

Second Quarter (Q2)

2025-2026



# CATALYST FOR INFRASTRUCTURE

Fiscal Year 2025-26 Financial Report

*Unaudited*

*The 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 the Public Sector Accounting Standards (PSAS) as issued by the Public Sector Accounting Board (PSAB) by the Chartered Professional Accountants of Canada and must be read in conjunction with the March 31, 2025, 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.

Figures are expressed in Canadian dollars unless stated otherwise.

# MANAGEMENT'S DISCUSSION AND ANALYSIS

## Overview of the CIB

The Canada Infrastructure Bank ("CIB" or the "Corporation") is a Crown corporation established by an Act of Parliament (the *Canada Infrastructure Bank Act* (the "CIB Act")) on June 22, 2017. Our 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".

In just eight years, the CIB has become a proven, cost-effective tool for getting critical new infrastructure built – we take on Canada's biggest challenges and catalyze outcomes to benefit Canadians and the economy.

## Operating context

Infrastructure projects involve significant upfront costs and deliver benefits over an extended period of time. They require a perspective on how the world will evolve, while also investing to shape that evolution. F2024-25 was marked by heightened uncertainty and slower project development, trends that continued into the first half of F2025-26. While the CIB's financing helps our partners manage uncertainty and our activities remain sensitive to broader economic conditions, the CIB continues to achieve meaningful results and advance our strategic priorities.

## Q2 F2025-26 Market Update

The CIB completed a strong first half of F2025-26, with 12 investments reaching financial close, four of which occurred during the second quarter of F2025-26. We now have \$17.9 billion committed to 106 impactful infrastructure projects across Canada. 89 of these projects are under construction and 8 are now complete.

For further details, please read the full F2025-26 Q2 Market Update.



## Economic conditions

Interest rates and inflation continue to influence infrastructure investment decisions. In recent years, higher borrowing costs have made greenfield infrastructure investments more challenging to finance. While the gap is decreasing, construction inflation has outpaced the consumer price index in recent periods, which alongside volatility in exchange rates creates uncertainty around project costs and cost escalation for projects in construction.

Continued and emerging geopolitical and trade uncertainties further complicate project planning. Anticipated challenges include labour shortages, higher material input costs and further supply chain disruptions. This can result in cost escalation and construction delays, impacting the performance of the portfolio.

For certain investments, the CIB also shares in future demand/revenue risk of our projects, and as a result, our investment portfolio is exposed to changing revenue forecasts driven by commodity prices, green-friendly policies and project volumes generated.

Regulatory uncertainty also presents a challenge to new and existing investments. Lengthy permitting and approval processes have sometimes resulted in project delays and cost escalation, particularly in areas of the country with shorter construction seasons.

## Outlook

We anticipate more demand for infrastructure. As projects are constructed, infrastructure development provides a near-term economic stimulus domestically and drives job creation. Infrastructure supports Canadian economic growth and trade with other countries globally. In the North, there is greater appreciation that infrastructure is critical to assert Canadian sovereignty, promote Indigenous reconciliation and support trade. Moreover, Canada's population has doubled in approximately the last 60 years and despite signs of moderation, is still growing. This growth drives a need for increased infrastructure in all areas including energy and housing.

The CIB anticipates a continuing need to invest in projects across Canada. Macroeconomic factors that usually inhibit infrastructure investment can in fact open opportunities for the CIB to unlock projects through its model of providing concessionary capital and crowding in private capital.

As projects increasingly move into maturity, the CIB expects some investments to face increased risks of impairment and/or not reach full project deployment. While construction on projects is advancing steadily, in some cases, proponents have reported delays and cost overruns. Proponents have nonetheless remained committed to delivering their full project scope, taking steps to recover lost time, applying their expertise to prevent further delays, utilizing available project contingency, and, where necessary, increasing their financial commitment to the project. Slower-than-expected project progress can be seen through a lagging draw curve against the CIB's existing investment portfolio. In addition to monitoring potential delays and cost overruns, the CIB is also closely monitoring risks associated with supplier and manufacturing concentration primarily associated with our clean power and public transportation sectors as well as emerging technology risk that when combined with economic uncertainty, may soften project revenue projections.

