



INFRASTRUCTURE IN ACTION

Second Quarter (Q2)
Fiscal Year 2024-25 Financial Report

Unaudited

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

Table of Contents

Message to Reader	3
Management Discussion & Analysis	4
Management’s Responsibility for Financial Information	23
Condensed Interim Statement of Financial Position (unaudited)	24
Condensed Interim Statement of Operations and Accumulated Surplus (unaudited).....	25
Condensed Interim Statement of Change in Net Financial Assets (unaudited)	26
Condensed Interim Statement of Cash Flows (unaudited)	27
Notes to the Financial Statements.....	28

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 September 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 F2024-25, the CIB's reporting of results in the MD&A is based solely on projects that have reached financial close. Prior to F2024-25, 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 2 new investments in the quarter (4 investments fiscal year-to-date (“YTD”). These investments represent \$79 million of CIB financing (\$221 million YTD) towards \$247 million worth of projects (\$544 million YTD). Since inception, the CIB has now reached financial close on a total of \$13.0 billion in investment to 75 projects representing a total capital cost of \$35.8 billion.

[quA-ymn Solar](#): The CIB reached financial close on a \$35 million clean power investment in quA-ymn Solar, a project under the CIB’s [Indigenous Community Infrastructure Initiative](#) (ICII). quA-ymn Solar is a 15 MW solar facility on reclaimed land in the Highland Valley Copper Mine, southwest of Kamloops, British Columbia. The project is a partnership between the member communities of the Nlaka’pamux Nation Tribal Council (NNTC) and BluEarth Renewables (BluEarth), adding enough renewable energy capacity to the BC grid to power more than 2,000 homes annually.



[Brandon Water and Wastewater](#): The CIB reached financial close on its \$43 million green infrastructure investment to upgrade and expand water and wastewater treatment facilities in the City of Brandon, Manitoba. Upgraded infrastructure enables the City to accommodate growth and development while maintaining service to existing residents; this expanded infrastructure capacity will support an estimated 2,300 new homes. The project is the CIB’s largest water and wastewater investment to-date, and its first under the recently launched [Infrastructure for Housing Initiative](#) (IHI).

