



Canada Infrastructure Bank
Annual Public Meeting
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CORPORATE PARTICIPANTS

Félix Corriveau

Canada Infrastructure Bank — Senior Director, Communications, Media and Government Relations

Tamara Vrooman

Canada Infrastructure Bank — Chair of the Board

Ehren Cory

Canada Infrastructure Bank — Chief Executive Officer

PRESENTATION

Félix Corriveau — Senior Director, Communications, Media and Government Relations, Canada Infrastructure Bank

Bonjour. Welcome to CIB Annual Public Meeting. Bienvenue à l'assemblée publique annuelle de la BIC. My name Félix Corriveau, and I will be your MC today.

As a Crown corporation, we understand this event is extremely important for all Canadians. This event is an accountability initiative that we take very seriously. So, thank you immensely for joining us today.

Today's session will proceed as follows. We will have remarks by the chair of our board, Tamara Vrooman, followed by a presentation by our CEO, Ehren Cory. He will cover the accomplishments of the CIB over the last year and talk about what lies ahead for the CIB in the future. This presentation will be followed by a Q&A session.

This session will last about 60 minutes. All lines have been placed on mute to prevent any background noise. If you are joining us by telephone and would like to ask a question during our Q&A session, simply press *, then the number 1 on your telephone's keypad.

If you are joining us via webcast and would like to ask a question, please use the Q&A box at the bottom of your screen to type and submit your questions.

Members of the press, your questions are welcomed at the end of this Q&A session.

L'année dernière a été une année de grands succès à la BIC. Avant de commencer parler commentaire de (indiscernible), Je vous invite à regarder une courte vidéo qui résume les accomplissements de la BIC au cours de la dernière année.

[Presentation Plays]

What a year it was. And to tell you more about how great was this year at the CIB, I now invite the chair of our board, Tamara Vrooman, to say a few words. Tamara?

Tamara Vrooman — Chair of the Board, Canada Infrastructure Bank

Merci beaucoup, Félix. Good morning and good afternoon to all of you joining us virtually today. Thank you very much for joining us. Really pleased to be able to reflect on our results.

I'm joining you from Vancouver, at the Vancouver International Airport, which is located on Sea Island, which is the traditional territory of the Musqueam people. YVR has a deep relationship with the Musqueam, and I'd like to take this opportunity to pay my [audio gap] is an important opportunity for [audio gap] by the minister responsible.

And lastly, this meeting provides an important opportunity for us to take your questions and provide responses. As a Crown corporation, we are accountable to our shareholders, the Government of Canada, and, ultimately, to you, the public. We gladly welcome an opportunity to hear your questions and your comments and to reflect on our progress.

I've been the Chair of Canada Infrastructure Bank since late January of 2021. In normal times, that is about a little over 16 months. In COVID times, it feels much, much longer.

During these past several months, I've been very pleased with the progress of our bank, notwithstanding the challenges of the pandemic. Ehren Cory, our CEO, and our talented management team has worked very, very hard to continue to ensure that infrastructure financing and funding, what we all know we will need to recover coming out of the pandemic, is put in place for the benefit of all Canadians, coast to coast to coast.

We've enjoyed a very positive working relationship, first with Minister McKenna, and now with Minister LeBlanc, and with the INFC leadership team.

Very proud of the work that we have done this past year. I think it's diverse. It reflects the needs of Canadians and the economy that supports our country. And been very, very pleased to see some of the innovations and some of the unique opportunities that the Bank has been able to bring to bear, giving real value to infrastructure financing and funding in our country.

Thanks very much to Ehren and the team for the work that they've been doing throughout this time to ensure that infrastructure funding and financing flows to the places that we're going to need it most as a country, as we build back from the pandemic.

A little bit about our governance. We are unique, in that we are a Crown corporation and, of course, are therefore accountable to our shareholder, the Government of Canada.

At the same time, we have adopted many of the best practices from the investment-in-infrastructure financing community in the private sector, including the opportunity and requirement for the Board of Directors to act as an investment committee, to provide expertise and oversight to the very large investment decisions, ensuring that scrutiny, value for money, the right emphasis on outcomes, including ESG outcomes, are part of each and every decision that we make as a bank.

We do have an excellent Board of Directors, which I'll introduce in a moment; comes from a variety of experience backgrounds, from finance, from infrastructure, from public service, from governance, from law, from accounting, from construction, right across our country, representing diverse industries, diverse experience, and diverse geographies.

Government sets priorities for us, including things like the \$1 billion target investment to support Indigenous communities and the much-needed infrastructure for those communities. And then, we take those outcomes and translate them into the many important deals that Ehren and the team have worked on, and we'll talk about as part of this annual general meeting.

Since the launch of the growth plan in October 2020, the total capital value of our partnerships has grown to \$21 billion. If you think about our progress and 2021, 2022, investment commitments grew from 7 to 20 year over year, obviously an increase of almost threefold. Financial closes increased by 15 in the same period. Investments by private and institutional investors grew year over year, as did capital from public partners.

This past year, management made significant progress in every one of our priority sectors.

In public transit, we supported the financing that will enable the development of over 4,300 zero-emission buses and green infrastructure. Our investment in Algoma Steel's conversion to electric arc furnaces alone is expected to cut greenhouse gasses emissions by more than 3 million metric tonnes.

We continue to grow our Indigenous infrastructure portfolio and projects such as Tshiuetin Rail to enable improved service for communities in Northeastern Quebec and Western Labrador.