As the portfolio grows, the CIB has an increasing role as an asset manager overseeing investments in a rapidly changing economy. The CIB actively monitors emerging risks within its portfolio, reflecting our obligation to prudently manage taxpayer dollars. To date, the CIB has recognized specific provisions totaling \$166.5

million against two investments facing some of the challenges mentioned above. The CIB remains engaged in discussions with both counterparties and all relevant stakeholders to determine a resolution.





# FINANCIAL HIGHLIGHTS

## SELF-FINANCING

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

The financial statements are prepared in accordance with the PSAS as issued by the PSAB which align the CIB's reporting framework with its business objectives, to take risk and/or provide concessionary pricing to investments as outlined in its investment approach.

## Q2 F2025-26 highlights

- » Financial closes totalled \$1.2 billion (\$2.2 billion year-to-date ("YTD")), and \$32.2 million (\$48.9 million YTD) were recognized in net reductions, post financial close (\$18.5 billion and \$563.8 million life-to-date, respectively).
- » \$0.6 billion of capital was funded to CIB investments (\$1.3 billion YTD, and \$6.4 billion life-to-date), representing a 54% increase in total capital funded over the last twelve-month period (Q2 F2024-25, \$4.1 billion life-to-date).
- » \$43.2 million (\$82.0 million YTD) of interest income was recognized, a 22% increase over the prior quarter (35% increase over Q2 F2024-25 YTD).
- » Operating expenses represented just 38% (38% YTD) of interest income as compared to 40% (46% YTD) during Q2 F2024-25.
- » Surplus before non-operating expenses and government appropriations totalled \$26.7 million (\$50.5 million YTD), a \$5.4 million or 25% increase over Q2 F2024-25 (\$17.5 million or 53% increase over Q2 F2024-25 YTD).

## INVESTMENT RETURNS

## FISCAL TRANSFORMATION

- » Continuing momentum from F2024-25, the CIB generated sufficient cash flows from its investments to finance its operations during the quarter – no operating appropriations were received. This is the fourth consequent quarter with no operating appropriations. We expect this to continue as we transform the CIB into a self-sustaining institution.
- » The CIB received government appropriations for investments of \$0.7 billion (\$1.4 billion YTD) and had a deficit before government appropriations of \$8.7 million (surplus before government appropriations of \$4.6 million YTD). Since inception, the CIB has received \$7.2 billion of government appropriations and has a cumulative deficit before government appropriations of \$267.6 million. \$27.8 billion of government appropriations remain available under the CIB's current authority to invest in infrastructure transactions.



	For the three-month period, ended September 30		For the six-month period, ended September 30	
<i>(in millions of Canadian dollars)</i>	2025	2024	2025	2024
<b>Interest income</b>	\$ 43.2	\$ 35.4	\$ 82.0	\$ 60.9
<b>Operating expenses</b>				
Compensation	10.4	9.6	20.7	19.7
General and administration	6.1	4.5	10.8	8.2
	16.5	14.1	31.5	27.9
<b>Surplus before non-operating expense and government appropriations</b>	26.7	21.3	50.5	33.0
<b>Non-operating expenses</b>				
Project development	1.6	0.4	2.8	1.0
Concessionary costs	12.4	3.1	17.0	12.6
Loan valuation allowance	21.3	10.9	26.1	30.0
	35.4	14.4	45.9	43.6
<b>(Deficit) / surplus before government appropriations</b>	(8.7)	6.9	4.6	(10.6)
<b>Government appropriations</b>	888.0	83.3	1,874.0	238.7
<b>Surplus</b>	\$ 879.3	\$ 90.2	\$ 1,878.6	\$ 228.1

### Interest income

Interest income increased \$7.8 million as compared to Q2 F2024-25 (\$21.1 million increase YTD). \$34.3 million (65.9 million YTD) of income was generated from financing activity and \$8.9 million (16.1 million YTD) was earned on cash and short-term investments from appropriations, as compared to prior period figures of \$29.2 million (\$43.3 million YTD) and \$6.2 million (\$17.6 million YTD), respectively. The increase was driven by an additional \$2.2 billion funded to infrastructure projects since September 30, 2024, representing a 54% increase in the amount of capital deployed.