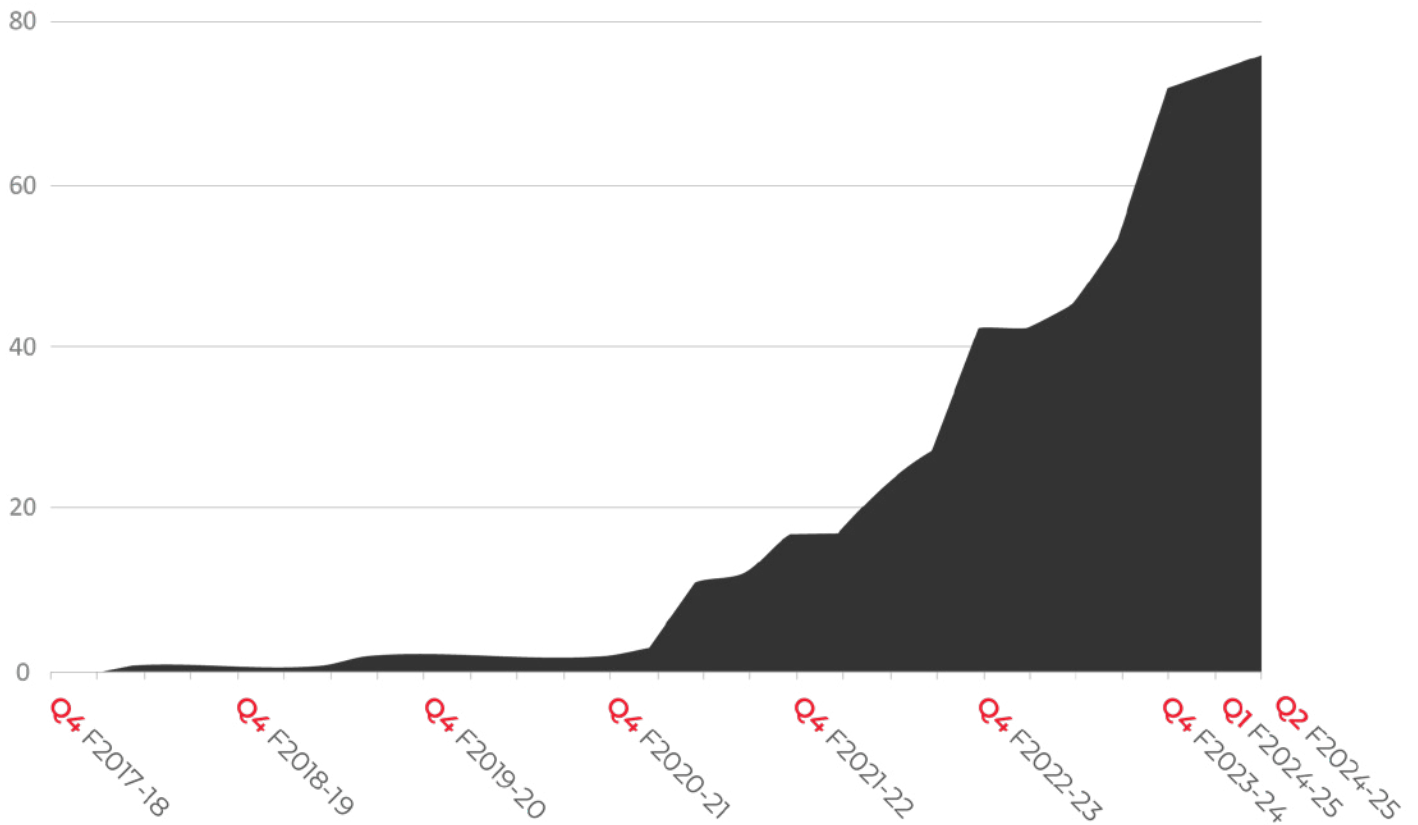


The CIB also signed a Memorandum of Understanding (MOU) with West Kitikmeot Resources Corp. (WKR) for project accelerator funding of up to \$3 million to advance the [Grays Bay Road and Port Project](#). The proposed Grays Bay deep-water port would be the first of its kind in the Canadian Western Arctic, strategically located in the Northwest Passage and unlocking significant new economic opportunities for the region and its Inuit beneficiaries. The project will connect Nunavut to the national highway system in the Northwest Territories, increasing trade volumes while improving affordability and access of essential goods and services.

Growth in CIB Portfolio

The CIB's portfolio of infrastructure investments now stands at 75 projects. Continued investment momentum is evident with the CIB now reaching financial close on at least two projects in each of the past 5 financial quarters.

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 invest in a manner that reflects the geographic scope and diversity of Canada. The new projects reaching financial close add to the CIB's growing portfolio of infrastructure investment across all our sectors and in multiple provinces and territories across the country.

Portfolio Composition by Sector

Financial closes

Sector	Life-to-date Q4 2023-24	Q1 F2024-25	Q2 F2024-25	Total
Public transit	14	0	0	14
Clean power	15	0	1	16
Green infrastructure	24	1	1	26
Broadband	11	1	0	12
Trade & transportation	7	0	0	7
Total	71	2	2	75

Portfolio Composition by Region

Financial closes

In order to track the geographic scope of the portfolio, the CIB identifies the physical location of an investment by region. In some cases, investments may span multiple regions, in which case they are counted towards each region. For investments that may result in infrastructure being built in multiple locations over time, such as with building retrofit aggregators and zero-emission vehicle charging and refuelling efforts, the regional location is identified (and added to) as individual components of these projects are advanced.

Region	Life-to-date Q4 2023-24	Q1 F2024-25	Q2 F2024-25	Total
West	27	1	2	30
Ontario	29	0	0	29
Quebec	10	0	0	10
Atlantic	11	0	0	11
North	3	1	0	4

