a patient impact investor, we unlock investment and can fill economic gaps that otherwise may prevent a beneficial project from proceeding. As a result, communities experience cleaner air, better transit, broadband connections, enhanced economic prosperity and a higher quality of life.

There are a range of ways in which the CIB evaluates its outcomes, which all feed into the balanced scorecard reflected in our Corporate Plan. By evaluating multiple outcomes in the context of our strategic priorities, the CIB is able to more comprehensively assess its performance.

The CIB evaluates the public impact outcomes that its investments deliver with the same rigor it conducts due diligence on financial returns. In 2021-22, the CIB put in place a Public Impact Management Policy, which outlines the CIB's approach to identifying, defining, measuring and monitoring the public impact outcomes, consistent with our Investment Framework.

In this regard, the CIB has established and set targets against five public impact outcomes.

- **Greenhouse Gas Reductions** – the CIB measures the average annual GHG reductions under a project-related standard expected from its projects. Projects in the CIB's public transit, clean power and green infrastructure sectors contribute to this outcome.
- **Daily ridership** – the CIB measures the daily transit ridership of projects it invests in as a proxy for the wider time and economic benefits that come from transit expansion. Projects in the CIB's public transit and trade and transportation sectors may contribute to this metric.
- **Underserved households passed by 50/10 Mbps broadband** – the CIB measures, consistent with the definition from Innovation, Science and Economic Development Canada (ISED) - the number of underserved households (those without access to minimum 50/10 Mbps internet) that are passed by projects that the CIB has invested in. The CIB's broadband projects contribute to this outcome.
- **Economic growth through trade** – as measured by the incremental value-add created by the agriculture projects the CIB invests in, and the incremental trade volumes supported by projects the CIB invests in. Projects in the CIB's trade and transportation priority sector contribute to this outcome.
- **Indigenous Communities with Infrastructure gaps addressed** – the CIB's projects in Indigenous communities deliver much needed infrastructure in partnership with these communities and can be in any priority sector. In addition to a qualitative assessment of the benefits, the CIB tracks the number of Indigenous communities in which it has closed an infrastructure gap.

Sustainability and the CIB

As an impact investor, the CIB aspires to be a leader in sustainability and climate action in Canada. When investing in the next generation of infrastructure for Canadians, we aim to ensure our efforts support future-proof, sustainable, green and clean infrastructure that empowers and connects communities.

As the CIB continues to expand and grow our investment portfolio, sustainability will be at the core of everything that we do. In 2021-22 we further developed our approach to sustainability leadership and developed a framework for our activities. The framework sets out that the CIB will focus its efforts in the following three ways:

1. As a financial institution and Crown corporation, the CIB will strive to be a recognized leader with respect to the integration of climate action into its investment activities, policies, decision-making and reporting
2. With impact as our bottom line, we prioritize consideration of sustainable outcomes which will drive our investment decisions and ensure a meaningful part of our portfolio will achieve this outcome. The CIB has set an ambitious objective to invest in projects that will achieve 10 MT of annual greenhouse gas reductions by 2025-26, and
3. As an employer, the CIB has committed itself to being a leading corporate citizen with respect to the integration of sustainability into its day-to-day activities.

This past year, the CIB focused more efforts on sustainability and establishing a foundation for enhanced climate leadership within the organization. We established a sustainability working group, to lead and convene on all environmental, social and governance (ESG) efforts for the CIB. This initiative will play a key role of keeping sustainability at the forefront of the CIB's corporate objectives and strategy and expand and develop further sustainability efforts.

Sustainability reporting is integral to transparency and climate leadership, which is why as an impact investor, the CIB will publish a dedicated report in the fall of 2022. The report will provide a snapshot of our progress to date, our future initiatives and where we can improve as an organization. This reporting will also provide full transparency around our internal structures, governance and mandates that are directing our sustainable investing and outcomes.

The report will also be inclusive of the Task Force for Climate Related Financial Disclosures (TCFD) framework. TCFD reporting is increasingly becoming the gold standard by which entities disclose climate related opportunities and risks associated with their activities, along with the strategies, governance and metrics deployed to take climate considerations into account. Adopting TCFD will provide greater insight into the climate related considerations related to CIB activity and is aligned with the federal government's direction in its 2021 Budget for all Crown corporations with over \$1 billion in assets to begin TCFD reporting by calendar year 2022.

Beginning with the 2021-22 fiscal year, the CIB has started tracking our operational carbon footprint, in an effort to provide clear transparency around our internal operations and share our own carbon impact.

As documented in this report, the CIB has established GHG reductions as a corporate objective and baseline metric to measure public outcomes and value for our investments. We have established measurable targets for our sector and sub-sector activities that align with the government climate and emissions reduction priorities such as ZEBs and clean power projects to support a net zero grid and green infrastructure – including the decarbonization of large emitters.

Furthermore, through its Investment Framework, the CIB will explicitly consider a project's potential contribution to greenhouse gas reductions as its potential return, thereby embedding climate progress directly into our investment decision-making. In this way, the CIB expects to be a strong contributor to lower emissions and reaching Canada's climate goals.

In parallel to this GHG outcomes-oriented approach to investment decision-making, the CIB's risk team has launched an initiative to better assess climate related to physical and transition risk in the consideration of all of the CIB's investments. This will help ensure the CIB has the full consideration of opportunity and climate risk in all investment decisions.

In addition, in 2021-22, the CIB supported the federal government's Green Bond initiative, providing input and information to assist with the development of the program and identification of potential CIB investments that will advance CIB leadership in this important endeavour.

The CIB is also contributing to the federal government's effort to align and standardize aspects of GHG reporting to better inform progress towards 2030 and 2050 goals.

Investments Updates and Highlights

The following provides a review of the CIB's announced investment activity in projects by each priority sector as of the end of the 2021-22. It does not include details on six additional projects to which the CIB has made investment commitments but were not yet publicly announced as of the end of the fiscal year.

PUBLIC TRANSIT

Investments in transit help connect people to their communities, whether that be to work, family, friends or recreational and cultural pursuits. Transit investments also can help reduce greenhouse gas (GHGs) for Canada, provide citizens with cleaner and faster commutes, support the financial sustainability of public transit providers, and improve the quality of life for Canadians, particularly those living in larger cities.

The CIB seeks investments in major public transit projects that can deliver revenue and attract private and institutional capital such as the Réseau express métropolitain (REM) in Montreal.

As part of its efforts in this area, the CIB also administers its Zero Emission Bus initiative as part of the Growth Plan. Diesel buses are significant greenhouse gas contributors across Canada. ZEBs are an alternative to both improve transit and make a transition to low-carbon infrastructure. This initiative, comprising of a mix of transit and school buses, contributes to the government's goal of the accelerated adoption of over 5,000 ZEBs.

Announced in 2021-22

	STATUS	CIB PARTICIPATION	PARTNERS
Autobus Séguin	Financial Close, Sept. 2021	\$15 million	Autobus Séguin
	In deployment		Government of Quebec

The CIB and Autobus Séguin, a Quebec-based school bus operator, entered into an agreement for the CIB to support the purchase of up to 131 ZEBs by Autobus Séguin with an investment commitment of up to \$15 million.

	STATUS	CIB PARTICIPATION	PARTNERS
Edmonton ZEBs	Financial close, Aug. 2021	\$14.4 million	City of Edmonton, Edmonton Transit Service
	Pre deployment		

The CIB and the City of Edmonton entered into an agreement for the CIB to support the purchase of 20 new zero-emission public transit buses by Edmonton with an investment commitment of \$14.4 million. The new bus purchases will add to Edmonton Transit Service’s fleet of 40 zero-emission transit vehicles and contribute to the City’s shift toward more sustainable transportation, a lower carbon footprint, and a higher-quality transit service.

	STATUS	CIB PARTICIPATION	PARTNERS
Brampton ZEBs	Financial close, Mar. 2022	\$400 million	City of Brampton
	Pre deployment		Regional Municipality of Peel

The CIB and the City of Brampton, through the Regional Municipality of Peel, entered into an agreement for the CIB to support the purchase of up to 450 zero-emission public transit buses by Brampton with an investment commitment of up to \$400 million. The electrification of transit is a critical milestone in the city’s journey to reduce GHGs generated in Brampton by 80 percent by 2050. The deployment of up to 450 ZEBs is estimated to save up to 115 tonnes of CO2e per bus, per year.

	STATUS	CIB PARTICIPATION	PARTNERS
BC School Buses	Financial close, June 2021	\$30 million	Association of School Transportation Services of British Columbia
	Pre deployment		Government of British Columbia,

The CIB and the Association of School Transportation Services of British Columbia (ASTSBC) entered into an agreement for the CIB to support the purchase of up to 280 new zero-emission school buses by ASTSBC-member schools across BC with an investment commitment of up to \$30 million.

The CIB’s financing will work in conjunction with funding provided by the B.C. government’s Ministry of Education and Ministry of Energy, Mines and Low Carbon Innovation. All funding will be available for ASTSBC’s members to make ZEB purchases.

	STATUS	CIB PARTICIPATION	PARTNERS
Quebec School Bus ZEBs	Financial close, Mar. 2022	\$400 million	Bus Carriers Federation, Government of Quebec
	Pre deployment		

The CIB and the Bus Carriers Federation of Quebec entered into an agreement for the CIB to support the purchase of up to 3,500 new zero-emission school buses by Federation members across Quebec with an investment commitment of up to \$400 million. This large-scale investment in zero-emission vehicles will substantially reduce greenhouse gas emissions and demonstrates Quebec’s leadership in sustainable transit.

	STATUS	CIB PARTICIPATION	PARTNERS
OC Transpo ZEBs	Investment Commitment, June 2021	\$400 million	City of Ottawa, OC Transpo
	Final due diligence in progress		

The CIB committed to the City of Ottawa through a MOU to support the purchase of up to 450 new zero-emission transit school buses by OC Transpo with an investment commitment of up to \$400 million. The electrification of vehicles is a key initiative contributing towards the City of Ottawa's goal of reducing GHG emissions in City operations by 100 percent by 2040.

	STATUS	CIB PARTICIPATION	PARTNERS
Aéroports de Montréal (ADM) REM Station	Financial Close, July 2021	\$300 million	Government of Québec, Transport Canada, Aéroports de Montréal
	In construction		

The CIB reached financial close on its \$300 million investment commitment in a new station and rail connection that will link the Montréal-Trudeau International Trudeau airport to the 67-kilometre long, 26 station REM light rail transit network currently under construction in the Greater Montréal area.

This project builds on the CIB's previous \$1.28 billion investment commitment in the REM. A fully accessible REM station will be an important public asset providing fast, convenient service to and from the airport regardless of local vehicle traffic and weather.

Announced prior to 2021-22

	STATUS	CIB PARTICIPATION	PARTNERS
Réseau express métropolitain	Financial close, 2018	\$1.28 billion	Government of Quebec, CDPQ Infra
	In construction		

The \$6.9 billion Réseau express métropolitain project involves construction of a new automated light-rail network serving the greater Montreal area. The CIB continues to monitor its investment commitment in the project, which will include 26 stations and span 67 km of tracks, almost doubling the current Métro network, which is 71 km long. The CIB's \$1.28 billion investment commitment is in the form of a 15-year senior secured loan at a rate starting at 1% escalating to 3% over the term of the loan.

The CIB ZEB Initiative

The vast majority of transit and school buses operating in Canada today are diesel and emit significant GHGs, which contribute to ~25% of all GHG emissions that the transportation sector represents.

Bus operators can eliminate those GHG tailpipe emissions and help Canada meet its broader climate targets by transitioning to zero-emission buses. However, ZEBs have higher upfront costs than diesel buses and there is not yet a track record of operational performance and cost, so bus operators are reluctant to transition at the rate required to meet Canada's climate objectives.

As part of the Growth Plan, the CIB created its ZEBs initiative to tackle those hurdles and accelerate the transition to ZEBs. We offer an innovative financing solution that targets the capital cost gap between diesel buses and ZEBs and takes risk on the operational performance of those ZEBs as the expected cost savings are still unproven.

To date, the CIB has made investment commitments that will help procure over 4,300 zero emission buses.

CLEAN POWER

The advancement of clean power is critical to achieving Canada's 2030 and 2050 climate action goals and contributing to a more sustainable energy future. New investment is required to stimulate advancement of clean power generation, distribution and storage. The focus of the CIB's activity in the clean power sector is in relation to projects that can reduce the greenhouse gas emissions of the electricity sector. Through its clean power sector, the CIB seeks to address gaps in the capital structure of projects such as interprovincial interties, renewables, district energy systems, energy storage, and more.

The Government of Canada has released a Small Modular Reactor (SMR) Action Plan, recognizing that "SMRs are a promising new technology that could unlock a range of benefits: economic, geopolitical, social, and environmental." Consistent with Canada's Small Modular Reactor Roadmap and the Healthy Environment, Healthy Economy Plan, in 2021-22 the CIB began the exploration of opportunities to invest in Small Modular Reactors as a tool to decarbonize electric grids. The CIB is working closely with Natural Resources Canada (NRCan) and other federal departments to ensure there is coordination and alignment in any potential activity in this area.

Announced in 2021-22

	STATUS	CIB PARTICIPATION	PARTNERS
Enwave District Energy	Financial close, Sept. 2021	\$600 million	Enwave Energy Corporation, Ontario Teachers' Pension Plan, IFM
	In construction		

The CIB and Enwave Energy Corporation (Enwave) reached financial close on a long-term agreement valued at \$1.4 billion to accelerate and advance district energy projects in the cities of Toronto and Mississauga.

Enwave provides district energy services to health care facilities, government and university buildings and commercial and residential towers, within Toronto's downtown. The CIB committed \$600 million to the project which allows Enwave to accelerate and scale the build-out of its district energy systems.

	STATUS	CIB PARTICIPATION	PARTNERS
Lake Erie Connector	Investment Commitment, Jan. 2021	\$655 million	Government of Ontario, ITC Holdings Corp., Fortis
	Final due diligence in progress		

The 1,000 megawatt, high-voltage direct current connection will help lower electricity costs for customers in Ontario and improve the reliability and security of Ontario’s energy grid. With the development of this project, Ontario will gain direct access to the largest electricity trading market in North America. The project will help Ontario to optimize its current infrastructure, avoid costs associated with existing production curtailments or shutdowns. The project will also limit the construction of new power plants and leverage existing transmission lines to support electricity demand throughout the grid.

The CIB and ITC Investment Holdings (ITC) signed an agreement in principle to invest \$1.7 billion in the Lake Erie Connector project. Under the terms of the agreement, the CIB has committed to invest up to \$655 million or up to 40% of the project cost. ITC, a subsidiary of Fortis Inc., and private sector lenders will invest up to \$1.1 billion, the balance of the project’s capital cost.

Note this project was announced in early 2021-22, following an investment commitment made in 2020-21.

	STATUS	CIB PARTICIPATION	PARTNERS
Oneida	Investment Commitment, Mar. 2021	\$170 million	NRStor Inc. and Six Nations of the Grand River Development Corporation
	Final due diligence in progress		

The Oneida Energy Storage project, in Southwestern Ontario will draw and store existing surplus baseload and renewable energy during off peak periods. Clean, reliable power will be released to the Ontario grid when energy demand is at its peak to reduce greenhouse gas emissions. In addition, the facility will help optimize Ontario’s electricity sector by providing important grid balancing services and reducing renewable curtailment.

The CIB has committed to invest up to \$170 million in the half billion-dollar project. Under the terms of the investment agreement in principle, Oneida Energy Storage LP, together with private sector lenders, will finance the balance of the project’s capital cost.

The project will help Ontario reduce greenhouse gas emissions and take the equivalent of taking 40,000 cars off the road every year. It will also allow Ontario to better manage peak electricity demand and meet future reliability needs in a more sustainable way.

Note this project was announced in early 2021-22, following an investment commitment made in 2020-21.

GREEN INFRASTRUCTURE

Green infrastructure projects support Canada's clean growth economy in areas such as energy efficiency, water and wastewater management and the transition to a low carbon future. This includes the CIB's public and commercial building retrofit initiatives, which aim to leverage private and institutional investment to accelerate the decarbonization of Canada's building stock, a significant source of emissions.

Also within the Green Infrastructure sector are emerging efforts such as carbon capture, utilization and storage (CCUS), hydrogen and clean fuels, which have been identified as essential to supporting Canada's climate objectives. Such efforts are particularly important in sectors that can be difficult to decarbonize such as heavy industry and freight which represented over 140 Mt of Canada's CO₂e emissions in 2020.

In 2021-22 the CIB began exploring these potential efforts, engaging with other federal government departments and provincial partners and meeting with proponents on a range of investment opportunities to ensure a clear understanding of their potential and inform the CIB's planning. The CIB engaged with ISED's Strategic Innovation Fund, and in particular the Net Zero Accelerator in order to identify ways to leverage each other's resources to increase impact, including in the assessment of potential projects.

Recognizing the prominence of this subsector in western Canada, the CIB has opened a Calgary office and hired an Investments Managing Director to lead our efforts in this area.

Announced in 2021-22

	STATUS	CIB PARTICIPATION	PARTNERS
Toronto Western Hospital Retrofit	Financial close, Sept. 2021 In construction	\$19.3 million	Vancity Community Investment Bank, Noventa Energy Partners, Enbridge Gas, Environment and Climate Change Canada, University Health Network (UHN)

The CIB reached financial close on the world's largest raw wastewater energy transfer project, located at Toronto Western Hospital, part of the University Health Network. Renewable energy company Noventa Energy Partners (Noventa) worked with UHN with the support of Enbridge Gas to develop the \$42.9 million project which will provide approximately 90 percent of the hospital's heating and cooling requirements. Under the terms of the agreement, the CIB has committed to invest up to \$19.3 million in subordinated debt and Vancity Community Investment Bank will invest \$15.3 million in senior debt.

	STATUS	CIB PARTICIPATION	PARTNERS
Algoma Steel Retrofit	Financial close, Nov 2021 In construction	\$220 million	Algoma Steel Inc. (Algoma), Innovation, Science and Economic Development Canada (Canada Strategic Infrastructure Fund)

Algoma is electrifying its steelmaking process by installing electric arc furnaces (EAFs) to improve product mix and reduce production costs. The CIB has committed to invest \$220 million in the project. This electricity-based process is expected to cut greenhouse gas (GHG) emissions by more than 3 million metric tonnes per year by 2030, making a meaningful contribution to achieving Canada's climate goals.