### Operating expenses

Operating expenses were \$2.4 million greater than Q2 F2024-25 (\$3.6 million greater YTD) primarily due to:

- » Incremental compensation expenses due to the continued build out of staffing across the organization required to meet demands stemming from increased deal activity and portfolio growth; and
- » Incremental general and administration expenses primarily driven by increases to costs associated with office space and information technology commensurate with increased headcount and investment activity.



### *Non-operating expenses*

Non-operating expenses were \$21.0 million greater than Q2 F2024-25 (\$2.3 million greater YTD) primarily due to:

- » \$10.4 million of incremental (\$3.9 million less YTD) loan valuation allowance provisions recognized, highly correlated to the timing of capital deployed, relative to the underlying risk associated with such capital; and
- » \$9.3 million of incremental (\$4.4 million incremental YTD) concessionary costs recognized. During Q2 F2025-26, the CIB deployed \$34.8 million (\$50.4 million YTD) of capital to investments with significant concessionary terms as compared to \$9.7 million (\$39.3 million YTD) in the prior fiscal periods. For financial reporting purposes, concessionary costs are recognized when a loan or portfolio investment is deemed to be significantly concessionary (exceeding 25%) relative to its face value, discounting using the Government of Canada average cost of borrowing. The measure is not a complete reflection of the concessionary lending provided by the CIB.

### *Government appropriations*

Government appropriations investment income was \$815.0 million greater than Q2 F2024-25 (\$1,671 million greater YTD). The variance to the prior period is primarily due to a greater number of investments reaching financial close in the first half of F2025-26. During Q2 F2025-26, CIB achieved financial close on \$1,161.5 million across 4 investments (\$2,174.4 million and 12 investments YTD) as compared to \$78.6 million across 2 investments (\$220.6 million and 4 investments YTD) during Q2 F2024-25.

The CIB recognized \$nil of government appropriations operations income during Q2 F2025-26 (\$nil YTD) as compared to \$10.0 million in Q2 F2024-25 (\$35.0 million YTD). Since Q3 F2024-25, the CIB has not requested government appropriations to finance its operating activities, as it collected sufficient payments of principal, interest and other income to finance its operating activities.

Where the CIB receives cash payments of principal, interest and other income, the amounts are recycled to finance the CIB's operations and investments, in place of government appropriations. The CIB monitors the funds available to cover its cash flow requirements and uses these funds prior to submitting drawdown requests to central agencies. Recycling provides the CIB with access to an additional pool of financial resources it can leverage to maximize new infrastructure investments across the country. The effect of this is that the CIB will fund \$35 billion in investments to our partners before exhausting the \$35 billion appropriation as set forth in the CIB Act. This is transforming the CIB into an institution that can self-finance its operations and given the time horizon of principal repayments, a portion of its investments, such that projects are supported with minimal additional burden on the fiscal resources of the government or taxpayers. Since its inception in 2017, the CIB has collected cash payments of \$0.4 billion in principal, interest and other income.

### *Operating efficiency*

Operating cost discipline is an essential enabler of this transformation. Consistent with the spirit and intent of the government's comprehensive expenditure review, the CIB is taking a number of actions to be more efficient and effective while continuing to scale its impact. While operating expenses continue to grow, they do so at a much lower rate than our pace of investments.

Since September 30, 2024, the CIB has funded an additional \$2.2 billion to infrastructure projects and achieved financial close on an additional \$5.0 billion in projects (before reductions, post financial close). The capital activity drove a 22% increase in interest income recognized as compared to Q2 F2024-25 (35% increase YTD), but just a 17% increase in operating expenses as compared to Q2 F2024-25 (13% increase YTD). As a percentage of loans receivable and portfolio investments, operating expenses decreased to 52bps during the first half of F2025-26, down from 67bps during the same period in F2024-25. As a percentage of total financial closes (before reductions, post financial close), operating expenses decreased to 17bps during the first half of F2025-26, down from 21bps during the same in F2024-25. The CIB continues to manage its operating expenses prudently, realizing efficiencies as it continues to grow and evolve.

