



INFRASTRUCTURE IN ACTION

First Quarter (Q1)
Fiscal Year 2024-25 Financial Report

Unaudited

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

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Accessibility


The CIB is committed to creating a barrier-free experience for all employees, job-seekers, clients, suppliers and other stakeholders. For any questions about Accessibility or to request any accommodations, please contact your CIB representative or email accessible@cib-bic.ca.

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, 2024, annual audited financial statements and with the narrative discussion included in this quarterly financial report.

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

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



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

Management Discussion & Analysis

This MD&A presents readers with management's view of corporate strategy and performance and should be read in conjunction with the unaudited financial statements for the quarter ending June 30, 2024. Figures are expressed in Canadian dollars unless stated otherwise.

Overview of CIB

The Canada Infrastructure Bank (CIB) is an impact investor focused on accelerating infrastructure investments to create benefits for Canadians.

The purpose of the CIB, as set out in the *Canada Infrastructure Bank Act* (“CIB Act”), 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.”

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 expects the CIB to prudently manage its portfolio so the net fiscal expense will remain under \$15 billion.

The CIB works closely with the Government of Canada on advancing infrastructure investments as set out in the Minister's Statement of Priorities and Accountabilities (SPA).

The CIB makes investments in five priority sectors as set out in the SPA: clean power, green infrastructure, public transit, trade and transportation and broadband. As an impact investor, the CIB is focused on achieving outcomes through its investments to address climate change, connect Canadians and their communities, increase economic growth, and build partnerships with Indigenous Peoples.

Bringing together partners from across the Canadian infrastructure landscape, the CIB acts as a catalyst to fill gaps in financing, economics or structure that can prevent new infrastructure projects from going ahead. In this way, the CIB helps get more infrastructure built. The CIB's direct investment and partnership approach complements, yet is distinct from, government programs.

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

Business Performance

The following tables and commentary provide a snapshot of our investment portfolio's progress over the past quarter and in total since inception. They include details on the composition and progress of our portfolio, including a breakdown by sector, region and in accordance with CIB targets and outcomes.

Note to reader: Starting in 2024-25, the CIB's reporting of results in the MD&A is based solely on projects that have reached financial close. Prior to 2024-25, the CIB's reporting of results in the MD&A also included projects to which the CIB and its partners had made an investment commitment (i.e. the CIB and its partners had committed to a project in accordance with an agreed upon term sheet).

Investments

The CIB reached financial close on two new investments in the quarter. These investments represent \$142 million of CIB financing towards \$297 million worth of projects. Since inception, the CIB has now reached financial close on a total of \$12.9 billion in investment to 73 projects representing a total capital cost of \$35.5 billion. Previous reporting included projects with CIB investment commitments in accordance with agreed upon term sheets. For information, as of June 30, 2024, the CIB total of financially closed projects and investment commitments is \$13.2B, versus \$13B at the end of the previous quarter.

The CIB reached financial close on a \$100 million investment with energy services company GDI Integrated Facility Services Inc. (GDI). This project in the CIB's Green Infrastructure priority sector falls within the bank's Building Retrofits Initiative. The investment will support deep energy retrofits in aging buildings across Canada. Retrofit measures include initial energy audits, energy modelling, system design, installation, commissioning, measurement and ongoing energy management, data analytics and energy optimisation.

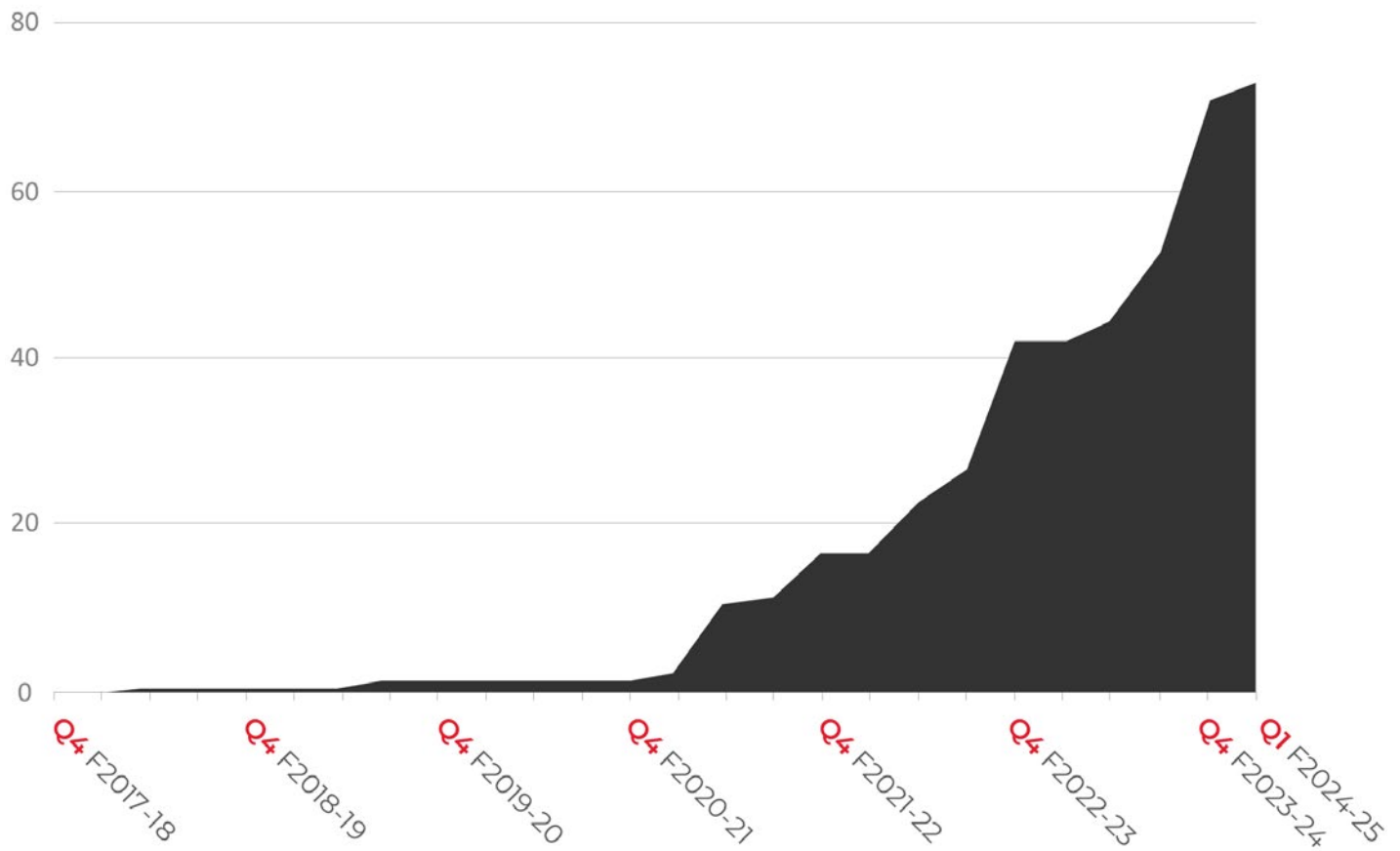
Once complete, these retrofits are estimated to result in greenhouse gas emission reductions of approximately 44,000 tonnes annually, while supporting approximately 500 jobs in the trades sector.