Note: projects may count towards multiple regions

➤ Progress towards targets

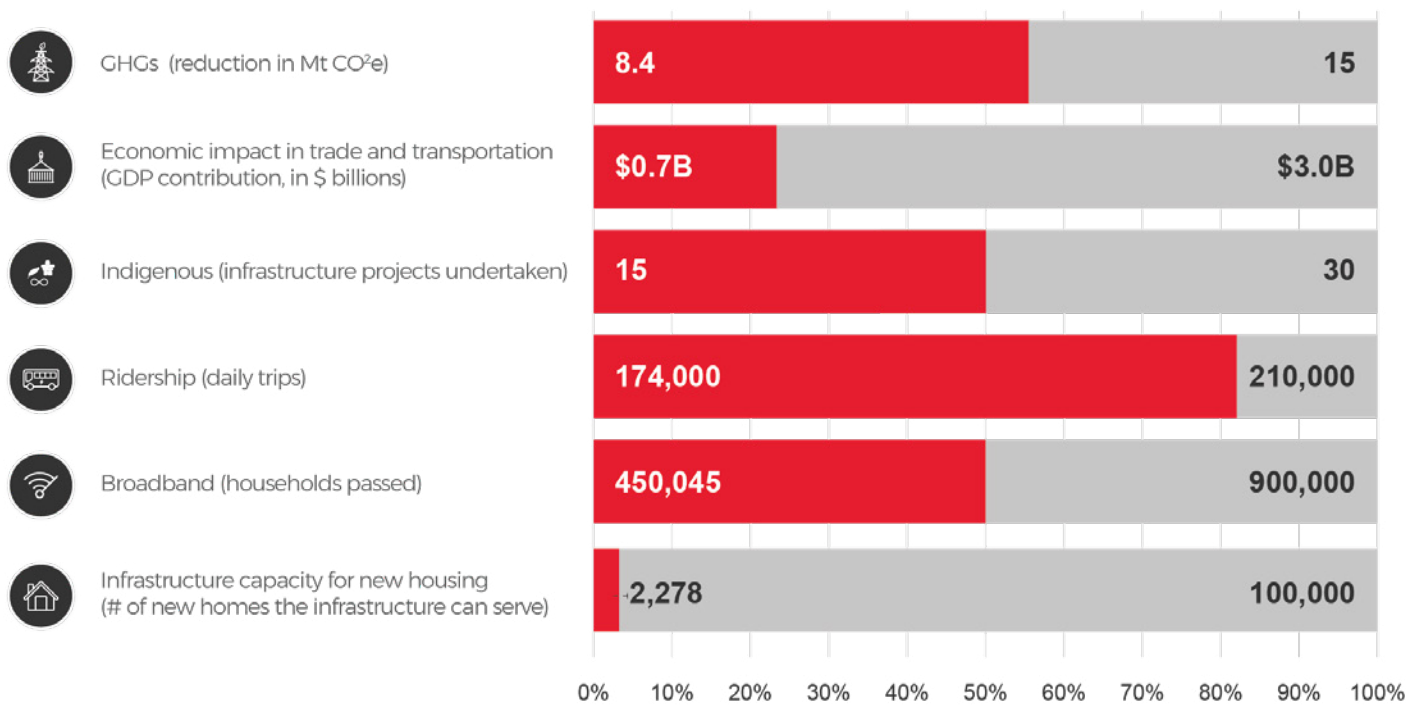
As an impact investor, the CIB is focused on achieving outcomes that are of benefit to Canadians, which are measured and tracked through impact outcome targets. Continually refining investment outcome targets is important for the CIB’s evaluation of potential investments¹.

In Q2, Brandon Water and Wastewater was the first project contributing to “infrastructure capacity for new housing”, an impact outcome which tracks progress on the CIB’s investments in infrastructure that enable housing.

The CIB’s investment in quA-ymn Solar also marked a significant milestone; as it is the 15th Indigenous infrastructure project undertaken, representing the midway point towards the long-term target of 30 projects.