	STATUS	CIB PARTICIPATION	PARTNERS
Dream Retrofits	Financial close, Mar. 2022	\$136.6 million	Dream Unlimited
	Pre construction		

The CIB has committed to invest up to \$136.6 million to finance the retrofitting by the Dream group of companies of 19 buildings in Ontario and Saskatchewan built between 1875 to 1992. Dream will begin decarbonizing and modernizing each building starting in 2022. Once complete, the buildings will provide greener and more resilient workplaces.

Dream's retrofit plan is focused on implementing energy efficiency measures, such as mechanical and electrical upgrades, new windows and roofs, electric vehicle chargers and rooftop solar.

	STATUS	CIB PARTICIPATION	PARTNERS
Johnson Controls	Investment Commitment, Mar. 2022	\$100 million	Johnson Controls Inc.
	Final due diligence in progress		

The CIB has made an investment commitment of up to \$100 million to Johnson Controls Inc. (JCI), which will act as a retrofit aggregator for projects across Canada. JCI will provide a turnkey solution to building owners, delivering the development, construction, commissioning, and monitoring and verification of retrofits. Building owners will have access to JCI's technical and financial resources to develop and implement retrofits which will optimize energy performance and reduce their properties' carbon footprint, without requiring upfront investment or internal resources.

	STATUS	CIB PARTICIPATION	PARTNERS
SOFIAC	Financial close, Sept. 2021	\$100 million	SOFIAC, Fondaction, Econoler and Fiera Private Debt
	Pre-construction		

In September 2021, the CIB and its partners reached financial close. Under the terms of the financing package, the CIB has committed to lend up to \$100 million to enable SOFIAC to extend its turnkey solution for large-scale energy efficiency retrofits to owners of buildings in Quebec. The energy cost reduction target ranges from 25% to 40% per project. This should reduce consolidated greenhouse gas emissions by 30% to 50%.

Commercial and Public Retrofits

The Canadian building sector has historically been a major contributor to the country's GHG emissions, due in large part to the high energy use intensity of buildings. The high energy usage is linked to deferred maintenance on roofs and windows but most importantly inefficient equipment such as heating, cooling and air distribution systems.

Retrofits, which include both building and industrial retrofits, contribute to climate action through enabling greenhouse gas reductions. Building retrofits save money, revitalize our building stock and improve overall building comfort; while industrial retrofits can help support higher emitting businesses in their processes as they transition to the low-carbon economy.

The CIB has two initiatives that are designed to help accelerate investment in this important area.

- Public Retrofits Initiative (PRI) provides financing for energy retrofits projects on infrastructure portfolios owned and/or managed by the public sector. Our team of experts works with the public sector to review their asset portfolios from a holistic perspective and develop bundles of energy retrofit projects.
- Commercial Building Retrofits Initiative (CBRI) provides financing for decarbonization retrofits in privately owned commercial, industrial and multi-unit residential buildings in Canada. The Initiative aims to stimulate jobs for Canadians and strengthen Canada's economy through new infrastructure investments.

The CIB measures the contribution towards these outcomes by measuring the greenhouse gas reductions that result from the projects the CIB invests in towards our target across our portfolio.

BROADBAND

Broadband is widely recognized as critical infrastructure for the success of our communities and economy, on par with traditional infrastructure such as roads, transit and energy. The recent experience with the pandemic and Canadians' reliance on internet connectivity has only made this clearer.

CIB investments in broadband are targeted at connecting households to a minimum standard of 50/10 mbps broadband and reflect growing priorities amongst project sponsors to deliver higher broadband speeds where it is cost-effective in order to fully enable digital connectivity for Canadians as determined by ISED's Universal Broadband Fund or provincial project sponsors.

Announced in 2021-22

	STATUS	CIB PARTICIPATION	PARTNERS
Ontario Rural Broadband	Multiple Bundles at difference stages from final due diligence to financial close	\$1.3 billion	Innovation, Science and Economic Development Canada (Universal Broadband Fund)

Due to the low population density and current lack of broadband infrastructure in rural Ontario, the cost of connection per household is very high. The CIB has entered into an investment commitment that will provide low financing rates will allow broadband connectivity to expand at a quicker pace and lower cost to implement. The communities which will benefit from new broadband connectivity will be announced as individual investment agreements are finalized.

Announced prior to 2021-22

	STATUS	CIB PARTICIPATION	PARTNERS
Manitoba Fibre	Financial close, Aug. 2021	\$164 million	Valley Fiber Limited, DIF Capital Partners
	In construction		

The CIB reached financial close and has committed to invest \$164 million in the ~\$328 million project, and private sector partner DIF Capital will provide a similar amount. Valley Fiber will be responsible for all aspects of construction, installation, operations and maintenance of the new broadband service.

The project improves current internet services which use slower, standard copper phone line and wireless access. It includes last-mile infrastructure with underground fibre cables and networking equipment. The service will offer broadband speeds of up to 1 gigabit per second for the first time, enhancing telecommunications services for residents, businesses and public service delivery.

TRADE AND TRANSPORTATION

Trade and Transportation infrastructure supports stronger, more efficient corridors to domestic and international markets, and helps Canadian businesses compete and grow.

Trade and Transportation projects have a wide range of outcomes: they better connect Canadians to where they need to go, ease the move of goods to enable trade, and grow our agricultural sector.

Announced in 2021-22

	STATUS	CIB PARTICIPATION	PARTNERS
Tshiuetin Rail	Financial close, Sept. 2021	\$50 million	Transport Canada, Société du Plan Nord, Tshiuetin Rail Transportation Inc., Tshiuetin LP
	In construction		

Tshiuetin Rail Transportation Inc. is the first Indigenous-owned railway in Canada, and it is the lifeline for the northern communities it serves. It is the only readily accessible link connecting Schefferville, Quebec, and three First Nations: the Innu Takuaihan Uashat mak Mani-utenam, the Innu Nation of Matimekush-Lac John, and the Naskapi Nation of Kawawachikamac, and contributes to the economic growth of communities in Northeastern Quebec and Western Labrador.

The CIB's investment, its first under the ICII initiative, consists of a \$50 million commitment in the form of a long-term, fully repayable loan. It will enable better service for the Indigenous communities along the route by increasing mobility, efficiency, safety as well as comfort. It will also improve the capacity and efficiency of freight services creating new economic and employment opportunities. Upgraded and fuel-efficient trains will also contribute to reducing greenhouse gas emissions along the corridor.

	STATUS	CIB PARTICIPATION	PARTNERS
Kahkewistahaw Landing Infrastructure	Financial close, Mar. 2022	\$15.4 million	Kahkewistahaw Economic Management Corporation, Indigenous Services Canada
	In construction		

The CIB reached financial close on a \$15.4 million loan to Kahkewistahaw Business Landing Limited Partnership, wholly owned by Kahkewistahaw First Nation (KFN). The CIB's investment will accelerate the Kahkewistahaw Landing Infrastructure urban reserve project. The First Nations Bank of Canada and Indigenous Services Canada have also contributed to the project.

The CIB's investment commitment will be used for enabling infrastructure such as road works, utilities and broadband connectivity. The enabling infrastructure will allow KFN to build a multi-use gathering place that will house: a medical centre providing culturally sensitive social services, commercial and office space, a conference centre and hotel and the headquarters for the Federation of Sovereign Indigenous Nations.

Announced prior to 2021-22

	STATUS	CIB PARTICIPATION	PARTNERS
Alberta Irrigation	Financial close, Dec. 2020	\$466 million	Government of Alberta, Irrigation Districts (10)
	In construction		

Modernizing irrigation infrastructure can increase primary crop production, water storage capacity and security while helping to mitigate the impacts of climate change. The project will also support long-term food processing businesses.

This project supports the efficient delivery of water, increases irrigation opportunities and reduces water loss. In a second phase, the project aims at enhancing water security and supply within the South Saskatchewan River Basin and allow for an earlier start to the irrigation season.

In 2021-22 the CIB increased its investment commitment in the project by \$58.8 million, bringing its total investment commitment to \$466 million and with partners the overall value of the project to \$933 million.

Indigenous Investments

There is a significant infrastructure gap facing Indigenous communities across Canada. The CIB is working with First Nation, Métis and Inuit communities to explore opportunities for collaboration on projects to improve the economic performance of Indigenous communities. Many Indigenous communities have expressed an interest in working with the CIB to further advance infrastructure projects on their traditional territories and in their communities.

The CIB's mandate specifically includes developing projects in partnership with, and that benefit, Indigenous Peoples. In support of broader government commitments, the CIB has established a target of \$1 billion for Indigenous Infrastructure projects across our priority sectors, consistent with the Statement of Priorities and Accountabilities.

Already, the CIB's efforts are demonstrating progress. One meaningful example of this is the Oneida Battery Park, which when constructed, will be a 250 MW/1,000 MWh lithium-ion facility and one of the largest battery storage projects in the world. It is led by NRStor, a company which develops reliable energy storage projects that reduce environmental impacts, and the Six Nations of the Grand River Development Corporation (SNGRDC). The project will incorporate significant Indigenous participation through the SNGRDC's equity partnership with NRStor.

The CIB is also supporting Indigenous infrastructure through providing advisory expertise to projects such as the Kivalliq Hydro-Fibre Link. The proposed project involves construction of a new 1,200-kilometre, 150-megawatt transmission line with fibre-optic cabling to Nunavut from Manitoba. It will bring renewable, sustainable and reliable hydroelectricity to modernize electricity systems and potentially reduce reliance on diesel power generation while supporting the economic interest of Indigenous Peoples in remote communities. The CIB is conducting analysis, reviewing the project's estimated costs and revenues, exploring financing options, and assessing environmental, social and economic benefits.

Indigenous Communities Infrastructure Initiative

It is important to recognize that the infrastructure challenges in many Indigenous communities differ from those elsewhere in Canada. Indigenous communities are often smaller in size and more remote in location. To address this dynamic, in March 2021 the CIB launched the ICII, designed to address the significant need for lower cost but vital infrastructure in communities. The program does so by providing financing that contributes to closing the economic gaps that face small-scale projects.

ICII adopts the CIB's disciplined investment approach to the unique needs and challenges that face infrastructure projects in Indigenous Communities, including the smaller project scale and increased barriers to capital markets. All ICII projects must be within one of the CIB's priority sectors, provide direct benefit to an Indigenous community, and represent an investment of at least \$5 million and up to \$100 million. Example projects in development under ICII include:

- **Tshuëtin Rail:** Tshuëtin Rail Transportation Inc. is the first Indigenous-owned railway in Canada. The CIB's investment commitment will enable better service for the Indigenous communities along the route from Quebec to Labrador by increasing mobility, efficiency, safety and comfort. It will improve the capacity and efficiency of freight services creating new economic and employment opportunities.
- **Kahkewistahaw Landing Infrastructure:** Kahkewistahaw First Nation is developing an urban reserve in Saskatoon, Saskatchewan, which will house a medical centre, commercial units, an office centre, hotel and conference centre, industrial bays and headquarters of the Saskatchewan First Nations' provincial political organization, the Federation of Sovereign Indigenous Nations. The CIB's investment commitment will be used for enabling infrastructure such as road works, utilities and broadband.

To date, the CIB through ICII has made investment commitments that will benefit 29 communities. As each project is also a project within one of the CIB's priority sectors, the outcomes of these projects are also contributing to goals in areas such as the reduction of GHGs, households passed by broadband and others.

This collaboration is a significant opportunity, and the CIB has expanded its Advisory and Investment team to include the necessary expertise to advance reconciliation with First Nation, Métis and Inuit partners and invest in much needed infrastructure projects that are aligned with the CIB's purpose and functions.

Investment Outlook

The CIB forecast anticipates continued opportunities to invest in projects at a rate of capital deployment to reach \$35 billion in financial closes by 2027-28.

There are several factors which support this outlook:

- The CIB's ongoing efforts to engage with partners and identify investment opportunities have resulted in a robust roster of projects that are in various stages of our investment process. While not all opportunities will yield results, the overall quantity and quality of the pipeline is an indication that barring significant external developments, future investment totals should continue at a rate similar to or better than what was achieved in 2021-22.
- Canada continues to face an infrastructure deficit that is beyond the capacity of governments alone to address. Opportunities to crowd in private capital need to be part of a broader array of approaches to address the gap.
- Canada has set ambitious targets to achieve emission reductions of 40%-45% below 2005 levels by 2030, and net zero by 2050. This contributes to drive a strong demand for new infrastructure in areas such as transit, clean power and green infrastructure that can lead to emission reduction.
- The Government of Canada has identified new areas of activity for CIB investment, including carbon capture, utilization and storage, hydrogen, clean fuels, small modular reactors and zero emission vehicle charging and refuelling infrastructure.
- After its initial start-up phase, the CIB is achieving a more established profile among Canadian governments and investors. The growth in investment commitments and financial closes in 2021-22 will reinforce awareness of the CIB and showcase the positive outcomes that working with the CIB can generate.

The chart below provides an overview of projects in the later stage activities of our investment process, capturing projects that range from those in investment structuring through final diligence and closed. Together, they provide an outlook in terms of the number of projects CIB anticipates being invested in and the value of CIB investment or potential investment. The chart is current as of March 31, 2022. Stage 3 projects are a leading indicator of near-term future investment commitments, and total almost \$10 billion in potential CIB capital to deploy, an outlook that exceeds investments made in 2021-22.

Sector	Stage 5: Funding Monitoring and Exit		Stage 4: Final Negotiations and Closing		Stage 3: Investment Structuring and Commitment		Total (Stage 3-5)	
	#	Value	#	Value	#	Value	#	Value
	<i>Investments where the CIB has executed an investment agreement and reached financial close with the project partner</i>		<i>Investments where the CIB has executed a term sheet with the project partner and is in the final stages of due diligence and closing</i>		<i>Investments where the CIB has assessed the opportunity, determined it is likely to meet its investment criteria and is in negotiations on a term sheet. Not all of these investments will ultimately reach Stage 5.</i>			
Public Transit	7	\$2.4B	2	\$0.5B	2	\$0.9B	11	\$3.8B
Clean Power	1	\$0.6B	3	\$0.9B	16	\$7.2B	20	\$8.7B
Green Infrastructure	4	\$0.5B	2	\$0.2B	7	\$0.3B	13	\$1.0B
Broadband	2	\$0.8B	4	\$0.8B	8	\$0.8B	14	\$2.4B
Trade and Transportation	3	\$0.5B	0	\$0.0B	7	\$0.7B	10	\$1.2B
Total	17	\$4.9B	11	\$2.4B	40	\$9.9B	70	\$17.1B

*Figures may vary due to rounding

CIB's new areas of focus

On April 7, 2022, the federal government released “Budget 2022: A Plan to Grow Our Economy and Make Life More Affordable.”

The Budget was notable for the CIB, signalling a new and expanded role to invest in private sector-led infrastructure projects that will accelerate Canada's transition to a low-carbon economy.

The Budget outlined five new areas of focus, all to be delivered within the CIB's existing priority sectors:

Small Modular Reactors

- SMRs present opportunities to unlock additional ways to decarbonize electricity grids and can be an option in both more remote communities and as a complement to renewable energy.

Carbon Capture, Utilization and Storage

- NRCan indicates that “CCUS is one of the four key technology areas critical to achieving global climate and energy goals and urgent steps are needed to significantly ramp up CCUS deployment.”

Hydrogen

- Hydrogen production, transportation and distribution can play a key role in decarbonizing hard to abate sectors like industrial processing and long-haul transportation.

Clean Fuels

- Clean Fuels, such as methanol, ethanol or renewable natural gas, can play a critical role in reducing emissions across a variety of applications.

Zero Emission Vehicle Charging and Refuelling Infrastructure

- The CIB will also invest \$500 million in large-scale charging and refuelling infrastructure to help accelerate the adoption of ZEVs and reduce Canada's transportation emissions.

The CIB has begun exploratory work in each of these new areas and anticipates in some sub-sectors of activity making its first investment commitments in 2022-23.

Advisory and Acceleration Activities

As set out in the *CIB Act*, the CIB has a role to “provide advice to all levels of governments with regard to infrastructure projects” and “act as a centre of expertise on infrastructure projects in which private sector investors or institutional investors are making a significant investment.”

In keeping with its role, the CIB provides advice on how projects may be structured to optimize delivery outcomes in the public interest while attracting private and institutional investment and generating revenue. The CIB focuses its advisory efforts on opportunities that have a high probability of leading to a future CIB investment in its priority sectors and are anticipated to be candidates to attract private and institutional investment because of project characteristics and partner appetite to explore the CIB model.

Atlantic Loop

In 2021-22, one of the most significant initiatives that the CIB was engaged in, was the clean power initiative referred to as the Atlantic Loop.

The Atlantic Loop is expected to deliver significant GHG reductions and consists of a series of investments in transmission, renewable generation and energy storage projects to reduce fossil fuel-based electricity generation in Atlantic Canada.

The project will generate significant long-term benefits for the Atlantic region given its critical role in delivering clean energy, meeting climate objectives, optimizing the use of regional resources and, together with other investments that are part of a larger clean grid modernization, strengthening the reliability of energy supply.

The CIB collaborated with federal and provincial government departments and agencies at a working table which serves as a forum for in-depth engagement and joint analysis on the parameters of the project and the conditions under which it can be designed, financed, and built, and on a timeline, that will meet clean electricity goals and that can be supported by all of the participating jurisdictions and utilities.

As part of this effort, the CIB has been leading the financial workstream, working with Quebec, New Brunswick and Nova Scotia and their respective utilities.

High Frequency Rail

Another significant initiative on which the CIB has provided advice has been the VIA Rail High Frequency Rail (HFR) initiative. The current transportation network between Quebec City and Toronto Corridor is approaching the limits of its capacity to serve the growing demand of the residents of the corridor.

The HFR Project presents an historic opportunity for Canada to start to restore the social, economic, and environmental balance for intercity travel within the Quebec City – Toronto Corridor.

The CIB was invited in December 2018 by VIA Rail and Government of Canada to conduct an assessment of the original Business Case for robustness and its ability to transfer key risks to the private sector. Additionally, the CIB was also invited to assess its role as a catalyst investor in the project.

The assessment resulted in the establishment of a Joint Project Office (JPO) between the CIB and VIA Rail to further develop the project. As an advisor and a potential investor in the HFR Project, the CIB collaborated on project due diligence, financial advisory services and helping to fully develop the proposed project's scope of work.

The work of the JPO is now completed and so the office was discontinued as of March 3, 2022. The activities of the JPO have been undertaken by a Transport Canada led governance structure to lead the next phases of the project.