The CIB also closed on a \$42-million investment in the broadband sector in Western Canada, in partnership with Telus that will provide new internet service access to 10,000 households, including 2,350 Indigenous households.

Growth in CIB Portfolio

With two financial closes in the first quarter, the CIB added to growth during a time in which close activity is typically modest. For comparison, prior to this year there had not been a project reaching financial close in the first quarter prior since the 2021-22 fiscal year.

Cumulative Number of CIB Investments Reaching Financial Close



Sector and Regional Results

As a Crown corporation with a national mandate, the CIB seeks to achieve balance across priority sectors and reflect the geographic scope and diversity of Canada. The new financial closes add to the CIB's growing portfolio of infrastructure investments across the country.

Portfolio Composition by Sector

Financial closes

Sector	Life-to-date Q4 2023-24	Q1 2024-25	Total
Public transit	14	0	14
Clean power	15	0	15
Green infrastructure	24	1	25
Broadband	11	1	12
Trade & transportation	7	0	7
Total	71	2	73

For the purposes of tracking geographic scope of the portfolio, the CIB considers projects as within a region when a built element of a project is, or will be located in that region. In some cases, projects may count towards multiple regions. When working with a partner such as a building retrofit aggregator or zero-emission vehicle charging and refuelling project, the CIB will add to an investments geographic scope in a manner consistent with the activities of the investee partner.

Portfolio Composition by Region

Financial closes

Region	Life-to-date Q4 2023-24	Q1 2024-25	Total
West	27	1	28
Ontario	29	0	29
Quebec	10	0	10
Atlantic	11	0	11
North	3	1	4

Note: projects may count towards multiple regions

➤ Progress towards targets

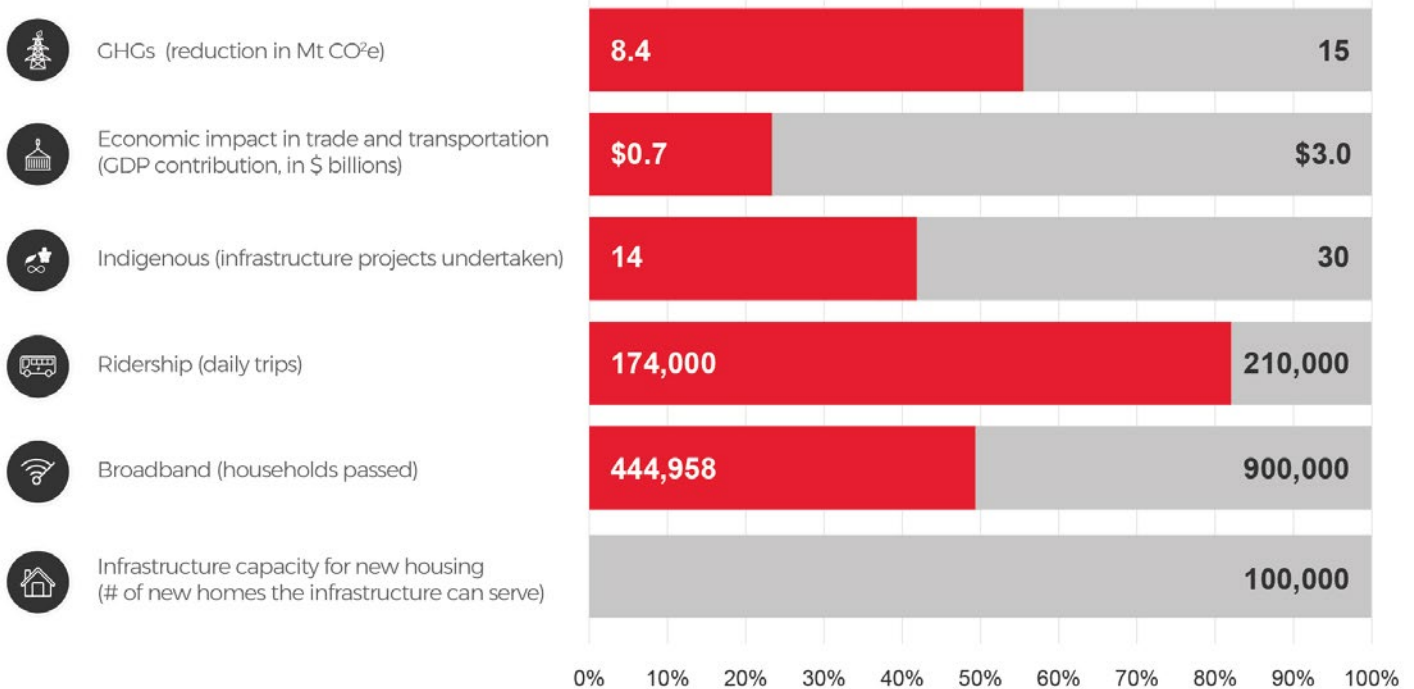
Outcome Targets

As an impact investor, the CIB is focused on achieving outcomes that are of benefit to Canadians. In the past fiscal year, the CIB revised two existing impact outcome measures and added one new measure to better capture the impact of projects.