# 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 in accordance with the Public Sector Accounting Standards. 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 19, 2025*



**Evelyn Joerg**

*Chief Financial Officer*

## Condensed interim statement of financial position (unaudited)

As at	Note	September 30, 2025	March 31, 2025
<i>(in thousands of Canadian dollars)</i>			
<b>Financial assets</b>			
Cash and restricted cash	4	\$ 906,240	\$ 606,863
Government funding receivable	6	10,654,889	10,199,415
Loans receivable	5	6,010,942	4,908,889
Portfolio investments		19,888	19,446
Interest receivable and other assets		40,499	26,204
		17,632,458	15,760,817
<b>Liabilities</b>			
Accounts payable and accrued liabilities		10,432	17,648
Deferred liabilities		6,560	6,496
		16,992	24,144
<b>Net financial assets</b>		17,615,466	15,736,673
<b>Non-financial assets</b>			
Tangible capital assets		2,476	2,748
Prepaid expenses and advances		815	712
		3,291	3,460
<b>Accumulated surplus</b>		\$ 17,618,757	\$ 15,740,133

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

## Condensed interim statement of operations and accumulated surplus (unaudited)

	Note	Year 2 F2024-25	For the three-month period, ended September 30		For the six-month period, ended September 30	
<i>(in thousands of Canadian dollars)</i>		<b>Budget</b>	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
<b>Revenue</b>						
Interest income		\$ 117,583	\$ 43,187	\$ 35,408	\$ 82,012	\$ 60,884
		117,583	43,187	35,408	82,012	60,884
<b>Expenses</b>						
Compensation		47,116	10,380	9,604	20,721	19,693
General and administration	7	29,293	6,112	4,484	10,767	8,233
Project development		4,000	1,631	406	2,837	1,018
Concessionary costs		70,635	12,446	3,121	16,976	12,586
Loan valuation allowance	5	201,926	21,311	10,901	26,104	30,016
		352,970	51,880	28,516	77,405	71,546
(Deficit)/ surplus before government appropriations		(235,387)	(8,693)	6,892	4,607	(10,662)
Government appropriations	8	3,537,180	888,013	83,265	1,874,017	238,744
<b>Surplus</b>		<b>3,301,793</b>	<b>879,320</b>	<b>90,157</b>	<b>1,878,624</b>	<b>228,082</b>
Accumulated surplus, beginning of period		15,740,133	16,739,437	13,056,396	15,740,133	12,918,471
<b>Accumulated surplus, end of period</b>		<b>\$ 19,041,926</b>	<b>\$ 17,618,757</b>	<b>\$ 13,146,553</b>	<b>\$ 17,618,757</b>	<b>\$ 13,146,553</b>

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

## Condensed interim statement of changes in net financial assets (unaudited)

	Year 2 F2024-25	For the three-month period, ended September 30		For the six-month period, ended September 30	
<i>(in thousands of Canadian dollars)</i>	<b>Budget</b>	<b>2025</b>	2024	<b>2025</b>	2024
<b>Surplus</b>	<b>\$ 3,301,793</b>	<b>\$ 879,320</b>	\$ 90,157	<b>\$ 1,878,624</b>	\$ 228,082
Change in tangible capital assets – acquisitions	(468)	-	-	(128)	-
Change in tangible capital assets – amortization	616	194	163	400	326
Change in prepaid expenses and advances	(25)	323	146	(103)	138
<b>Net change in net financial assets</b>	<b>3,301,916</b>	<b>879,837</b>	90,466	<b>1,878,793</b>	228,546
Net financial assets, beginning of period	<b>15,736,673</b>	<b>16,735,629</b>	13,053,509	<b>15,736,673</b>	12,915,429
<b>Net financial assets, end of period</b>	<b>\$ 19,038,589</b>	<b>\$ 17,615,466</b>	\$ 13,143,975	<b>\$ 17,615,466</b>	\$ 13,143,975

