

Consolidated financial statements

For the years ended December 31, 2021 and 2020



MANAGEMENT'S RESPONSIBILITY FOR CONSOLIDATED FINANCIAL REPORTING

The preparation and presentation of the consolidated financial statements of la Caisse de dépôt et placement du Québec ("CDPQ") are the responsibility of management. The consolidated financial statements were prepared in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB) and incorporated into the CPA Canada Handbook. We ensure that the financial information in the Annual Report is consistent with the information in the consolidated financial statements.

The consolidated financial statements include amounts that are based on management's best estimates and judgment, with due regard for their relative importance. Moreover, when preparing the financial information, management has made decisions regarding the information to be presented as well as estimates and assumptions that affect the information presented. Future results may differ considerably from our current estimates, as changes to financial markets or other events could have an impact on the fair value of the investments.

In our responsibility for the reliability of financial information, we rely on disclosure controls and procedures and internal controls over financial reporting. In particular, these controls include a clear definition of responsibilities, delegation of powers, allocation of duties, ethical standards, employee hiring and training criteria as well as policies, guidelines and procedures designed to ensure that transactions are duly authorized, assets are properly measured and safeguarded, and proper records are maintained.

Moreover, CDPQ's internal audit group audits the internal controls on a regular basis. These controls and audits are designed to provide reasonable assurance regarding the reliability of the accounting records used to prepare the consolidated financial statements and to ensure that assets are not used or disposed of in any unauthorized manner, that liabilities are recorded, and that we meet all the legal requirements to which CDPQ is subject, including the *Act respecting the Caisse de dépôt et placement du Québec*.

Each year, we certify that the design of the internal control over financial information is sufficient and that the design and operation of the financial information disclosure controls and procedures are effective. We report any significant irregularity to the Audit Committee of the Board of Directors of CDPQ, as necessary.

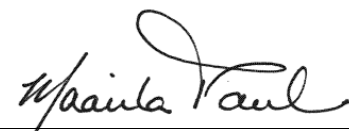
The Auditor General of Québec and Ernst & Young LLP (the "co-auditors") have audited the consolidated financial statements of CDPQ for the years ended December 31, 2021 and 2020 and their report covers the nature and scope of the audit and expresses their opinion. The co-auditors have unrestricted access to the Audit Committee to discuss any matter related to their audit.

The Board of Directors and its committees supervise the manner in which management fulfills its responsibility for the establishment and presentation of financial information, maintenance of appropriate internal controls, compliance with the requirements of laws and regulations, management of and control over the main risks, and evaluation of major transactions. Moreover, it approves the consolidated financial statements and the Annual Report.

The Board of Directors approved the consolidated financial statements for the years ended December 31, 2021 and 2020. It is assisted in its responsibilities by the Audit Committee, of which all members are independent directors. This Committee meets with management and the co-auditors, examines the consolidated financial statements, and recommends the approval thereof to the Board of Directors.



Charles Emond
President and Chief Executive Officer



Marika Paul, FCPA, FCA, CBV, ICD.D
Executive Vice-President and Chief Financial and Operations Officer

INDEPENDENT AUDITORS' REPORT

To the National Assembly

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of la Caisse de dépôt et placement du Québec and its subsidiaries (the Group), which comprise the Consolidated Statements of Financial Position as at December 31, 2021 and 2020 and the Consolidated Statements of Comprehensive Income, the Consolidated Statements of Changes in Net Assets Attributable to Depositors and the Consolidated Statements of Cash Flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2021 and 2020 and its consolidated financial performance and its consolidated cash flows for the years then ended, in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

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

Other Information

Management is responsible for the other information. The other information comprises the information, other than the consolidated financial statements and our auditors' report thereon, in the Annual Report.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

The 2021 Annual Report is expected to be made available to us after the date of this auditors' report. If, based on the work we will perform on the 2021 Annual Report, we conclude that there is a material misstatement of this other information, we are required to report that fact to those charged with governance.

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

As required by the *Auditor General Act* (CQLR, chapter V-5.01), we report that, in our opinion, these accounting standards have been applied on a basis consistent with that of the preceding year.

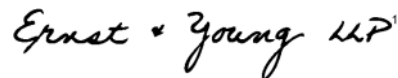
The engagement partner from Ernst & Young LLP on the audit resulting in this independent auditors' report is Michel Bergeron.