The outcome metric to measure investment in Indigenous infrastructure was adjusted to track the number of indigenous infrastructure projects undertaken. In addition, the outcome metric for trade and transportation was adjusted to track ongoing economic impact as measured by GDP contribution.

Starting in 2024-25 the CIB also added a new impact outcome – infrastructure capacity for new housing – to track progress on the CIB’s newly launched Infrastructure for Housing Initiative and other investments in infrastructure that enable housing.

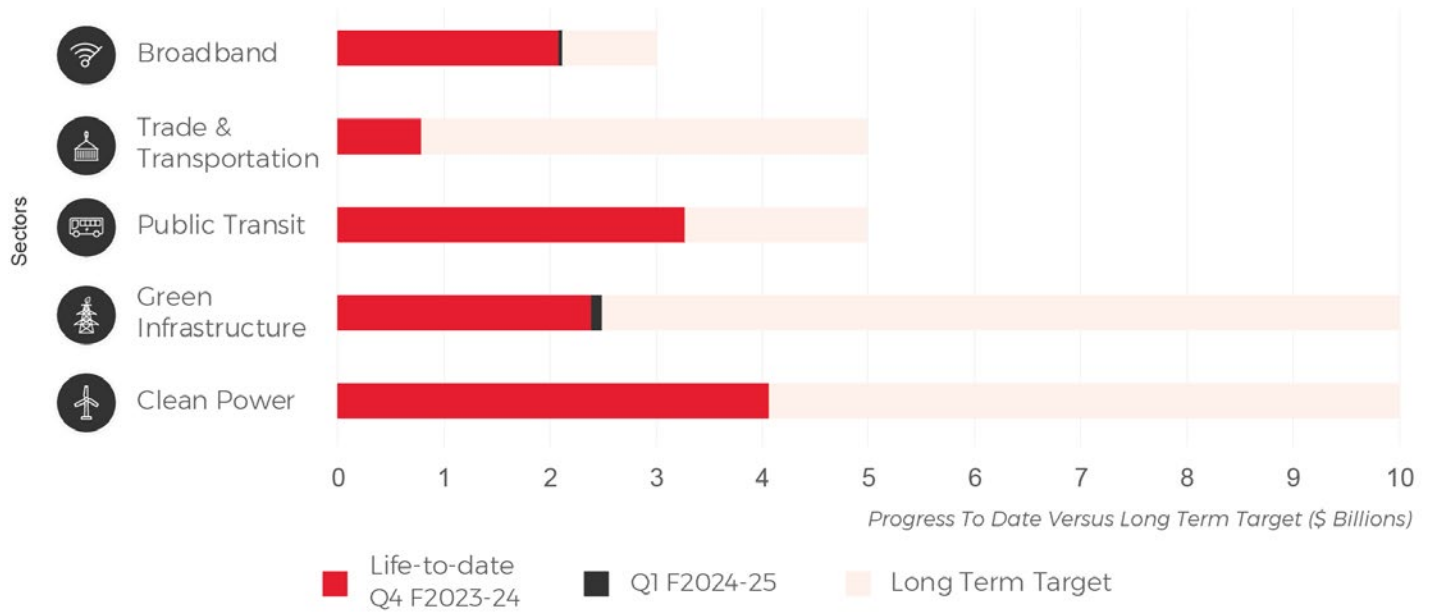
In light of progress to-date, the long-term target for annual GHG reduction was increased from 13Mt to 15Mt as of 2024-25.



Based on Financial closes

Long-Term Investment Dollar Targets

The CIB tracks its portfolio in relation to the long-term sector targets that have been articulated in the Minister’s Statement of Priorities and Accountabilities letter to the Chair of the Board, issued on September 26, 2023. The table below relays the CIB’s continued progress in this regard.



Based on Financial closes

Projects Under Construction

To date, 54 projects financed by the CIB are in active construction by the proponents, while 2 have reached completion. Examples of projects where construction is ongoing include:

- » **Varenes Carbon Recycling:** Efforts are well underway on site in Varenes, Quebec with concrete work nearing completion and equipment installation in progress as the project enters its intensive construction phase. The project will create 500+ jobs during peak construction, along with ~100 permanent jobs once operational. The \$1.2 billion biorefinery will convert 200,000 tonnes of waste into biofuels and circular chemicals annually, resulting in annual GHG reductions of over 170,000 tonnes. The plant will also be North America's largest green hydrogen electrolyzer.
- » **Markham District Energy:** Construction is progressing at the Markham District Energy (MDE) expansion, with Eastern distribution piping installation nearly complete, and the Warden Energy Centre now fully operational and generating hot water for over 200 households and commercial buildings. Once complete, the system will result in an estimated annual GHG reduction of 33,700 tonnes and provide a low-carbon energy source for heating and cooling to connected buildings in the City of Markham.
- » **Electric Vehicle (EV) Charging Progress:** Deployment of public EV charging ports has continued, as part of the CIB's investments in FLO EV Charging and Parkland Corporation. Chargers recently came online along the 401 highway in Ontario in Port Hope, Belleville and Colborne, contributing to increased access for EV owners and reduced emissions from transportation. FLO also announced a partnership with grocery retailer Metro Inc. to install at least 500 Ultra fast-charging ports at stores across Quebec and Ontario. In total, the CIB's investments to-date are expected to result in the deployment of 4,000 public charging ports across Canada.
- » **Montreal Metropolitan Airport Terminal:** Construction continued at the new domestic passenger terminal at Montreal Metropolitan Airport with approximately 400 workers onsite daily and completion anticipated in 2025. Located 15 kilometres from Montreal, the new terminal will provide a convenient way for passengers travelling to and from cities across Canada to visit Montreal, supporting the region's continued economic expansion. The terminal will support up to approximately four million passengers annually.