As the project progresses, the CIB will continue to provide advice to Government on the private sector's role in the transaction and to facilitate a potential substantial investment in the project by the CIB.

Project Acceleration

Project acceleration is a key part of our advisory activities. Larger infrastructure projects take years to plan and develop and can be delayed in part due to limits in development funding. To address this problem, the CIB has established a \$500 million target for project acceleration efforts. This funding is to be used for projects within the CIB's priority sectors towards two main purposes:

1. To expedite due diligence, planning and development activities which could include engineering studies, demand forecasting or other activities necessary to establish the project business case, and
2. To help finance early works construction with the goal of shortening the critical paths of high-impact projects in which the CIB expects to invest in as part of the overall CIB capital plan.

To date, the CIB has supported expedited due diligence, planning and development activities on projects that have been announced such as the Calgary-Banff Rail and the Kivalliq Hydro-Fibre projects.

The CIB's project acceleration initiative is a critical tool to shorten critical paths to construction and deliver infrastructure faster, by allowing for project development activities or early works to advance in parallel to the CIB's due diligence and investment structuring. This ensures that Canadians benefit from the project sooner. Project acceleration is also critical to delivery of the CIB's capital plan, as it provides a tool for the CIB to engage with earlier-stage project proponents and support the development of the project to a level where it is ready for CIB investment.

For example, our support through project acceleration of the Calgary-Banff Rail project is designed to conduct analysis, review the project's estimated costs and revenues, explore financing options and assess environmental, social and economic benefits.

It is important to note that these project acceleration expenditures are to advance and speed-up projects that are highly likely to result in CIB investments. Funds for project acceleration are different and distinct from any expenses related to the CIB's internal operations.

The operating funds for project development and acceleration, as well as funds for early works activities, will be structured with a view to rolling these amounts into eventual CIB investments in projects. In cases where the project proceeds with any CIB or private capital, it is anticipated that the CIB acceleration funds will be repayable. In the exceptional circumstances where a project does not proceed with CIB or private capital, for example if the project proceeds with only public capital or the project does not proceed at all, then it will be determined if the accelerator funding is repayable on a case-by-case basis.

Other Advisory Engagements

The CIB also has continued to support the development of projects with FPTMI partners in other formal advisory engagements. In these efforts, administered under the terms of a memorandum of understanding (MOU) or similar agreement, the CIB brings its expertise to the table to help analyze whether a proposed project might be appropriate for the CIB model. This could include discussing steps that the proponent would need to take to have a potentially financeable project – such as identifying requirements for the development of a business case and possible scenarios regarding revenue-generation.

Research Activities

Research is an effective way for the CIB to support its overall corporate and investment objectives, have a meaningful impact on the evolution of infrastructure investment in Canada, and build its credibility and position as a leading contributor to solving Canada's infrastructure challenges.

As part of the CIB's purpose, the *CIB Act* identifies a role for the CIB as a leader in infrastructure knowledge. This is demonstrated in the following expected activities:

- Support infrastructure projects by, among other things, fostering evidence-based decision-making.
- Act as a centre of expertise on infrastructure projects in which private sector investors or institutional investors are making significant investments.
- Provide advice to all levels of governments with regard to infrastructure projects.

The SPA characterizes research as a “core” activity for the CIB as it works across the priority sectors to invest in revenue-generating infrastructure projects that are in the public interest. Depending on the nature of the research undertaken, it may result in publication or be retained internally.

To fulfil its research objectives, the CIB partners with leading experts from across Canada to develop and distribute knowledge and research that will be relevant to the CIB, public project sponsors, private sector and institutional investors and to the broader public policy community.

In the past year, the following research initiatives were concluded with the support of the CIB:

- **A Microgrid Playbook: Conditions and Opportunities for Investment** – A research paper produced by the Conference Board of Canada that identifies positive outcomes that could be achieved with microgrid energy solutions, including a reduction in the use of diesel, GHG emission reductions and new employment.
- **Climate Impacts on Canada's Electricity Systems** – A research paper produced by the Canadian Energy Research Institute which quantified the magnitude of an array of climate impacts on electricity systems in Canada under a variety of different emission scenarios. The research looked at impacts by province and in select municipalities, showing that localized climate impacts will vary across the country and how this needs to be taken into account.

Over the course of the year, the CIB also supported research on topics that align to investment priorities, including work by the Delphi Group and Canada Green Building Council on retrofit supply chains, work by Toronto Metropolitan University's Cybersecure Policy Exchange on the municipal capacity to manage infrastructure and cyber-security risks, and by the University of Toronto's School of Cities on land value capture techniques and the relationship to transit oriented communities. Research on each of these initiatives will be released in 2022-23.

Another important example of the CIB's broader engagement on Canada's long-term direction for infrastructure is support for the National Infrastructure Assessment being developed by INFC. The CIB will contribute perspective and expertise regarding priorities for investment and approaches for innovative financing in cooperation with private and institutional partners.

CIB in the Sector

CIB executives and investment experts engage with stakeholders across Canada sharing updates on the CIB's progress, its impact and how it can support their investment in infrastructure. CIB representatives participated in more than 85 speaking opportunities, industry conferences and stakeholder events to update the market, promote the CIB's sectors and initiative, and to reach a broader audience on the CIB's innovative financing models. Below are some highlights over the past fiscal year:

Big City Mayors' Caucus 2021, Federation of Canadian Municipalities—May 2021

Ehren Cory was invited to discuss infrastructure investment with the Federation of Canadian Municipalities' Big City Mayors Caucus. The dialogue built on outreach and engagement by the CIB with individual municipalities and municipal associations across the country and reinforced the potential for the CIB to partner with municipal leaders. Key sectors and initiatives were top of mind particularly zero-emission buses, public sector retrofits, clean power partnerships including district energy and more.

ReNew Canada InfraIntelligence Webinar: Funding Indigenous Mega Projects—April 2021

Hillary Thatcher, Senior Director, Project Development, Indigenous Infrastructure, joined Renew Canada's Intelligence Webinar series to promote the CIB's new Indigenous Community Infrastructure Initiative (ICII) and explain how it will help accelerate new investment to reduce infrastructure gap in Northern Canada. The CIB works with leaders from Canada's Indigenous community to understand their need for new infrastructure, from water assets and clean energy to new roads and broadband. Hillary highlighted how appropriate partnerships and financing can create opportunities for Indigenous communities to work directly on their infrastructure and consequently, encourage the development of rural and remote communities.

Fall Market Update at the Canadian Council for Public-Private Partnerships Conference—November 2021

Tamara Vrooman, Chair of CIB's Board of Directors, and Ehren Cory, CEO, shared the CIB's Market Update and Outlook to infrastructure industry players during a session hosted by Lisa Raitt at the 2021 Canadian Council for Public-Private Partnerships conference. The audience learned that the Bank had attracted as of that date approximately \$6.7B in private and institutional capital towards new sustainable infrastructure and created a strong funnel of project opportunities. Additionally, Tamara and Ehren shared their estimate that CIB investment commitments will grow beyond \$3 billion per year near-term and increase to over \$5 billion per year over the coming years to achieve our long-term investment goals.

Report on Corporate activities

The business of the CIB is to generate outcomes through infrastructure investment. All of our activities are aligned to this purpose. The following provides an overview of key corporate activities and contributions of the CIB that play a critical role in achieving this objective.

Human Resources

The CIB is prudent and responsible in planning and managing its resources to align with business requirements. We continue to closely monitor workloads and volume of activity to ensure that additional resources are hired as required to meet business needs.

More than half of our employees are advisory and investment specialists, while other employees perform essential roles in strategy, risk management, legal, communications, policy, research, public affairs, finance, human resources, and administration.

The CIB strives to provide employees with distinctive development opportunities, competitive total compensation, and a superior work environment.

The recruitment and retention of specialized experts in infrastructure investment has occurred in the context of a highly competitive labour market. All employees' compensation is set within the context of the overall compensation framework established by the CIB Board.

With approximately 92 people at the end of March 2022, the CIB is very mindful of being a model for inclusion and diversity. For example, 49% of our team members identify as visible minorities, 42% identify as women, and 22% are bilingual.

Diversity and Inclusion

The CIB has a Diversity and Fair Employment Practices Policy, which states in part that:

“The Bank is committed to providing an inclusive, equitable, and respectful work environment for its employees, where diversity is valued. We will strive to attract, hire, and provide fulfilling careers for highly talented individuals with diverse backgrounds and experiences and to create an inclusive environment to which our employees can bring a range of knowledge, ideas and approaches. The Bank supports and is firmly committed to observing the laws, regulations, and most importantly the spirit pertaining to fair employment practices.”

For the second year in a row, the CIB conducted a D&I survey, and achieved an inclusion score of 73.2, 1.2 points higher than the previous year and 2.2 points higher than industry average.¹

Across six inclusion metrics measured in the survey, the CIB saw gains in five of those compared to last year. Most impressive was the score on the Recruiting & Hiring metric measuring diversity in our most recently hired cohort of respondents. The 2022 score was near perfect and signaled diversity in the CIB nearly equivalent to

¹ Comprised of Diversio global clients in Financial services. Includes investors in private markets, banks, and FinTech companies.

diversity in the Canadian population. The D&I survey also highlighted, for the first time, representation in underrepresented groups such as LGBTQ+ and those identifying as having a disability or mental health condition.

The CIB has also established a Diversity & Inclusion committee which is championed by an Executive and made up of employees across the organization and at different levels. The committee is developing a Diversity & Inclusion charter, with a clear set of targets and a workplan, for the organization, focused on three initial priorities: improving employee recruitment & retention, staff education, and talent management practices.

To continue to foster a more flexible and accessible work culture, we offered employee learning sessions throughout the year focusing on resilience, change and transition, and positive parenting. Furthermore, our return to the office planning recognized a hybrid working experience that embraces flexibility and an inclusive work environment.

Other actions undertaken by the CIB in 2021-22 included:

- Developing a mentorship program and introducing a 360-degree feedback tool to equip managers in providing more diverse feedback through the performance process.
- Conducting education session with employees on the history of Indigenous peoples in Canada, including the history and legacy of residential schools, and actions towards reconciliation with Indigenous peoples.
- Reviewing the CIB's Code of Conduct and Respectful Workplace Policy to reinforce the CIB's commitment to providing an inclusive, equitable, and respectful work environment.
- Completing the risk assessment under the Respectful Workplace Policy and conducted mandatory training on the Respectful Workplace Policy and procedures for reporting and responding to incidents of violence, discrimination and harassment with all staff (and imbedded in our new staff onboarding process).
- Conducting interactive training sessions in French and English on the CIB's values and guiding principles of ethical conduct described in the CIB's Code of Conduct for Employees.
- Offering employee learning sessions throughout the year focusing on resilience, change and transition, and positive parenting.

COVID-19 Response

Having successfully operated under our business continuity plan since March 2020, in late March 2022, the CIB began a gradual return to normal operations with an ongoing focus on health and safety of our employees.

Strategy

In late 2020-21 the CIB hired a Head of Strategy and created a strategy team within the organization. The role of the strategy team is to provide advice and insight to all teams, the CEO and the Board regarding critical business decisions and plans. Among other things, the strategy team develops recommended portfolio strategies and allocations, develops corporate targets and objectives, establishes and tracks impact measures for each sector, produces the organizations corporate plans and reports, and facilitates the development of research.

Asset Management

The CIB's dedicated asset management team is responsible for onboarding closed transactions, actively monitoring investment performance, as well as executing on operational activities.

To support the onboarding of new investments, the CIB is developing strong long-term partnerships and working with its counterparties on the execution of agreed upon terms. As the CIB continues to broaden its portfolio, it will interact with entities of all sizes and experience. The CIB is dedicated to helping its counterparties understand and execute their obligations, including the defined outcomes.

Monitoring investment performance entails reviewing relevant information and measuring performance over the investment horizon, including tracking impact outcomes, construction, financial performance and monitoring risk. The CIB takes an active approach in its asset management to ensure that investments are contributing to target outcomes and to ensure that risks are appropriately monitored and mitigated.

Operations involve the CIB's day-to-day responsibilities related to its portfolio, including executing draws, calculating interest and principal payments, remitting payment notices, timely reporting to both internal and external stakeholders, and maintaining appropriate books and records.

As the portfolio continues to grow and mature, the Asset Management team will work to identify and execute on value creation activities including the aggregation of similar infrastructure projects into larger portfolios to attract private and institutional investors as well as other exit strategies that align with the CIB's objectives.

IT and Corporate Services

During the pandemic, the CIB's business continuity was successfully supported by its cloud-based Information technology platform. Its applications, collaboration tools and general IT infrastructure setup allowed for a smooth transition to remote working and helped support its operational capabilities to continue to execute on its core mandate and invest in infrastructure projects.

The CIB continues to develop its information technology capabilities through the development and expansion of its core systems. In 2021-22, the CIB successfully adopted a new Enterprise Resource Planning (ERP) application and continued to evolve its Customer Relationship Management (CRM) application to reflect the CIB's revised Investment Framework. These systems improve efficiencies while increasing control through the automation of workflows and audit trails. In addition, the CIB is continuously working to enhance information security to protect the confidentiality, availability and integrity of its information assets, as data security is fundamental in our business.

Legal and Compliance

The CIB has established a legal and compliance program to meet its legal obligations, including compliance with specified authorities (Part X of the *Financial Administration Act* and regulations, the *Canada Infrastructure Bank Act* and the by-laws of the CIB) and with respect to federal legislation and policies that apply generally to Crown corporations. The General Counsel & Corporate Secretary is responsible for designing and implementing the legal and compliance program, including reporting to the Board of Directors (through the Finance and Audit Committee and the Human Resources and Governance Committee) on all compliance matters.

Compliance priorities and efforts during the 2021-22 fiscal year focused on reviewing existing controls to address relevant updates to federal legislative and policy requirements and strengthening awareness of legal obligations and compliance risks across the organization. All employees completed training in English or French on the values and guidelines for ethical behaviour described in the Code of Conduct for Employees, as well as the procedures for disclosing wrongdoings. Other mandatory training included compliance with access to information and privacy legislation, official languages, mitigation of cyber-security risks and procurement-related activities. The legal team also introduced training on relevant legal risks related to the CIB's investment activities to promote

a risk-intelligent culture towards meeting the CIB's legal obligations. Topics covered included legal issues related to project finance, environmental impact assessments and the Crown's duty to consult with Indigenous groups.

We also continued to monitor the implementation of the CIB's action plan on official languages to meet commitments and requirements under the Official Languages Act. The CIB has designated a senior officer responsible for ensuring the CIB is considering both official languages in decision-making processes.

Communications

Efforts continue to ensure awareness of the CIB externally with partners, the media, thought leaders, other stakeholders and the public.

Communications opportunities, platforms and products are tailored to each project and our corporate objectives. Project communications emphasize our partnerships with project sponsors including governments, Indigenous communities and the private and institutional sectors. We highlight the positive impact of the CIB's investments in terms of environment, the economy and how they can connect and improve the lives of Canadians. More broadly, we also highlight the potential for private and institutional investor participation and our innovative advisory and investment approaches.

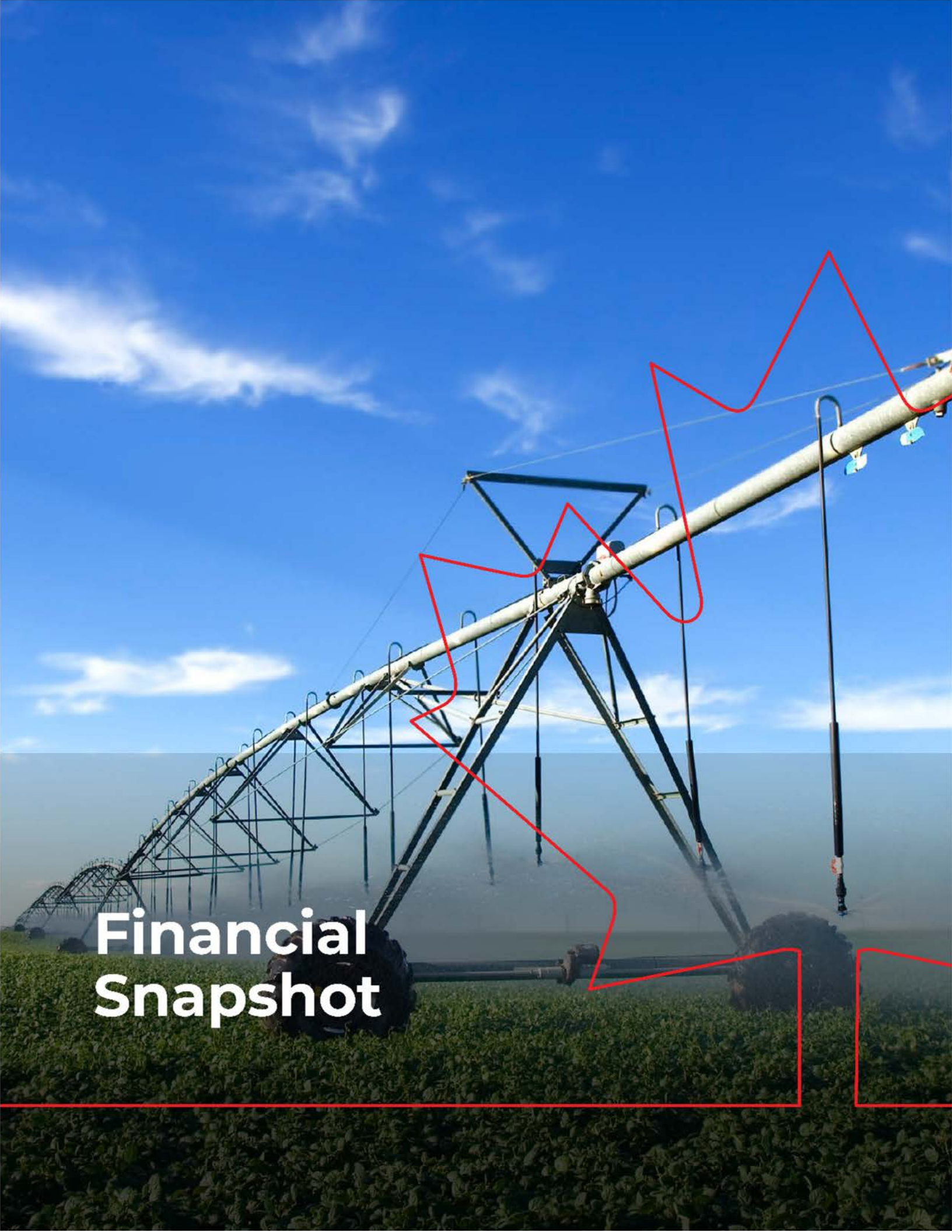
Risk

Risks are managed and mitigated through an Enterprise Risk Management (ERM) program, and by building and promoting a strong risk culture across the organization.