Long-Term Outcome Targets

Based on Financial closes

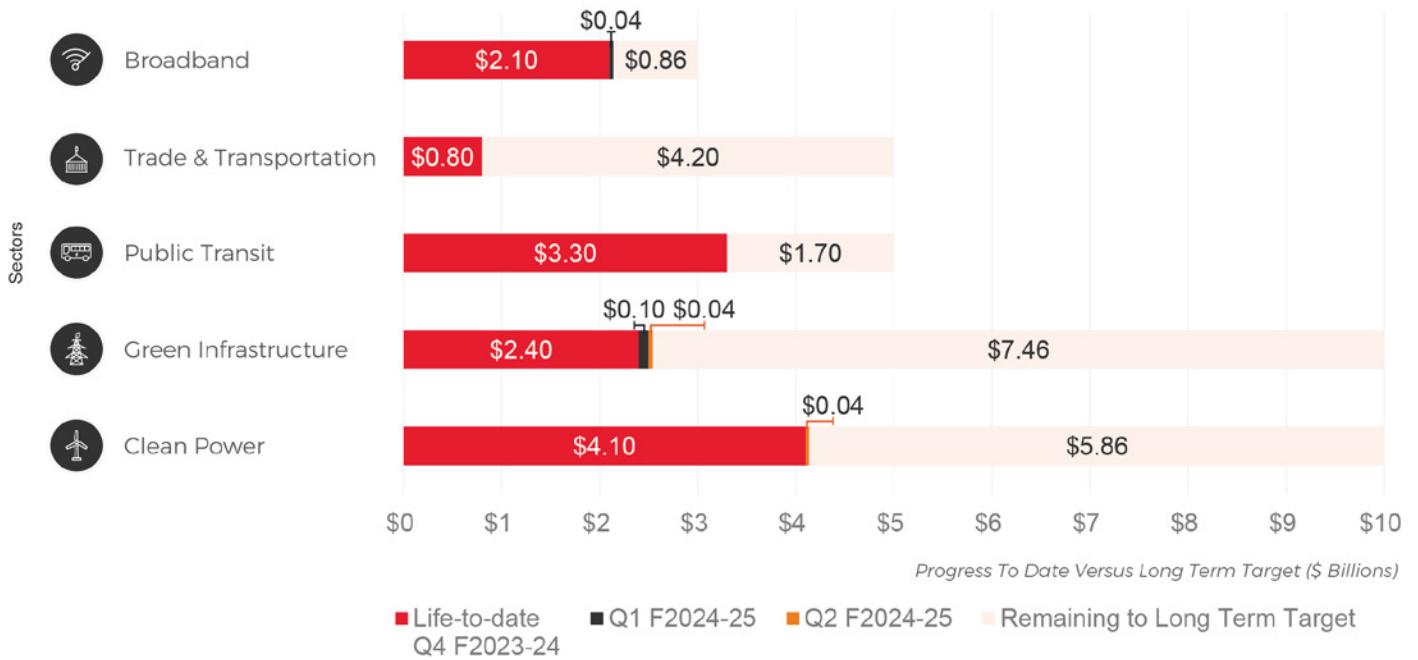


¹ In F2024-25, the CIB updated its long-term outcome targets to track the number of Indigenous infrastructure projects undertaken, and the economic impact as measured by GDP contribution in the trade and transportation sector. A new impact outcome to track infrastructure capacity for new housing was added, and the long-term target for annual GHG reduction was increased from 13Mt to 15Mt.

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.

Progress towards Long-Term Investment Targets

Based on Financial closes



Projects Under Construction

To date, **55** projects financed by the CIB are in active construction by the proponents, while **3** have reached completion. Construction continues to advance across the CIB's portfolio, including:

- » **Thompson Regional Airport:** Civil work on airport aprons and taxiways kicked off at the new site of the Thompson Regional Airport, while construction of the new terminal building has progressed significantly. Replacing and upgrading the terminal provides a long-term solution resilient to the impacts of climate change and serves approximately 65,000 Canadians in 37 Indigenous and northern communities.
- » **Tilley Solar:** Progress continues at the Tilley Solar Project in Newell, Alberta, as construction on the 23.6MW solar array nears completion. Solar panel racking and module installation is now complete, while cable trenching is in progress. Once in operation, the project is estimated to reduce emissions by approximately 14,200 tonnes annually by supplying clean electricity to the grid.
- » **Modern Niagara Retrofits:** Modern Niagara announced the grand re-opening of the 220,000 square-foot facility in Kingston, Ontario. The CIB invested \$25 million under its Building Retrofits Initiative to upgrade the space, originally built in the 1940s, and reduce emissions by more than 80% through building renovation and energy retrofit efforts. Modern Niagara's location will serve as a leading energy efficient and sustainable innovation hub.
- » **Montreal-Trudeau International Airport REM Station:** More than 130 workers are on site daily advancing construction on the new REM station at Montreal-Trudeau International Airport. The CIB's \$300 million investment in the new station builds on the CIB's existing \$1.3 billion investment in the REM light rail transit network in the Greater Montreal area, of which Phase 1 is complete and in operation and Phase 2 is under construction.
- » **Edmonton Zero-Emission Buses:** Operational and supply chain issues have emerged, particularly with delays in receiving replacement parts for the City of Edmonton's fleet of 20 ZEBs. The CIB's asset management team is proactively engaging with the project sponsor to align on the path forward.

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.

As of September 30, 2024, the CIB has invested in projects that have attracted \$12.9 billion in private sector and institutional financing.

Private sector and institutional financing includes:

- » **\$1.1 billion** in broadband
- » **\$3.0 billion** in clean power
- » **\$2.9 billion** in green infrastructure
- » **\$5.4 billion** in public transit
- » **\$0.5 billion** in trade and transportation

Operating Environment

Over recent years, inflation has played a role in increasing costs of projects, even as inflation rates continued to ease from recent highs during FQ2 2024. The Consumer Price Index (CPI) rose 1.6% year-over-year in September 2024, representing the lowest yearly increase since February 2021 and lower than 2.5% and 2.0% gains in July and August respectively².

Interest rates were on a downward trajectory through the quarter, with the Bank of Canada target rate at 4.25% as of quarter end, as opposed to 4.75% at quarter start³. Further interest rate cuts are widely anticipated through the rest of the fiscal year given consistently falling rates of inflation⁴ and are anticipated to stimulate investment through a decreased cost of capital.

While a steady policy focus on sustainable infrastructure has continued to spur investment, some project proponents are taking a wait-and-see approach due to regulatory uncertainty on items such as carbon pricing policy and environmental standards. This has not resulted in any CIB portfolio-wide delays.

Construction is steadily advancing across the CIB's portfolio of projects. 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 one year to accommodate delays. Overall, construction is advancing well across the portfolio.