Private and Institutional Capital

Given the size of Canada's infrastructure needs, both public and private and institutional capital must be mobilized and work in concert to address that gap.

To fulfil this mandate, the CIB actively seeks out private sector and institutional investment, bringing critical capital to the table to get more infrastructure projects built and to achieve outcomes for Canadians. Private and institutional capital can contribute to a project at the outset as a share of debt or equity, and it can also be invested at later points in the lifecycle of a project, for example based on achieved cost savings or revenue streams.

A key objective of the CIB is to leverage private and institutional capital resulting from our investments.

Many projects in which the CIB invests leverage private capital indirectly, as a result of investments made because the infrastructure we have financed is in place. One example is McCain Foods' \$600 million expansion of their facility in southern Alberta, following the CIB's investment in Alberta Irrigation - infrastructure which will continue to strengthen potato yields in the region through water conservation and efficiency, ultimately creating increased demand for processing. A second example, also in Alberta, can be seen in new renewable energy investment coming onstream as a result of new transmission line infrastructure built through the CIB's investment in the Central East Transfer-Out project. Interconnection capacity is a key bottleneck for new renewables projects and expanding transmission capacity unlocks the potential of these projects. Enabling infrastructure projects through the CIB's Infrastructure for Housing and Critical Minerals initiatives are other examples of how the CIB catalyzes private investment, along with economic and social benefits for Canadians. Efforts are ongoing to accurately quantify spinoff investments related to, but not directly in the projects where the CIB has invested.

The CIB also leverages private and institutional capital directly into projects by partnering with such partners. As of June 30, 2024, the CIB has invested in projects that have attracted \$12.8 billion in direct private sector and institutional financing.

Direct private sector and institutional financing includes:

- » **\$1.1 billion** in Broadband
- » **\$3.0 billion** in Clean Power
- » **\$2.8 billion** in Green Infrastructure
- » **\$5.4 billion** in Public Transit
- » **\$0.5 billion** in Trade and Transportation

Operating Environment

The CIB supports the advancement of infrastructure by deploying capital to fill gaps in project financing, including through the acceptance of concessional returns and offering flexible financing terms.

Inflation has steadily declined since November 2022, and the Bank of Canada's overnight rate was reduced by 25 basis points in June after almost a year of a flat 5.0%¹. Despite this, we are still seeing challenges of tightening of supply chains and higher construction costs, which have decelerated the general pace of investments. The CIB continues to navigate changes in the macroeconomic environment and to monitor how this easing may impact deal flow and future construction costs, while maintaining a robust and dynamic pipeline.

Of the CIB's existing projects, many remain in early-stage construction, and cost increases have yet to have any material effect on the performance of the portfolio. Cost increases are largely expected to be absorbed by contingencies built into project budgets, commitments from counterparties to fund cost overruns, or mitigated through fixed-price contracts. The CIB has not increased any of its commitments to help fund overruns.

¹ Bank of Canada – [Policy Interest Rate, June 2024](#)

Board Appointments

The Government of Canada announced four appointments to the CIB's Board of Directors; Janis Byrne, Elisabeth Hivon, Vince Gasparro, and Hari Subramaniam. The CIB welcomes the new directors and the collective expertise they bring to the Board in areas including project development, risk management, law, sustainable investing, business administration, project finance and public-private partnerships.

Engagement

The CIB is committed to transparency and engaging with its partners, the infrastructure sector and the broader public. To support this objective, the CIB hosted the inaugural "CIB Day" on June 26, 2024. CIB Day brought together an online symposium featuring a Spring Market Update, the CIB's Annual Public Meeting, and a series of informational breakout sessions with CIB investment leaders. During the Spring Market Update, CEO Ehren Cory was joined by Lisa Mitchell, President and CEO of the Canadian Council for Public-Private Partnerships in discussing how the CIB is addressing Canada's infrastructure needs. As part of the Annual Public Meeting, Interim Board Chair Jane Bird and Ehren Cory shared the CIB's results from the past year and held a question-and-answer session with participants.

The CIB has continued to actively engage with governments, Indigenous communities, and market participants throughout the past quarter. Senior representatives attended a variety of conferences and events to discuss priorities and share the CIB's perspectives on how it can play a role in addressing infrastructure challenges. Examples include:

- » The Economic Reconciliation Roundtable convened by the Minister of Indigenous Services
- » C.D. Howe Institute's roundtable discussion with the Building Ontario Fund on Accelerating Growth with Infrastructure Banks
- » Canadian Chamber of Commerce's Housing Council
- » First Nations Power Authority's Annual Indigenous Cleaner Energy Forum

Budget 2024

Budget 2024 was released on April 16, 2024, and announced that the CIB would invest at least \$500 million in biofuels production under the green infrastructure priority sector. Budget 2024 also noted the launch of the CIB's Infrastructure for Housing initiative in March 2024, following the role for the CIB in accelerating investment in supporting infrastructure needed to build more homes as outlined in the *2023 Fall Economic Statement*, and the September 2023 Statement of Priorities and Accountabilities from the Minister of Housing Infrastructure and Communities.

