CIB BIC

Second Quarter (Q2) Fiscal Year 2021-22 Financial Report

Unaudited

Canada Infrastructure Bank is a Crown Corporation wholly owned by the Government of Canada

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Message to Reader

These quarterly condensed interim financial statements were prepared on the basis of International Accounting Standard (IAS) 34, Interim Financial Reporting, and must be read in conjunction with the March 31, 2021 annual audited financial statements and with the narrative discussion included in this quarterly financial report.

The same accounting policies and methods of computation have been followed in these condensed interim quarterly financial statements as compared with the most recent annual audited financial statements.

These condensed interim quarterly statements follow the Treasury Board of Canada Standard on Quarterly Financial Reports for Crown Corporations. There is no requirement for an audit or review of the financial statements included in the quarterly financial report and therefore these statements have not been audited or reviewed by an external auditor.

From time to time, the CIB makes written or oral forward-looking statements and may do so in this quarterly financial report. These forward-looking statements include, but are not limited to, statements about objectives and strategies for achieving objectives, as well as statements about outlooks, plans, expectations, anticipations, estimates and intentions. By their very nature, forward-looking statements involve numerous factors and assumptions, and they are subject to inherent risks and uncertainties, both general and specific. These uncertainties give rise to the possibility that predictions, forecasts, projections, and other elements of forward-looking statements will not be achieved. A number of important factors could cause actual results to differ materially from the expectations expressed.

Management Discussion & Analysis (MD&A)

This MD&A presents readers with management's view of corporate strategy and performance and should be read in conjunction with the unaudited financial statements for the quarter ending September 30, 2021. Figures are expressed in Canadian dollars unless stated otherwise.

Overview

The CIB is an impact investor focused on accelerating infrastructure investments to create benefits for Canadians. By focusing on outcomes to address climate change, connect Canadians and their communities, increase economic growth and build partnerships with Indigenous Peoples, we help improve the quality of life for people and create more prosperity for Canada.

These outcomes are realized through investment in five priority sectors: broadband, public transit, clean power, green infrastructure, and trade and transportation.

The CIB has a commitment to invest $35 billion over the long-term across these priority sectors, and within that overall commitment a target to invest $1 billion in partnership with and for the benefit of Indigenous Peoples.

Infrastructure is a powerful lever for positive change supporting economic growth, enabling the transition to net-zero emissions and in the shorter term helping promote recovery from the impacts of the pandemic.

The CIB remains focused on delivering its Growth Plan announced in October 2020. The Growth Plan includes investment initiatives in six areas: transit for cleaner commutes including zero-emission buses, clean power such as interties, green infrastructure with focus on energy efficiency building retrofits, broadband connectivity, and agriculture-related infrastructure such as irrigation that is linked to trade and transportation.

At the same time, the CIB is committed to going beyond the Growth Plan to achieve long-term results on larger, more complex projects. In this way, the CIB is working on two tracks to deliver infrastructure investment.

By bringing together partners from across the Canadian infrastructure landscape, the CIB acts as a catalyst to fill the economic gap in financing that can prevent new infrastructure projects from going ahead. In this way, we help get more infrastructure built. The CIB's direct investment and partnership approach complements, yet is distinct from, government programs.

The CIB's professional and independent Board supervises the direction of the organization with the ultimate responsibility for approving investment decisions. The CIB management team works with public sponsors and private and institutional partners to catalyze investment opportunities in our priority sectors.

The CIB works closely with the Government of Canada on achieving outcomes related to infrastructure investments as set out in the Minister's Statement of Priorities and Accountabilities. On October 26, a new Minister of Intergovernmental Affairs, Infrastructure and

Communities was announced, and we look forward to working with the Minister on creating public value and outcomes for Canadians together.

Strategy and Business Results

Investments

The CIB is increasing momentum through impactful investments. At the time of this report our total of investments that have reached financial close or are proceeding towards financial close based on approved terms is $6.3 billion since inception. In this way, our investments are a major catalyst for projects with an overall estimated capital cost of $17.8 billion across Canada, including $6.7 billion in capital from private and institutional investors.

The sectoral breakdown of the CIB's $6.3 billion total investments is as follows:

- **$2.6 billion in transit**
- **$1.4 billion in clean power**
- **$0.3 billion in green infrastructure**
- **$1.5 billion in broadband**
- **$0.5 billion in trade and transportation**

The scope, speed and scale of our investments continued to progress throughout the second quarter of the 2021-22 fiscal year, as the CIB reached financial close with partners on a number of investments:

- **Autobus Séguin:** The CIB will invest up to $15 million to support Autobus Séguin in its purchase of 131 new zero-emission school buses over the next five years. This investment will allow for the safe and environmentally friendly transportation of students while stimulating the economy. This project will play a key role in helping the Province of Quebec's goal of electrifying 65% of its school bus fleet by 2030.
- **Tshiuetin Rail:** This freight and passenger service between Schefferville and Sept-Îles is the only readily accessible link connecting three First Nations – the Innu Takuaikan Uashat Mak Mani-Utenam, the Innu Nation of Matimekush-Lac John, and the Naskapi Nation of Kawawachikamach. The CIB will invest $50 million in the form of a long-term, fully repayable loan. This represents the first CIB investment made as part of the Indigenous Community Infrastructure Initiative launched in March 2021.
- **Toronto Western Hospital Retrofit:** The CIB is investing in the world's largest raw wastewater energy transfer system at Toronto Western Hospital, part of the University Health Network (UHN). The CIB will finance up to $19.3 million for an energy efficiency retrofit project using the wastewater energy transfer system which will provide low-carbon heating and cooling energy to the hospital by transferring thermal energy to and from wastewater flowing in the mid-Toronto interceptor sewer.
- **Société de financement et d'accompagnement en performance énergétique du Québec (SOFIAC):** The CIB will invest up to $100 million for energy-efficient building retrofits in the province of Quebec to allow commercial and industrial businesses, as well as multi-unit residential building owners, with minimum annual energy expenses of $1 million and with

potential energy savings of 25% to 40% to leverage SOFIAC's technical and financial resources to develop and implement retrofit projects to optimize their energy performance and reduce their carbon footprint.