Very optimistic, based on the track record over the last several months, on the future and the future performance of our bank. And that's very important because, as we know, infrastructure is a long-term investment. It needs foresight, it needs discipline, to make sure that we're allocating resources to the infrastructure that we're going to need as a country in order to thrive and prosper in the future.

The next phase is now gaining momentum as we build upon the deals that we have made in 2021, 2022, and expand on them in 2022 and 2023. We have a very robust pipeline in virtually every sector, from every geography, from coast to coast to coast.

We've had a very steady state of investments, and the market should expect to see somewhere between \$4 billion and \$5 billion of CIB capital invested annually going forward. The board and I are excited to capitalize on this momentum and turn our attention to the longer-term pipeline of key and transformational infrastructure investments.

As an organization, the CIB is deeply committed to achieving sustainable outcomes. As I mentioned, we not only look with discipline when we act as an investment committee, as a Board of Directors, at the financial performance of each of these deals and investments; we also look with equal scrutiny to the ESG and the outcomes that are for the benefit of Canadians, everything from whether or not we're supporting a healthy and sustainable economy, to whether we're supporting a climate resilience infrastructure base, to whether we're connecting rural and remote communities via digital and broadband infrastructure to ensure the competitive landscape connecting all Canadians to the infrastructure we need going forward.

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 are very pleased to see that, in 2022, federal budget identifies these key new areas of focus for the Infrastructure Bank.

Management continues to engage with the board on an approach for ESG for the organization's operations. And as I said, we use this screen to review each and every one of our investments, and we will continue to report on those outcomes publicly.

We're looking forward to sharing our steps and learnings on the sustainability update later this year.

I'd like to take a moment to—before I hand it over to our CEO, Ehren Cory—to thank my colleagues, the talented colleagues who serve with me on the Board of Directors. You'll see them introduced here.

And let me take a moment to recognize that we have three directors, over and above myself, joining this annual public meeting today, Michèle Colpron, Dave Bronconnier, and Jim Cherry, who are all online and joining us today. Thank you very much for your service and the work that you do to further the interests of the Bank.

To all of our board members, let me thank you for its work over the past year. I think we've made some excellent progress, and I look forward to working with you in the future.

And certainly, to our dedicated and experienced CEO, Ehren Cory, and the entire management team, you have done an impressive job in challenging times to continue to build and expand significantly our pipeline, our purpose, the degree of impact that we can have by allocating funds to infrastructure, to parts of the community and parts of the economy that need it the most; to ensure that we're getting value for those investments, not only financially, but through a sustainability and ESG lens; and also, significantly, to grow a culture and a pride of place where we can attract talent and people can grow their careers and thrive as employees of the Infrastructure Bank.

So with that, I'll turn it back to you, Félix, and welcome any questions that you may have at the end of the session. Thank you very much. Merci beaucoup.

Félix Corriveau — Senior Director, Communications, Media and Government Relations

Thank you. Merci.

J'invite maintenant (indiscernable), Ehren Cory, à faire sa présentation.

Ehren Cory — Chief Executive Officer, Canada Infrastructure Bank

Merci, Félix, et thank you, Tamara. Great to see you. We don't get to see each other nearly enough in person. So this is our most common forum. It's nice to see you again.

Je parle de Toronto, le territoire traditionnel de nombreux Nations—les Mississaugas du Credit, Anishinaabe, Chippewa, Haudenosaunee, et Wendat. Aujourd'hui, Toronto est maison de plusieurs Premières Nations, Inuits et Métis.

Fiers de nos (indiscernable) investissements dans des communautés (indiscernable) partout au Canada, et nous sommes fiers de notre croissance et progrès pendant la dernière année..

As Tamara said, we think it's been a year of real progress and momentum. We also, at the CIB, always take an attitude of being proud but never satisfied, and having the sense that we're still very early in a journey towards building a new way of adding to the economic and social health of our country by getting more infrastructure built faster to the benefit of Canadians. We take that mission really seriously. And as I say, we feel great about the journey we're on, but also see just how much more opportunity there is for impact as we go forward.

Before I go into my presentation, as Félix said, I'm going to do a few things. I'm going to give a brief overview of the CIB, take a look at our year in review and discuss our results, talk a little bit more about our portfolio investments. At the CIB, we really feel the best way to understand this is through some real examples of the types of projects we're investing in and the impact those are having. And then—and where Tamara ended her comments—by just looking ahead a bit at where we see real opportunities for the CIB in the year ahead, new areas of investment, new ways of investing that we are really excited about, and I'd like to talk about those in closing.

But before I do that, just a moment to say thank you to our many stakeholders. As Tamara said, we do have an incredibly—and I feel and I know our whole management team feels really privileged to get to work with the Board of Directors that we have. So thank you to those who've joined today and to those who dedicate an incredible amount of time and effort. We're really beneficiaries of your expertise and advice and guidance.

We also are beneficiaries of an incredible network of stakeholders, from the provinces, municipalities, territories, and First Nations, Inuit, and Métis organizations that we get to work with on a daily basis. It's your projects, your vision of infrastructure that we're trying to help implement.

To the many private sector partners, project proponents, entrepreneurs who are leading development of new infrastructure, pension funds and other financial institutions who are investing in that infrastructure alongside of us, a huge thank-you. I think, together, we're finding new ways to get things built.

To our colleagues across the federal family, we have the opportunity to work across—we're a small part of a large ecosystem, and so we work with colleagues at Transport and Natural Resources Canada, and Environment and Climate Change, our colleagues who are working together with us towards Indigenous reconciliation.