2 Statistics Canada – [Consumer Price Index, September 2024 \(statcan.gc.ca\)](https://www150.statcan.gc.ca/n1/pub/92-645-x/2024001/article/00001-eng.htm)

3 [Policy interest rate - Bank of Canada](https://www.bankofcanada.ca/2024/09/19/policy-interest-rate/)

4 [Bank of Canada says it's reasonable to expect more rate cuts | Reuters](https://www.reuters.com/markets/canada/bank-canada-says-its-reasonable-to-expect-more-rate-cuts-2024-09-19/)

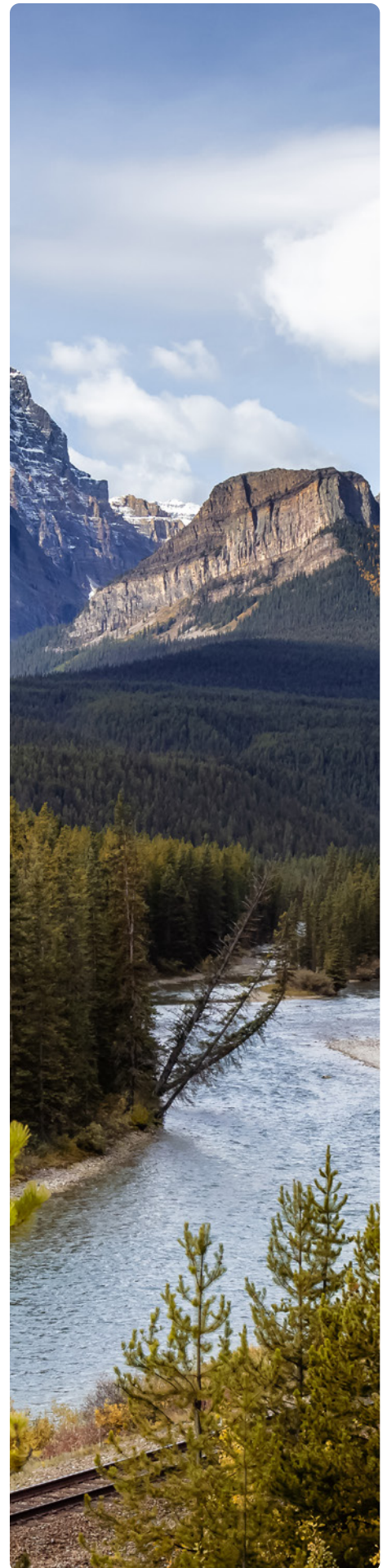
➤ Financial Highlights

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.

➤ Q2 F2024-25 Highlights

- » Financial closes totalled **\$0.1 billion** (**\$0.2 billion** YTD, and **\$13.0 billion**, net of a **\$0.4 billion** reduction post financial close, life-to-date)
- » **\$0.5 billion** of capital was funded (**\$1.2 billion** YTD, and **\$4.1 billion** life-to-date)
- » **\$35.4 million** (**\$60.9 million** YTD) of interest income was realized, a **195%** increase over Q2 F2023-24 (**174%** increase over Q2 F2023-24 YTD).
- » Operating expenses totalled **\$14.1 million** (**\$27.9 million** YTD), **40%** of interest earned (**46%** YTD)
- » Surplus before non-operating expenses and government appropriations totalled **\$21.3 million** (**\$33.0 million** YTD), a **\$21.4 million** increase over Q2 F2023-24 (**\$36.0 million** increase over Q2 F2023-24 YTD)



	For the three-month period ended September 30		For the six-month period ended September 30	
	2024	2023	2024	2023
(in millions of Canadian dollars)				
Interest income	\$ 35.4	\$ 12.0	\$ 60.9	\$ 22.2
Operating expenses				
Compensation	9.6	8.6	19.7	17.5
General and administration				
Professional fees	3.1	2.1	5.2	4.9
Administration	1.2	1.2	2.7	2.5
Amortization of tangible capital assets	0.2	0.2	0.3	0.3
	14.1	12.1	27.9	25.2
Surplus / (deficit) before non-operating expenses and government appropriations	21.3	(0.1)	33.0	(3.0)
Non-operating expenses				
Project development	0.4	0.3	1.0	0.7
Concessionary loan provision	3.1	-	12.6	-
Loan valuation allowance	10.9	0.8	30.0	1.6
	14.4	1.1	43.6	2.4
Surplus / (deficit) before government appropriations	6.9	(1.2)	(10.6)	(5.3)
Government appropriations	83.3	156.8	238.7	181.8
Surplus	\$ 90.2	\$ 155.6	\$ 228.1	\$ 176.5

Year-to-date Highlights

Interest Income

During the six-month period ended September 30, 2024, the CIB recognized \$60.9 million (Q2 F2023-24 YTD, \$22.2 million) of interest income. \$43.3 million (Q2 F2023-24 YTD, \$15.0 million) of income was from financing activities, \$16.7 million (Q2 F2023-24 YTD, \$7.2 million) was earned on cash and short-term investments from appropriations, and \$0.9 million (Q2 F2023-24 YTD, \$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 \$2.0 billion of capital funded between September 30, 2023, and September 30, 2024, a 91% increase to the total capital funded as at September 30, 2023.