- **Enwave Energy Corporation:** the CIB entered into a credit agreement with Enwave to finance up to $600 million for the development and expansion of district energy systems in Toronto and Mississauga. There are 6 projects being developed which will increase the efficiency and use of low-carbon technologies and reduce greenhouse gas emissions.
- **Manitoba Fibre:** The CIB has committed $164 million in financing towards the construction and operation of the backbone and last-mile fibre optic broadband network to serve up to approximately 49,000 underserved households in rural areas of Southern Manitoba, providing enhanced broadband speeds of up to 1 gigabit per second.
- **City of Edmonton Zero Emission Buses:** The CIB is investing up to $14.4 million to help the City of Edmonton purchase 20 new zero-emission buses for the Edmonton Transit Service's fleet, which will contribute to the City's shift toward more sustainable transportation, lowering its carbon footprint while providing a high-quality transit service for users.
- **Réseau express métropolitain station at the Montréal-Trudeau International Airport:** **T**his project involves the construction of a REM station that will link the Montreal airport to the REM, a 67 kilometre long, 26 station light rail transit network currently under construction in the Greater Montreal area. The CIB is investing up to $300 million in the project.

In addition, the CIB announced during the second quarter its participation in the following investments, for which it is now working towards financial close:

- **Algoma Steel Inc.:** The CIB will invest up to $220 million in this project, which will enable Algoma Steel Inc. to phase out coal-fired steelmaking processes and retrofit their operations to use state-of-the-art equipment and support its transition to Electric-Arc Furnace production. The transformation of these facilities is expected to reduce greenhouse gas (GHG) emissions by more than 70% and supports Canada's goal of reducing industrial GHGs.
- **City of Brampton Zero-Emission Buses:** The CIB will invest up to $400 million to support Brampton Transit's purchase of up to 450 zero-emission buses (ZEBs) by 2027. The CIB's investment will contribute towards the upfront capital cost of the ZEBs and related charging infrastructure. This is the CIB's third ZEB investment with a municipality and supports one of the largest conversions of public transit vehicles in Canada to date.

Subsequent to the second quarter end, the CIB also announced it will invest $13 million to support the development of Kahkewistahaw Landing in Saskatoon, Saskatchewan, enabling new road, water and wastewater infrastructure for a new urban reserve.

To support its decision-making, the CIB Investments team developed and is now implementing an Investment Framework and undertaking related modernization of process and information technology tools to support investments. The rollout consisted of mandatory training for all employees to ensure all teams are well acquainted with the changes to the investment process

Supporting Project Development

This past quarter's progress also includes project acceleration initiatives in which we advance the planning or early works of projects with a high potential for future CIB investment. The CIB and the Newfoundland and Labrador Department of Transportation and Infrastructure signed a Memorandum of Understanding (MOU) to further assess a fixed transportation link between the Island of Newfoundland and Labrador. The CIB is also developing new opportunities alongside Indigenous partners, including the Chippewas of Georgina Island First Nation project to accelerate project technical due diligence and business case development that could lead to future investment.

People, Diversity and Inclusion

Diversity and inclusion is important to the CIB's values.

On September 30, the CIB commemorated the First National Day of Truth and Reconciliation. As part of an ongoing commitment to work with, raise awareness about and pursue meaningful collaboration with Indigenous Peoples, the CIB provided employees with learning materials and resources as a way to mindfully observe the day. This helps to ensure our teams and organization are committed to contributing to reconciliation by shaping positive and meaningful relationships in partnership with and for the benefit of Indigenous communities

The CIB has established a diversity and inclusion committee of employees from across the organization to contribute to and guide goals and actions that support a positive, respectful, and productive workplace. The diversity and inclusion committee are planning a number of initiatives related to education and ongoing diversity development for the organization, such as the inclusion of diversity principles in our ongoing recruitment.

Six of the CIB's eleven Directors, or 55%, are women, demonstrating the CIB as a model for diversity. As of September 30, 2021, 39% of our 82 employees are women.

Business Continuity During the Pandemic

The CIB continues to operate in the context of its Business Continuity Plan, and largely through a remote work environment, with the voluntary option of working from our offices on an ad hoc basis. Planning remains underway for a return to the office environment informed by guidance from public health and government authorities.

The CIB implemented a COVID-19 vaccination policy for all employees and as well as facilitated return to office training programs, to support our teams in a safe and healthy return to the office.

Research

The CIB continues to support knowledge and research activities that support CIB objectives and will be relevant to public sponsors of infrastructure, to private sector and institutional investors and to the broader public policy community. To that end, the CIB has recently partnered on research projects related to the delivery of retrofits at scale, cybersecurity and transit-oriented development.

Outlook

The CIB continues to seek opportunities to invest in at scale capital projects where it can play a substantial role to crowd-in private and institutional capital to fill gaps in financing and help deliver more infrastructure.

The CIB has a robust funnel of projects under active consideration, with 35 projects in investment structuring that could lead to new investment commitment. As such, the outlook for CIB investments remains strong, with an expectation for additional investments being approved and announced over the coming six months and into the next fiscal year. Over twenty of these projects are in the green infrastructure and clean power sectors.

The UN Climate Change Conference (COP26) took place from October 31 to November 12 and was a defining moment for how the global community will tackle the challenges of climate change. As more emphasis and urgency is placed on reaching climate targets, CIB activity to support sustainable investment including private capital in areas such as transit, clean power and green infrastructure sectors is critical. The CIB's commitment to playing its part will also be reflected in related activities such as further developing its climate related reporting and supporting knowledge and thought leadership related to its sustainable infrastructure priorities.