So we're really privileged to have a wide range of relationships and partnerships across the federal family as well. And of course, that starts from a shareholder representative in the form of infrastructure and communities, INFC, who have been great thought partners and collaborators with us.

And lastly and most importantly, a huge thanks to our employees. I know some of you will be listening to this today as well, and I just want to say we are so lucky to have attracted what I think is an incredibly interesting and diverse group of people, diverse in backgrounds, diverse in experience. Eighty percent of our staff come to us directly from the private sector. And they come because they have a desire to blend private sector expertise with public impact. And I know that's what attracted me to the CIB. I know that's what attracts many of you. I know that's what creates the dedication I see in our employees on a daily basis. We wouldn't have made the progress we had over the past year without your efforts. So just a huge thank-you before I go into my remarks.

Okay. So I'm going to, as I said, start with an overview of the CIB. But if we're going to talk about the Canada Infrastructure Bank, it's not a bad idea to start from where we've come from. And so, as you'll see on this slide, a little bit of an overview of the last four years. Our first—the CIB Act was passed five years ago, our first employees started just over four years ago, and we've really been building momentum since then.

Obviously, to make investments in the nature we are aiming to, in infrastructure projects that are large-scale, complex—and, it must be said, blocked or stalled for some reason, the reason we're getting involved is because the project isn't happening—there was a real, very natural ramp-up period for the CIB to engage with project owners across the country; to build, as Tamara mentioned, a pipeline of potential projects.

I think, though, there are a few moments in our timeline, if you're looking at it, that also represent real inflection points where we have picked up the momentum. The first of those, the growth plan launched in

October 2020, was a recognition, I think, by the CIB that we needed to get more pragmatic and tactical in identifying niches of opportunity.

And if you look at this timeline, you'll see what spawned out of the growth plan were things like our initiative in zero-emission buses which, as Tamara said, has led us to over, today, 4,300 new electric buses, financed and to be on the road in municipalities and provinces across the country in the years ahead.

It's led us to what we call our building retrofits initiative, so thinking about how do we support the investment in retrofitting our buildings, a major source of emissions in our country.

It also led us to something like our Indigenous Community Infrastructure Initiative, and so having a new way of investing in projects at the scale of Indigenous communities and northern and remote communities in our country which, early in the mandate, was not, I don't think, front and centre enough for the CIB, if we were truly to be the Canada Infrastructure Bank.

So those subsequent moments all, I think, flowed out of a pivot in 2020. And I really think that that—you can also see some of the other major milestones, the opening of our office in Montreal and then, more recently, in Calgary, which we're really excited about, given the infrastructure needs in Western Canada.

And you see, up until the end of last year, what that translates into, which is now a portfolio, as Tamara said, of 28 investment commitments, over \$7 billion of our capital pledged and committed to those, \$21 billion or so of project value in total. That's \$21 billion of infrastructure that wouldn't have been built, at least not at the pace or at the scale we're doing it, that is now happening. So that's the tangible outcome of that journey.

And I think why I tell that story is, I think we went through a real inflection point 18 months ago, and we've been building on it ever since. And I think we're continuing to push and think about what's the next level of that inflection point. And as I'll talk about at the end, some of the new areas of opportunity for us, and some of the thinking we're doing now about the next horizon, really, is all about, how do we continue to build on that momentum that we've had.

If you were to take a look at us in a glance, very simple set of statistics for you on the left-hand side, just a bit about us as an organization.

We're nearly 100 employees now. You will recall that when the CIB was created, it was originally with an appropriation of \$35 billion, \$15 billion of which—up to \$15 billion of which as fiscal expense.

We were set up to target five priority sectors. Those are five sectors where infrastructure investment has lagged in our country and where there was, we viewed, in discussion with the government, real opportunity for creative financing solutions to bridge the gap.

We subsequently had this explicit \$1 billion established for our Indigenous Community Infrastructure Initiative; Tamara mentioned that. We are, as of today, or the start of this week, I guess, at 32 investment commitments, so that's 4 more in the first few weeks of this year; 17 of those have reached financial close, which means that they're loaned, the lending agreement is signed, money can start to flow in times to the progress of construction or purchase, if it was the purchase of a bus, so those 17 are closed. The remainder, the other 15, are, therefore, in—there's a clear term sheet and terms aligned, and they're now in final due diligence and documentation, and they'll soon to follow.

So that's 32 in total that are firm investment commitments. That's now up to \$7.6 billion in value of our money and \$21.6 billion in total project value.

The right-hand side of the page is to bring us back to something I'll talk about later, but at the core of this, why do we build infrastructure? Infrastructure is one of these amorphous terms that people often use in varying degrees of definition.

Ours is actually really clear. Our definition—infrastructure is the stuff that delivers positive public benefit. That means GHG emission reductions and energy transition. It means new transit ridership and better connections of Canadians. It means new digital infrastructure, which also connects Canadians in a different way. It means new trade capacity, investment in trade corridors, investment in economic growth. And it means closing the infrastructure gap to the benefit of, and in the participation with, Indigenous communities.

So infrastructure can mean lots of things. The broadband that we're all using for this conversation today is a form of infrastructure. The roads or transit we used to get to wherever we're sitting today are infrastructure.

What they have in common is the sense of public benefit. And as you will see, if you look through our investments, those investments, some of them are publicly owned—the transit system we used to get to work today. Some of them might be privately owned; the internet we're using is probably run and owned by an ISP. Our job as the CIB is to be the bridge, the glue between those public benefits and the investment that needs to happen to make them so.