Knowledge and Research

To help inform and support efforts to advance infrastructure for housing, the CIB commissioned Michael Fenn, a leading expert in municipal and housing policy, to undertake independent research on enabling infrastructure and methods of financing adopted across a variety of jurisdictions. This research was published through the Canadian Urban Institute in June 2024, in a paper titled "A Jump Start: Providing Infrastructure for More Housing".

As well, research supported by the CIB and published by the Canadian Urban Transit Research & Innovation Consortium (CUTRIC) in the previous quarter on Non-Traditional Modes of Transportation was a featured topic during the Urban Land Institute (ULI)'s Earth Week Webinar Series in April.

Reporting

The CIB's 2024-25 Corporate Plan was approved by the Governor General in Council in June 2024 in accordance with provisions of the *Canada Infrastructure Bank Act* and *Financial Administration Act*. The CIB also submitted its 2023-24 Annual Report to the Minister. Both documents will be tabled in Parliament by the Minister later this year in accordance with the provisions of the *Financial Administration Act*.

In 2023-24 the CIB began tracking its financed emissions. To support its efforts in this area, the CIB also joined the Partnership for Carbon Accounting Financials (PCAF) in April 2024. PCAF is a collaboration between financial institutions worldwide working together to develop and implement a harmonized approach to assess and disclose greenhouse gas emissions associated with loans and investments.

Financial Highlights

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 Public Sector Accounting Standards (PSAS) as issued by the Public Sector Accounting Board (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.

Q1 2024-25 Highlights

- » **2** investments achieved financial close (**73** projects life-to-date)
- » Financial closes totaled **\$0.1 billion** (**\$12.9 billion**, net of a **\$0.4 billion** reduction post financial close life-to-date)
- » **\$0.7 billion** of capital was funded (**\$3.6 billion** life-to-date)
- » **\$25.5 million** of interest income was realized, a **152%** increase over Q1 2023-24
- » Operating expenses totalled **\$13.9 million**, **54%** of interest earned and a **6.1%** increase over Q1 2023-24

For the three months ended June 30	2024	2023
(in thousands of Canadian dollars)		
Interest income	\$ 25.5	\$ 10.1
Operating expenses		
Compensation	10.1	9.0
General and administration		
Professional fees	2.1	2.8
Administration	1.5	1.3
Amortization of capital assets	0.2	0.1
	13.9	13.2
Surplus / (deficit) before non-operating expenses and government appropriations	11.6	(3.1)
Non-operating expenses		
Project development	0.6	0.4
Concessionary loan provision	9.5	-
Loan valuation allowance	19.1	0.7
	29.2	1.1
Deficit before government appropriations	(17.6)	(4.2)
Government appropriations	155.5	25.0
Surplus	\$ 137.9	\$ 20.8

Interest Income

Interest income was \$25.5 million, an increase of \$15.4 million from Q1 2023-24. \$14.1 million (Q1 2023-24, \$7.1 million) of income was from financing activities, \$11.0 million (Q1 2023-24, \$3.0 million) was earned on cash and short-term investments from appropriations, and \$0.4 million (Q1 2023-24, \$nil) was other income from fees charged by the CIB related to the administration of its loans receivable. The increase was primarily driven by an additional \$1.7 billion of capital funded between June 30, 2023 and June 30, 2024, an 88% increase to the total capital funded.

Expenses

Expenses for Q1 2024-25 totalled \$43.1 million (Q1 2023-24, \$14.3 million) and consisted of operating expenses of \$13.9 million (Q1 2023-24, \$13.2 million) and non-operating expenses of \$29.2 million (Q1 2023-24, \$1.1 million).

Operating Expenses

Q1 2024-25 operating expenses of \$13.9 million were \$0.7 million greater than Q1 2023-24 primarily due to:

- » \$1.1 million of incremental compensation expenses from the continued buildout of staffing across the organization required to meet the demands of increased deal activity and portfolio growth, partially offset by
- » General and administration expenses \$0.4 million below Q1 2023-24, primarily attributable to one-time, non-recurring corporate professional fees incurred during the prior year quarter.

Non-Operating Expenses

Q1 2024-25 non-operating expenses of \$29.2 million were \$28.1 million greater than Q1 2023-24. Increases were primarily due to:

- » \$9.5 million of incremental concessionary loan provisions recognized. A concessionary loan provision is recognized when a loan is deemed to be significantly concessionary (exceeding 25%) relative to its face value, discounting using the Government of Canada average cost of borrowing. The concessionary loan provision is recognized at a cost equivalent to the face value less the discount on a prorated basis as funds are advanced and subsequently reversed over the life of the loan.
- » \$18.4 million of additional loan valuation allowance provisions. This is a general valuation allowance that is an estimate of short-term credit risk on our portfolio of assets. The valuation allowance is expected to increase as capital is deployed, proportionate to the underlying risk associated with such capital. For example, charging and hydrogen refuelling initiative investments, where the CIB is sharing in demand risk of the rate of electric vehicle adoption, have much higher expected credit loss compared to the portfolio average, and result in a higher ratio of loan valuation allowance to loans receivable, as compared to the portfolio.

Government Appropriations

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

The CIB recognized \$155.5 million of government appropriations during Q1 2024-25 (Q1 2023-24, \$25.0 million). The variance to prior period is primarily because no projects reached financial close in Q1 2023-24 whereas two projects reached financial close in Q1 2024-25.

The CIB expects to achieve approximately \$3.0 billion to \$5.0 billion in financial closes each year, while recognizing the potential for the timing of large and complex projects to vary. It is important for the CIB to ensure it can balance the need to maintain a steady pace of investment in all sectors and all regions of the country, while also giving due focus on efforts to advance larger transformative investments, creating variation in financial closes quarter-over-quarter and year-over-year.