Status of Operations – Financial

The following table sets out the CIB's income and expense for the second quarter:

For the period ended September 30	2021	2020	$ Change
Interest income	**$ 11.2**	$ 10.8	$ 0.4
Operating expense	**(18.5)**	(11.1)	(7.4)
Net operating loss before VIA Rail advisory, project development expenses and provision for losses	**(7.3)**	(0.3)	(7.0)
VIA Rail Advisory expenses	**(5.8)**	(14.5)	8.7
Project development expenses	**(0.4)**	(0.6)	0.2
Provision for losses	**(2.1)**	(86.7)	84.6
Net loss before government funding	**(15.6)**	(102.1)	86.5
Government funding	**114.9**	247.2	(132.3)
Net income	**$ 99.3**	$ 145.1	$ (45.8)

Revenue

Accrued interest from financing activity was $11.1 million, an increase of $5.6 million from the previous period. Higher accrued interest was a result of portfolio growth from follow-on capital disbursements.

Expenses

Total General and Administrative expenses for Q2 2021-22 of $24.7 million were comprised of CIB operating expenses of $18.5 million (2020-21, $11.1 million), $5.8 million (2020-21, $14.5 million) of expenses related to the joint project office planning activities for the high frequency rail project development and $0.4 million (2020-21, $0.6 million) relating to project development.

As a result of higher levels of investment related activities, CIB operating expenses increased primarily from external technical, consulting and legal guidance related to due diligence activities for Growth Plan projects including assessment of the scope, design, risks and viability of the proposed construction and technology. In addition, the CIB continued to increase capabilities across the organization by adding highly skilled employees and streamlining processes, all within the approved corporate budget and consistent with the human resource framework.

Financial Statements

Management's Responsibility for Financial Information

Management is responsible for the preparation and fair presentation of these condensed interim quarterly financial statements in accordance with the Treasury Board of Canada Standard on Quarterly Financial Reports for Crown Corporations, and for such internal controls as management determines is necessary to enable the preparation of quarterly financial statements that are free from material misstatement. Management is also responsible for ensuring all other information in the quarterly financial report is consistent, where appropriate, with the quarterly condensed interim financial statements.

These statements have been prepared on the basis of IAS 34, Interim Financial Reporting. They have not been audited or reviewed by an external auditor. Based on our knowledge, these quarterly condensed interim financial statements present fairly, in all material respects, the financial position, results of operations and cash flows of the corporation, as at the date of and for the periods presented in the quarterly financial statements.

Ehren Cory

Chief Executive Officer

November 17, 2021

Financial Statements of Canada Infrastructure Bank

Condensed Interim Statement of Financial Position (unaudited)

(in thousands of Canadian dollars)

As at,	Note	September 30, 2021	March 31, 2021
Assets			
Current assets:			
Cash		**$ 2,820**	$ 1,695
Government funding receivable related to operating expenditures		**528**	5,442
HST receivable		**4,021**	2,942
Prepaid expenses and advances		**133**	140
		7,502	10,219
Non-current assets:			
Loan receivable	7	**1,345,530**	1,244,924
Right-of-use asset	9	**3,049**	3,180
Property and equipment	10	**1,803**	1,943
		$ 1,357,884	$ 1,260,266
Liabilities and Shareholder's Equity			
Current liabilities:			
Deferred government funding related to investment expenditures		**45**	-
Accounts payable and accrued liabilities	11	**7,145**	8,704
Lease liabilities	9	**230**	227
		7,420	8,931
Non-current liabilities:			
Deferred liabilities		**1,750**	1,634
Lease liabilities	9	**3,450**	3,566
Deferred government funding related to capital expenditures		**1,803**	1,943
		7,003	7,143
Shareholder's equity:		**1,343,461**	1,244,192
		$ 1,357,884	$ 1,260,266

The accompanying notes are an integral part of these financial statements.

Condensed Interim Statement of Income and Comprehensive Income (unaudited)

(in thousands of Canadian dollars)

	Note	Three months ended September 30, 2021	Three months ended September 30, 2020	Six months ended September 30 2021	Six months ended September 30 2020
Investment (loss) income:					
Interest income		**$ 5,665**	$ 5,468	**$ 11,164**	$ 10,863
Provision for losses		**(2,101)**	(86,736)	**(2,101)**	(86,736)
		3,564	(81,268)	**9,063**	(75,873)
Expenses:					
General and administrative					
Compensation		**6,075**	3,634	**11,987**	7,124
Professional fees		**1,901**	1,658	**4,807**	2,602
Administration		**785**	732	**1,539**	1,224
Depreciation		**87**	77	**172**	138
Interest expense		**20**	22	**41**	44
Total operating expenses		**8,868**	6,123	**18,546**	11,132
Advisory Services and Project Development	13	**2,593**	8,445	**6,181**	15,129
		11,461	14,568	**24,727**	26,261
Net loss before government funding		**(7,897)**	(95,836)	**(15,664)**	(102,134)
Government funding:					
Investment appropriations		**39,206**	-	**90,206**	221,000
Operating appropriations		**11,375**	14,491	**24,556**	26,123
Capital appropriations		**86**	77	**171**	138
		50,667	14,568	**114,933**	247,261
Net income and comprehensive income		**$ 42,770**	$ (81,268)	**$ 99,269**	$ 145,127

The accompanying notes are an integral part of these financial statements.

Condensed Interim Statement of Changes in Shareholder's Equity (unaudited)
For the three-month period ended September 30
(in thousands of Canadian dollars)

For the three months ended September 30, 2021	Share Capital (note 1)	Retained Earnings	Total Equity
Balance as at June 30, 2021	**$ -**	**$ 1,300,691**	**$ 1,300,691**
Net income and comprehensive income	**-**	**42,770**	**42,770**
Balance as at September 30, 2021	**$ -**	**$ 1,343,461**	**$ 1,343,461**

For three months ended September 30, 2020	Share Capital (note 1)	Retained Earnings	Total Equity
Balance as at June 30, 2020	$ -	$ 1,301,836	$ 1,301,836
Net income and comprehensive income	-	(81,268)	(81,268)
Balance as at September 30, 2020	$ -	$ 1,220,568	$ 1,220,568

The accompanying notes are an integral part of these financial statements.