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



## Condensed interim statement of cash flows (unaudited)

		For the three-month period, ended September 30		For the six-month period, ended September 30	
	Note	2025	2024	2025	2024
(in thousands of Canadian dollars)					
Cash and restricted cash provided by / (used in):					
Operating activities:					
Surplus		\$ 879,320	\$ 90,157	\$ 1,878,624	\$ 228,082
Items not involving cash:					
Capitalized interest income	5	(15,436)	(9,908)	(28,912)	(18,625)
Amortization of tangible capital assets		194	163	400	326
Loan valuation allowance	5	21,311	10,901	26,104	30,016
Concessionary costs		12,168	3,074	16,466	12,472
Changes in non-cash working capital					
Government funding receivable	6	(149,259)	215,265	(455,474)	798,420
Interest receivable and other assets		(5,579)	(7,126)	(14,295)	(12,418)
Prepaid expenses and advances		323	146	(103)	138
Accounts payable and accrued liabilities		2,548	1,965	(7,216)	(7,451)
Deferred liabilities		536	(60)	64	392
Net cash flow used for portfolio investments		(69)	-	(151)	-
Net cash flow used for loans receivable	5	(430,747)	(493,346)	(1,116,002)	(1,164,179)
Total cash provided by / (used in) operating activities		315,310	(188,769)	299,505	(132,827)
Capital activities:					
Acquisition of tangible capital assets					
		-	-	(128)	-
Total cash used in capital activities		-	-	(128)	-
Net increase / (decrease) in cash and restricted cash during the period					
		315,310	(188,769)	299,377	(132,827)
Cash and restricted cash, beginning of period	4	590,930	366,102	606,863	310,160
Cash and restricted cash, end of period	4	\$ 906,240	\$ 177,333	\$ 906,240	\$ 177,333

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

## NOTES TO THE FINANCIAL STATEMENTS

### 1. Act of incorporation, objective and operations of the corporation:

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

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

The CIB receives appropriations from the Government of Canada. Parliament has authorized funding of not more than \$35 billion in aggregate (or any greater aggregate amount that may be authorized from time to time under an appropriation Act) to the CIB and the authority to invest in infrastructure transactions. Of the \$35 billion, the Government of Canada will allow up to \$15 billion against the fiscal framework which aims to catalyze projects that benefit Canadians and will provide the flexibility and scope for the CIB to use its capital to innovate and take more risk than the market will take.

In partnership with federal, provincial, territorial, municipal, Indigenous and private sponsors, the CIB will execute a wide breadth of financial instruments, including loans, equity investments, and where appropriate, loan guarantees to projects that will mobilize private investment where otherwise no investment would occur. The 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. In addition, the CIB (i) engages in project development, with the objective to expedite studies, technical reports and analysis required to shorten critical paths to investment, (ii) provides advice to all levels of governments with regard to infrastructure projects and (iii) acts as a centre of expertise on infrastructure projects in which private sector investors or institutional investors are making a significant investment.

The CIB is not an agent of His Majesty, the King in Right of Canada, except when, (i) giving advice about investments in infrastructure projects to ministers of His 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 Canada Infrastructure activity conducive to the carrying out of its purpose that the Governor in Council may, by order, specify. The CIB is also named in Part I of Schedule III to the FAA.

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

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

### 2. Basis of preparation:

#### a) Basis of accounting:

These unaudited Condensed Interim Quarterly Financial Statements have been prepared in accordance with Public Sector Accounting Standards ("PSAS") established by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada. The accounting policies used in these statements are consistent with those disclosed in the most recent annual audited financial statements dated March 31, 2025. 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, 2025.

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

#### b) Budget figures:

Budget information is reflected in the Statement of Operations and Accumulated Surplus and the Statement of Change in Net Financial Assets. Budget data presented for F2025-26 is sourced from the projections and estimates of year two of the F2024-25 to 2028-29 approved Corporate Plan.

#### c) Measurement uncertainty:

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

Management uses assumptions in determining the CIB's loan valuation allowance such as the CIB's internal credit rating methodology and other primary factors as described in Note 9 to the Corporation's annual audited Financial Statements for the year ended March 31, 2025, and estimates the timing of expected drawdowns and repayments which impact the effective interest rate on loans. Where actual results differ from estimates and assumptions, the impact will be recorded in future periods when the difference becomes known.

### 3. Significant accounting policies:

The accounting policies in these Interim Financial Statements are consistent with those disclosed in Note 2 to the Corporation's annual audited Financial Statements for the year ended March 31, 2025.