Capital Management

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.

During the quarter ended June 30, 2024, the CIB received government appropriations of \$738.6 million and expensed \$17.6 million against the fiscal framework. Since inception, the CIB has received \$4,188.1 million of government appropriations and expensed \$127.8 million against the fiscal framework. The total amount expensed excludes consideration of the estimated lifetime expected credit loss of the portfolio. The timing and realization of the lifetime

expected loss and unexpected loss is unknown and difficult to predict. Only when losses are realized are they fully recognized as a specific valuation allowance expense on the CIB's financial statements. To date, the CIB has not incurred any realized losses. CIB commitments are outlined in Note 11(b) of the Financial Statements for the quarter ended June 30, 2024.

Subject to the timing of drawdowns, government appropriations for investments contribute to an increase in the loans receivable balance. While the loans receivable balance drives interest income, the CIB remains disciplined in its approach to capital deployed. Projects are funded as milestones are achieved, and the CIB actively monitors them to ensure risks in construction, operation, maintenance, lifecycle, and financial performance are mitigated prior to advancing capital. As of June 30, 2024, 54 projects are in active construction, and 2 projects have been completed. Project proponents are adequately managing identified occurrences of development risks such as scheduling delays, supply chain disruptions and cost inflation due to labour and/or material shortages. In these limited circumstances, project proponents are working to recover time from, and prevent future instances of, project delays, and have either increased their commitment amount towards a project or used available project contingency. The CIB has not increased its commitment towards a project because of cost overruns, nor has the CIB extended its loan availability period by more than five months to accommodate delays. Overall, construction is advancing well across the portfolio.

Operating Efficiency

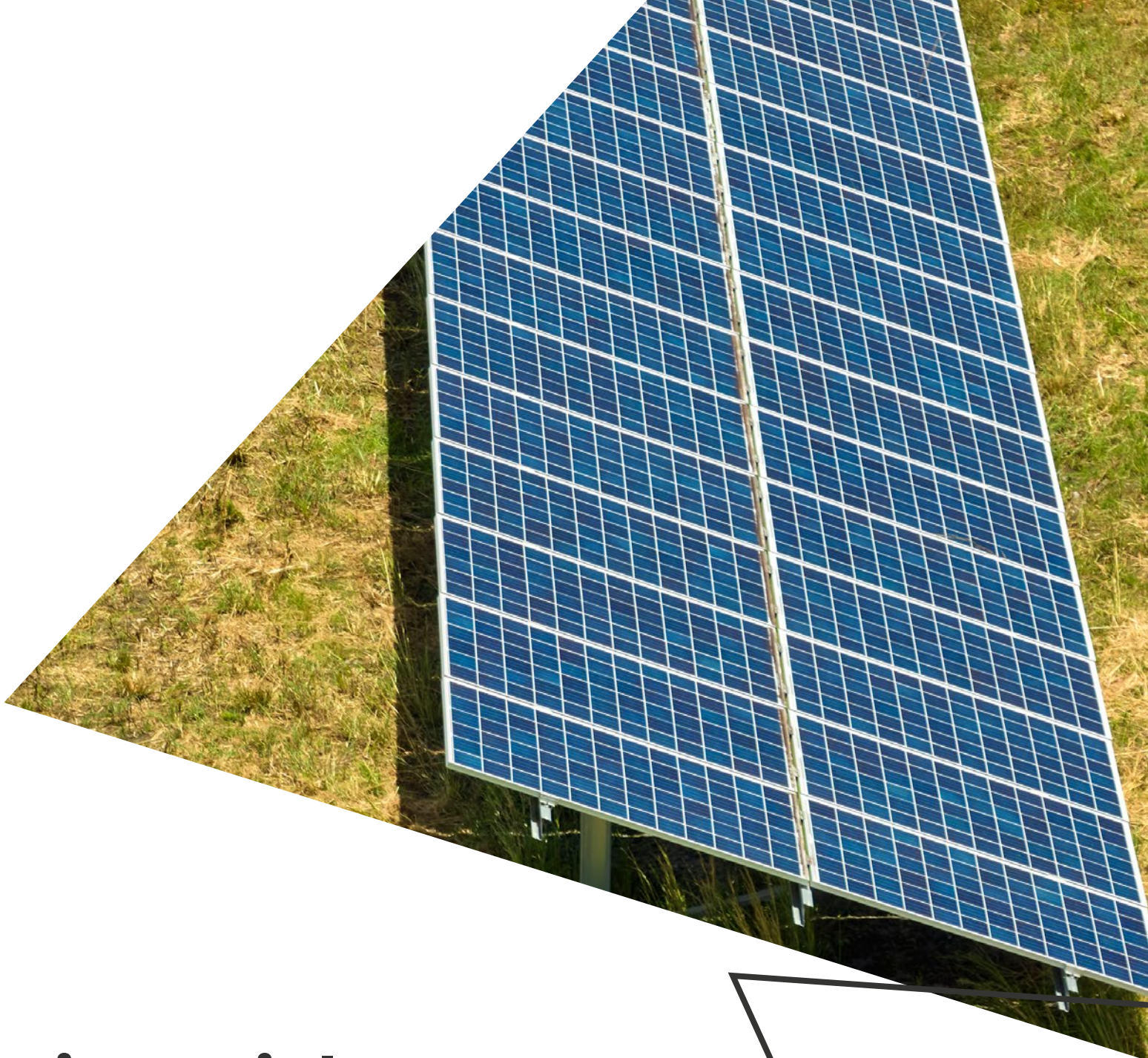
As at, and for the three months ended June 30	2024	2023	Change
(in millions of Canadian dollars)			
Total financial closes ¹	\$ 13,386	\$ 9,530	\$ 3,856
Loans receivable	3,694	2,005	1,689
Operating expenses as a % of total financial closes	0.1%	0.1%	—
Operating expenses as a % of loans receivable	0.4%	0.7%	(0.3%)

¹ Excludes consideration of \$438.3 million of net reductions, post financial close

During the three-month period end June 30, 2024, the CIB's operating expenses were 0.1% (three-month period ended June 30, 2023 – 0.1%) of total financial closes and 0.4% (three-month period ended June 30, 2023 – 0.7%) of loans receivable, an improvement year-over-year, demonstrating that the CIB has become more efficient in managing its operating expenses.