Condensed Interim Statement of Changes in Shareholder's Equity (unaudited)
For the six-month period ended September 30
(in thousands of Canadian dollars)

For the six months ended September 30, 2021	Share Capital (note 1)	Retained Earnings	Total Equity
Balance as at April 1, 2021	**$ -**	**$ 1,244,192**	**$ 1,244,192**
Net income and comprehensive income	**-**	**99,269**	**99,269**
Balance as at September 30, 2021	**$ -**	**$ 1,343,461**	**$ 1,343,461**

For six months ended September 30, 2020	Share Capital (note 1)	Retained Earnings	Total Equity
Balance as at April 1, 2020	$ -	$ 1,075,441	$ 1,075,441
Net income and comprehensive income	-	145,127	145,127
Balance as at September 30, 2020	$ -	$ 1,220,568	$ 1,220,568

The accompanying notes are an integral part of these financial statements.

Condensed Interim Statement of Cash Flows (unaudited)

(in thousands of Canadian dollars)

	Note	Three months ended September 30				Six months ended September 30			
		2021		2020		2021		2020	
Cash provided by (used in):									
Operating activities:									
Net income		**$**	**42,770**	$	(81,268)	**$**	**99,269**	$	145,127
Items not involving cash:									
Interest income accrued on loan receivable			**(5,656)**		(5,462)		**(11,137)**		(10,845)
Provision for losses			**2,101**		86,736		**2,101**		86,736
Interest expense on office lease			**20**		22		**41**		44
Depreciation - Right-of-use asset			**66**		66		**131**		131
Depreciation - Property and equipment			**86**		77		**171**		138
Depreciation of deferred capital funding related to capital expenditures			**(86)**		(77)		**(171)**		(138)
Change in deferred liabilities			**408**		198		**116**		216
Changes in non-cash working capital:									
Government funding receivable related to operating expenditures			**3,110**		(2,612)		**4,914**		64
Deferred Government funding related to investment expenditures			**45**		-		**45**		(221,000)
Transaction costs			**(1,364)**		-		**(1,364)**		-
HST receivable			**(450)**		(387)		**(1,079)**		(1,216)
Prepaid expenses and advances			**(19)**		(24)		**7**		(42)
Accounts payable and accrued liabilities			**647**		1,704		**(1,559)**		828
Loan disbursements			**(39,206)**		-		**(90,206)**		(221,000)
Total cash (used in) provided by operating activities		**$**	**2,472**	$	(1,027)	**$**	**1,279**	$	(220,957)
Financing activities:									
Deferred government funding related to capital expenditures			**15**		318		**30**		510
Payment of lease liabilities			**(77)**		(77)		**(154)**		(154)
Total cash (used in) provided by financing activities		**$**	**(62)**	$	241	**$**	**(124)**	$	356
Investing activities:									
Acquisition of property and equipment			**(15)**		(318)		**(30)**		(510)
Total cash used in investing activities		**$**	**(15)**	$	(318)	**$**	**(30)**	$	(510)
Net increase/(decrease) in cash during the period			**2,395**		(1,104)		**1,125**		(221,111)
Cash, beginning of the period			**425**		1,761		**1,695**		221,768
Cash, end of the period		**$**	**2,820**	$	657	**$**	**2,820**	$	657

The accompanying notes are an integral part of these financial statements.

Notes to the Condensed Interim Financial Statements (unaudited)

For the six-month period ended September 30, 2021

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

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 head office is located at 150 King Street West, Suite 2309, Toronto, Ontario M5H 1J9, Canada.

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. The CIB's investments align with the Government of Canada's economic priorities. The CIB also has a mandate to provide advisory services to project sponsors from the early stages of project development in order to maximize its potential.

The CIB currently receives appropriations from the Government of Canada. Parliament has authorized up to $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. The CIB will deliver 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 the financial 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, 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. This in part, is expected to be delivered through the CIB's approved $10 billion growth plan initiative. The CIB can also invest in other areas of infrastructure if they are supported by government policy and pursue investments in projects across the country.

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.

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

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

2. Basis of preparation:

These unaudited Condensed Interim Quarterly Financial Statements have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting (IAS 34), as issued by the International Accounting Standards Board (IASB). As permitted under this standard, these interim condensed financial statements do not include all of the disclosures required for annual financial statements and should be read in conjunction with the Corporation's audited financial statements for its fiscal year ended March 31, 2021.

The Financial Statements have been prepared on a historical cost basis except when a specific International Financial Reporting Standards ("IFRS") requires fair value measurement, as explained in the accounting policies below.

Certain comparative figures have been reclassified to conform to the current year presentation. Changes impacted the Condensed Interim Statement of Income and Comprehensive Income, where professional fees were reclassified to Advisory services and Project Development (Note 13) resulting in no change to the net income and comprehensive income balance. This change reflects Management's definition of project development costs as distinctive from operational expenses.

The Financial Statements and notes are presented in thousands of Canadian dollars, which is CIB's functional currency, unless otherwise stated.

3. Significant accounting policies:

The accounting policies in these Interim Financial Statements are consistent with those disclosed in Note 3 to the Corporation's annual audited Financial Statements for the year ended March 31, 2021. The Interim Financial Statements should be read in conjunction with the annual audited Financial Statements.

4. Significant accounting judgments, estimates and assumptions:

In preparing the Financial Statements, 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.

COVID-19 IMPACT

Although containment measures including vaccine distribution have eased the ongoing economic impact from COVID-19, the affect on the Canadian economy will depend on future developments including consumer demand, disrupted supply chains and staff shortages as well as new hybrid working patterns and the ending of government support packages all of which are highly uncertain and could have longer-term effects on economic and commercial activity.

The COVID-19 pandemic increases the need to apply judgment in evaluating the economic and market environment and its impact on significant estimates within the Financial Statements. This particularly impacts estimates and assumptions relating to the allowance for credit losses and valuation of financial instruments. To address the current and future uncertainties inherent in the environment, management reviewed and updated its Expected Credit Loss (ECL) model in the context of the macro and micro economic conditions precipitated by COVID-19 and its impact on the sectors in which the CIB invests.