The CIB is adopting risk management practices that are shaped by and balanced against the priority public impact outcomes being sought by the CIB and assessed through the Investment Framework.

As we evolve and implement our ERM Framework in the context of the Investment Framework, clear roles and responsibilities are being redefined and communicated across the organization.

In 2020-21, we began to operationalize our risk management program and reporting, which includes a risk register and risk dashboards for tracking and reporting issues, respectively. This process remains in place and ensures issues are communicated internally on a timely basis and managed or mitigated, as required (all within the intended boundaries of the risk management program).



Financial Snapshot

Financial Snapshot

As a Crown corporation entrusted with investing public funds, the CIB adopts best practices for financial management and is an effective steward of its financial resources.

Effective April 1, 2021, the CIB adopted the Public Sector Accounting Standards (PSAS) as issued by the Public Sector Accounting Board (PSAB). These standards were adopted with retrospective restatement, and therefore the 2020-21 comparative figures have been restated.

The purpose of this change is to better align its reporting framework with its business objectives, to take risk and/or provide concessionary pricing to investments as outlined in its investment approach. This change in reporting framework will be useful in evaluating the CIB's financial condition and financial performance, with a notable enhancement being the inclusion of budgeted figures in the statement of operations and accumulated surplus for evaluation against actual results, increasing the linkage to the corporate plan.

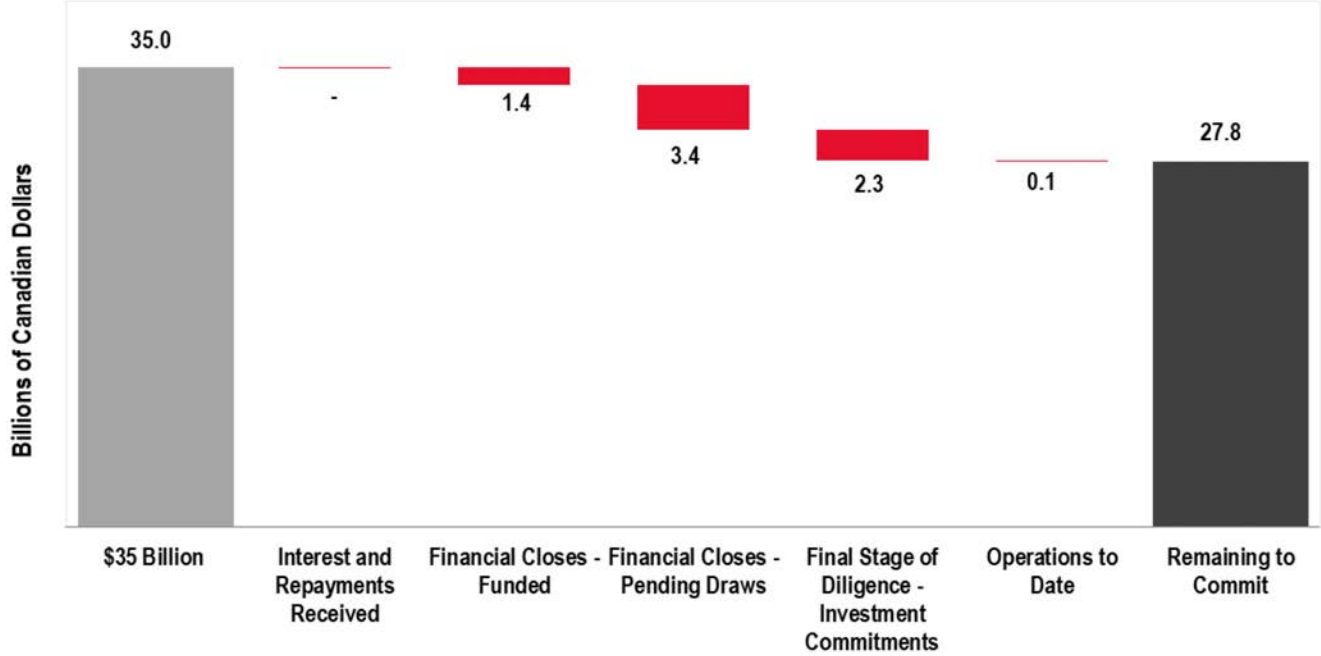
The statements are jointly audited by the Auditor General of Canada and an external independent auditor appointed by the Governor in Council. BDO Canada LLP was appointed as the CIB's external auditor for 2021-2022.

Highlights – investments

- 20 investment commitments in 2021-22 totalling \$4.1 billion (28 totalling \$7.2 billion life-to-date)
- 15 financial closes in 2021-22 \$3.2 billion (\$4.9 billion life-to-date)
- \$126 million funded in 2021-22 (\$1,409 million life-to-date)

As part of the *CIB Act*, Parliament has authorized funding of not more than \$35 billion to the CIB and the authority to invest in infrastructure transactions. Of the \$35 billion, the Government of Canada expects the CIB to prudently manage its portfolio so the net fiscal expense will remain under \$15 billion.

Deployment of \$35 Billion



As of the end of 2021-22, the CIB had investment commitments worth \$7.2 billion of which \$4.9 billion have reached financial close. Life-to-date, the CIB has funded \$1.4 billion of the projects reaching financial close forming the basis of the \$1.5 billion investment receivable. The unfunded portion of the investments that reached financial close was \$3.4 billion and is recognized as a receivable from the government. Other investments include investment commitments that have not yet reached financial close (\$2.3 billion). The remaining \$27.8 billion is expected to reach financial close by the end of 2027-28 as outlined on page 26.

Fiscal Impact – Use of \$15 Billion

The CIB was allocated \$15 billion as fiscal expense against our \$35 billion statutory appropriation, to catalyze projects that benefit Canadians. The CIB’s fiscal expense is expected to cover i) operating expenses, ii) concessionary pricing relative to the Government of Canada’s borrowing rates and iii) expected lifetime anticipated losses plus any specific impairment charges, all offset by any financial returns on investments, including principal and interest.

As part of our investment framework, we are refining our expected lifetime of anticipated losses, a non-GAAP credit risk methodology for calculating our expected credit loss. Expected lifetime of anticipated losses is similar to the lifetime expected credit loss that the CIB previously reported under IFRS, and is an important metric to the CIB, as it helps us manage against our total fiscal expense.

Included in the expected lifetime of anticipated losses is the general valuation allowance, which is based on short-term risk of our loan receivable. As per PSAS, only general valuation allowances and specific valuation allowances (i.e. impairment) are recognized in the CIB’s financial statements. As at March 31, 2022, we determined a general valuation allowance \$15.1 million (2020-21 \$14.2 million). No specific valuation allowance was recognized for 2021-22 (2020-21, nil).

Highlights – operations

- Government investment appropriations related to investments of \$3,188.5 million recognized as revenue, reflecting total financial closes for the year
- \$22.7 million of interest income realized
- CIB operating expenses of \$36.6 million
- Advisory expenses related to VIA totalled \$9.6 million
- Adoption of Public Sector Accounting Standards (PSAS), effective April 1, 2021

For the year ended March 31 (in millions of Canadian dollars)	2022		2021	
	Budget	Actual	Budget	Actual
Revenue				
Government appropriations - investments	\$ 3,922.5	\$ 3,188.5	\$ 2,169.6	\$ 407.5
Government appropriations - operations	70.8	50.5	87.6	57.0
Interest income	41.6	22.7	26.6	21.7
	4,034.9	3,261.7	2,283.8	486.2
Operating Expenses				
Compensation	23.8	23.9	21.7	17.7
General and administration				
Professional fees	14.0	9.7	13.7	7.5
Administration	6.0	2.6	5.3	2.4
Amortization of capital assets	0.5	0.4	0.4	0.3
	44.3	36.6	41.1	27.9
Non-Operating Expenses				
Loan valuation allowance	258.9	0.8	128.6	12.2
Project development	-	1.4	-	0.3
Advisory services ¹	26.5	9.6	46.5	25.0
	285.4	11.8	175.1	37.5
Total expenses	329.7	48.4	216.2	65.4
Net Revenue	\$ 3,705.2	\$ 3,213.3	\$ 2,067.6	\$ 420.8

¹The CIB was authorized \$54.4 million of funds for the VIA high frequency rail project. In 2021-22, \$21.5 million of unused budget from the prior year was reprofiled and added to 2021-22 budget of \$5.0 million.

Versus Prior Year

Revenue

Government Appropriations: The Government of Canada provides funding for the CIB to advance its priorities and deliver on its mandate. Consistent with the CIB's financial reporting framework, a government receivable is created at the time an investment reaches financial close and an investment government appropriation is recorded as revenue. The government receivable is then reduced when appropriations funding is received to fulfil project funding requirements. Operating appropriations are recognized as received each year.

The CIB recognized \$3.2 billion of government appropriations in fiscal year 2021-22, an increase of \$2.8 billion compared to the prior year due to an increase in the number of investments reaching financial close (15 in 2021-22 vs. 1 in 2020-21).

Interest Income: Interest income was \$22.7 million, an increase of \$1.0 million from the previous year. \$22.5 million (2020-21 \$21.7 million) of income was from financing activity and \$0.2 million (2020-21 \$0.0 million) earned on cash and short-term investments from appropriations. Interest income earned in the year is comparable to the prior period and \$18.9 million lower than plan which anticipated deploying capital at a higher rate.

Expenses

Expenses for 2021-22 totalled \$48.4 million (2020-21 \$65.4 million) and consisted of operating expenses of \$36.6 million (2020-21, \$27.9 million), loan valuation allowance of \$0.8 million (2020-21, \$12.2 million), project development expenses of \$1.4 million (2020-21 \$0.3 million) and advisory expenses related to the joint operation planning activities for the VIA HFR project of \$9.6 million (2020-21, \$25.0 million).

The CIB's operating expenses of \$36.6 million in 2021-22 were \$8.7 million higher than the prior year. Increases year over year came primarily from compensation of \$23.9 million (2020-21, \$17.7 million) due to the continued buildout of staffing across the organization required to meet demands stemming from the new investment framework and increased deal activity, as well as general and administration expense ("G&A") of \$12.7 million (2020-21, \$10.2 million).

Included in G&A were professional fees of \$9.7 million that were \$2.2 million higher than the prior year due primarily to due diligence activities for projects. Included in due diligence is an assessment of the scope, design, risks and viability of the proposed construction and technological activity. In addition, professional fees for non-transaction activities such as the investment, accounting and risk management frameworks, contributed to the increase year over year.

The loan valuation allowance expense was \$0.8 million for the year (2020-21 \$12.2 million). This is a general valuation allowance that is an estimate of short-term credit risk on our portfolio of assets. In 2020-21 there was an adjustment to the provision as a result of economic and credit conditions.

Project development expense of \$1.4 million (2020-21 \$0.3 million) was for spend on early construction works to expedite the studies, technical reports and analysis required to shorten critical paths to construction for infrastructure projects already in development.

Advisory expense of \$9.6 million in 2021-22 was \$15.4 million lower than the prior year and relates to the CIB and VIA Rail Canada Joint Project Office. Decrease year over year was primarily from professional fees of \$8.5 million (2020-21 \$22.3 million) as the research phase of the project concluded on March 3, 2022.

Versus Budget

Revenue

Government appropriations were \$0.7 billion lower than planned. The plan (second year of the 2020-21 Corporate Plan) was based on the best estimate of cash funding required based on the CIB's investment pipeline at the time the 2020-21 corporate plan was approved.

Interest income was \$18.9 million lower than the plan which anticipated deploying capital at a higher rate.

Expenses

Operating expenses were \$7.7 million lower than budget mainly driven by G&A that was \$7.8 million below budget due to \$4.3 million from lower-than-expected professional fees of \$9.7 million (budget, \$14.0 million). In addition, administrative cost of \$2.6 million (budget, \$6.0 million) was \$3.4 million lower than plan in part due to reduced travel impacted by the pandemic.

Project development expense of \$1.4 million (budget, \$- million) was for early construction works was not segregated in the 2020-21 corporate plan. The capitalization of transaction costs of \$2.8 million (budget, \$-million) relating to legal fees for deals that reached financial close should also be measured against the professional fees budget noted above.

The loan valuation allowance expense of \$0.8 million was lower than planned by \$258.1 million. The variance to budget was due to provisioning. Planned provisioning included estimates for accounting discounts and unexpected losses that can potentially occur. This is due to the uncertainty involved in provision assumptions that could arise as a result of the varied nature and structure of the CIB investments.

Advisory expense related to the joint operation planning activities for the VIA HFR project of \$9.6 million was lower than budget by \$16.9 million. The CIB has been authorized to fund up to \$54.4 million of expenses related to the activities of the joint operation and has funded \$37.4 million in total. 2021-22 expenses of \$9.6 million exceeded the original full-year budget of \$5.0 billion, and on August 13, 2021 the CIB was authorized to reprofile \$21.5 million of unused operating funds from 2020-21 into 2021-22 for the HFR project. Final expenses for this phase of the project were lower than anticipated. The CIB has agreed to continue to make funding available after March 3, 2022 for the activities of a project delivery office on an interim basis which will be repaid upon the permanent establishment of a VIA subsidiary.

Operating Efficiency

For the year ended March 31 (in millions of Canadian dollars)	2022	2021	\$ Change
Committed assets	\$ 7,200	\$ 3,200	\$ 4,000
Operating expenses	\$ 36.6	\$ 27.9	\$ 8.7
Non-Operating expenses			
Loan valuation allowance	0.8	12.2	(11.4)
Project development	1.4	0.3	1.1
Advisory services	9.6	25.0	(15.4)
	\$ 11.8	\$ 37.5	\$ (25.7)
Expenses as a percentage of committed assets			
Operating expenses	0.5%	0.9%	-0.4%
Non-Operating expenses			
Loan valuation allowance	0.0%	0.4%	-0.4%
Project development	0.0%	0.0%	0.0%
Advisory services	0.1%	0.8%	-0.7%
	0.1%	1.2%	-1.1%

The CIB's operating expenses are 0.5 percent of committed assets and are 0.4 percent lower than last year as committed assets grew at a greater rate than expenses. Total non-operating expenses, which include loan valuation allowance, advisory services for the joint project office (JPO) with VIA Rail for the HFR project and project development expenses are 0.1 percent of committed assets and are 1.1 percent lower than last year primarily as a result of lower professional fees related to HFR advisory services as the research phase of the project ramped down and the expiration of the JPO extension agreement in March 2022.



Corporate Overview

Corporate Overview

Corporate Governance

The Board of Directors is committed to adopting and upholding the highest standards of corporate governance and ethical conduct, including developing and monitoring policies and practices that are informed by best practices in both the public and private sectors.

This section describes key governance activities undertaken during the 2021-22 fiscal year and provides an overview of our governance framework and practices.

CIB’s Corporate Governance Framework

The CIB is a federal Crown corporation that operates at arm’s length from the Government of Canada. It is governed by an independent Board of Directors appointed by the Governor in Council and led by a Chief Executive Officer appointed by the Board of Directors, subject to the approval of the Governor in Council.

The Board of Directors exercises its authority in accordance with the *Canada Infrastructure Bank Act*, which sets out the CIB’s purpose, powers and permitted activities, and Part X of the *Financial Administration Act* (Canada), which sets out the control and accountability regime for Crown corporations, including strategic planning and financial reporting. The CIB’s by-laws prescribe the rules that govern the internal management of the corporation.

The table below describes the CIB’s governance structure.



Accountability and Reporting

The CIB is accountable for its affairs to Parliament through the Minister of Intergovernmental Affairs, Infrastructure and Communities. A summary of the corporate plan and budget is tabled in Parliament, and the CIB reports on its activities and performance through annual and quarterly financial reporting. Within every 15-month period, the CIB is required to hold an annual public meeting to provide information on its activities and provide the opportunity for members of the public to ask questions. The most recent meeting was held on June 15, 2022.

The Auditor General of Canada and an auditor appointed annually by the Governor in Council (BDO Canada LLP) serve as the joint external auditors of the CIB. The CIB is subject to a special examination at least once every 10 years. The purpose of the special examination is to ensure the CIB's systems and practices provide reasonable assurance that assets are safeguarded, resources are managed economically and efficiently, and operations are carried out effectively.

Board Responsibilities

The Board is responsible for the management of the businesses, activities and other affairs of the CIB. In discharging their duties, directors are required to act honestly and in good faith with a view to the best interests of the CIB, and to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. The Board has delegated to management, through the CEO, the authority to manage and direct the day-to-day affairs of the CIB. The Board has also delegated certain powers and responsibilities to its four Board committees. Formal charters setting out key responsibilities and accountabilities are approved for the Board and each committee, as well as individual position descriptions for the Board Chair, committee Chairs and directors.

The Board's specific responsibilities include:

- Overseeing the corporation's business, activities and other affairs.
- Approving the corporate plans that set out the corporation's strategic direction, as well as the operating and capital budgets that are submitted to the Minister for recommendation to the Treasury Board for approval.
- Approving the corporation's annual reports and quarterly financial reports.
- Approving the corporation's corporate objectives and performance metrics (included in the corporate plans) and monitoring the corporation's progress and results.
- Setting the CEO's annual and long-term performance objectives and approving the CEO's performance rating, salary and variable pay recommended to the shareholder.
- Approving the enterprise risk management (ERM) framework and ensuring that the principal risks of the corporation's business are identified and well-managed.
- Approving investment proposals beyond management's authority, and overseeing the corporation's investment activities and investment portfolio.
- Overseeing the corporation's talent management practices, and assessing the "tone at the top" established by the CEO and executive officers regarding integrity and compliance.
- Ensuring the highest standards of corporate governance and Board effectiveness are respected.

The Board Chair leads meetings of the Board and is responsible for the management, development and effective functioning of the Board. The Board Chair also serves as an *ex officio* member of all Board committees.

At each Board and committee meeting, time is reserved for directors to meet *in camera* with the CEO and separately without the CEO to facilitate open and candid discussion among the directors. An *in camera* session was held during each Board and regularly scheduled committee meetings during 2021-22. *In camera* sessions for

meetings of the Investment Committee generally take place during meetings of the Board that immediately follows the Investment Committee meetings.