Outlook

The CIB continues to seek out opportunities for investment, and to build partnerships which bring in private and institutional capital for long-term infrastructure investments for Canadians. At the end of Q1 2024-25, the CIB is pursuing 49 opportunities across all priority sectors that are in a stage of investment structuring or final due diligence.



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.



A handwritten signature in black ink, appearing to read 'Ehren Cory'.

Ehren Cory

Chief Executive Officer



A handwritten signature in black ink, appearing to read 'Evelyn Joerg'.

Evelyn Joerg

Chief Financial Officer

August 13, 2024

Condensed Interim Statement of Financial Position (unaudited)

As at	Note	June 30, 2024	March 31, 2024
(in thousands of Canadian dollars)			
Financial assets			
Cash and restricted cash	4	\$ 366,102	\$ 310,160
Government funding receivable	6	8,996,025	9,579,180
Loans receivable	5	3,693,686	3,042,649
Interest and other receivables		10,371	5,079
		13,066,184	12,937,068
Liabilities			
Accounts payable and accrued liabilities		5,973	15,389
Deferred liabilities		6,702	6,250
		12,675	21,639
Net financial assets			
		13,053,509	12,915,429
Non-financial assets			
Tangible capital assets		2,345	2,508
Prepaid expenses and advances		542	534
		2,887	3,042
Accumulated surplus		\$ 13,056,396	\$ 12,918,471

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

Condensed Interim Statement of Operations and Accumulated Surplus (unaudited)

		Year 1 2024-25	For the three months ended June 30	
	Note	Budget	2024	2023
(in thousands of Canadian dollars)				
Revenue				
Interest income		\$ 61,067	\$ 25,476	\$ 10,147
		61,067	25,476	10,147
Expenses				
Compensation		45,258	10,089	8,962
General and administration	7	28,109	3,749	4,187
Project development		4,000	612	415
Concessionary loan provision		69,745	9,465	-
Loan valuation allowance	5	95,725	19,115	738
		242,837	43,030	14,302
Deficit before government appropriations		(181,770)	(17,554)	(4,155)
Government appropriations	8	3,559,221	155,479	25,000
Surplus		3,377,451	137,925	20,845
Accumulated surplus, beginning of period		12,918,471	12,918,471	9,411,588
Accumulated surplus, end of period		\$ 16,295,922	\$ 13,056,396	\$ 9,432,433

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

Condensed Interim Statement of Change in Net Financial Assets (unaudited)

	Year 1 2024-25	For the three months ended June 30	
	Budget	2024	2023
(in thousands of Canadian dollars)			
Surplus	\$ 3,377,451	\$ 137,925	\$ 20,845
Change in tangible capital assets – acquisition	(468)	—	(796)
Change in tangible capital assets amortization	616	163	125
Change in prepaid expenses and advances	(25)	(8)	(216)
Net financial assets, beginning of period	12,915,429	12,915,429	9,409,293
Net financial assets, end of period	\$ 16,293,003	\$ 13,053,509	\$ 9,429,251

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

Condensed Interim Statement of Cash Flows (unaudited)

For the three months ended June 30	Note	2024	2023
(in thousands of Canadian dollars)			
Cash and restricted cash provided by (used in):			
Operating activities:			
Surplus		\$ 137,925	\$ 20,845
Items not involving cash:			
Capitalized interest paid in kind	5	(8,717)	(5,708)
Amortization of tangible capital assets		163	125
Loan valuation allowance	5	19,115	738
Concessionary loan provision	5	9,465	—
Accretion of concessionary loan provision	5	(67)	(3)
Changes in non-cash working capital			
Government funding receivable	6	583,155	268,951
Interest and other receivables		(5,292)	(11,396)
Prepaid expenses and advances		(8)	(216)
Accounts payable and accrued liabilities		(9,416)	(6,609)
Deferred liabilities		452	(174)
Net cash outflow from loans receivable	5	(670,833)	(244,710)
Total cash provided by operating activities		55,942	21,843
Capital activities:			
Acquisition of tangible capital assets		—	(796)
Total cash used in capital activities		—	(796)
Net increase in cash and restricted cash during the period		55,942	21,047
Cash and restricted cash, beginning of period	4	310,160	121,353
Cash and restricted cash, end of period	4	\$ 366,102	\$ 142,400

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

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

The CIB receives appropriations from the Government of Canada. Parliament has authorized 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.

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

The CIB is not an agent of 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 Housing, 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, 2024. 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, 2024.

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

b) Reclassification of prior period figures:

During the quarter ended June 30, 2024, the CIB reviewed the presentation of certain items within the Financial Statements to enhance the clarity and usefulness of financial information. As a result, the CIB modified the presentation of line items reported in Condensed Interim Statement of Operations and Accumulated Surplus (unaudited). As a result, related prior period figures were reclassified to conform to the current year presentation. These changes did not affect the CIB’s accumulated surplus, annual surplus, or net financial assets of the comparative period.

c) 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 2024-25 is sourced from the projections and estimates of year one of the 2024-25 to 2028-29 approved Corporate Plan.

d) 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 8 to the Corporation’s annual audited Financial Statements for the year ended March 31, 2024, 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, 2024.