#### 4. Cash and restricted cash:

As at	September 30, 2025		March 31, 2025	
Cash	\$	899,231	\$	600,613
Restricted cash		7,009		6,250
<b>Cash and restricted cash</b>	<b>\$</b>	<b>906,240</b>	<b>\$</b>	<b>606,863</b>

#### 5. Loans receivable:

The portfolio of loans may be subject to a number of terms and conditions including restrictive covenants and be subordinate to senior debt or rank pari passu with other lenders.

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

As at	September 30, 2025			March 31, 2025 <sup>1</sup>		
	Carrying amount	LVA <sup>2</sup>	Loans receivable (net)	Carrying amount	LVA <sup>2</sup>	Loans receivable (net)
Public transit	\$ 1,799,231	\$ (20,235)	\$ 1,778,996	\$ 1,600,301	\$ (15,084)	\$ 1,585,217
Clean power	2,295,805	(20,814)	2,274,991	1,939,128	(9,258)	1,929,870
Green infrastructure	1,046,719	(197,070)	849,649	794,165	(192,622)	601,543
Broadband	445,072	(2,382)	442,690	313,890	(1,399)	312,491
Trade & transportation	670,200	(5,584)	664,616	481,386	(1,618)	479,768
<b>Total</b>	<b>\$ 6,257,027</b>	<b>\$ (246,085)</b>	<b>\$ 6,010,942</b>	<b>\$ 5,128,870</b>	<b>\$ (219,981)</b>	<b>\$ 4,908,889</b>

<sup>1</sup> Refer to Note 12 for further details on the reclassification of prior period figures.

<sup>2</sup> Consists of \$79.6 million for general loan valuation allowance and \$166.5 million for specific loan valuation allowance (March 31, 2025 - \$58.6 million for general loan valuation allowance and \$161.4 million for specific loan valuation allowance).

The weighted average effective interest rate and remaining term based on the carrying value of projects the CIB has funded to date is summarized below.

As at	September 30, 2025 <sup>1</sup>		March 31, 2025 <sup>1,2</sup>	
	Effective interest rate	Term	Effective interest rate	Term
Public transit	1.7%	10	1.7%	10
Clean power	2.8%	22	2.8%	23
Green infrastructure	3.2%	15	3.1%	16
Broadband	1.2%	21	1.2%	21
Trade & transportation	2.9%	24	2.5%	26
<b>Portfolio<sup>1</sup></b>	<b>2.4%</b>	<b>18</b>	<b>2.3%</b>	<b>18</b>

1 Excludes loans with specific loan valuation allowances.

2 Refer to Note 12 for further details on the reclassification of prior period figures.

The carrying value of loans receivable includes \$15.6 million related to municipalities (March 31, 2025 – \$15.5 million) and \$27.1 million related to Indigenous governments (March 31, 2025 – \$26.7 million).

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

As at	September 30, 2025	March 31, 2025
<b>Opening balance</b>	<b>\$ 4,908,889</b>	<b>\$ 3,042,649</b>
Drawdowns	1,342,034	2,056,063
Capitalized interest income <sup>1</sup>	28,767	48,477
Transaction costs (net of amortization)	690	4,931
Concessionary costs	(16,612)	(19,495)
Principal repayment	(226,722)	(19,367)
Loan valuation allowance	(26,104)	(204,369)
<b>Loans receivable</b>	<b>\$ 6,010,942</b>	<b>\$ 4,908,889</b>

1 Includes capitalized interest paid in kind and income recognized in accordance with the effective interest rate method.

As at September 30, 2025, two loans are subject to specific loan valuation allowances. One loan, with a carrying value of \$181.3 million, remains in default under the terms of its credit agreement, against which a specific loan valuation allowance of \$161.4 million was recognized in the statement of operations during the fiscal year ended March 31, 2025. As at September 30, 2025 there have been no material changes in circumstances that would require an adjustment to its valuation allowance. The second loan, with a carrying value of \$13.3 million, remains compliant with the terms of its credit agreement; however, based on management's updated estimate of the recoverable amount, full repayment of the loan is not anticipated. A specific loan valuation allowance of \$5.1 million was recognized in the statement of Operations and Accumulated Surplus during the quarter. Both loans remain subject to ongoing monitoring, and the CIB will reassess the recoverable amounts as new information becomes available.