As the slide in front of you now shows, just to go a little deeper on this point of outcomes, we really have focused in on a few. And if you look across those five sectors I described—public transit, green infrastructure, clean power, trade and transportation, and broadband, those five sectors—they fundamentally each have an impact on one or multiple of the outcomes I described.

And there's an expression I stole from Tamara which I love, which talks about double- and triple-word scores; I also love Scrabble. And many of our investments—for instance, an investment in public transit—has the benefit of taking cars off the road and reducing GHG emissions; has the benefit of shortening commute times, improving quality of life, improving economic productivity; and improving the flow of people and information in our country.

So public transit is an example of an infrastructure investment that has benefit across multiple of our outcomes. You could say the same about many of the others.

That's the way we think of each investment in our five sectors. We compare them and look at the positive public outcomes they deliver.

So as I've mentioned, we have these five priority sectors that we're currently focused in. And what the slide in front of you now shows is a little bit more about how we define those sectors. And each of them have a number of subsectors. And in the green infrastructure, for instance, as I mentioned, that is a pretty big category. It includes things like our building retrofits program, water and wastewater, carbon capture and storage, low-carbon fuels, zero-emission charging infrastructure. All of this, we consider within our green infrastructure sector.

And similarly, on this slide, what you'll see is how we've broken down our investable assets today in each of those sectors. We're constantly looking for new opportunities within those five sectors to deliver on our outcomes.

We have some long-term targets that we aspire to invest—these are in our dollars—in each of those sectors. And we have some shorter-term targets, which we call the growth plan targets, which were really for the three-year period started fall of 2020. We remain well on track both towards our short-term targets and the longer-term sector goals in each of these areas.

And as you see across the bottom, really important to think about this, as I have mentioned a few times, and as Tamara did, we have this idea of a cross-cutting \$1 billion target around Indigenous infrastructure. It could fall in any of those sectors.

And we have examples of Tshietin Rail, which Tamara mentioned, which is a transport and trade investment with Indigenous partners. We have examples in the broadband space, in other forms of green infrastructure, and we're working on a number in clean power.

So the way we think of our Indigenous investments is they cut across these sectors, and our goal is to make them, as I said, in participation with and to the benefit of Indigenous communities.

And we have this really important concept, which I'll talk about later, which is called project acceleration. And this is about how we can invest money in the early phases of a project that has high potential in order to accelerate its advancement and, ultimately, get it to completion and use faster.

That might be investment in better understanding the cost of the project, the revenue potential of the project, the environmental impacts that come with it, how to get other funders and stakeholders involved. So those are the types of things we would spend accelerator dollars on. And the idea is, through that money, as I say, to speed up our investment opportunities in each of the five sectors.

Okay. So a little bit more about the approach we're taking and sort of the role the CIB plays and how our model works. Just a few things I want to highlight.

One, really important, part of the very concept behind the CIB is this idea that we are seeking out and attracting private sector and institutional investment over the life cycle of a project alongside us. This is fundamental. At the end of the day, our job is to try and bring more capital to the table.

And as I've often said in other public forums, if you think about what's the problem we're trying to solve in infrastructure, it's actually relatively simple: it's that we can't afford everything we want to build, at least through our traditional funding mechanisms.

Therefore, the role of the CIB is to be catalytic to bringing other types of investment to the table. When we look at a project, what we're asking ourselves is what is the revenue potential? And how can we, therefore, crowd in more private sector involvement?

Second, we're looking at revenue-generating projects. This, of course, dovetails perfectly with the first. For a project to have a payback to investors, there must be some form of revenue that sits outside of what I would call the traditional infrastructure revenue model, which is from the tax base.

So this refers to things like the sale of a product. If you are generating, I don't know, a low-carbon fuel, there's a revenue that—you could think of it in the classic sense, but there are other ways we think of revenue. For instance, in a building retrofit, the savings that that project generates is a form of revenue, or let's call it a form of alternative repayment that comes from the project. Similarly, if you deployed a zero-emission bus, the revenue, in that case, is the savings in diesel costs and in maintenance costs that come with it.

Third, we look to fill risk gaps. The CIB is meant to be a risk-taking investor. And oftentimes, the best way that our capital can be put to work is by us taking a position with longer or more flexible financing terms, to be patient risk capital, or to play some other innovative role in the capital structure in order to facilitate a project.

So, using my earlier example, if we're putting zero-emission buses on the road, and there's an uncertainty or a risk around how those batteries are going to perform over a decade, that's the kind of risk-taking role that CIB can play. And by investing our money, we can help ensure the project advances as we continue to learn more and gain more certainty.

And eventually, if that works well, the CIB won't be needed in those areas, and I think the financial markets more generally will be able to better understand and price that risk. So that's often the role we're playing. And oftentimes, our goal is to figure out how to make a market work to the point where we're no longer necessary.

All right. A little bit more about our year in review. It was, as Félix said at the outset, a year that we're really proud of, and a year, as I said, that we're always looking to build more on.

We had three strategic focus areas when we started the year.

One was around accelerating investment. So in plain terms, that's measured by our dollars committed into projects and out the door; it's by the amount of capital in total that we've attracted into projects. So that's sort of the dollars of it.

The second key outcome and objective we set with our board is around the outcomes that come from those projects—the millions of tonnes of GHG emissions reduced, the new numbers of transit riders, the new numbers of homes connected to high-speed internet that weren't previously, et cetera.

And the third is we had some targets for ourselves around the kind of organization we're trying to build—a positive, inclusive culture, a place that manages to attract and retain great talent, that has appropriate controls, discipline, and governance in place.