Auditor General of Québec,

Ernst & Young LLP¹



Guylaine Leclerc, FCPA auditor, FCA
Canada, Montréal, February 22, 2022



¹ FCPA auditor, FCA, public accountancy permit no. A114960
Canada, Montréal, February 22, 2022

CAISSE DE DÉPÔT ET PLACEMENT DU QUÉBEC

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(in millions of Canadian dollars)

	Note	December 31, 2021	December 31, 2020
ASSETS			
Cash		1,073	1,021
Amounts receivable from transactions being settled		2,213	3,116
Advances to depositors		1,011	281
Investment income, accrued and receivable		949	1,109
Other assets		963	588
Investments	4	466,157	405,978
Total assets		472,366	412,093
LIABILITIES			
Amounts payable on transactions being settled		3,443	3,290
Other financial liabilities		1,839	1,205
Investment liabilities	4	47,287	42,106
Total liabilities excluding net assets attributable to depositors		52,569	46,601
NET ASSETS ATTRIBUTABLE TO DEPOSITORS		419,797	365,492

The accompanying notes are an integral part of the consolidated financial statements.

On behalf of the Board of Directors,



Charles Emond
President and Chief Executive Officer



Alain Côté, ICD.D, FCPA, FCA
Chair of the Audit Committee

CAISSE DE DÉPÔT ET PLACEMENT DU QUÉBEC

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the years ended December 31

(in millions of Canadian dollars)

	Notes	2021	2020
Investment income		12,797	9,548
Investment expense		(505)	(653)
Net investment income	8	12,292	8,895
Operating expenses	9	(718)	(609)
Net income		11,574	8,286
Net gains on financial instruments at fair value	8	37,155	16,465
Investment result before distributions to depositors	8	48,729	24,751
Distributions to depositors		(21,870)	(15,994)
Net income and comprehensive income attributable to depositors		26,859	8,757

The accompanying notes are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO DEPOSITORS

For the years ended December 31

(in millions of Canadian dollars)

	Demand deposits	Term deposits	Distributions payable to depositors	Participation deposits	Net assets attributable to depositors
Balance as at December 31, 2020	4,042	7	2,653	358,790	365,492
Attributions and distributions					
Net income and comprehensive income attributable to depositors	-	-	-	26,859	26,859
Distributions to depositors	22,684	-	(814)	-	21 870
Participation deposits					
Issuance of participation deposit units	(32,463)	-	-	32,463	-
Cancellation of participation deposit units	943	-	-	(943)	-
Net deposits					
Net contributions	5,576	-	-	-	5,576
BALANCE AS AT DECEMBER 31, 2021	782	7	1,839	417,169	419,797

	Demand deposits	Term deposits	Distributions payable to depositors	Participation deposits	Net assets attributable to depositors
Balance as at December 31, 2019	406	6	2,961	336,736	340,109
Attributions and distributions					
Net income and comprehensive income attributable to depositors	-	-	-	8,757	8,757
Distributions to depositors	16,302	-	(308)	-	15,994
Participation deposits					
Issuance of participation deposit units	(14,969)	-	-	14,969	-
Cancellation of participation deposit units	1,672	-	-	(1,672)	-
Net deposits					
Net change in term deposits	(1)	1	-	-	-
Net contributions	632	-	-	-	632
BALANCE AS AT DECEMBER 31, 2020	4,042	7	2,653	358,790	365,492

The accompanying notes are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended December 31

(in millions of Canadian dollars)

	Note	2021	2020
Cash flows from operating activities			
Net income and comprehensive income attributable to depositors		26,859	8,757
Adjustments for:			
Unrealized net (gains) losses on short-term promissory notes, term notes and loans payable		(372)	291
Foreign exchange (gains) losses on short-term promissory notes, term notes and loans payable		164	(642)
Distributions to depositors		21,870	15,994
Net changes in operating assets and liabilities			
Amounts receivable from transactions being settled		903	3,107
Advances to depositors		(730)	679
Investment income, accrued and receivable		160	282
Other assets		(375)	(4)
Investments		(60,066)	(22,250)
Amounts payable on transactions being settled		153	1,753
Other financial liabilities		634	62
Investment liabilities		2,686	(9,268)
		(8,114)	(1,239)
Cash flows from financing activities			
Net change in short-term promissory notes payable		2,988	(2,697)
Issuance of short-term promissory notes payable		10,359	9,739
Repayment of short-term promissory notes payable		(9,927)	(9,738)
Net change in loans payable		(740)	573
Issuance of term notes payable		2,452	6,166
Repayment of term notes payable		(2,429)	(2,148)
Net contributions		5,576	632
		8,279	2,527
Net increase in cash and cash equivalents			
Cash and cash equivalents at the beginning of the year		2,410	1,122
Cash and cash equivalents at the end of the year		2,575	2,410
Cash and cash equivalents comprise:			
Cash		1,073	1,021
Cash equivalents	4	1,502	1,389
		2,575	2,410
Supplemental information on cash flows from operating activities			
Interest and dividends received		8,456	9,589
Interest paid		(396)	(622)

The accompanying notes are an integral part of the consolidated financial statements.