Director Appointments

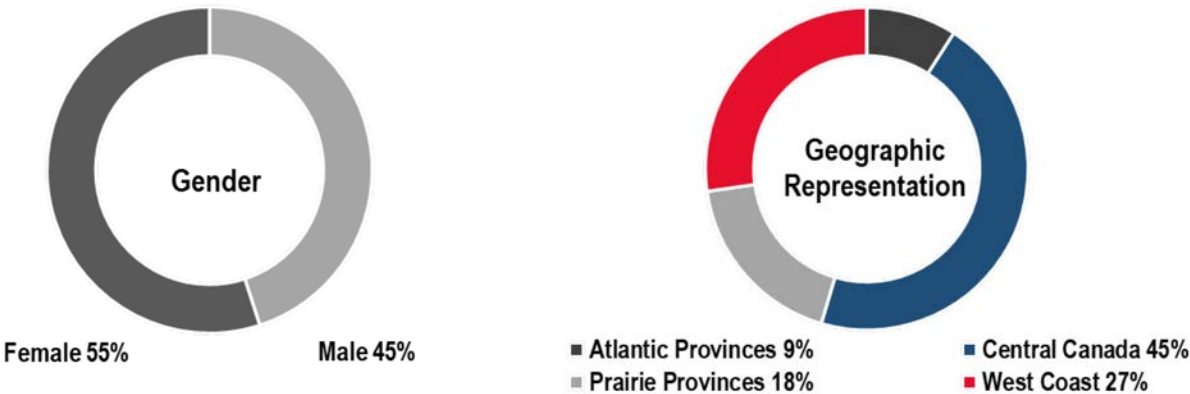
The Board is composed of the Board Chair and not fewer than eight, but not more than 11 other directors appointed by the Governor in Council on the advice of the Minister of Infrastructure and Communities. As of March 31, 2022, the Board was composed of 11 directors, including the Board Chair. All of the directors are independent of management.

The biographies of the directors can be found on page 104.

Directors serve for a term of up to four years and the Board Chair serves for a term that the Governor in Council considers appropriate. When their term expires, they may be reappointed for an additional term or continue in office until a successor is appointed. Board succession planning continued to be an area of focus for the Board as the terms of six directors previously expired and additional terms of three directors expired during 2021-22. The Chair of the Human Resources and Governance Committee participated on the selection committee established in March 2021 to provide advice to the Minister in accordance with the process for selecting Governor in Council appointees. This process did not result in any appointments confirmed during 2021-22.

Board of Directors Diversity

The directors collectively bring a wealth of experience and diversity of perspectives, geographic background and personal characteristics, along with membership within “designated groups” as defined in the *Employment Equity Act* (Canada), including women, members of visible minorities, persons with disabilities and Aboriginal peoples. In a voluntary survey conducted by the corporate secretary, directors were asked if they self-identified as a visible minority, an Indigenous person, LGBTQ2+, or a person with a disability. The results of that voluntary survey show that 18% of the directors self-identify as a member of one of those groups.



The Board has developed and maintains a Board Competency Profile based on the knowledge areas, types of expertise, core competencies, gender diversity and geographical representation required by individual directors and the Board as a whole. The Board Competency Profile articulates to the shareholder the desired mix of experience, expertise and other attributes required by the Board and any gaps to inform the director appointment process.

The chart below identifies the key areas of expertise/experience for each director on a consolidated basis.

	TV	KB	JB	DB	JC	MC	BG	CH	PP	SS	PY
Accounting Knowledge of and experience with financial accounting and reporting, corporate finance and familiarity with internal controls and accounting reporting frameworks such as IFRS and PSAS.	•			•	•	•	•	•	•	•	•
Board Experience Prior or current Board experience with a major organization with mature governance practices.	•	•	•	•	•	•	•	•	•	•	•
Compensation Experience as a Senior Executive or Board Member with executive compensation plan design and performance management.	•		•	•	•	•	•	•	•	•	•
Finance, Treasury and Investments Experience in leading or overseeing complex financial transactions with investors and other entities in both the private and public sectors.	•			•	•	•	•		•	•	•
Governance Experience in corporate governance principles and practices at a major organization.	•	•	•	•	•	•	•		•	•	•
Human Resources Knowledge of or experience with leadership development and talent management, succession planning, organizational design, and human resources principles and practices generally.	•	•	•	•	•	•	•	•	•	•	•
Infrastructure and Development Experience in, or strong understanding of, all aspects of infrastructure projects.	•		•	•	•		•	•	•		•
Legal Training and experience as a lawyer either in private practice or in-house with a major organization ensuring compliance with laws and regulations.			•						•		•
Organizational Leadership Broad business experience as a senior executive of a major public, private or not-for-profit organization.	•	•	•	•	•	•	•	•	•	•	•
Public Sector / Government / Indigenous Partners Experience in, or understanding of, the workings of government and the public sector, and in stakeholder engagement or management at the federal, provincial, territorial and municipal level and/or with Indigenous governments.	•	•	•	•	•		•	•	•	•	•

	TV	KB	JB	DB	JC	MC	BG	CH	PP	SS	PY
Risk Management Experience in, or understanding of, internal risk controls, risk assessment, risk management and/or reporting.	•	•	•	•	•	•	•	•	•	•	•
Strategic Planning Experience in the development and implementation of a strategic direction of a major organization.	•	•	•	•	•	•	•	•	•	•	•
Information Technology Experience or knowledge relating to the information technology of a major organization.	•					•	•			•	•

At a personal level, Board members should demonstrate trust and accountability, informed judgment, tact and discretion, excellent interpersonal skills, independence, high ethical standards and integrity.

Meeting Attendance

The table below shows the total attendance of the directors for regular and special meetings of the Board and each committee during the 2021-22 fiscal year. All Board and committee meetings were conducted virtually using videoconference technology as a result of the travel restrictions and operational constraints stemming from the COVID-19 pandemic. The Board expects to resume in-person meetings during the 2022-23 fiscal year.

	BOARD	INVESTMENT	FAC	IRC (1)	HRGC (2)	HRCC	GOVERNANCE
Tamara Vrooman	13/14	13/13	4/4	5/5	6/7	1/1	1/1
Kimberley Baird	13/14			5/5	6/7		1/1
Jane Bird	14/14			5/5	7/7	1/1	1/1
Dave Bronconnier	14/14	13/13	4/4				
James Cherry (3)	14/14	3/3	3/3	5/5		1/1	
Michèle Colpron (4)	14/14	10/10	4/4			1/1	
Bruno Guilmette	12/14	12/13					
Christopher Hickman	11/14	11/13	4/4				
Poonam Puri (5)	14/14		1/1		7/7		
Stephen Smith	12/14	11/13			7/7	1/1	1/1
Patricia Youzwa (4)	14/14	10/10		5/5			1/1
Attendance Overall (6)	94%	94%	100%	100%	95%	100%	100%

Notes:

- (1) The Impact and Risk Committee was established in June 2021 and held its first meeting in August 2021.
- (2) The Human Resources and Governance Committee was established in June 2021 following the merger of the Human Resources and Compensation Committee and the Governance Committee. Each committee had held one meeting in April and June respectively.
- (3) James Cherry rotated from the Investment Committee to the Finance and Audit Committee in June 2021. Mr. Cherry also became the Chair of the newly constituted Impact and Risk Committee.
- (4) Michèle Colpron and Patricia Youzwa joined the Investment Committee in June 2021.
- (5) Poonam Puri rotated from the Finance and Audit Committee to the Human Resources and Governance Committee in June 2021.
- (6) There were 14 Board meetings and 31 committee meetings during the fiscal year ended March 31, 2022. Of this total, 34 meetings were regularly scheduled as part of the Board's approved schedule of meeting dates (which is typically done two years in advance) and the remaining 11 were special meetings.

Board Committee Reports

Four standing committees help the Board carry out its duties and responsibilities. During the 2021-22 fiscal year, the Board reviewed its committee structure and approved changes. A new committee (the Impact and Risk Committee) was established to assist the Board in fulfilling its oversight responsibilities with respect to the Investment Framework, including expected results, performance indicators and processes for measuring and reporting the public impact outcomes of the CIB's investments. The responsibilities previously delegated to the human resources and compensation and the governance committees were incorporated into a revised charter for the Human Resources and Governance Committee. Committee memberships were also reviewed and refreshed to balance diversity of perspectives and retain core skills and experiences to support a committee's mandate.

Charters for the Board and each of the committees can be found at www.cib-bic.ca. Committee activities during 2021-22 are summarized below.

FINANCE AND AUDIT COMMITTEE

- Members**
(fiscal year end)
- Michèle Colpron (Chair)
 - Christopher Hickman
 - Dave Bronconnier
 - James Cherry
 - Tamara Vrooman (ex officio)

All members are financially literate with regards to the corporation's accounting and financial issues, and the Chair is a financial expert.

- Meetings**
- Four regularly scheduled meetings were held in fiscal 2021-22.
 - The four regular meetings included an *in camera* session without management present.
 - The committee also held separate *in camera* sessions with the external auditor, the internal auditor at each meeting, and with the Chief Financial Officer & Chief Administrative Officer (CFO & CAO) and the Head of Finance, Information Technology and Office Services, as required.

Responsibility

Highlights for 2021-2022 Fiscal Year

Financial Reporting and Internal Controls

- Oversaw the CIB's annual and quarterly financial reporting process and recommended the quarterly and annual financial reports for approval by the Board.
- Reviewed significant areas of accounting and disclosure judgment and key audit matters, including those relating to:
 - allowances for credit losses and adjustments made to expected credit losses; and
 - fair value measurement of investments.
- Reviewed and recommended to the Board the change to the CIB's financial reporting framework from International Financial Reporting Standards (IFRS) to Public Sector Accounting Standards (PSAS).
- Reviewed disclosure controls and procedures and internal controls over financial reporting as well as received updates on the control environment, including associated risks and corrective actions.

External Audit

- Discussed with the external auditors their responsibilities in performing the audit, their determination of areas of significant audit risk, and reviewed and approved the annual audit plan and associated fees for BDO Canada LLP (as joint external auditor).

- Discussed with the external auditors key accounting risks and judgments made by management.
- Received written confirmation from the Auditor General of Canada and BDO Canada LLP of their independence.
- Completed an assessment of BDO Canada LLP's effectiveness and recommended to the Board for recommendation to the Minister the appointment of BDO Canada LLP as the joint external auditor for the 2021-22 fiscal year.

Internal Audit

- Reviewed and approved the annual internal audit plan and monitored its execution.
- Reviewed quarterly reports of internal audit activities, findings and recommendations, including management responses.
- Assessed the Internal Auditor's performance based on (i) quality of service; (ii) independence, objectivity and professional skepticism; (iii) communication and interaction; and (iv) qualification and experience of the audit team.

Legal and Compliance

- Received updates from the General Counsel & Corporate Secretary on legal matters and compliance with federal legislation and policies that apply generally to Crown corporations.
- Reviewed and approved updates to significant compliance policies for procurement, information management, information security and anti-money laundering and anti-terrorist financing.

Oversight of Finance Function

- Discussed and agreed with the recommendation for the Chief Financial Officer appointment in February 2022.
- Assessed the effectiveness of the finance function through regular *in cameras* with the CFO & CAO (until August 2021) and the Head of Finance, Information Technology and Office Services (from September 2021 to February 2022).

HUMAN RESOURCES AND GOVERNANCE COMMITTEE

Members

(fiscal year end)

- Stephen Smith (Chair)
- Jane Bird
- Kimberley Baird
- Poonam Puri
- Tamara Vrooman (ex officio)

Meetings

- Three regular meetings and four special meetings were held in fiscal 2021-22.
- Prior to the reconstitution of the committee structure, the Human Resources and Compensation Committee held one regular meeting in April 2021 and the Governance Committee held one regular meeting in June 2021.
- An *in camera* session without management present was held at the end of each regularly scheduled meeting.

Responsibilities

Highlights for 2021-2022 Fiscal Year

HR Strategy and Policies

- Monitored management's response to the ongoing COVID-19 pandemic in relation to the health and well-being of employees, including mandatory vaccination policy, employee physical and mental health strategies, the shift to hybrid working models and return to premises.
- Reviewed the diversity and inclusion strategy and initiatives, including the CIB's approach to increased representation of Black, Indigenous Peoples and minority communities, as well as the results from the survey used to measure employee inclusion scoring.
- Monitored the CIB's organizational structure, recruitment activities and employee turnover.

CEO Compensation and Performance	<ul style="list-style-type: none"> Reviewed the short-term and long-term performance objectives and metrics for the 2021-22 and the 2022-23 fiscal years and made recommendations to the Board. Reviewed the performance assessment of the CEO against the corporate and individual objectives for the 2020-21 fiscal year and recommended to the Board the CEO's performance rating for recommendation to the shareholder.
Executive and Employee Compensation	<ul style="list-style-type: none"> Reviewed the approach to compensation for employees in the Investments team and heads of the functional groups, including positioning relative to the CIB's comparators. Reviewed and approved the total bonus pool for employees, including incentive compensation and merit pay increases for employees below executive officers. Reviewed with the CEO the performance of members of the executive management team and approved their total compensation.
Executive Officer Appointments and Succession Planning	<ul style="list-style-type: none"> Oversaw recruiting activities and changes to the executive management team, including the appointment of the Group Head, Communications and Public Affairs and the appointment of the Chief Financial Officer (including employment terms and compensation). Reviewed with the CEO the succession and talent management plans for executive officers and other senior leaders.
Corporate Governance and Board Effectiveness	<ul style="list-style-type: none"> Reviewed the Board and committee charters and recommended changes to the Board to revise the committee structure. Reviewed and recommended for Board approval committee as part of the reconstituted committee structure. Monitored the effective operation of the Board and its committees and received an independent report from the internal auditors on the effectiveness of the CIB's corporate governance policies and practices. Oversaw the conduct of the annual Board, committee and individual director evaluation, and discussed the results of the evaluation, including recommendations and action plans.
Board Succession Planning	<ul style="list-style-type: none"> Received updates on the selection process and recommendations made to the Minister for the appointment of directors.
Oversight of Corporate Policies	<ul style="list-style-type: none"> Received reports from the General Counsel & Corporate Secretary on updates to the CIB's corporate policies and procedures, as well as reporting requirements under the Access to Information Act, the Privacy Act, and the Public Servants Disclosure Protection Act.

IMPACT AND RISK COMMITTEE

Members (fiscal year end)	<ul style="list-style-type: none"> James Cherry (Chair) Kimberley Baird Jane Bird Patricia Youzwa Tamara Vrooman (ex officio)
Meetings	<ul style="list-style-type: none"> Three regular meetings and two special meetings were held in fiscal 2021-22. An <i>in camera</i> session without management present was held at the end of each regularly scheduled meeting.

Responsibility	Highlights for 2021-2022 Fiscal Year
Portfolio Allocation and Impact Objectives	<ul style="list-style-type: none"> ▪ Reviewed and recommended Board approval of the portfolio allocation and long-term impact objectives included in the corporate plan for the 2022-23 to 2026-27 planning period.
Investment Theses	<ul style="list-style-type: none"> ▪ Received a presentation from officials of Natural Resources Canada on the Government of Canada's Small Modular Reactor Action Plan. ▪ Reviewed investment thesis on opportunities to increase impact to invest in infrastructure projects within the CIB's existing clean power and green infrastructure priority sectors. ▪ Reviewed investment thesis on opportunities to advance Indigenous infrastructure investments. ▪ Reviewed investment thesis on investment opportunities within the public transit priority sector.
Investment Programs and Initiatives	<ul style="list-style-type: none"> ▪ Received an annual report and recommended to the Board updates to the Growth Plan Initiative for Zero-Emission Buses and the Indigenous Community Infrastructure Initiative.
Portfolio Reporting	<ul style="list-style-type: none"> ▪ Reviewed quarterly portfolio reports describing the performance of the CIB's investments and portfolio towards the corporate objectives and the long-term public impact outcomes set out in the corporate plan. ▪ Reviewed reports on asset management activities for closed investments, including financing provided, project schedule and milestones.
Public Impact and Sustainability	<ul style="list-style-type: none"> ▪ Reviewed the proposed framework for the management of public impact, including definition, measurement and reporting, and made recommendations to the Board. ▪ Received an update on the workplan and objectives for the CIB's upcoming sustainability and impact report, including the approach to adopt the recommendations from the Task Force on Climate-related Financial Disclosures (TCFD).
Risk Management Reports	<ul style="list-style-type: none"> ▪ Reviewed the quarterly enterprise risk dashboards, which include reporting on the CIB's top and emerging risks and performance against risk appetite, as well as key risk indicators for operational risks. ▪ Received management presentations on risk management activities, including initiatives underway to improve the risk function and reporting of fiscal impact.
Other	<ul style="list-style-type: none"> ▪ Reviewed the charter and discussed with management the roles and scope of the committee's responsibilities and activities with respect to the items identified in the charter. ▪ Discussed with management the interface between the committee and the other Board committees with respect to the oversight of risk.

INVESTMENT COMMITTEE

Members (fiscal year end)	<ul style="list-style-type: none"> ▪ Bruno Guilmette (Chair) ▪ Dave Bronconnier ▪ Michèle Colpron ▪ Christopher Hickman ▪ Stephen Smith ▪ Patricia Youzwa ▪ Tamara Vrooman (ex officio)
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Meetings	<ul style="list-style-type: none"> ▪ 11 regular meetings and two special meetings were held in fiscal 2021-22. ▪ Directors who are not members of the Investment Committee receive notice and are invited to attend meetings. <i>In camera</i> sessions are generally held during the Board meeting that follows the meeting of the Investment Committee.
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Responsibility	Highlights for 2021-2022 Fiscal Year
Investment Activities	<ul style="list-style-type: none"> ▪ Reviewed and recommended for Board approval of 18 preliminary investment proposals for infrastructure projects aligned with the CIB's mandate and corporate plan, and 13 final investment commitments for projects proceeding towards financial close. ▪ Reviewed the investment approach for the CIB's participation in the Universal Broadband Fund and made recommendations to the Board. ▪ Reviewed and recommended for Board approval updates to the delegations of authority to the Management Investment Committee for projects that meet specified conditions. ▪ Received reports from the Chief Investment Officer on investments approved under the delegation of investment authorities.
Project Development and Monitoring	<ul style="list-style-type: none"> ▪ Received status updates on project milestones and deliverables with respect to significant advisory mandates and project acceleration requests. ▪ Received status updates and made recommendations to the Board on the CIB's role and participation in the HFR project. ▪ Received regular updates from the Chief Investment Officer on the status of projects received and under assessment, including projects that were deemed out of mandate and updates on projects expected to reach a major milestone over the coming quarters. ▪ Received the report from management on the annual review of projects funded by the CIB. ▪ Received the report from the Head of Asset Management on the priorities and workplan for the build-out of the asset management function.