The use and valuation of collateral is consistent with that disclosed in Note 4 to the Corporation's annual audited Financial Statements for the year ended March 31, 2025.

The following table illustrates the outstanding loan receivable principal and capitalized interest repayments expected for the next five years and thereafter, not including transaction costs (net of amortization), concessionary costs or loan valuation allowances:

	September 30, 2025	
Prior to March 31, 2026	\$	217,349
April 1, 2026 – March 31, 2027		129,287
April 1, 2027 – March 31, 2028		335,650
April 1, 2028 – March 31, 2029		200,690
After March 31, 2029		5,385,187
<b>Outstanding loans receivable principal repayments</b>	<b>\$</b>	<b>6,268,163</b>

## 6. Government funding receivable:

As at	September 30, 2025		March 31, 2025	
Opening balance	\$	10,199,415	\$	9,579,180
New investment contractual agreements		2,174,402		3,051,904
Government appropriations received – investments		(1,418,543)		(2,328,887)
Capital recycling <sup>1</sup>		(251,484)		(22,172)
Net reductions, post financial close <sup>2,3</sup>		(48,901)		(80,610)
<b>Government funding receivable</b>	<b>\$</b>	<b>10,654,889</b>	<b>\$</b>	<b>10,199,415</b>

<sup>1</sup> Includes cash payments from the return of capital, repayment of principal, as well as interest and other income received.

<sup>2</sup> Refer to note 11, commitments for further details.

<sup>3</sup> Includes a net reduction of \$4.0 million (March 31, 2025 – \$nil) to project development expenditures which meets the criteria for capitalization.

## 7. General and administration expenses:

	For the three-month period, ended September 30		For the six-month period, ended September 30	
	2025	2024	2025	2024
Professional fees	\$ 4,146	\$ 3,075	\$ 6,990	\$ 5,188
Administration fees	1,772	1,246	3,377	2,719
Amortization of tangible capital assets	194	163	400	326
<b>General and administration expenses</b>	<b>\$ 6,112</b>	<b>\$ 4,484</b>	<b>\$ 10,767</b>	<b>\$ 8,233</b>

## 8. Government appropriations:

	For the three-month period, ended September 30		For the six-month period, ended September 30	
	2025	2024	2025	2024
Government appropriations – investments	\$ 888,013	\$ 72,823	\$ 1,874,017	\$ 203,302
Government appropriations – operations	-	10,442	-	35,442
<b>Government appropriations</b>	<b>\$ 888,013</b>	<b>\$ 83,265</b>	<b>\$ 1,874,017</b>	<b>\$ 238,744</b>

Government appropriations - investments include \$2,174.4 million from new investment contractual agreements which was offset by \$48.9 million in net reductions, post financial close, and \$251.5 million from cash payments received from the return of capital, repayment of principal, as well as interest and other income received. Cash payments received are in addition to amounts utilized to finance the CIB's operating activities.

## 9. Inter-entity transactions and related party transactions:

The Corporation is wholly owned by the Government of Canada and is related in terms of common ownership to all Government of Canada departments, agencies, and Crown corporations. Key management personnel are defined as officers having authority and responsibility for planning, directing and controlling the activities of the CIB and their close family members, including members of the Board of Directors.

### a) Transactions with the Government of Canada departments, agencies, and Crown corporations:

The Corporation enters transactions with these entities in the normal course of business, including government funding, which is approved in the form of a statutory authority, as well as the CIB's annual Corporate Plan.

### b) Transactions involving key management personnel:

In the normal course of business, the CIB may transact with entities in which key management personnel of the CIB owns an interest in, or is a director or officer of, an entity that receives financing from the CIB in respect of an infrastructure project. These transactions occur on similar terms and conditions to those adopted if the entities were dealing at arm's length and are recorded at the exchange amount. Affected key management personnel are required to recuse themselves from all discussions and decisions relating to such transactions.

During the six-month period ended September 30, 2025, the CIB deployed capital to one entity (year ended March 31, 2024 – two) in which a director or key management personnel of the CIB also serves as a director of such entity. As at September 30, 2025, the CIB has outstanding commitments to two (March 31, 2025 - two) such related parties.

The table below summarizes the impact of the transactions involving key management personnel on the financial statements of the CIB.