So we set a series of goals for ourselves in each of those three categories. And you'll see in more detail when our annual report is tabled in the House, our reporting against that line by line. But what I can say to you, in summary, is we have met or exceeded our targets in each of these areas as an organization. We're really proud of that. And we are very transparent and accountable to that.

So for instance, you'll see in our annual report, we set a target for ourselves around employee turnover, to just pick one example. Our target was to be somewhere in the range of 15 percent as a growing organization; that's pretty industry standard. You'll see our measure to that. We were actually, for the year, at 16 percent—very good, very close—actually, not quite where we wanted to be. That's the kind of transparency we provide. That's the kind of reporting and obligation we think we have as a public institution, and we're really proud to do so.

In setting targets against those, let me talk a little bit more about our results on each of the three.

So the first on investments. Tamara has quoted some of these numbers, but this chart, I think, really shows clearly what the ramp-up of our investment activity has looked like when we started the year.

So April 1st of 2021, we were at eight investment commitments; that's what this chart shows. And when we ended the year, we were at 28. And as the chart plays forward into this first quarter, you can see it is now at 32. But we went from 8 to 28 over the course of the year. That was very much in line with the targets we set for ourselves.

If you turn to the next page, you'll see that, not only is that—that chart showed you the number. Now if I put that in dollar terms, as I've mentioned, that was over \$7 billion of our capital, over \$21 billion of total capital, across all five of our sectors.

Interesting to note, one of the most important questions we get asked—and maybe if I could speak to it here just for a moment—is around the ratio of private and public capital. And so you see here that we've attracted over \$7.5 billion now of private and institutional capital. This is pension funds, financial institutions, private entrepreneurs, large corporations who have invested alongside us in infrastructure.

And it's important to note, when you think of that, there's two important concepts to talk about.

One is the short-term multiplier or the short-term ratio of private to public capital. So that would be the \$7.7 billion to our \$7.5 billion. And that's a way of saying for every \$1 we've financed, there's more than \$1 coming from the private sector.

But another important ratio, what we measure equally importantly, is what we call our long-term capital ratio. And here, what we're really measuring is, over the long term, how much of the project is being funded by the private sector. And there, we're at a ratio much higher than this, somewhere in the range of 4 to 1.

Now the best analogy I can give you for this—and bear with me, it's a bit folksy—but it goes like this. If you were buying a new house, and I said to you, how are you financing the house? You might say, I'm making a down payment of half, and I'm getting half in a mortgage from the bank. So that ratio is 1 to 1, I suppose; I'm getting \$1 from me and \$1 from the bank. That's how I'm paying for the house.

If I ask you a different question, who's paying for your house? You probably wouldn't say the bank is. Ultimately, you're paying for the house, and over the long term, you'll be making the payments.

That's what our short-term and long-term capital multipliers refer to. The short term is the financing at day of close and what the ratio of private institutional capital compared to ours. The long-term ratio is about, in the long run, who will have funded the infrastructure, and where will that have come from.

And as I say, those two ratios are the two that we look at. They're both really important. They say two complementary but slightly different things about the portfolio. And we're making really good progress on both.

Okay. That's about our investments. Now as I mentioned earlier, we have to also think about, how do we get to investments. And we get there by doing advisory work and by doing research. And so that's what I'm going to talk about now, briefly.

Our advisory work, really, is about how the CIB partners with infrastructure owners, both public and private, on how to advance projects, how to optimize their delivery and, potentially, how the CIB can be an investor, as well as how can more private institutional capital be attracted.

We've been doing a number of important advisory projects over the last year, all in this goal of advancing some major infrastructure projects in our country. Those would include things like:

The high-frequency rail project between the Quebec City-Toronto corridor, where we are part of an effort to further cost out and build the business case and get launched on a procurement for a new high-frequency rail connection.

A project like the Atlantic Loop, a critical part of building our overall electricity infrastructure across the country, ensuring that Atlantic provinces have the benefit and the connectivity to other provinces with cleaner power sources.

Or a project, to use a different example, like the Calgary-Banff Rail line, which is a really innovative project, a rail connection from the Calgary airport, through Calgary and out to Banff, that would take cars off the road, increase connectivity, increase tourism opportunities, drive both economic and environmental benefits.

All three of those are examples where we're using our advisory services and some of our accelerator dollars to move those projects ahead faster.

Give you a fourth example that's not on the slide. But yesterday, I had the absolute privilege of visiting the Georgina Island First Nation. It is a vibrant and really incredible community, only an hour north of where I'm sitting now. It's a First Nation based on an island, as the name suggests, and we're working with them on an accelerator project and an advisory mandate around the potential to build a fixed link, a

bridge between their community and the mainland. Currently, they use a ferry service, which is slow, not year-round, far from reliable, and subject to the whims of weather and our currently changing climate, which means you never quite know whether it's going to ice or not.

So we spent the day yesterday visiting them, touring the potential site of a bridge when we were out on the water. It was also a beautiful day; it was a lovely opportunity to see our projects in action. That's the kind of work our advisory and accelerator dollars are meant to do.

That project right now, what we're doing is figuring out the environmental impacts, the economic costs of such a bridge, the traffic potential and, therefore, the revenue that can come from it. At the end of that, what we think and hope we'll have is a really exciting infrastructure project that then the CIB can be an investor in. That's the goal of our accelerator work.

As I said, if you step back from our advisory and accelerator efforts, the step before that is to do research and generate new insight in areas of infrastructure of great need in our country.