4. Cash and restricted cash:

As at	June 30, 2024	March 31, 2024
Cash	\$ 353,440	\$ 298,035
Restricted cash	12,662	12,125
Cash and restricted cash	\$ 366,102	\$ 310,160

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	June 30, 2024			March 31, 2024		
	Carrying amount	LVA	Loans receivable (net)	Carrying amount	LVA	Loans receivable (net)
Public transit	\$ 1,556,810	\$ (12,320)	\$ 1,544,490	\$ 1,539,647	\$ (11,590)	\$ 1,528,057
Clean power	1,323,825	(3,042)	1,320,783	993,985	(2,328)	991,657
Green infrastructure ¹	406,984	(18,072)	388,912	246,473	(691)	245,782
Broadband	157,167	(656)	156,511	133,911	(494)	133,417
Trade & transportation	283,627	(637)	282,990	144,245	(509)	143,736
Total	\$ 3,728,413	\$ (34,727)	\$ 3,693,686	\$ 3,058,261	\$ (15,612)	\$ 3,042,649

¹ Includes amounts attributable to capitalized project acceleration funding. Refer to Note 11, commitments, for further details.

The portfolio weighted average effective interest rate for projects the CIB has funded to date is approximately 2.0% (March 31, 2024 – 2.0%) over an average weighted term of 17 years (March 31, 2024 – 17 years).

Of these loans, \$14.8 million relates to municipalities (March 31, 2024 – \$15.0 million) and \$15.4 million relates to Indigenous governments (March 31, 2024 – \$6.9 million).

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

As at	June 30, 2024	March 31, 2024
Opening balance	\$ 3,042,649	\$ 1,755,711
Drawdowns	671,028	1,263,987
Capitalized interest paid in kind	8,717	25,235
Transaction costs (net of amortization)	262	6,941
Concessionary loan provision	(9,465)	—
Accretion of concessionary loan provision	67	13
Principal repayment	(457)	(3,824)
Loan valuation allowance	(19,115)	(5,414)
Loans receivable	\$ 3,693,686	\$ 3,042,649

The loan valuation allowance consists of the general loan valuation allowance of \$34.7 million as at June 30, 2024 (March 31, 2024 – \$15.6 million) and the specific loan valuation allowance of \$nil as at June 30, 2024 (March 31, 2024 – \$nil). 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, 2024.

The following table illustrates when the outstanding loans receivable balance is forecast to be repaid, excluding consideration of interest, transaction costs or concessionary loan provisions:

	June 30, 2024
Prior to March 31, 2025	\$ 29,494
April 1, 2025 – March 31, 2026	305,791
April 1, 2026 – March 31, 2027	88,929
April 1, 2027 – March 31, 2028	104,237
After March 31, 2028	3,189,745
Outstanding loans receivable principal repayments	\$ 3,718,196

6. Government funding receivable:

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

The details of the government funding receivable are as follows:

As at	June 30, 2024	March 31, 2024
Opening balance	\$ 9,579,180	\$ 7,546,298
New investment contractual agreements	142,000	3,721,954
Government appropriations received – investments	(725,155)	(1,452,907)
Reductions, post financial close ¹	—	(236,165)
Government funding receivable	\$ 8,996,025	\$ 9,579,180

¹ Refer to Note 11, commitments for further details.

7. General and administration expenses:

For the three months ended June 30,	2024	2023
Professional fees	\$ 2,113	\$ 2,802
Administration fees	1,473	1,260
Amortization of capital assets	163	125
General and administration expenses	\$ 3,749	\$ 4,187

8. Government Appropriations

For the three months ended June 30,	2024	2023
Government appropriations – investments	\$ 130,479	\$ —
Government appropriations – operations	25,000	25,000
Government appropriations	\$ 155,479	\$ 25,000

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 CIB's transactions with government related entities that are individually significant are government funding, which is approved in the form of a statutory authority, as well as the CIB's annual Corporate Plan, and obtained through drawdown requests made to the Department of Finance.

b) Transactions with 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 quarter ended June 30, 2024, the CIB issued drawdowns to one entity in which a director of the CIB also serves as a director of such entity. Financial close of the transaction was achieved prior to the existence of a related party relationship. The table below summarizes the impact of the transaction on the financial statements of the CIB.

As at	June 30, 2024	March 31, 2024
Financial closes	\$ 600,000	\$ 600,000
Loans receivable	(77,479)	(61,371)
Total commitment related to financial closes	\$ 522,521	\$ 538,629

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 8 to the Corporation's annual audited Financial Statements for the year ended March 31, 2024.

11. Commitments:

a) Leasing commitments:

The CIB currently maintains three 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 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 credit facilities 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, subject to the terms and conditions of each respective credit agreement.
- » Amounts advanced (cash basis) to the respective infrastructure project: The expected timing and amount of future drawdown requests is variable as they are generally based on the reimbursement of eligible project costs incurred. Amounts advanced do not factor in interest being capitalized as payment in kind or loan valuation allowances.

As at	June 30, 2024	March 31, 2024
Public transit	\$ 3,332,840	\$ 3,332,840
Clean power	4,301,504	4,301,504
Green infrastructure	2,794,781	2,694,781
Broadband	2,117,550	2,075,550
Trade & transportation	838,949	838,949
Total financial closes	13,385,624	13,243,624
Amounts advanced (cash basis)	(3,601,135)	(2,930,107)
Net reductions, post financial close	(438,275)	(438,275)
Total commitment related to financial closes	\$ 9,346,214	\$ 9,875,242

In addition to the table above, the CIB has an outstanding commitment of \$4.0 million (March 31, 2024 – \$4.0 million) to project acceleration investments which meets the criteria for capitalization.



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