As well, we considered forward-looking judgments and estimates on the workforce that includes the future impact of the work-from-home environment and start and stop restrictions. As the CIB's experience with the economic impact of the COVID-19 pandemic develops, management will adjust the economic factors and reflect them in the allowance for expected credit losses in future periods (Refer to Note 7).

The judgments and estimates we make for the purposes of preparing our Financial Statements relate to subjects that are inherently uncertain and may include the valuation of financial instruments, allowance for credit losses, asset impairment and provisions. We believe that our estimates of the value of our assets and liabilities are appropriate as at September 30, 2021.

The economic environment in which we operate continues to be subject to sustained volatility, which could impact our financial results. We are closely monitoring the changing conditions and their impacts.

Judgments

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the Financial Statements is included in the following notes.

- Note 7 – Establishing the criteria for determining whether credit risk on the financial asset has increased significantly since initial recognition, determining methodology for incorporating forward-looking information into measurement of ECL and selection and approval of models used to measure ECL.
- Notes 5 and 7 – In establishing the appropriate accounting for financial assets, management is required to use judgment, including but not limited to its determination of fair value of assets, whether the asset meets the definition of being held solely for the collection of principal and interest.

Assumptions and estimation uncertainties

Information about significant assumptions and estimates is included in the following notes:

- Note 7 – Impairment of financial instruments: determining inputs into the ECL measurement model, including incorporation of forward-looking information and associated probabilities.
- Notes 5 and 7 – Determination of the fair value of financial instruments with significant unobservable inputs.

5. Fair value of financial instruments:

Financial asset and financial liabilities measured at fair value are categorized into one of three hierarchy levels, described below. Each level reflects the significance of the inputs used to measure the fair values of assets and liabilities:

Level 1 – inputs are based on unadjusted quoted prices in active markets for identical instruments.

Level 2 – inputs, other than quoted prices in Level 1, that are observable for the instruments, either directly or indirectly. This category may include instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

Level 3 – inputs that are unobservable. This category includes instruments for which the valuation technique includes inputs that are not observable, and the unobservable inputs have a significant effect on the instrument’s valuation.

Loan receivable and loan commitment

For loans that meet the criteria to be subsequently measured at amortized cost, the CIB disclosed, but did not measure, its loan receivable and loan commitment at fair value. Although the loan receivable and loan commitment are initially recognized at fair value, the difference between the fair value at initial recognition and the transaction price is not recognized in profit or loss immediately but is deferred as part of the carrying amount of the loan commitment and loan receivable.

For loans that meet the criteria to be subsequently measured at fair value through profit or loss, the loan commitment is initially recognized at fair value but the difference to transaction price is deferred and expensed on a pro-rata basis as drawdowns occur, with the resulting loan receivable being carried at fair value and any gains or losses that arise on the drawdown dates representing a settlement of the loan commitment rather than a day one gain or loss.

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

In determining the fair value of the loan receivable and loan commitment, the CIB used net present value and discounted cash flow techniques and included a comparison of yields of similar project finance instruments for which observable market data existed. Management applied judgment and estimation for the selection of the valuation model, determination of expected future cash flows on the instruments, determination of the probability of counterparty default and prepayments, determination of expected volatilities and correlations, and selection of appropriate discount rates.

Model inputs and values were calibrated for any historical data and published forecasts and, where appropriate and possible, against similar recently observed transactions. This calibration process is inherently subjective, and it yields ranges of possible inputs and estimates of fair value, therefore management used judgment to select the most appropriate point in the range.

The CIB used observable yields on similar large-scale infrastructure project finance loans in fair valuing the instruments. Although the availability of observable market prices and model inputs partially reduced the need for management judgment and estimation, there were significant unobservable inputs that could have a material impact on the Financial Statements. These inputs include, but are not limited to, determination of a borrower-specific credit spread, and an assessment of risk factors used for comparable, but not necessarily equivalent, instruments which are then applied in determining an estimate for credit and liquidity spreads in the fair value calculation.

Fair value estimates obtained from models were then adjusted for any other factors, such as project specific risks, to the extent that the CIB believed that a third-party market participant would take them into account in pricing a transaction.

Financial instruments not measured at fair value

The following table sets out the fair values of financial instruments not measured at fair value and analyzes them by the level in the fair value hierarchy into which each is categorized.

As at,			September 30, 2021		March 31, 2021	
	Note	Level	Fair value	Carrying amount	Fair value	Carrying amount
Loan receivable	7	3	**915,660**	**1,345,530**	825,000	1,244,924
Loan commitment	7	3	**(323,975)**	**-**	(157,700)	-

There were no transfers of amounts between levels during the reporting period.

The fair value of all other financial instruments, not measured at fair value, is equal to their carrying value.

For the quarter ended September 30, 2021, there were no drawdowns for loans held at fair value through profit and loss (September 30, 2020 – nil).

6. Classification and measurement of financial instruments:

The following table summarizes the classification of CIB's financial instruments:

As at	Note	Measurement basis	September 30, 2021	March 31, 2021
Cash	-	Amortized Cost	**2,820**	1,695
Government funding receivable related to operating expenditures	-	Amortized Cost	**528**	5,442
Loan receivable	7	Amortized Cost	**1,345,530**	1,244,924
Accounts payable and accrued liabilities	11	Amortized Cost	**7,145**	8,704

Refer to Note 3 for measurement of the loan commitment in the Corporation's annual audited Financial Statements for the year ended March 31, 2021.

7. Loan receivable and loan commitment:

On September 28, 2018, the CIB entered into a credit agreement with Réseau express métropolitain Inc. ("REM"). As per the agreement, the CIB agreed to provide debt of $1.283 billion as part of the financing of a fully automated, electric light rail transit system connecting downtown Montreal, the South Shore, the West Island, the North Shore and Pierre-Elliott Trudeau Airport. As at September 30, 2021, the full amount of the $1.283 billion loan was funded.

On December 18, 2020, the CIB entered into a credit agreement with Irrigating Alberta Inc. to provide financing up to $407.5 million for the expansion of irrigation infrastructure for eight irrigation districts in Southern Alberta. On August 9, 2021, an amended and restated credit agreement was signed to exercise the accordion feature which was contemplated in the original credit agreement, increasing the credit limit to $466.3 million for the expansion of scope relating to pre-existing and new irrigation districts.