Over the past year, we've undertaken a number of projects, always in collaboration with thought leaders, both public and private sector. People like the Conference Board, ferry (phon), FCM, these are partners that—leading institutions, both public and private, that we've been working with to advance the thinking around infrastructure gaps and the opportunities for the CIB. So whether that's in the area of electricity generation and distribution, smart cities, grid requirements, these are the sorts of things that we think seed our future investment activity.

And those three things—our investments, our advisory work, and our research—are truly three braided strands of a rope. They go together. They aren't three independent things we do; they're three things that feed on each other and, eventually, we hope, lead to great investments by the CIB.

And of course, we recognize and have really upped, I think, our level of engagement with the broader landscape of our Canadian infrastructure community. And of course, all of us have struggled, I think, through the last 18 months to maintain our connectivity to the external world. But I think we've been really lucky and had the benefit of participating in chambers of commerce meetings across the country or with boards of trade. All of us have pivoted to the virtual world pretty well.

The last quarter has been very exciting because I think we've seen that reopening and the chance to reengage with stakeholders, potential project proponents and partners, all over the country, not virtually, but in face-to-face meetings. And that's been really gratifying and, I think, going to only help us in the future as we look at more projects. So that's been great, and we continue to look forward to doing much more of that with our partners.

Finally, on our year in review, I would just make a comment briefly on our financials. They're here. These are our unaudited results.

But briefly speaking, what you see on the left-hand side here is the as at March 31st investment commitment numbers, you've seen this from me a few times now, the \$7.2 billion, which does break down into those that have actually reached a financial close, and those that have reached or signed term sheets and in due diligence and final documentation and negotiation. That's what the near financial close on this slide refers to. That's the breakdown of the \$7.2 billion.

And then you see, actually, the dollars out the door, the funding dollars which, of course, follow behind the investment commitments and the financial closes. Those are drawn as construction advances. So those are really at the pace of the infrastructure as it progresses.

You see a little bit there, in the middle of the slide, a bit about our financial statements.

The revenue for us, it's a funny thing to contemplate perhaps, but our revenue is us drawing from government on the \$35 billion appropriation so that we can deploy that capital. So the \$3.2 billion you see there is us starting to draw to support the projects we've invested in.

You'll also see on this line, we have started to receive, in very small measure, interest income in terms of dollars that are at the door and now starting to accrue interest. And that line item will, of course, grow as our investment portfolio grows and matures. So that's a little bit about us.

You'll see our operating budget at \$36.6 million in operating costs. This is fully in line with our corporate plan. It's under, in fact, our corporate plan that was tabled last year in the House.

We remain really committed to transparency on our operating costs and to meeting our fiduciary responsibilities to Canadians. So you will continue to see us deliver and exceed on our operating cost line item because we take that very seriously. Every dollar we spend, we know is taxpayer money, and we treat that seriously.

Okay. I talked about the portfolio. I said I was going to give a little bit more colour and overview on some examples of our work. On the following slide, you'll just see a quick snapshot that highlights something I said earlier, which is, our investments really have spanned. And this slide refers just to those that have reached financial close.

You'll see already at financial close, we have investments across all five of our sectors.

Public transit, those numbers are reflective of our real great uptake on our zero-emission fleet program, where we're working with municipalities across the country.

Green infrastructure, we have a number in both the power side, but also things like energy retrofits. You see four here that have closed. We have a number more coming. We have an investment we announced today in building retrofits, so that four continues to grow.

And then you see we have a couple in each of our other sectors.

You also—maybe really important to note—would see that, that activity spans the country, as you can see from this map. If you were to squint at the dots, you would see that we have investment commitments in every province or territory save two, and we have conversations going on in both of those and across the country.

This is, as I said at the outset, really important. As the Canada Infrastructure Bank, we think it is part of our mandate to make sure we're building quality infrastructure, and we're supporting the build of quality infrastructure across the country, and we're really excited about that.

Some highlights or some examples of our projects—which I said I would do, but I will cut short for the sake of time—are things like our irrigation project in Alberta; or our battery storage project here in Ontario; our energy retrofits program, which is now up to six investments and \$500 million in building retrofits; our zero-emission buses, which we're over \$1 billion; in, now, our broadband portfolio, which we're excited about; the Tshuettin Rail project that Tamara mentioned, and many more. District energy would be another example that's not on this page, that's an area of investment where we've made multiple—that I think is another really great example of our portfolio in action.

I want to close, as I said, with a little comment about our look ahead. Two things to say about this.

First is an internal point about building our organization. We've been, as I mentioned at the outset, really lucky to attract great talent from the private and public sectors with expertise in investment and finance, risk, human resources, legal expertise. We continue to grow to meet our ambition and to continue to grow that pipeline of investments. We also will be continuing to try and attract and retain great talent. And we have ambition to continue to scale our organization to meet the needs of Canadians.

We're also, as I said, trying to do that in a way that's diverse and inclusive, and we track this on an annual basis. We held our second annual diversity and inclusion survey of our employees in March of this year. Our score improved from the year prior, exceeds industry benchmarks, and, I think, highlights that we are, in fact, building diversity in all of its forms—gender, language, cultural background, and ethnicity. And, more importantly, not only building our diversity, but making sure that it's an inclusive place that values the opinions and voices of all people and that allows people to bring their full selves to work. And we're proud of that.

And lastly, as it says in the slide, we are in the process of returning to work. We are in a hybrid work mode currently, where our employees are working from home but also from the office increasingly.