As at	September 30, 2025	March 31, 2025
Financial closes	\$ 961,000	\$ 961,000
Portfolio Investments <sup>1</sup>	(25,000)	(25,000)
Loans receivable <sup>1</sup>	(169,246)	(143,454)
<b>Total commitment related to financial closes</b>	<b>\$ 766,754</b>	<b>\$ 792,546</b>

<sup>1</sup> Excludes transaction cost, valuation allowances and significant concessionary terms.



Of the financial close amounts (i) \$600.0 million (one entity) was committed prior to the existence of a related party relationship and (ii) \$361.0 million (one entity) was the result of a CIB investment – key management personnel of the CIB was appointed to the Board of the investee to provide governance oversight and safeguard its investment. There was no pre-existing relationship between the key management personnel and the investee.

## 10. Financial instruments and risk management:

The treatment of financial instruments and risk management in these Interim Financial Statements are consistent with those disclosed in Note 9 to the Corporation's annual audited Financial Statements for the year ended March 31, 2025.

During the quarter ended September 30, 2025, the CIB issued one loan within the Trade & Transportation sector that bears interest at a benchmark reference rate. As of September 30, 2025, the carrying value of the loan is \$15.0 million.

## 11. Commitments:

### a) Leasing commitments:

The CIB currently maintains leases for offices located in Toronto, Montreal, and Calgary. The Toronto location is the primary office of the CIB, with additional staff located in Montreal and Calgary to build relationships and support our activities across the country.

On August 31, 2017, the CIB entered into a long-term lease agreement for

both office and storage space at the Toronto location. The term of both leases is 10 years and commenced on June 1, 2018. The CIB has the option to extend the office lease for two further consecutive terms of five years each. Since then, the CIB has entered two additional lease expansion and amending agreements for additional premises to the original rentable area. Terms and conditions of the expansions are on similar terms to the original agreement. A portion of the expansion premises was subsequently subleased for a term of 18 months.

The CIB does not receive substantially all of the benefits and risks incident to ownership, and therefore the offices and storage spaces meet the classification of an operating lease. The CIB recognizes these lease expenses straight-lined over the lease terms.

### b) Financial closes:

Financial close occurs when the CIB and investment partners complete all due diligence and have entered into binding agreements with its counterparties. On the financial close date, the CIB has a commitment to lend or invest a specific amount of funding towards the respective infrastructure project. The CIB commitment is reduced by:

- » Net reductions, post financial close to the CIB commitment: The terms of the CIB's investments are structured consistent with our objectives of providing the minimal amount of financial support necessary to allow the infrastructure project to proceed. As a result, committed capital may increase or decrease following financial close, as per each investments unique terms and conditions; and
- » Amounts advanced (cash basis) to the respective infrastructure project: Amounts advanced do not factor in interest being capitalized as payment in kind or loan valuation allowances.

As at	September 30, 2025	March 31, 2025 <sup>1</sup>
Public transit	\$ 4,332,840	\$ 4,332,840
Clean power	5,000,811	4,201,793
Green infrastructure	4,436,071	4,277,151
Broadband	2,230,663	2,169,200
Trade & transportation	2,469,545	1,314,545
Total financial closes	18,469,930	16,295,529
Amounts advanced (cash basis)	(6,358,528)	(5,011,170)
Net reductions, post financial close	(563,816)	(518,885)
<b>Total commitment related to financial closes</b>	<b>\$ 11,547,586</b>	<b>\$ 10,765,474</b>

<sup>1</sup> Refer to Note 12 for further details on the reclassification of prior period figures.

## 12. Reclassification of prior period figures:

During the quarter ended June 30, 2025, the CIB reviewed the classification of its loans receivable. As a result of this review, management determined that three loans with a cumulative carrying amount of \$187.1 million as at March 31, 2025, previously classified under Clean Power, were more appropriately presented under Green Infrastructure. The loans contributed \$910.0 million to the CIB's total financial close amount. As a result, certain comparative figures have been reclassified to confirm with the current year presentation. This change in classification did not affect the CIB's accumulated surplus, annual surplus, or net financial assets of the comparative period.

Second Quarter (Q2)

2025-2026

cib-bic.ca



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