On June 8, 2021, CIB entered into a credit agreement with a special purchase vehicle wholly owned by the Association of School Transportation Services of British Columbia (“ASTSBC”). As per the agreement, CIB agreed to provide financing up to $30 million to ASTSBC who will facilitate loans to indirect borrowers such as public-school districts, First Nations schools, and private sector operators for the targeted acquisition of 280 zero-emission buses and associated charging infrastructure, pursuant to member funding agreements.

On August 3, 2021, the CIB in partnership with DIF Capital Partners and its subsidiaries and affiliates (“DIF”) entered into a credit agreement with a special purpose vehicle (“SPV”) of which DIF is the general partner. The SPV will be responsible for the construction and operation of the backbone and last-mile fibre optic broadband network to serve up to approximately 49,000 underserved households in rural areas of Southern Manitoba, providing enhanced broadband speeds of up to 1 gigabit per second. The CIB has committed to provide financing up to $164 million.

On August 12, 2021, the CIB entered into a credit agreement with the City of Edmonton of up to $14.4 million to purchase 20 new zero-emission buses for the Edmonton Transit Service’s fleet, which will contribute to the City’s shift toward more sustainable transportation, lowering its carbon footprint while providing a high-quality transit service for users.

On July 26, 2021, the CIB entered into a credit agreement with Aéroports de Montréal on July 26, 2021 for the construction of the Réseau express métropolitain (“REM”) station at the Montréal-Trudeau International Airport for up to $300 million, building on the CIB’s previous $1.3 billion investment in the REM light rail transit system which was financed through a separate special purpose vehicle. The new station and rail connection will link to the 67 kilometre long, 26 station REM light rail transit network currently under construction in the Greater Montréal area.

On September 15, 2021, the CIB entered into a credit agreement with Société de financement et d’accompagnement en performance énergétique (“SOFIAC”), a fund established by Fondaction and Econoler that designs, builds, finances, maintains, and aggregates energy efficiency retrofit projects in the private commercial, industrial, and multi-unit residential sectors throughout the province of Quebec, with a purpose of reducing greenhouse gas emissions and operating costs. The CIB has committed to provide financing up to $100 million.

On September 22, 2021, the CIB entered into a credit agreement with Autobus Groupe Séguin to support the purchase of zero-emission school buses with an investment of up to $15 million. This financing when combined with subsidies offered by the Government of Québec allows Autobus Groupe Séguin to purchase up to 131 ZEBs, renewing more than 40% of its school bus fleet over the next five years.

On September 23, 2021, the CIB entered into a credit agreement with Noventa-Toronto Western L.P. and Noventa Hospital GP 1 Inc (together, "Noventa") to finance up to $19.3 million for an energy efficiency retrofit project using the wastewater energy transfer system at the Toronto Western Hospital. The new system will provide low-carbon heating and cooling energy to the hospital by transferring thermal energy to and from wastewater flowing in the mid-Toronto interceptor sewer.

On September 28, 2021, the CIB entered into a credit agreement with Tshiuetin Rail Transportation Inc. and Tshiuetin LP ("Tshiuetin") to provide financing up to $50 million. Tshiuetin is the first indigenous-owned railway in Canada that operates a 217-kilometre regional railroad and a 456-kilometre passenger rail service along the northeastern Quebec and western Labrador rail corridor that connects three First Nations- the Innu Takuaikan Uashat Mak Mani-Utenam, the Innu Nation of Matimekush-Lac John, and the Naskapi Nation of Kawawachikamach.

On September 29, 2021, the CIB entered into a credit agreement with Enwave Canada Investment Holdings Midco Inc. ("Enwave") to finance up to $600 million for the development and expansion of district energy systems in Toronto and Mississauga. There are 6 projects being developed which will increase the efficiency and use of low-carbon technologies and reduce greenhouse gas emissions.

As at September 30, 2021, the interest rate on loans ranged from 1.00% to 3.40% with terms from 12 to 35 years.

Valuation differences on initial recognition

Given the CIB's mandate to support and invest in infrastructure projects in Canada that cannot be fully financed privately, the CIB extends loans at below market rates. Consequently, the loan commitment and loan receivable have a fair value that is lower than would otherwise be the result if the CIB transacted at market rates in the infrastructure project financing market, which is the CIB's principal market.

On initial recognition, the CIB estimated the fair value of the loan commitment issued through its agreements using valuation techniques. While certain inputs were from similar recently observed transactions in the principal market, not all the significant inputs into the valuation techniques were wholly observable. The difference between the fair value at initial recognition and the transaction price is not recognized in profit or loss immediately but is deferred as part of the carrying amount of the loan commitment and loan receivable. As loan receivable balances drawn under the commitment are viewed as a continuation of the commitments issued, the unamortized deferred balance resulting from individual loan commitment tranches form part of the loan receivable as the amounts are drawn. The deferred amounts are amortized on an effective interest basis over the combined life of the loan commitment and resulting loan receivable. The same accounting treatment is applied to loans classified at fair value through profit or loss, but the fair value of the loan is remeasured on each drawdown date and any gain or loss that arises relates to settlement of the loan commitment rather than representing a day one gain or loss.

The following table sets out the aggregate difference yet to be recognized in profit or loss at the beginning and end of the year and a reconciliation of the changes of the balance during the period.