Ethical Conduct and Avoiding Conflicts of Interest

The Board is responsible for promoting the highest ethical standards of professional conduct, including developing and monitoring policies and practices for the CIB that are beyond reproach regarding values and ethics as well as preventing and managing against conflicts of interest.

Directors are expected to carry out their roles in accordance with the Code of Conduct and Conflict of Interest Policy for Directors, which incorporates the *Conflict of Interest Act* and the requirements in the *Financial Administration Act* relating to conflicts of interest. Each year, they must confirm in writing that they have read, understood and complied with the Code of Conduct and Conflict of Interest Policy for Directors.

The Human Resources and Governance Committee has established and monitors procedures to resolve conflicts of interest. Directors are required to complete an annual questionnaire disclosing their business and personal relationships, and report standing declarations of interest in respect of any infrastructure project under evaluation. In the event of a real, potential or perceived conflict of interest, the director will leave the meeting when the project is discussed and will not participate or vote in the decision. Board documents are also screened to flag counterparties listed in the standing declarations of directors so that transaction documents are withheld from the director who has declared an interest in a party related to that transaction

The CIB has also adopted a Code of Conduct for Employees, which sets out the CIB's core values and guiding principles for ethical conduct and incorporates the Values and Ethics Code for the Public Sector. The Code of Conduct for Employees describes the guiding principles and the following seven guidelines for ethical conduct that all employees must demonstrate to exercise sound, ethical judgement in their actions and decisions:

- We promote a diverse, inclusive and respectful workplace.
- We maintain a healthy, safe and secure workplace.
- We avoid and disclose conflicts of interest.
- We decline inappropriate gifts, hospitality and other benefits.
- We protect the CIB's assets and information.
- We comply with laws and regulations.

The Code of Conduct for Employees also describes the procedures for the disclosure of wrongdoings and for the protecting employees who disclose wrongdoings. Employees participate in regular training and must confirm annually compliance with the code.

Evaluating the Board's Performance

The Human Resources and Governance Committee (HRGC) is responsible for overseeing the annual Board self-evaluation process, which includes individual directors, the Board and committee Chairs and the overall functioning of the Board and its committees. The results inform the Board's development of priorities and action plan for the following year. The process followed for the 2021-22 evaluation is summarized below.



Questionnaires	Report	Follow-Up
<ul style="list-style-type: none"> ▪ Developed by the Corporate Secretary to reflect annual priorities and approved by the HRGC prior to distribution ▪ Completed by each director and members of management who have regular interface with the Board to provide a 360 degree view of the Board's performance ▪ Included specific and open-ended questions for feedback on a range of topics, including meeting agendas and documentation, meeting dynamics, Board and committee leadership, communications with management and organizational priorities ▪ Sought feedback on strategic issues and suggestions for continued improvement ▪ Directors also completed a self-assessment questionnaire to provide feedback on their experience as a CIB Board member 	<ul style="list-style-type: none"> ▪ Corporate Secretary presented a summary report to the HRGC for discussion and feedback on the Board's overall performance ▪ Chair of the HRGC reported on the results to the Board ▪ Individual self-assessment questionnaires were provided to the Board Chair to facilitate individual discussions with the directors on the progress achieved over the past year and the Board's priorities for the upcoming year 	<ul style="list-style-type: none"> ▪ Corporate Secretary developed an action plan to address key issues raised, monitor progress and report back ▪ Board Chair held individual meeting with each director to discuss the Board's overall performance and proposed items and considerations for action in the coming year for the Board

This year's process concluded that the Board and its committees were performing well. The principal themes that emerged that were incorporated in the action plan related to the number of meetings and additions to the meeting agendas. Directors noted the continued improvement of management's reporting and documentation provided to the Board and committees and made recommendations for continued improvement to focus on the core issues and facilitate more time for meaningful discussion at meetings.

Board Remuneration

Pursuant to the *Canada Infrastructure Bank Act*, the rate of any remuneration paid to the Board Chair and the other directors is fixed by the Governor in Council. The remuneration rates are as follows:

- **Directors:** \$40,000 – 50,000 per annum (Order in Council # 2017-1463).
- **Board Chair:** \$85,000 – 100,000 per annum (Order in Council # 2021-0018).

The Board Chair and other directors are not entitled to any performance-based bonuses or other incentives. They are reimbursed for reasonable out-of-pocket expenses while performing their duties related to the CIB, including travel, accommodation, and meals. Monthly travel and hospitality expenses reimbursed to Board members are posted on the CIB website.

Executive Compensation

The CIB has adopted a market-competitive compensation program which reflects the best practices of Crown corporations and other comparable organizations.

This section provides information on the principles considered and the key elements of the CIB’s compensation program. It also provides details on the compensation paid to executive officers for the 2021-22 fiscal year.

Executive Compensation Principles

The CIB’s compensation program is a key factor in attracting, motivating and retaining the talent needed for the CIB to effectively deliver its mandate and strategy. In searching for qualified employees with expertise in infrastructure project development and investment, as well as supporting roles in risk management, finance, legal and asset management, we compete with other large investment managers and financial institutions in Canada.

To achieve the objective of recruiting and developing the right talent in a competitive marketplace and ensure that the CIB’s compensation practices are fair and appropriate, the compensation program is based on the following principles.



Benchmarking

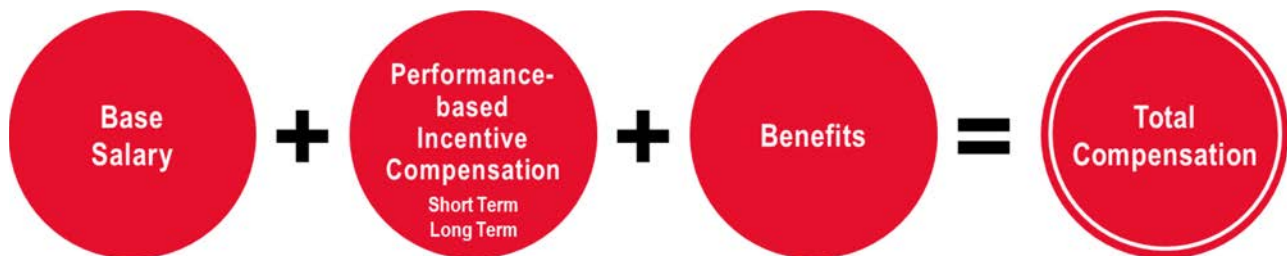
The CIB conducts a competitive benchmarking review of roles across the organization. This review is updated periodically to ensure that the total compensation package remains competitive and aligned with the CIB's market for talent. The benchmark group includes pension funds, investment management organizations with long-term investment horizons and fiduciary roles, and other organizations in the financial services and insurance industries, as well as the broader public sector. Due to the CIB's unique mandate, there are no direct industry peers in the Canadian market based on similar investment mandates and operations. To assist with the review of competitive pay information, the CIB reviews annual compensation surveys from compensation consulting firms.

The CIB targets competitive pay at the 50th percentile of the benchmark group. We have established compensation bands for each level of seniority in the investments and functional groups to provide management the flexibility to set total direct compensation for each employee relative to the median based on the employee's skills and experience. Information describing individual employee placements within the compensation bands is reported to the Human Resources and Governance Committee. This aggregated information verifies that targeted total direct compensation ranges across the organization are generally positioned at the median of the compensation bands.

The CIB's approach is to pay a greater proportion of total direct compensation in the form of base salary (and therefore provide a lower incentive target percentage for the incentive-based award) relative to the market, with correspondingly lower levels of incentive upside for outperformance. The CIB's peers in the benchmark group generally place significant weight on short-term investment returns in measuring total incentive awards, whereas the CIB's objective is to focus on deploying capital to infrastructure projects that deliver positive long-term economic and social outcomes for Canadians and their communities.

Components of Compensation Program

The CIB's compensation program includes the three components outlined below.



a) Base Salary

The rate of any remuneration paid to the CEO is fixed by the Governor in Council on the recommendation of the Board. In making its recommendation, the Board is to take into account the skills required for the position and the remuneration paid to persons in comparable positions. The base salary for the CEO is within the range of \$510,000 – \$600,000 per annum (OIC 2020- 0835). Any increase to the base salary of the CEO requires the approval of the Governor in Council.

Employees (other than the CEO) receive a base salary for carrying out their day-to-day responsibilities. Salaries reflect each employee's level of responsibility, skills, experience and market competitiveness. Salary reviews are overseen by the Human Resources and Governance Committee and are carried out periodically and informed by a market review of the benchmark group and other relevant comparable organizations. As of March 31, 2022, the average for annualized base salary paid to executive officers other than the CEO was \$325,000.

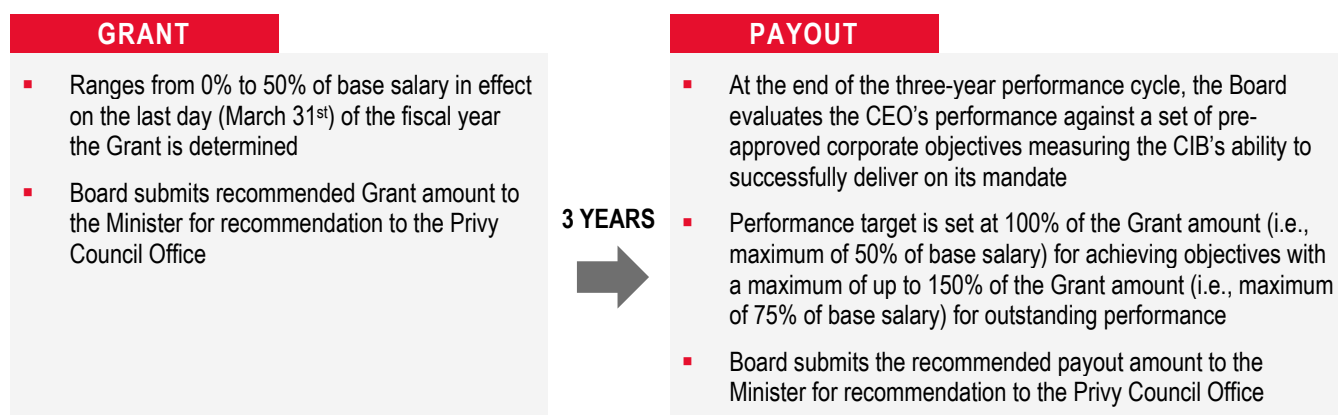
b) Performance-Based Incentive Compensation

i) CEO

The CEO's performance-based incentive compensation includes an annual short-term incentive award and a long-term incentive award.

The CEO's short-term incentive award is set at 50% of base salary for performance that meets objectives with the possibility of up to 100% of base salary for outstanding performance in several areas of significance and in extraordinarily challenging circumstances. A significant portion of the incentive award is subject to the overall performance of the organization. For the CEO and the other executive officers (as described in the next section below), 80% of the short-term incentive award is tied to the achievement of organizational corporate objectives documented in the corporate plan and 20% is tied to the achievement of individual objectives.

The long-term incentive award consists of an annual granting of potential amounts, based upon an evaluation of the achievement of annual long-term objectives (the "Grant") and an evaluation to determine the final award at the end of a three-year performance period (the "Payout"), as further described in the table below.



The CEO's remuneration and conditions of employment, including any performance-based incentives, are approved by the Governor in Council, having regard to the recommendation made by the Board to the Minister. The process followed by the Board for recommending performance-based remuneration to the CEO is described in the Performance Management Program for Chief Executive Officers of Crown Corporations published by the Privy Council Office. The Governor in Council exercises final decision-making authority to approve the performance rating and incentive compensation award provided to the CEO.

ii) Executive Officers (excluding the CEO)

At the beginning of each fiscal year, each executive officer establishes annual individual performance objectives. The objectives reflect individual and organizational priorities and are approved by the CEO. At fiscal year-end, the executive's performance is evaluated in relation to the achievement of the objectives and the executive's actions in contributing to the CIB's values and culture. The evaluation of individual objectives (in addition to the corporate results) informs recommendations regarding incentive compensation for executives that are presented to the Human Resources and Governance Committee for approval.

At the end of each fiscal year executive officers, excluding the CEO, are eligible to receive an annual incentive award based on a mix of both corporate and individual performance, as described in the previous section.

A portion of the annual award is paid out at the end of the fiscal year. Pay-outs can range from 0 to 1.5x of the employee's incentive compensation target, which is defined as a percentage of the employee's base salary, increasing with seniority. For executives, excluding the CEO, the performance-based at-risk incentive award ranges from 20% to 110% of the executive's base salary. Executives are also required to defer a portion of the

incentive award over three years. The table below describes the breakdown of the incentive award deferred for each executive officer (other than the CEO).

	ANNUAL INCENTIVE AWARD	MANDATORY DEFERRAL
Chief Executive Officer	50%	50%
Chief Investment Officer	60%	40%
Chief Financial Officer	60%	40%
Group Head, Communications and Public Affairs	80%	20%
Head of Strategy	80%	20%
General Counsel & Corporate Secretary	90%	10%

At the end of the three-year performance period, the CIB's performance is evaluated against a set of pre-approved corporate objectives measuring the CIB's successful delivery on its mandate and public outcomes. Payouts can range from 0 to 1.5x the amount of the incentive award deferred for the three-year performance period.

c) Benefits

The CIB offers a voluntary group registered retirement savings plan ("**Group RRSP**"), and a group non-registered savings plan ("**Group NRSP**") where the CIB matches employee contributions up to a limit. The CIB does not offer a defined contribution or defined benefit pension plan. All employees, including the CEO, are eligible to participate in the Group RRSP and the Group NRSP.

Employees have access to comprehensive benefits, including health and dental care, disability, critical illness, life insurance. They also have access to a health care spending account, an employee-assistance program and a variety of other programs and tools to help them reach their optimal level of well-being.

Summary Compensation Table

The table below sets forth the compensation payable and the mid-point of the range for the CEO and the other executive officers as at March 31, 2022.

	CEO	OTHER EXECUTIVES
Base Salary	Set by the Governor in Council within the range of \$510,000 – \$600,000 per annum.	\$325,000 (average annualized salary among all other executive officers).
Short-Term Incentive Compensation	Target – 50% of base salary. Payout ranges from 0 to up to 100% of base salary for outstanding performance based on the achievement of corporate objectives (80%) and individual performance (20%).	Target ranges from 20% to 110% of the executive's base salary. Average target amount among all other executive officers for incentive award earned at the end of fiscal year is \$155,340. Pay-outs can range from 0 to 1.5x based on the achievement of corporate objectives (80%) and individual performance (20%).
Long-Term Incentive Compensation	Target Grant – 50% of base salary. Payout of the Grant occurs at the end of the three-year performance period and ranges from 0 to up to 150% of the Grant amount (i.e., maximum of 75% of base salary) for outstanding performance.	Portion deferred ranges between 10% and 50% of the executive's incentive compensation target. Average target amount among all other executive officers for long-term incentive award earned at the end of the three-year performance period is \$80,000. Pay-outs can range from 0 to 1.5x.

As described on page 22 of the Annual Report, the CIB's corporate performance for the 2021-22 fiscal year was assessed at 101% or 1.01x the CEO's and other executive's incentive compensation target.

Key Management Personnel

Key management personnel are defined as those officers having authority and responsibility for planning, directing and controlling the activities of the CIB, including members of the Board. The following table presents the compensation expense of key management personnel.

For the year ended March 31	2022	2021
Salaries and short-term employee benefits	\$ 3,064	\$ 3,075
Post-employment benefits	155	110
Termination benefits	-	-
Other long-term benefits	580	476
	\$ 3,799	\$ 3,661

The CIB is committed to being open and transparent with Canadians about its operations. The CIB does not disclose individual total compensation received by the CEO and other executive officers due to privacy considerations. This disclosure complies with the requirements and governance standards recommended by the Treasury Board of Canada Secretariat.

The background features a dark blue night sky with a vibrant green aurora borealis on the right side. A red line graph with several peaks and troughs is overlaid on the sky, trending upwards from left to right. In the foreground, the silhouettes of several wind turbines are visible against the dark horizon.

Financial Statements

Management's Responsibility for Financial Information

Management is responsible for the preparation of the statements of financial position, statements of operations and accumulated surplus, statements of change in net financial assets, statements of cash flows and related notes (collectively the "Financial Statements") of the Canada Infrastructure Bank ("CIB" or the "Corporation") in accordance with the Public Sector Accounting Standards; and for ensuring compliance with applicable authorities. The information contained therein normally includes amounts requiring estimations that have been made based upon informed judgment as to the expected results of current transactions and events. Management is responsible for ensuring consistency of the financial information presented elsewhere in this Annual Report, with the Financial Statements. In discharging its responsibility for the integrity, fairness and quality of the Financial Statements and for the accounting systems from which they are derived, management maintains a system of internal controls designed to provide reasonable assurance that transactions are authorized, assets are safeguarded, proper records are maintained, and compliance with applicable authorities. The external auditors have full and free access to the Finance and Audit Committee of the Board of Directors, which is responsible for overseeing and reviewing management's internal control and reporting responsibilities. The Board of Directors, through the Finance and Audit Committee, which is entirely composed of independent directors, is responsible for reviewing and approving the audited Financial Statements. The CIB's independent auditors, BDO Canada LLP, Chartered Professional Accountants, and the Auditor General of Canada have audited the CIB's Financial Statements and their report indicates the scope of their audit and their opinion on the Financial Statements.



Ehren Cory
Chief Executive Officer



Evelyn Joerg
Chief Financial Officer

June 21, 2022

Independent Auditors' Report



Office of the
Auditor General
of Canada

Bureau du
vérificateur général
du Canada



To the Minister of Intergovernmental Affairs, Infrastructure and Communities

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Canada Infrastructure Bank (the Corporation), which comprise the statements of financial position as at March 31, 2022, March 31, 2021 and April 1, 2020, and the statements of operations and accumulated surplus, statements of change in net financial assets and statements of cash flows for the years ended March 31, 2022 and March 31, 2021, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2022, March 31, 2021 and April 1, 2020, and the results of its operations, changes in its net financial assets, and its cash flows for the years ended March 31, 2022 and March 31, 2021 in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Corporation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the information included in the 2021-22 Annual Report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. We obtained the 2021-22 Annual Report prior to the date of this auditors' report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditors' report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Compliance with Specified Authorities

Opinion

In conjunction with the audit of the financial statements, we have audited transactions of Canada Infrastructure Bank coming to our notice for compliance with specified authorities. The specified authorities against which compliance was audited are Part X of the *Financial Administration Act* and regulations, the *Canada Infrastructure Bank Act* and the by-laws of Canada Infrastructure Bank.