Operating Expenses

Operating expenses of \$27.9 million were \$2.7 million greater than Q2 F2023-24 YTD primarily due to:

- » \$2.2 million of 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
- » \$0.5M of incremental general and administration expenses driven by the timing of professional service (deal and non-deal related) expenses incurred as compared to the prior fiscal year and proportionate increases to office space and information technology requirements associated with increased headcount.

Non-Operating Expenses

Non-operating expenses of \$43.6 million were \$41.3 million greater than Q2 F2023-24 YTD primarily due to:

- » \$0.3 million of incremental project development expenses;
- » \$12.6 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; and

- » \$28.4 million of additional loan valuation allowance provisions. This is a general valuation allowance that is an estimate of short-term credit risk on the CIB's portfolio of assets. The provision increases 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 quarter.

The CIB recognized \$203.3 million of government investment appropriations (Q2 F2023-24 YTD, \$141.3 million). There were no reductions to existing commitments during Q2 F2024-25 YTD (Q2 F2023-24 YTD, \$4.6 million). The variance to prior period is primarily due to a larger size and number of investments reaching financial close in Q2 F2024-25 YTD as compared to Q2 F2023-24 YTD. The CIB recognized \$35.4 million of government operational appropriations during Q2 F2024-25 YTD (Q2 F2023-24 YTD, \$40.5 million).

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.

Interest Income

Interest income was \$35.4 million, an increase of \$23.4 million from Q2 F2023-24. \$29.2 million (Q2 F2023-24, \$7.8 million) of income was from financing activities, \$5.7 million (Q2 F2023-24, \$4.2 million) was earned on cash and short-term investments from appropriations, and \$0.5 million (Q2 F2023-24, \$nil) was other income from fees charged by the CIB related to the administration of its loans receivable.

Expenses

Expenses for Q2 F2024-25 totalled \$28.5 million (Q2 F2023-24, \$13.2 million) and consisted of operating expenses of \$14.1 million (Q2 F2023-24, \$12.1 million) and non-operating expenses of \$14.4 million (Q2 F2023-24, \$1.1 million). Operating expenses increased from Q2 F2023-24 due to an increase in compensation as a result of build out of staffing and an increase in professional fees from due diligence, asset management, and corporate initiatives. Non-operating expenses increased from Q2 F2023-24 due to an increase in project development expenses, concessionary loan provisions and loan valuation allowance.

Government Appropriations

The CIB recognized \$83.3 million of government appropriations (investments and operations) during Q2 F2024-25 (Q2 F2023-24, \$156.8 million). The variance to prior period is primarily due to a larger size and number of investments reaching financial close in Q2 F2023-24 (3 investments totalling \$146 million) as compared to Q2 F2024-25 (2 investments totalling \$79 million).

Capital Management

During the six-month period ended September 30, 2024, the CIB received government appropriations of \$1,037.2 million and expensed \$10.6 million against the fiscal framework. Since inception, the CIB has received \$4,486.7 million of government appropriations and expensed \$120.9 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 September 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.

Operating Efficiency

As at, and for the three months ended September 30, 2024	2024	2023	Change
(in millions of Canadian dollars)			
Operating expenses	\$ 27.9	\$ 25.2	\$ 2.7
Total financial closes ¹	13,025.9 ¹	9,469.3 ²	3,556.6
Loans receivable	4,183.0	2,242.1	1,940.9
Operating expenses as a % of total financial closes	0.2%	0.3%	(0.1%)
Operating expenses as a % of loans receivable	0.7%	1.1%	(0.4%)

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

2 Net of \$206.7 million of net reductions, post financial close

During the six-month period end September 30, 2024, the CIB's operating expenses were 0.2% (six-month period ended September 30, 2023 – 0.3%) of total financial closes and 0.7% (six-month period ended September 30, 2023 – 1.1%) of loans receivable, a slight decrease year-over-year due to the increase in total financial closes and loans receivable at a rate greater than the increase in operating expenses, demonstrating that the CIB has become more efficient in managing its operating expenses.



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.



Handwritten signature of Ehren Cory in black ink.

Ehren Cory

Chief Executive Officer

Handwritten signature of Evelyn Joerg in black ink.