Our view is that the hybrid is the permanent mode of operation for us. It's really critical to have those moments, those important moments together in person for tough conversations, for creative problem-solving, for challenging thinking, for pushing ourselves to new places.

But there's also a place for the incredible flexibility that we've found, I'd say, in the last two years and, perhaps, the silver lining—and there haven't been many—but the silver lining of the last few years have been finding those new modes of work that'll create a more sustainable work environment. So we're committed to continuing down that journey.

And then, in terms of our external view of what's to come, Tamara mentioned this, but the budget of April announced a number of areas of infrastructure, generally speaking, all within the five sectors I mentioned at the outset, but new areas of focus for us.

Those include nuclear power, small modular reactors. They include carbon capture and storage; hydrogen as a fuel source, and the whole hydrogen value chain, from the creation through the distribution and storage; other forms of clean and low-carbon fuels; and zero-emission vehicle charging and refuelling infrastructure where, clearly, we have a need to rapidly accelerate our build-out of a national infrastructure in that area.

So all of those, in addition to the areas I describe, will be our focus going forward.

We're really excited about what's ahead. We're excited about the progress we've made, and we see, as I said at the outset—our attitude of being proud but not satisfied means we will continue to push for ways to deliver even more value to taxpayers in the 12 months to come.

Thank you. Merci. We are now more than happy, Tamara and I, to take questions.

Félix Corriveau — Senior Director, Communications, Media and Government Relations

Merci beaucoup, Ehren.

We received some questions. It's already almost 12:50. We will answer as many questions as possible.

The first one that we received, I think, Tamara, you're the best person to answer it, so. And the question goes as follows:

How does the board ensure sustainability is considered when it comes to CIB investments?

Tamara Vrooman — Chair of the Board, Canada Infrastructure Bank

Yeah. Thanks very much for that question, Félix, and thanks to those of you who posed it.

The thing that's really interesting to me about infrastructure and why I'm so committed to the work that the Bank is doing is, when you think about it, infrastructure is one of those things that probably has one

of the biggest impacts on the future that we collectively create. And that future is economic, but that future is also social and, in fact, part of what creates the value for our communities and our country.

And so a lot of people think about infrastructure as bridges and roads and buildings and energy systems and, of course, it's that. But most important, it's the platform upon which we're going to build our collective communities, our collective resilience from a climate point of view, and our collective ability to thrive and prosper economically.

So when we, as a board, are convened as the investment committee, and we're looking at the deals, many of which Ehren just spoke to, we really look at the deals from that future-oriented point of view. So of course, financial sustainability is one of the ways that we ensure future success.

But equally, it's important that we look at the climate resilience; the ability to ensure that, 30 years from now, we have the kind of infrastructure that is consistent with the climate commitments that we have made and, in fact, with the commitments that our communities need in terms of that climate resilience going forward.

It's equally important that we look at connectivity and the way that we're connecting rural and remote communities to urban communities; connecting different and diverse populations like Indigenous communities to other populations, so that we bring the whole value of the community and the economy to bear through the infrastructure investments that we make.

So we look very closely through this lens on each and every one of the investment decisions we make, to ensure that the investments are not only delivering value for money, they're delivering value for communities and for Canadians.

Félix Corriveau — Senior Director, Communications, Media and Government Relations

Thank you, Tamara.

Ehren, you quickly touched on it during your presentation. It's a big day at the CIB today, the Annual Public Meeting.

But we also just announced a building retrofit investment in Efficiency Capital. Can you tell us a bit more about this investment commitment?

Ehren Cory — Chief Executive Officer, Canada Infrastructure Bank

Sure. I will and I'll keep it short. But it's another that we're really excited about.

I mentioned we have had great traction in the last 12 months or so in the area of building retrofits. Buildings are one of our largest sources of emissions, and it's a really hard-to-target sector.

The CIB decided, as part of the growth plan, on a multipronged approach.

So one is to work with large building owners. An example would be Dream, a large REIT where we've made an investment with them to go and do deep retrofits of their building. And interestingly, the way we structure our loans to Dream or to any of our borrowers under the building retrofit program is to say, the interest rate you will pay us goes down the more you can show energy efficiency and climate benefits.

So we actually peg our loan to their outcome, and this is, I think, a great example of how we try and focus, as Tamara said, on not just value for money but the combination of value for money plus outcomes.

So we've done one prong. One tranche of that is with large building owners, who can look at a fleet of their buildings and say, how can we do a systemic program of retrofitting these buildings to drive energy savings?

But a different version is to go to what you might call aggregators in this space. So now, we're talking about companies who would go out and work with many individual building owners. And we think this is particularly important to get to, across our vast country, the many, many buildings we have. You can't only focus on the large building owners, the large REITS and property holders.

So Efficiency Capital is an example of that. They're a really, really cool company who's basically going in and doing energy retrofits with no money upfront to the building owners. So they would go in and say, here's the model, we're going to get paid back out of the savings that are created.

So we've made an investment with Efficiency, where we've put in \$50 million to their fund, to allow them to scale up and to go to building owners and deliver that sort of service, you might call it energy efficiency as a service. And they're delivering that, and we're proud to partner with them.

So as I said, that's our now, I believe, sixth—if I'm not mistaken—building retrofit investment. We've done it with large building owners like Dream, with aggregators or service providers like in Efficiency. We've done it with a hospital, Toronto Western General, where we're working on a really cool project with them to retrofit and meet their heat needs in a non-emitting way.

So that's the program, and today's announcement's just another example of that. Really, really excited about it and congrats to our team working on that and to the team at Efficiency Capital.