In our opinion, the transactions of Canada Infrastructure Bank that came to our notice during the audit of the financial statements have complied, in all material respects, with the specified authorities referred to above. Further, as required by the *Financial Administration Act*, we report that, in our opinion, the accounting principles in Canadian public sector accounting standards have been applied, after giving retroactive effect to the adoption of the new standards as explained in Note 3 to the financial statements, on a basis consistent with that of the preceding year.

Responsibilities of Management for Compliance with Specified Authorities

Management is responsible for Canada Infrastructure Bank's compliance with the specified authorities named above, and for such internal control as management determines is necessary to enable Canada Infrastructure Bank to comply with the specified authorities.

Auditors' Responsibilities for the Audit of Compliance with Specified Authorities

Our audit responsibilities include planning and performing procedures to provide an audit opinion and reporting on whether the transactions coming to our notice during the audit of the financial statements are in compliance with the specified authorities referred to above.



Mathieu Le Sage, CPA, CGA
Principal
for the Auditor General of Canada

Ottawa, Canada
June 21, 2022



Chartered Professional Accountants,
Licensed Public Accountants

Toronto, Canada
June 21, 2022

Statements of Financial Position

As at	Note	March 31, 2022	March 31, 2021	April 1, 2020
(in thousands of Canadian dollars)				
Financial assets				
Cash		\$ 45,540	\$ 1,695	\$ 221,768
Government funding receivable	6	3,430,322	407,500	-
Loans receivable	5	1,457,743	1,307,500	1,075,919
HST receivable		1,997	2,942	416
		4,935,602	1,719,637	1,298,103
Liabilities				
Accounts payable and accrued liabilities	8	10,641	8,704	8,506
Deferred liabilities		3,076	2,087	1,015
		13,717	10,791	9,521
Net financial assets		4,921,885	1,708,846	1,288,582
Non-Financial assets				
Tangible capital assets	7	1,949	1,943	1,423
Prepaid expenses and advances		420	140	105
		2,369	2,083	1,528
Accumulated surplus		\$ 4,924,254	\$ 1,710,929	\$ 1,290,110

Contractual obligations (Note 13)

The accompanying notes are an integral part of these Financial Statements.

On behalf of the Board:



Michèle Colpron
Chair, Finance and Audit Committee



Tamara Vrooman
Chair, Board of Directors

June 21, 2022

Statements of Operations and Accumulated Surplus

For the year ended March 31 (in thousands of Canadian dollars)	Note	2022		2021	
		Budget	Actual	Budget	Actual
Revenue					
Government appropriations - investments	6	\$ 3,922,501	\$ 3,188,535	\$ 2,169,600	\$ 407,500
Government appropriations - operations		70,770	50,500	87,562	57,000
Interest income		41,658	22,658	26,594	21,746
		4,034,929	3,261,693	2,283,756	486,246
Expenses					
Compensation		23,800	23,973	21,700	17,742
General and administration	9	20,470	12,674	19,387	10,201
Project development		-	1,360	-	326
Loan valuation allowance	5	258,885	808	128,600	12,207
		303,155	38,815	169,687	40,476
Advisory services	12	26,500	9,553	46,475	24,951
		329,655	48,368	216,162	65,427
Annual surplus		3,705,274	3,213,325	2,067,594	420,819
Accumulated surplus, beginning of year		1,710,929	1,710,929	1,290,110	1,290,110
Accumulated surplus, end of year		\$ 5,416,203	\$ 4,924,254	\$ 3,357,704	\$ 1,710,929

The accompanying notes are an integral part of these Financial Statements.

Statements of Change in Net Financial Assets

For the year ended March 31 (in thousands of Canadian dollars)	2022		2021	
	Budget	Actual	Budget	Actual
Annual surplus	\$ 3,705,274	\$ 3,213,325	\$ 2,067,594	\$ 420,819
Change in tangible capital assets - acquisitions	(89)	(388)	(1,061)	(822)
Change in tangible capital assets - amortization	485	382	400	302
Change in prepaid expenses and advances	-	(280)	-	(35)
Net financial assets, beginning of year	1,708,846	1,708,846	1,288,582	1,288,582
Net financial assets, end of year	\$ 5,414,516	\$ 4,921,885	\$ 3,355,515	\$ 1,708,846

The accompanying notes are an integral part of these Financial Statements.

Statements of Cash Flows

For the year ended March 31	Note	2022	2021
(in thousands of Canadian dollars)			
Cash provided by (used in):			
Operating activities:			
Annual surplus		\$ 3,213,325	\$ 420,819
Items not involving cash:			
Interest income accrued on loans receivable	5	(22,246)	(21,721)
Amortization of tangible capital assets	7	382	302
Loan valuation allowance	5	808	12,207
Changes in non-cash working capital			
Government funding receivable	6	(3,022,822)	(407,500)
Transaction costs	5	(2,826)	(1,067)
HST receivable		945	(2,526)
Prepaid expenses and advances		(280)	(35)
Accounts payable and accrued liabilities	8	1,937	198
Deferred liabilities		989	1,072
Loan disbursements	5	(125,979)	(221,000)
Total cash provided by (used in) operating activities		44,233	(219,251)
Capital activities:			
Acquisition of tangible capital assets	7	(388)	(822)
Total cash in capital activities		(388)	(822)
Net increase/(decrease) in cash during the year		43,845	(220,073)
Cash, beginning of the year		1,695	221,768
Cash, end of the year		\$ 45,540	\$ 1,695

The accompanying notes are an integral part of these Financial Statements.

Notes to the Financial Statements

For the year ended March 31, 2022

1. Act of Incorporation, Objective and Operations of the Corporation:

The Canada Infrastructure Bank (“CIB” or the “Corporation”) is a Crown corporation established by an Act of Parliament (the *Canada Infrastructure Bank Act* (the “*CIB Act*”) on June 22, 2017. The CIB is incorporated in Canada and wholly owned by the Government of Canada. The CIB was nominally capitalized with 10 shares issued at a par value of \$10 per share (actual dollars), or total share capital of \$100 (actual dollars).

The CIB’s purpose is to invest and seek to attract investment from private sector investors and institutional investors, in infrastructure projects in Canada or partly in Canada that will generate revenue and that will be in the public interest by, for example, supporting conditions that foster economic growth or by contributing to the sustainability of infrastructure in Canada.

The CIB develops projects in partnership with federal, provincial, territorial, municipal and Indigenous sponsors and the private sector. As part of this, the CIB also engages in project development, with the objective to expedite studies, technical reports and analysis required to shorten critical paths to investment. Project development also encompasses project acceleration which includes spend on early construction works in order to accelerate high impact infrastructure projects in which the CIB expects to make a long-term investment.

As set out in the *CIB Act*, the CIB also has a mandate to provide advisory services to “provide advice to all levels of governments with regard to infrastructure projects” and to “act as a centre of expertise on infrastructure projects in which private sector investors or institutional investors are making a significant investment”. In keeping with this role, the CIB provides advice on how projects may be structured to optimize delivery outcomes in the public interest while attracting private and institutional investment and generating revenue.

The CIB receives appropriations from the Government of Canada. Parliament has authorized not more than \$35 billion until fiscal year-end 2027-28, and the requisite authorities to participate in infrastructure transactions. Of the \$35 billion, the Government of Canada will allow up to \$15 billion against the fiscal framework which aims to catalyze projects that benefit Canadians, and will provide the flexibility and scope for the CIB to use its capital to innovate and take more risk than the market will take.

The CIB will execute a wide breadth of financial instruments, including loans, equity investments, and where appropriate, loan guarantees to projects that will mobilize private investment where otherwise no investment would occur. The decision on the use of different types of financial instruments will depend on a transaction’s unique characteristics. The CIB model is aimed at mobilizing and leveraging private sector and institutional investment and attaching its returns to the usage and revenue risk of infrastructure projects. To crowd-in private sector and institutional investment, support may be provided at below market rates, with more flexible terms or on a subordinated basis. Separately, the CIB is expected to make investments in projects that are in the public interest in the priority areas of: public transit, clean power, green infrastructure, broadband, and trade and transportation.

The CIB is not an agent of Her Majesty, the Queen in Right of Canada, except when, (i) giving advice about investments in infrastructure projects to ministers of Her Majesty in right of Canada, to departments, Boards, commissions and agencies of the Government of Canada and to Crown corporations as defined in subsection 83(1) of the *Financial Administration Act* (Canada) (the “*FAA*”); (ii) collecting and disseminating data in accordance with the *CIB Act*; (iii) acting on behalf of the Government of Canada in the provision of services or programs, and the delivery of financial assistance, as provided under the *CIB Act*; and (iv) carrying out any

activity conducive to the carrying out of its purpose that the Governor in Council may, by order, specify. The CIB is also named in Part I of Schedule III to the FAA.

The CIB is exempt from Federal Income Tax under Section 149(1)(d) of the *Income Tax Act*.

The CIB is accountable for its affairs to Parliament through the Minister of Infrastructure and Communities.

2. Summary of significant accounting policies:

a. Basis of preparation:

Effective April 1, 2021, the CIB adopted the Public Sector Accounting Standards (“PSAS”) established by the Public Sector Accounting Board (“PSAB”) of the Chartered Professional Accountants of Canada. Refer to Note 3 for further information.

The Financial Statements and notes are presented in thousands of Canadian dollars unless otherwise stated.

b. Budget figures:

Budget information is reflected in the Statements of Operations and Accumulated Surplus and the Statements of Change in Net Financial Assets. Budget data presented for 2021 and 2022 is sourced from the projections and estimates of year one and two, respectively, contained within the approved 2020-21 to 2024-25 Corporate Plan.

As a result of the transition to PSAS, certain items in the 2020-21 to 2024-25 Corporate Plan required adjustment to align with the change in reporting as outlined in Note 3. The main adjustments are as follows:

Approved Corporate Plan 2021 to 2025				
	2022		2021	
	Previously approved	As adjusted	Previously approved	As adjusted
Loan valuation allowance	\$ 1,681,072	\$ 258,885	\$ 835,114	\$ 128,600
Right of use asset - lease	2,918	-	3,180	-
Lease liability	(3,572)	-	(3,798)	-
Deferred government funding	\$ (1,688)	\$ -	\$ (2,084)	\$ -

c. Cash

Cash includes funds deposited in bank accounts on a short-term basis with financial institutions that are chartered banks in Canada. As per the *CIB Act*, the Minister of Finance may pay to the Corporation not more than \$35 billion. The CIB makes appropriation requests from the Department of Finance periodically which are in line with the CIB’s approved Corporate Plan and based on forecasts for anticipated needs that can deviate from what actually gets disbursed and therefore contributes to the cash balance.

d. Government funding:

Government appropriations are recognized in the period the transfer is authorized and all eligibility criteria have been met. A receivable is recognized when the CIB gains control of the resources that meet the definition of an asset and when it is expected that the inflow of resources will occur and their value can be reliably measured. Operating and capital appropriations are recognized when the cash is received. Investment appropriations are recognized at the time an investment achieves financial close (i.e. binding agreements with counterparties have been entered into).

e. Financial instruments:

Loans receivable

Loans are initially recorded at cost, which is when cash is disbursed, and subsequently measured at amortized cost less loan valuation allowances and write-offs.

Where a loan is deemed to be significantly concessionary relative to the face value by discounting using the Government of Canada average cost of borrowing, it is recognized at a cost equivalent to the face value less the discount on a prorated basis as funds are advanced. The recorded value of the loan at the date of issue is its face value offset by the discount which is amortized to revenue in a rational and systematic manner over the term of the loan using the effective interest rate (“EIR”) method. The amortization of the discount would be recorded as an increase in the loan balance and a credit to revenue. There were no loans deemed to be significantly concessionary from inception to March 31, 2022.

Transaction costs are included as part of the initial carrying value of the loan and amortized to income, based on the EIR method.

Other financial assets/Liabilities

The CIB’s cash, accounts payable and accrued liabilities are measured at amortized cost.

Impairment of financial assets

At each reporting date, the CIB assesses all financial assets or groups of financial assets to determine whether there is any credit deterioration or objective evidence of impairment both of which contribute to a valuation allowance that is recorded to have the financial asset reflect its expected net recoverable value. The valuation allowance reflects collectability and the risk of loss based on past events, current circumstances, and all available information at the date of the preparation of the Financial Statements.

The general valuation allowance applies to loans receivable and is based on a short-term estimate of portfolio credit risk that is monitored on an ongoing basis and adjusted with changes in credit risk. A reduction to the general valuation allowance would lead to a recovery and recognized as revenue. A specific valuation allowance is established in instances of known impairment events (by extension write-offs) that applies to all financial assets that would reduce their expected recoverability. If the specific valuation allowance subsequently increases, the impairment would not be reversed. Recovery of amounts written off would be recognized as revenue only when received.

f. Measurement uncertainty:

In preparing the Financial Statements in accordance with PSAS, management is required to make subjective judgments, estimates and assumptions that affect the carrying amounts of certain assets and liabilities, and the reported amounts of revenues and expenses recorded during the period. Significant changes in the underlying assumptions could result in significant changes to these judgments and estimates. Consequently, management reviews these assumptions regularly. Revisions to accounting judgments and estimates are recognized prospectively – i.e. in the period in which the judgments and estimates are revised and in any future period affected.

Management uses assumptions in determining the CIB's loan valuation allowance such as the CIB's internal credit rating and other primary factors as described in Note 11 and estimates the timing of expected drawdowns and repayments which impact the effective interest rate on loans. Where actual results differ from estimates and assumptions, the impact will be recorded in future periods when the difference becomes known.

COVID-19 Impact

The global economy continues to recover from the COVID-19 pandemic. Public health restrictions continued to be lifted, however continued uncertainty exists in the global economy. The evolving macroeconomic environment could have a material impact on the loan valuation allowance. The increased uncertainty has had a limited impact on loan valuation allowance estimates and assumptions used in determining the reported value of assets and liabilities. Actual credit losses could differ materially from those reflected on the Financial Statements.

g. Tangible capital assets:

Tangible capital assets are carried at cost less accumulated amortization, and accumulated impairment losses, if any.

The cost of a tangible capital asset includes its purchase price and any costs directly attributable to acquisition, construction, development or betterment of the tangible capital asset, including installing the asset at the location and in the condition necessary for its intended use.

The cost of tangible capital assets in use is amortized over their estimated useful lives, as follows:

ASSET	AMORTIZATION METHOD	RATE
Leasehold improvements	straight-line	Lesser of lease term & useful life
Computer software	straight-line	5 years
Computer hardware	declining balance	55%
Furniture and equipment	declining balance	20%

The residual values, useful lives and amortization methods are reviewed, and adjusted if appropriate, at least at each financial reporting date.

When conditions indicate that a tangible capital asset no longer contributes to the CIB's ability to provide goods and services, or that the value of the future economic benefits associated with the tangible capital asset is less than its net book value, the cost of the tangible capital asset is reduced to reflect the decline in the asset's value. The net write-down is then accounted for as an expense in the Statements of Operations and Accumulated Surplus.

h. Deferred liabilities:

Deferred liabilities consist of accrued long-term performance incentives which are time-based deferrals of incentive compensation earned as well as accrued rent or leasehold improvements related to the lease for office space amortized over the term of the lease.

i. Interest income:

Interest income includes interest on loans receivable recognized when earned and based on the carrying value of the loan using the EIR method as well as interest derived from cash balances in the year it is earned. The interest earned and recognized as revenue may differ from the interest receipt for certain investments that have interest being paid in kind and capitalized, increasing the outstanding loan balance.

Where a significant concessionary loan has been advanced, the proportionate discount to face value is recorded as an increase to the loan balance when amortized to revenue over the term of the loan as part of the EIR method.

The EIR method calculates the amortized cost of a financial asset and allocates the interest income over the relevant period in interest income in the Statements of Operations and Accumulated Surplus. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset. When calculating the EIR, the CIB estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses. The calculation includes all costs paid or received that are an integral part of the effective interest rate, such as transaction costs and other premiums or discounts.

j. Leases:

The CIB enters into operating leases for its office accommodation and storage space which are recorded on a straight-line basis over the term of the lease.

k. Inter-entity transactions:

Inter-entity transactions are transactions between commonly controlled entities of the Government of Canada and are recorded at the carrying amount unless they are undertaken on similar terms and conditions to those adopted if the entities were dealing at arm's length, which requires inter-entity transactions to be recorded at the exchange amount.

Related party transactions, other than inter-entity transactions, are recorded at the exchange amount.