Evelyn Joerg

Chief Financial Officer

November 26, 2024

Condensed Interim Statement of Financial Position (unaudited)

As at	Note	September 30, 2024	March 31, 2024
(in thousands of Canadian dollars)			
Financial assets			
Cash and restricted cash	4	\$ 177,333	\$ 310,160
Government funding receivable	6	8,780,760	9,579,180
Loans receivable	5	4,182,965	3,042,649
Interest and other receivables		17,497	5,079
		13,158,555	12,937,068
Liabilities			
Accounts payable and accrued liabilities		7,938	15,389
Deferred liabilities		6,642	6,250
		14,580	21,639
Net financial assets			
		13,143,975	12,915,429
Non-financial assets			
Tangible capital assets		2,182	2,508
Prepaid expenses and advances		396	534
		2,578	3,042
Accumulated surplus			
		\$ 13,146,553	\$ 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-month period ended September 30		For the six-month period ended September 30	
	Note	Budget	2024	2023	2024	2023
(in thousands of Canadian dollars)						
Revenue						
Interest income		\$ 61,067	\$ 35,408	\$ 12,028	\$ 60,884	\$ 22,175
		61,067	35,408	12,028	60,884	22,175
Expenses						
Compensation		45,258	9,604	8,564	19,693	17,526
General and administration	7	28,109	4,484	3,517	8,233	7,704
Project development		4,000	406	259	1,018	674
Concessionary loan provision		69,745	3,121	-	12,586	-
Loan valuation allowance	5	95,725	10,901	815	30,016	1,553
		242,837	28,516	13,155	71,546	27,457
(Deficit)/ surplus before government appropriations		(181,770)	6,892	(1,127)	(10,662)	(5,282)
Government appropriations	2, 8	3,559,221	83,265	156,829	238,744	181,829
Surplus		3,377,451	90,157	155,702	228,082	176,547
Accumulated surplus, beginning of period		12,918,471	13,056,396	9,432,433	12,918,471	9,411,588
Accumulated surplus, end of period		\$ 16,295,922	\$ 13,146,553	\$ 9,588,135	\$ 13,146,553	\$ 9,588,135

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-month period ended September 30		For the six-month period ended September 30	
	Budget	2024	2023	2024	2023
(in thousands of Canadian dollars)					
Surplus	\$ 3,377,451	\$ 90,157	\$ 155,702	\$ 228,082	\$ 176,547
Change in tangible capital assets – acquisition	(468)	-	(70)	-	(866)
Change in tangible capital assets – amortization	616	163	154	326	279
Change in prepaid expenses and advances	(25)	146	(125)	138	(341)
Net financial assets, beginning of period	12,915,429	13,053,509	9,429,251	12,915,429	9,409,293
Net financial assets, end of period	\$ 16,293,003	\$ 13,143,975	\$ 9,584,912	\$ 13,143,975	\$ 9,584,912

Condensed Interim Statement of Cash Flows (unaudited)

	Note	For the three-month period ended September 30		For the six-month period ended September 30	
		2024	2023	2024	2023
(in thousands of Canadian dollars)					
Cash and restricted cash (used in) provided by:					
Operating activities:					
Surplus		\$ 90,157	\$ 155,702	\$ 228,082	\$ 176,547
Items not involving cash:					
Capitalized interest paid in kind	5	(9,908)	(5,801)	(18,625)	(11,509)
Amortization of tangible capital assets		163	154	326	279
Loan valuation allowance	5	10,901	815	30,016	1,553
Concessionary loan provision (net of accretion)	5	3,074	(3)	12,472	(6)
Changes in non-cash working capital					
Government funding receivable	6	215,265	108,930	798,420	377,881
Interest and other receivables		(7,126)	(528)	(12,418)	(11,924)
Prepaid expenses and advances		146	(125)	138	(341)
Accounts payable and accrued liabilities		1,965	(3,290)	(7,451)	(9,899)
Deferred liabilities		(60)	(171)	392	(345)
Net cash outflow from loans receivable	5	(493,346)	(231,669)	(1,164,179)	(476,379)
Total cash (used in)/ provided by operating activities		(188,769)	24,014	(132,827)	45,857
Capital activities:					
Acquisition of tangible capital assets		-	(70)	-	(866)
Total cash used in capital activities		-	(70)	-	(866)
Net (decrease) / increase in cash and restricted cash during the period		(188,769)	23,944	(132,827)	44,991
Cash and restricted cash, beginning of period	4	366,102	142,400	310,160	121,353
Cash and restricted cash, end of period	4	\$ 177,333	\$ 166,344	\$ 177,333	\$ 166,344