Félix Corriveau — Senior Director, Communications, Media and Government Relations

Thank you.

We also received some questions from the email address for this annual public meeting. One of them is the following:

So in May, the Standing Committee on Transport, Infrastructure and Communities released a report that recommends that Canada Infrastructure Bank be abolished. So how do you respond to this report?

Ehren Cory — Chief Executive Officer, Canada Infrastructure Bank

Thank you. Thanks for the question.

I can only, in some ways, reiterate what we've said. I think it is important to note the progress we've made.

And at the end of the day, the good news about infrastructure is, we have an incredible consensus as a country that we need to build more and faster. It has economic payback, and social payback well beyond its cost.

It's not a partisan issue. It's not a level of government issue. I've never met a mayor, or a provincial or territorial leader, or a federal leader of any political stripe who disagrees with the notion that we need to get more built, faster.

So this is the wonderful consensus we start from. As far as we're concerned—and it's why we exist, and it's why we work so hard—we think the CIB can be an important and productive tool in the tool kit. It's not the only—it's far from the only solution. We're well cognizant of, we're a small part of a much bigger

puzzle, and we're proud to be a part of that puzzle. And I think the results of the last year start to show that.

I also think you could ask many, many more stakeholders, and you would start to hear, as we've upped our investment momentum over the last 12 months because that committee—although the report was released in May, it was—I testified in March of the previous year. So we've got more than 12 months' results under our belt since that committee met on the CIB.

And I think what you would find now is a much broader consensus from interesting and diverse—from provinces and mayors, and people in our energy sector and chambers of commerce and boards of trade, and Corporate Knights who are working in the environmental space, and from just a wide range of people who have started to see the value of the model and to work with us productively.

So I think the results are going to speak for themselves over time, Félix. And I think—I understand the question completely. It's our job to demonstrate that, and that's the journey we think we're on. And I think—I say, cautiously, that I think we're well on the journey towards showing that we are just a tool in the tool kit, and a sustainable and long-lasting one.

Félix Corriveau — Senior Director, Communications, Media and Government Relations

Thank you.

We have three minutes. I just got the confirmation we have no questions coming from the phone or no reporters on the line. So we'll take this last question from an organization named BDO.

Ehren, can you touch on the impact of the recent and continued Bank of Canada interest rate hikes?

And the impact on both the CIB, but also the private partners, as it relates to deploying capital going forward?

Ehren Cory — Chief Executive Officer, Canada Infrastructure Bank

Of course. I think its—thank you. It's a great question, and it's one we've been talking about a lot at the CIB. Tamara may have a comment as well on this from a board perspective.

But certainly, at the CIB, when I talked earlier about us being risk-taking capital, as being the bridge to projects happening, the way we think about ourselves is, there's a plethora of great infrastructure projects out there, and they have some economics to them. They're a transit system that has riders and development around it, but certainly not enough to fully pay for itself. And the CIB is trying to help improve those economics by taking on commercial risk or technological risk or economic risk.

As interest rates rise and the cost of money gets more expensive, two things are true.

One, whatever gap that project faced today, the gap is bigger tomorrow because the interest rates, they have to go out for the rest—for the non-CIB capital, they're borrowing that, they're using their own equity. If it's a government, they have to borrow, and interest rates are going up. So whether they're public or private, rising interest rates actually increase the gap. So they make the need for our tool even more relevant and important.

Of course, what they also mean is, our money's more expensive. So we have to think carefully about how we use our money. And that's why, in our investment framework, we're always comparing the cost to the CIB, both in terms of the concessionary interest we're providing, and whatever risk we're taking. And you got to compare that to the outcome we're getting, in terms of tonnes of GHG or number of new

transit riders, et cetera. So that calculation becomes even more important as our cost of borrowing goes up.

But as I say, the first thing we have to think about is, as interest rates go up, project gaps get even bigger.

The second thing I'll say on this topic—it wasn't exactly in the question, but it's along the same theme—is not only are interest rates rising, but inflation is rampant in the construction sector right now. I talked to a project owner yesterday who said, our estimate for our project, done by our consultants, engineers, really good estimate—our best estimate is \$250 million. And that was done, I think, in March. And so what that means is we think our project cost \$400 million.

So that's the—when I say—I mean that's the kind of pressures we're seeing in the construction industry. That's true in supply chains and material supply. It's true in labour. And so those are also—although not interest rate-related, those are also pressures that projects are currently facing, and so that we're working really closely with our project proponents to figure out how to address those.

Félix Corriveau — Senior Director, Communications, Media and Government Relations

Tamara, do you want to add something?

Tamara Vrooman — Chair of the Board, Canada Infrastructure Bank

Ehren, of course, has always said it very well. But the only thing I would add is, of course, it is a risk and a trend that the board is monitoring very closely.

But second, the need for infrastructure doesn't go down when inflation and interest rates go up; quite the contrary. So, if there was a need for the Bank in a low interest-rate environment, there's even a greater need for an agency like the Bank in this interest rate environment, to ensure that the infrastructure that we need, regardless of the current inflation and interest rate environment, gets built, so that it's ready and capable when we, as an economy and as a country, need it.

Félix Corriveau — Senior Director, Communications, Media and Government Relations

Thank you, Tamara.

As mentioned, we do not have questions on the phone, no reporters on the line, and this is a good thing because this is all the time we have for questions today. All remaining questions will be addressed via email later on.

Thank you very much for attending the Canada Infrastructure Bank Annual Public Meeting.

[Remarks in French]