Valuation difference

	Six months ended September 30, 2021	Year ended March 31, 2021
Opening balance,	**$ 609,209**	$ 481,404
Increase due to new agreements	**199,835**	148,900
Reduction of valuation difference due to passage of time	**(11,486)**	(21,095)
Closing balance,	**$ 797,558**	$ 609,209

	Six months ended September 30, 2021	Year ended March 31, 2021
Comprised of :		
Unrecognized valuation difference relating to loan commitment	**$ 327,489**	$ 148,900
Unrecognized valuation difference relating to loan receivable	**470,069**	460,309
Closing balance	**$ 797,558**	$ 609,209

Loan receivable – amortized cost:

The following table presents the changes in the loans:

	Six months ended September 30, 2021	Year ended March 31, 2021
Opening balance	**$ 1,244,924**	$ 1,075,131
Drawdowns	**90,206**	221,000
Interest accrued	**11,137**	21,722
Transaction costs	**1,364**	1,067
Valuation transfer from loan commitment provision	**(21,246)**	(85,461)
Valuation transfer from loan commitment - deferred	**21,246**	85,461
Accretion of loan receivable due to passage of time	**11,486**	21,095
Reduction of valuation difference due to passage of time	**(11,486)**	(21,095)
Provision for losses	**(2,101)**	(73,996)
Closing balance	**$ 1,345,530**	$ 1,244,924

Loan commitment (provision):

As at	September 30, 2021	March 31, 2021
Loan commitment	**$ 148,900**	$ 85,461
Increase due to new loan commitments	**199,835**	148,900
Valuation transfer related to loan receivable	**(21,246)**	(85,461)
	327,489	148,900
Unrecognized valuation difference relating to loan commitment	**(327,489)**	(148,900)
	$ -	$ -

Expected credit loss:

The allowance for expected credit losses represents management's estimate of the losses anticipated in the loan portfolio as at the reporting date. The CIB reviews its loans individually and incorporates forward looking information, including the economic environment caused by the COVID 19 pandemic (Refer to Note 4).

The CIB reviews its economic outlook on loans quarterly. Management's estimation of expected credit losses in stage 1 and stage 2 considers three scenarios (base, upside and downside) each of which uses forward-looking information. The base case scenario is based on internal ratings, inputs of probability of default ("PD") from Moody's Transition Matrix, exposure at default ("EAD"), loss given default ("LGD"), and is adjusted to factor in management's outlook on relevant macro and micro-economic factors. Our allowance for credit losses reflects our economic outlook as at September 30, 2021.

Based on the expected credit loss review completed by CIB, there were no significant changes in credit risk and no transfers of financial instruments between stages during the reporting quarter. The ECL recorded during the period was $2.1 million (September 30, 2020 - $86.8 million).

Credit quality analysis and credit exposures

CIB is exposed to credit risk through its investments in loan receivable and loan commitment. The following table sets out information about the credit quality and credit exposures of loan receivable and loan commitments. For loan receivable, the amounts in the table represent net carrying amounts. For loan commitments, the amounts in the table represent the total amounts committed.

Explanation of the terms 'Stage 1', 'Stage 2' and 'Stage 3' is included in Note 3 to the Corporation's annual audited Financial Statements for the year ended March 31, 2021.

	September 30, 2021				March 31, 2021
	Stage 1	Stage 2	Stage 3	Total	Total
Loans receivable at amortized cost					
Grades 1-2: Strong	**$ -**	**$ -**	**$ -**	**$ -**	$ -
Grades 3-4: Satisfactory	**91,384**	**-**	**-**	**91,384**	-
Grades 5-6: Higher risk	**-**	**1,331,702**	**-**	**1,331,702**	1,320,676
Grade 7: Credit impaired	**-**	**-**	**-**	**-**	-
Gross carrying amount	**91,384**	**1,331,702**	**-**	**1,423,086**	1,320,676
Transaction costs	**1,364**			**1,364**	1,067
Loss allowance	**(2,800)**	**(76,120)**	**-**	**(78,920)**	(76,819)
Carrying amount	**89,948**	**1,255,582**	**-**	**1,345,530**	1,244,924
Loan Commitment					
Grades 1-2: Strong	**-**	**-**	**-**	**-**	-
Grades 3-4: Satisfactory	**1,668,720**	**-**	**-**	**1,668,720**	407,500
Grades 5-6: Higher risk	**-**	**-**	**-**	**-**	-
Grade 7: Credit impaired	**-**	**-**	**-**	**-**	-
Total commitment	**$ 1,668,720**	**$ -**	**$ -**	**$ 1,668,720**	$ 407,500

ECL reconciliation

The following table reconciles the opening and closing net carrying amount for the loan receivable at amortized cost by stage.

	Stage 1	Stage 2	Stage 3	September 30, 2021 Total	Stage 1	Stage 2	Stage 3	March 31, 2021 Total
Balance at April 1,	**$ 368**	**$ 1,244,556**	**$ -**	**$ 1,244,924**	$ 1,075,131	$ -	$ -	$ 1,075,131
Advance on previous deals	**90,206**			**90,206**	221,000			221,000
Interest accrued	**111**	**11,026**		**11,137**	10,845	10,877		21,722
Transaction costs	**1,364**			**1,364**	1,067			1,067
Transfer to stage 1	-	-	-	-	-	-	-	-
Transfer to stage 2	-	-	-	-	(1,306,976)	1,306,976	-	-
Transfer to stage 3	-	-	-	-	-	-	-	-
Loss allowance	**(2,101)**	-	-	**(2,101)**	(699)	(73,297)	-	(73,996)
Closing balance	**$ 89,948**	**$ 1,255,582**	**$ -**	**$ 1,345,530**	$ 368	$ 1,244,556	$ -	$ 1,244,924

The following table reconciles the opening and closing loss allowance by stage.

	Stage 1	Stage 2	Stage 3	September 30, 2021 Total	Stage 1	Stage 2	Stage 3	March 31, 2021 Total
Balance at April 1,	**$ (699)**	**$ (76,120)**	**$ -**	**$ (76,819)**	$ (2,823)	$ -	$ -	$ (2,823)
Transfer to stage 1	**-**	**-**	**-**	**-**	-	-	-	-
Transfer to stage 2	**-**	**-**	**-**	**-**	2,823	(2,823)	-	-
Transfer to stage 3	**-**	**-**	**-**	**-**	-	-	-	-
Loss allowance	**(2,101)**	**-**	**-**	**(2,101)**	(699)	(73,297)	-	(73,996)
Closing balance	**$ (2,800)**	**$ (76,120)**	**$ -**	**$ (78,920)**	$ (699)	$ (76,120)	$ -	$ (76,819)

8. Government Funding:

CIB’s primary source of funding is parliamentary appropriations received from the Government of Canada. Parliamentary appropriations are used for operating expenditures, to fund investment commitments and capital, including property and equipment that are subject to depreciation and amortization.