3. Transition to Public Sector Accounting Standards:

Effective April 1, 2021, the CIB adopted PSAS as issued by the PSAB. These standards were adopted with retrospective restatement, and therefore the 2020-21 comparative figures have been restated using estimates that reflect conditions at that time. The key adjustments resulting from the adoption of these standards are as follows:

a. Statements of Financial Position:

Current assets and liabilities are not presented on the Statements of Financial Position under PSAS. Therefore, the current portion of assets and liabilities previously presented separately were reclassified to the appropriate basis between financial assets, non-financial assets and liabilities.

b. Statements of Cash Flows:

The presentation of the CIB's Statements of Cash Flows has been revised to be consistent with PSAS and reflect the change during the year in cash. The acquisition of tangible capital assets, previously reflected as an investing activity, has been revised to be presented as a capital activity. The Statements of Cash Flow has also been amended to be consistent with other presentation changes to the Statements of Financial Position and the Statements of Operations and Accumulated Surplus.

c. Loans receivable:

PSAS follows an incurred loss model rather than expected credit loss model. Credit deterioration is captured through the general valuation allowance and impairment events are captured in the specific valuation allowance; which in combination reflects collectability and the risk of loss based on past events, current circumstances, and all available information at the date of the preparation of the Financial Statements and would not include forward looking indicators.

d. Government funding:

Based on the CIB's previous basis of accounting, IFRS government appropriations were recognized as government funding in the Statements of Income and Comprehensive Income on a systematic basis over the periods in which the CIB recognized, as expenses or assets, the related balances for which the appropriations were intended to compensate. Unused government appropriations at year end could exist because of delayed timing of expenditures or timing of investment drawdowns to which those appropriations relate, and therefore the amounts were recorded as deferred government funding on the Statements of Financial Position and were carried forward to future periods. Under PSAS, government appropriations used for operating expenditures, capital purchases and investments are recognized as explained in Note 2(d).

e. Leases:

The CIB does not substantially receive all of the benefits and risks incident to ownership and therefore the leases for both the office and storage space would meet the classification of an operating lease under PSAS. The CIB recognizes the lease expense on a straight-line basis over the lease term as opposed to recognizing a right-of-

use asset that gets amortized using the straight-line method and a lease liability recorded using the present value of lease payments that is subsequently increased by the interest on the lease liability and decreased by lease payments.

f. Summary of financial adjustments:

Accumulated surplus as at April 1, 2020, as previously reported per IFRS	\$	1,075,441
Appropriations adjustment to recognize as revenue 3(d)		213,811
Adjustment from Expected Credit Loss to general valuation allowance 3(c)		788
Adjustment to leases 3(e)		70
Accumulated surplus as at April 1, 2020, as restated in PSAS	\$	1,290,110

Accumulated surplus as at March 31, 2021, as previously reported per IFRS	\$	1,244,192
Appropriations adjustment to recognize as revenue 3(d)		404,000
Adjustment from Expected Credit Loss to general valuation allowance 3(c)		62,577
Adjustment to leases 3(e)		160
Accumulated surplus as at March 31, 2021, as restated in PSAS	\$	1,710,929

Annual surplus for the year ended March 31, 2021 as previously reported per IFRS	\$	168,751
Appropriations adjustment to recognize as revenue 3(d)		190,190
Adjustment from Expected Credit Loss to general valuation allowance 3(c)		61,788
Adjustment to leases 3(e)		90
Annual surplus for the year ended March 31, 2021, as restated in PSAS	\$	420,819

4. Future accounting changes:

At the date of authorization of these Financial Statements, certain new standards, amendments and interpretations to existing standards had been published by the PSAB but were not yet effective and are not expected to have a material impact on the CIB's Financial Statements. The CIB will continue to monitor regulatory guidance.

5. Loans receivable:

The portfolio of loans may be subject to a number of terms and conditions including restrictive covenants and be subordinate to senior debt or rank pari passu with other lenders. All loans below are secured through projected future revenues of the projects.

The following table sets out the amounts related to the loans receivable and their associated loan valuation allowance (“LVA”) by sector:

As at	March 31, 2022		March 31, 2021		April 1, 2020	
	Carrying amount	LVA	Carrying amount	LVA	Carrying amount	LVA
Public Transit	\$ 1,344,113	\$ (14,512)	\$ 1,320,675	\$ (14,242)	\$ 1,077,954	\$ (2,035)
Clean Power	4,210	(8)	-	-	-	-
Green Infrastructure	8,540	(85)	-	-	-	-
Broadband	41,268	(69)	-	-	-	-
Trade & Transportation	74,662	(376)	1,067	-	-	-
Subtotals	1,472,793	(15,050)	1,321,742	(14,242)	1,077,954	(2,035)
Loans receivable (net)	\$ 1,457,743	\$ 1,457,743	\$ 1,307,500	\$ 1,307,500	\$ 1,075,919	\$ 1,075,919

The portfolio weighted average effective interest rate for projects the CIB has funded to date is approximately 1.6% (March 31, 2021 – 1.7%; April 1, 2020 – 1.7%) over an average weighted term of 13.2 years (March 31, 2021 – 12.7 years; April 1, 2020 – 13.7 years).

The following table presents the changes in the CIB loans receivable carrying amount:

As at	March 31, 2022	March 31, 2021	April 1, 2020
Opening balance	\$ 1,307,500	\$ 1,075,919	\$ 550,932
Drawdowns	125,979	221,000	513,000
Capitalized interest paid in kind	22,246	21,721	14,022
Transaction costs	2,826	1,067	-
Loan valuation allowance	(808)	(12,207)	(2,035)
Loans receivable	\$ 1,457,743	\$ 1,307,500	\$ 1,075,919

The loan valuation allowance consists of the general loan valuation allowance of \$15.1 million (March 31, 2021 – \$14.2 million; April 1, 2020 - \$2.0 million) and the specific loan valuation allowance of \$nil (March 31, 2021 – \$nil; April 1, 2020 - \$nil).

The following table illustrates the outstanding loans receivable principal repayments expected for the next five years and thereafter, not including interest or transaction costs:

As at	March 31, 2022
2023	\$ 841
2024	3,212
2025	8,201
2026	10,699
2027 and thereafter	1,386,026
Outstanding loans receivable principal repayments	\$ 1,408,979

6. Government funding receivable:

Consistent with the original funding process established with the Government of Canada, the CIB receives funding through government appropriations for operating expenditures, capital, including tangible capital assets that are subject to amortization, and to fund investments once financial closes have occurred.

The details of the government funding receivable are as follows:

As at	March 31, 2022	March 31, 2021	April 1, 2020
Opening balance	\$ 407,500	\$ -	\$ 734,000
New investment contractual agreements	3,188,535	407,500	-
Government appropriations received - investments	(165,713)	-	(734,000)
Government funding receivable	\$ 3,430,322	\$ 407,500	\$ -

7. Tangible capital assets:

	Leasehold improvements	Computer software	Computer hardware	Furniture & equipment	Total
Cost:					
Balance at beginning of year	\$ 1,533	\$ 495	\$ 277	\$ 365	\$ 2,670
Additions	12	335	41	-	388
Balance at end of year	1,545	830	318	365	3,058

Accumulated amortization:

Balance at beginning of year	328	49	202	148	727
Amortization expense	154	133	52	43	382
Balance at end of year	482	182	254	191	1,109

Carrying amounts

Balance at March 31, 2022	\$ 1,063	\$ 648	\$ 64	\$ 174	\$ 1,949
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	Leasehold improvements	Computer software	Computer hardware	Furniture & equipment	Total
Cost:					
Balance at beginning of year	\$ 1,268	\$ -	\$ 223	\$ 357	\$ 1,848
Additions	265	495	54	8	822
Balance at end of year	1,533	495	277	365	2,670

Accumulated amortization:

Balance at beginning of year	187	-	143	95	425
Amortization expense	141	49	59	53	302
Balance at end of year	328	49	202	148	727

Carrying amounts

Balance at March 31, 2021	\$ 1,205	\$ 446	\$ 75	\$ 217	\$ 1,943
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	Leasehold improvements	Computer software	Computer hardware	Furniture & equipment	Total
Cost:					
Balance at beginning of year	\$ 1,239	\$ -	\$ 196	\$ 325	\$ 1,760
Additions	29	-	27	32	88
Balance at end of year	1,268	-	223	357	1,848

Accumulated amortization:

Balance at beginning of year	62	-	61	33	156
Amortization expense	125	-	82	62	269
Balance at end of year	187	-	143	95	425

Carrying amounts

Balance at April 1, 2020	\$ 1,081	\$ -	\$ 80	\$ 262	\$ 1,423
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No tangible capital asset was impaired as at March 31, 2022 (March 31, 2021 – nil; April 1, 2020 - nil).

8. Accounts payable and accrued liabilities:

As at	March 31, 2022	March 31, 2021	April 1, 2020
Accrued compensation	\$ 6,519	\$ 5,843	\$ 5,876
Accrued professional fees	2,553	1,436	556
Accounts payable	332	135	161
Other	-	5	9
Advisory services	1,237	1,285	1,904
Accounts payable and accrued liabilities	\$ 10,641	\$ 8,704	\$ 8,506

9. General and administrative expenses:

For the year ended March 31	2022	2021
Professional fees	\$ 9,703	\$ 7,483
Administration fees	2,589	2,416
Amortization of capital assets	382	302
General and administrative expenses	\$ 12,674	\$ 10,201

10. Related party transactions:

The Corporation is related in terms of common ownership to all Government of Canada departments, agencies, and Crown corporations. Key management personnel are defined as officers having authority and responsibility for planning, directing and controlling the activities of the CIB and their close family members, including members of the Board of Directors. The Corporation enters into transactions with these entities and individuals in the normal course of business. The CIB's transactions with government-related entities that are individually significant are government funding (Note 2(d)) which is approved in the form of a statutory authority, as well as the CIB's annual Corporate Plan, and obtained through drawdown requests made to the Department of Finance, and the CIB's Joint Project Office (Note 12) with VIA Rail Canada, a Crown corporation.

11. Financial instruments and risk management:

The CIB is exposed to a variety of financial risks: market risk, liquidity risk and credit risk. The CIB's overall risk management program focuses on the unpredictability of financial and economic markets and seeks to minimize potential effects on the Corporation's financial performance.

The CIB's Board of Directors has overall responsibility for the establishment and oversight of the Corporation's risk management framework and approves the Corporation's risk management policies. The Corporation's enterprise risk management framework is established to identify the risks faced by the Corporation.

The Corporation's Impact and Risk Committee oversees how management monitors compliance with the Corporation's enterprise risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Corporation.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The key market risk relates to interest rates which is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The interest rate on the CIB's loans receivable are fixed or in some cases variable with some having limited correlation to the Government of Canada borrowing rate at a future date. For the year ended March 31, 2022, there were no funds advanced to projects that had a variable interest rate (March 31, 2021 – nil; April 1, 2020 – nil).

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are to be settled by delivering cash or another financial asset. Liquidity risk is low since the CIB does not have debt instruments to service and receives regular funding from the Government of Canada. The CIB manages its liquidity risk by preparing and monitoring forecasts of cash flows for anticipated operating, capital, and investing activities. Also, the Board of Directors reviews and approves the CIB's operating, capital, and investment budgets.

The following table sets out the contractual maturities (representing undiscounted contractual cash flows) of financial liabilities.

	Carrying amount	Contractual cash flow	F2023	F2024	F2025	F2026	F2027
Accounts payable and accrued liabilities	\$10,641	\$10,641	\$10,641	\$-	\$-	\$-	\$-
Long-term performance incentives	2,122	2,122	931	780	411	-	-
	\$12,763	\$12,763	\$11,572	\$780	\$411	\$-	\$-

Credit risk

Credit risk is the risk that a counterparty will default on its contractual obligations resulting in financial loss to the CIB. As the CIB's business is to invest in project financing structures (which normally involves a limited liability special purpose vehicle), the CIB endeavours to mitigate risk of financial loss from defaults by including contractual terms and conditions which attempt to protect the CIB's interest to the extent possible and monitoring the credit risk on projects on a continuous basis.

Monitoring of credit risk typically involves credit risk analysis which is performed by the management of the CIB using best practices for each transaction considered for financing by the CIB. Qualitative and quantitative risk factors are taken into consideration for each infrastructure project, both, during the construction / deployment and the operations phase, as applicable, as well as specific legal and financial structure risk factors. Risk factors may include the following data as applicable:

Risks	Risk Exposure	Mitigating Factors
Construction risk / deployment risk	Construction cost overruns	Liquidity facilities, long-stop dates
Operating risk	Additional debt exposure	Covenant tests, ratios and contingencies
Financial structure risk	The CIB takes subordinated positions in investments	The CIB ranks above equity

As described in Note 2(e), the CIB uses a general valuation and specific valuation allowance to recognize risk on its portfolio of assets. The general valuation allowance is calculated on a short-term basis and represents a

general reserve of uncollectible amounts against the loan portfolio as at the reporting date. The allowance is estimated based on an internal credit rating for each investment that considers an assessment of risk factors outlined in the table above, along with the mitigating terms and conditions included in each loan agreement. In addition, the general valuation allowance incorporates short-term economic uncertainty and historical losses from loans with similar credit risk.

For specific valuation allowances, the CIB assesses whether a specific loan is credit impaired at each reporting date. The CIB considers a financial asset to be credit impaired when objective evidence of impairment exists and the borrower is unlikely to pay its credit obligations to the CIB in full, without recourse by the CIB to actions such as realizing collateral (if any is held). Refer to Note 5 for a breakdown of the allowance by sector.

Subsequent to closing of a transaction by the CIB, the credit exposures are regularly monitored by assessing the above-mentioned factors. Monitoring of each credit is performed annually via a credit review process, with more regular monitoring warranted in the event of covenant breaches or any other issues or impairment events impacting the transaction. As at March 31, 2022, there were no amounts past due (March 31, 2021 – nil; April 1, 2020 - nil). The CIB is exposed to credit risk as approximately 91% of the amounts advanced relate to one borrower (March 31, 2021 – 100%; April 1, 2020 – 100%) but only represents 26% of total financial closes (March 31, 2021 – 76%; April 1, 2020 – 100%).

12. Advisory services

On September 4, 2019, the CIB and VIA Rail Canada, a related party, established a Joint Project Office operating out of the VIA Rail offices in Montreal, Quebec to undertake de-risking, due diligence, pre-procurement and planning activities for the VIA Rail high frequency rail project. Matters were addressed on a consensus basis equally between the CIB and VIA Rail. On June 9th, 2021, the CIB and VIA Rail Canada signed an amendment to extend the term of the Joint Venture Agreement to March 3rd, 2022 from the original expiry date of September 3, 2021. The agreement is unincorporated and does not create a legal entity or partnership between the CIB and VIA Rail Canada. The CIB has agreed to continue to make funding available after March 3, 2022, for the activities of a project delivery office on an interim basis which will be repaid upon the permanent establishment of a VIA subsidiary.

The CIB has been authorized to fund up to \$54.4 million of expenses related to the activities of the joint operation and has funded \$37.4 million in total.

On August 13, 2021 the CIB was authorized to reprofile \$21.5 million of unused operating funds from the 2020-21 Corporate Plan into 2021-22 for the high frequency rail project in anticipation of costs exceeding the original budget of \$5.0 million.

Joint operation expenses for the years ended March 31 are detailed in the table below:

For the year ended March 31	2022	2021
Professional fees	\$ 8,498	\$ 22,304
Recovery of CIB resource costs	706	1,713
Administration	349	934
Advisory services expenses	\$ 9,553	\$ 24,951

13. Contractual obligations

a) Leasing commitments:

On August 31, 2017, the CIB entered into long-term leases for both office and storage space located at 150 King Street West. The term of each lease is 10 years and commenced on June 1, 2018. The CIB has the option to extend the office lease for two further consecutive terms of five years each. The CIB does not receive substantially all of the benefits and risks incident to ownership, and therefore the office and storage space would meet the classification of an operating lease. The CIB recognizes the lease expenses straight-lined over the lease terms. The annual payments for each of the next five years and thereafter are as follows:

As at	March 31, 2022
2023	\$ 308
2024	324
2025	328
2026	328
2027 and thereafter	2,676
Total lease commitments	\$ 3,964

b) Financial closes:

The CIB has committed to lend funds towards infrastructure project investments when it has completed all due diligence and has entered into binding agreements with its counterparties. The expected timing and amount of future drawdown requests is variable as they are generally based on the reimbursement of eligible project costs incurred. Total financial closes is segregated between amounts advanced and undrawn in the table below:

As at	March 31, 2022	March 31, 2021	April 1, 2020
Public Transit	\$ 1,158,691	\$ -	\$ 221,000
Clean Power	595,995	-	-
Green Infrastructure	468,062	-	-
Broadband	788,529	-	-
Trade & Transportation	458,777	407,500	-
Undrawn financial closes	3,470,054	407,500	221,000
Amounts advanced (cash basis)	1,408,979	1,283,000	1,062,000
Total financial closes	\$ 4,879,033	\$ 1,690,500	\$ 1,283,000

Amounts advanced in this table do not factor in interest being capitalized as payment in kind or loan valuation allowances.

Board of Directors



Tamara Vrooman, Chair
President and CEO of the Vancouver Airport Authority (YVR)

Chair serves as an ex officio member of all the Board's committees



Kimberley Baird
Corporate Director
Founder, Kim Baird Strategic Consulting

Member of the Human Resources and Governance and Impact and Risk committees



Jane Bird
Corporate Director
Senior Business Advisor with the Vancouver office of Bennett Jones LLP

Member of the Human Resources and Governance, and Impact and Risk committees



David Bronconnier
Corporate Director
President and CEO of Interloq Capital Inc.

Member of the Finance and Audit, and Investment committees



James Cherry
Corporate Director

Member of Impact and Risk, and Finance and Audit committees*



Michèle Colpron
Corporate Director

Member of the Finance and Audit, and Investment committees*



Bruno Guilmette
Corporate Director
Vice President and Chief Financial Officer of Boralex Inc.

*Member of the Investment Committee**



Christopher Hickman
Corporate Director
Chairman and Chief Executive Officer of Marco Group of Companies

Member of the Finance and Audit, and Investment committees



Poonam Puri
Corporate Director
Professor of Business Law at Osgoode Hall Law School

Member of Human Resources and Governance Committee



Stephen Smith
Corporate Director
Co-Founder, Chair and Chief Executive Officer of First National Financial LP

Member of the Human Resources and Governance, and Investment committees*



Patricia Youzwa
Corporate Director

Member of the Impact and Risk, and Investment committees

An asterisk denotes Chairs of the Board's standing committees. All of the directors are invited to attend the Investment Committee.

Executive Team



Ehren Cory

Chief Executive Officer

Mr. Cory is responsible for providing overall strategic business leadership and setting the direction for the CIB, including creating the strategy, developing partnerships with the public sector and the private sector to advance innovative infrastructure financing transactions and promoting strong corporate culture focused on integrity and results.



John Casola

Chief Investment Officer

Mr. Casola leads the Advisory and Investments team and is responsible for implementing investment and advisory strategies, including advice to public sponsors, transaction structuring, capital deployment and asset management.



Evelyn Joerg

Chief Financial Officer

Ms. Joerg oversees the CIB's financial activities, including risk, asset management, finance and IT. Previously, she was the Head of Asset Management, where she was responsible for managing the growing portfolio of the CIB's investments.



Hillary Marshall

Group Head, Communications and Public Affairs

Ms. Marshall brings senior management expertise and nationally recognized experience to lead the Communications and Public Affairs team. Her responsibilities include executing our strategic communications action plan and enhancing stakeholder relations with the public and private sectors.



Steven Robins

Head of Strategy

Mr. Robins leads the strategy team and is responsible for impact measurement, our Investment Framework, our overall portfolio strategy and the identification of new opportunities to achieve the CIB's priority outcomes.



Frédéric Duguay

General Counsel & Corporate Secretary

Mr. Duguay is responsible for leading the legal affairs, the corporate secretariat, as well as the compliance functions and regulatory activities of the CIB, including the implementation of legal and governance structures for investment transactions and responses to access to information requests.

CONTACT US

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