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	September 30, 2024	March 31, 2024
Cash	\$ 167,437	\$ 298,035
Restricted cash	9,896	12,125
Cash and restricted cash	\$ 177,333	\$ 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	September 30, 2024			March 31, 2024 ¹		
	Carrying amount	LVA	Loans receivable (net)	Carrying amount	LVA	Loans receivable (net)
Public transit	\$ 1,572,855	\$ (12,526)	\$ 1,560,329	\$ 1,539,647	\$ (11,590)	\$ 1,528,057
Clean power	1,685,564	(6,800)	1,678,764	993,985	(2,328)	991,657
Green infrastructure ²	487,981	(24,585)	463,396	246,473	(691)	245,782
Broadband	167,927	(746)	167,181	133,911	(494)	133,417
Trade & transportation	314,266	(971)	313,295	144,245	(509)	143,736
Total	\$ 4,228,593	\$ (45,628)	\$ 4,182,965	\$ 3,058,261	\$ (15,612)	\$ 3,042,649

1 During the quarter ended June 30, 2024, \$246.0 million of loans receivable (net) (\$246.9M carrying value) was reclassified from the Green Infrastructure sector to the Clean Power sector due to a classification error. The reclassification had no effect on the CIB's accumulated surplus, annual surplus, or net financial assets of the current or comparative periods.

2 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 2.2% (March 31, 2024 – 2.0%) over an average weighted term of 17 years (March 31, 2024 – 17 years).

Of these loans, \$15.2 million relates to municipalities (March 31, 2024 – \$15.0 million) and \$20.0 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	September 30, 2024	March 31, 2024
Opening balance	\$ 3,042,649	\$ 1,755,711
Drawdowns	1,171,126	1,263,987
Capitalized interest paid in kind	18,625	25,235
Transaction costs (net of amortization)	658	6,941
Concessionary loan provision (net of accretion)	(12,472)	13
Principal repayment	(7,605)	(3,824)
Loan valuation allowance	(30,016)	(5,414)
Loans receivable	\$ 4,182,965	\$ 3,042,649

The loan valuation allowance consists of the general loan valuation allowance of \$45.6 million as at September 30, 2024 (March 31, 2024 – \$15.6 million) and the specific loan valuation allowance of \$nil as at September 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:

	September 30, 2024
Prior to March 31, 2025	\$ 41,618
April 1, 2025 – March 31, 2026	325,191
April 1, 2026 – March 31, 2027	99,878
April 1, 2027 – March 31, 2028	115,579
After March 31, 2028	3,638,791
Outstanding loans receivable principal repayments	\$ 4,221,057

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	September 30, 2024	March 31, 2024
Opening balance	\$ 9,579,180	\$ 7,546,298
New investment contractual agreements	220,515	3,721,954
Government appropriations received – investments	(1,018,935)	(1,452,907)
Reductions, post financial close ¹	-	(236,165)
Government funding receivable	\$ 8,780,760	\$ 9,579,180

¹ Refer to Note 11, commitments for further details

7. General and administration expenses:

	For the three-month period ended September 30		For the six-month period ended September 30	
	2024	2023	2024	2023
	Professional fees	\$ 3,075	\$ 2,146	\$ 5,188
Administration fees	1,246	1,217	2,719	2,477
Amortization of tangible capital assets	163	154	326	279
General and administration expenses	\$ 4,484	\$ 3,517	\$ 8,233	\$ 7,704

8. Government appropriations

	For the three-month period ended September 30		For the six-month period ended September 30	
	2024	2023	2024	2023
Government appropriations – investments	\$ 72,823	\$ 141,329	\$ 203,302	\$ 203,302
Government appropriations – operations	10,442	15,500	35,442	35,442
Government appropriations	\$ 83,265	\$ 156,829	\$ 238,744	\$ 238,744

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 six-month period ended September 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	September 30, 2024	March 31, 2024
Financial closes	\$ 600,000	\$ 600,000
Loans receivable	(104,464)	(61,371)
Total commitment related to financial closes	\$ 495,536	\$ 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 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	September 30, 2024		March 31, 2024
Public transit	\$ 3,332,840	\$	3,332,840
Clean power	4,337,226		4,301,504
Green infrastructure	2,837,575		2,694,781
Broadband	2,117,550		2,075,550
Trade & transportation	838,949		838,949
Total financial closes	13,464,140		13,243,624
Amounts advanced (cash basis)	(4,101,233)		(2,930,107)
Net reductions, post financial close	(438,275)		(438,275)
Total commitment related to financial closes	\$ 8,924,632	\$	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.



Contact us

contact@cib-bic.ca

1-833-551-5245

Canada Infrastructure Bank

150 King Street West,

Suite 2309, P.O. Box 15

Toronto, ON M5H 1J9

Follow us