Unused parliamentary appropriations that result from timing are recorded as deferred government funding and are carried forward to future periods. Government funding receivables represent expenditures that have been incurred but for which appropriations have not yet been transferred.

Government funding receivable and deferred government funding are as follows:

For the period ended	September 30, 2021	March 31, 2021
Opening balance	**5,442**	8,612
Government appropriations received	**(29,500)**	(57,000)
Used for operating expenditures	**24,556**	53,008
Used for capital expenditures	**30**	822
Government funding receivable related to operating expenditures	**528**	5,442

For the period ended	September 30, 2021	March 31, 2021
Opening balance	**-**	221,000
Government funding for investments	**90,189**	-
Loan disbursements	**(90,144)**	(221,000)
Deferred government funding related to investments	**45**	-

For the period ended	September 30, 2021	March 31, 2021
Opening balance	**1,943**	1,423
Government funding for capital expenditures	**30**	822
Depreciation of deferred capital funding related to capital expenditures	**(171)**	(302)
Deferred government funding related to capital expenditures	**1,802**	1,943

The cash balance at the end of September 30, 2021 is $2.8 million (March 31, 2021 – $1.7 million) representing cash on hand for operations. The cash is held with financial institutions that are highly rated in Canada.

9. Right-of-use leased assets and lease liabilities:

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 commences on June 1, 2018. The CIB has the option to extend the office lease for two further consecutive terms of five years each.

The lease liabilities were measured at the present value of the remaining lease payments, discounted using the CIB's incremental borrowing rate of 1.97% based on the Government of Canada benchmark long-term bond yield at the date of application.

The details of the right-of-use assets recognized as at September 30, 2021, are as follows:

	September 30, 2021		March 31, 2021	
Opening balance	**$**	**3,180**	**$**	**3,441**
Accumulated depreciation		**(131)**		**(261)**
Closing balance	**$**	**3,049**	**$**	**3,180**

The details of the lease liabilities recognized as at September 30, 2021, are as follows:

	September 30, 2021		March 31, 2021	
Opening balance	**$**	**3,793**	$	4,014
Interest expense		**41**		87
Lease payments		**(154)**		(308)
Closing balance	**$**	**3,680**	$	3,793
Current lease liabilities	**$**	**230**	$	227
Non-current lease liabilities		**3,450**		3,566
	$	**3,680**	$	3,793

There were no short-term leases or leases of low value during the reporting period.

10. Property and equipment:

		Leasehold improvements		Computer software		Computer hardware		Furniture & equipment		Total
Cost:										
Balance at beginning of year	**$**	**1,533**	**$**	**495**	**$**	**277**	**$**	**365**	**$**	**2,670**
Additions		**12**		**-**		**18**		**-**		**30**
Balance at end of period		**1,545**		**495**		**295**		**365**		**2,700**
Accumulated depreciation:										
Balance at beginning of year		**328**		**49**		**202**		**148**		**727**
Depreciation expense		**76**		**50**		**23**		**22**		**171**
Balance at end of period		**404**		**99**		**225**		**170**		**898**
Carrying amounts										
Balance at September 30, 2021	**$**	**1,141**	**$**	**396**	**$**	**70**	**$**	**195**	**$**	**1,802**

		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 period		1,533		495		277		365		2,670
Accumulated depreciation:										
Balance at beginning of year		187		-		143		95		425
Depreciation expense		141		49		59		53		302
Balance at end of period		328		49		202		148		727
Carrying amounts										
Balance at March 31, 2021	$	1,205	$	446	$	75	$	217	$	1,943

No property and equipment was impaired as at September 30, 2021 (March 31, 2021 – $nil).

11. Accounts payable and accrued liabilities:

As at	September 30, 2021		March 31, 2020	
Accrued compensation	**$**	**4,019**	$	5,843
Accrued professional fees		**1,563**		1,436
Accounts payable		**630**		135
Other		**11**		5
Accounts payable and accrued liabilities - Advisory services		**922**		1,285
	$	**7,145**	$	8,704

12. Related party transactions:

The Corporation is related in terms of common ownership to all Government of Canada departments, agencies and Crown corporations. The Corporation enters into transactions with these entities in the normal course of business. The CIB's transactions with government related entities that were individually significant are government funding (Note 3(e)) which are 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 13) with VIA Rail Canada, a Crown corporation.

Other related parties of the CIB consist mainly of key management personnel of the Corporation or close members of those individuals over which the Corporation has significant influence.

13. Advisory services and Project Development:

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 are addressed on a consensus basis equally between the CIB and VIA Rail. This joint operation is estimated to remain in effect for 24 months from the date of the agreement, is unincorporated and does not create a legal entity or partnership between the CIB and VIA Rail.

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 $33.6 million to date. Joint operation expenses for the three and six-month period ended September 30, are detailed in the table below. Advisory expenses for the three and six-month period ended September 30, 2021, are detailed in the table below.

Project Development 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. The objective of the Project Development is to expedite the studies, technical reports and analysis required to shorten critical paths to construction for infrastructure projects already in development.

For the three months ended, September 30		2021		2020
Professional fees	**$**	**1,823**	$	6,888
Recovery of CIB resource costs		**349**		490
Administration		**67**		484
Premises and equipment		**-**		14
Advisory services expenses	**$**	**2,239**		7,876
Project development expenses		**354**		569
Total advisory services and project development expenses	**$**	**2,593**	$	8,445

For the six months ended, September 30		2021		2020
Professional fees	**$**	**4,983**	$	13,084
Recovery of CIB resource costs		**572**		918
Administration		**197**		487
Premises and equipment		**-**		27
Advisory services expenses	**$**	**5,752**		14,516
Project development expenses		**429**		613
Total advisory services and project development expenses	**$**	**6,181**	$	15,129