



Canada Infrastructure Bank

Third Quarter (Q3)
Fiscal Year 2023-24 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, 2023, 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 (MD&A)

 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 December 31, 2023. 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. For the purposes of this MD&A, the CIB's portfolio includes projects that have reached financial close and those to which the CIB has made an investment commitment.¹

Investments

The CIB made five new investment commitments in the third quarter in the Green Infrastructure (\$537.0 million), Broadband (\$150.0 million) and Clean Power (\$759.3 million) sectors, providing \$1.4 billion of CIB financing towards \$2.7 billion worth of projects. Since inception, the CIB has now made total investment commitments of \$11.6 billion to \$31.7 billion worth of projects.

Highlights of the CIB's investment activities this quarter included:

- » Providing an investment commitment of up to \$200.0 million to Enbridge Sustain-Blackstone Energy Services in Ontario to be used to deliver turn-key energy solutions to customers across its commercial building portfolios.
- » Reaching financial close on two of our investments to support electric vehicle charging: up to \$235.0 million in FLO EV Charging to enable the installation of approximately 1,900 public fast charging ports over the next 4 years, and up to \$209.6 million in the Parkland Electric Vehicle Charging Network to enable the installation of up to 2,000 public fast charging ports.

¹ *Financial Close* refers to the point in time when the CIB and its investment partners have completed all due diligence and have entered into legally binding agreements. Financial close is the conclusion of the investment process, approved by the Board or designate, following which the CIB begins flowing the financing to the project in accordance with the agreement. If there are adjustments to the terms of the deal between Investment Commitment and the Financial Close, CIB metrics and reporting are updated accordingly.

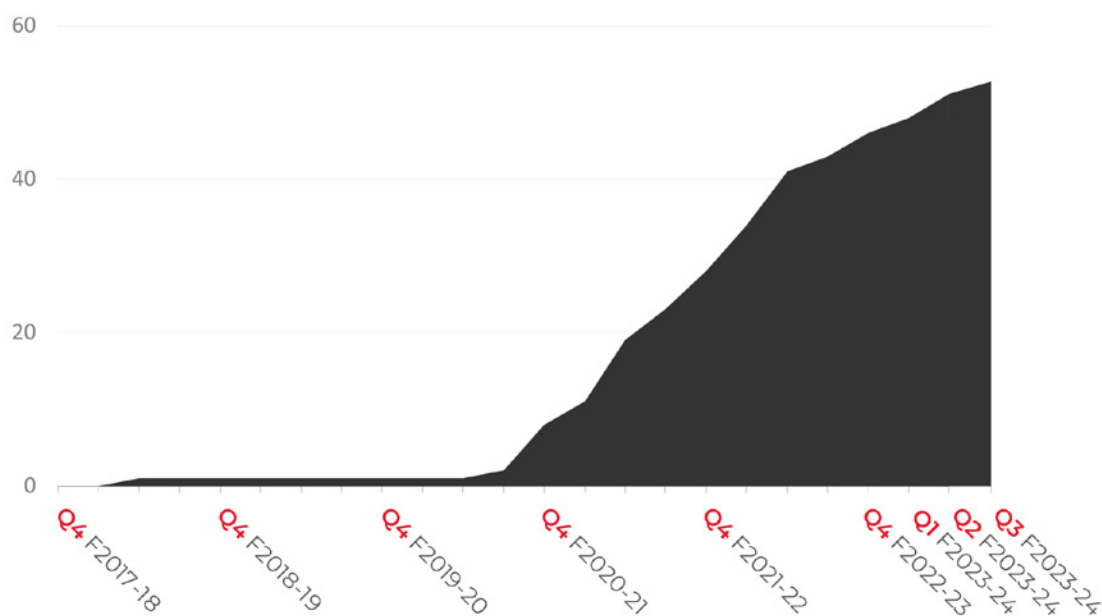
Investment Commitment refers to when the CIB and partners have agreed to a set of agreed upon terms (aka a "term sheet") that sets out the capital commitment of each party and other financial terms of an investment, such as length, interest rates and financing structure. At this time, the investment is advanced sufficiently enough for the CIB and its counterparts to each secure appropriate approvals and embark on final due diligence. In addition, the counterparty is in the final stages of securing key stakeholder agreements, all other required public funding of the project is confirmed, and there is a defined and agreed upon schedule in place to reach financial close.

- » Reaching financial close on our investment of up to \$50.2 million in University of Toronto Retrofits which will contribute energy reductions and renewed utility infrastructure to build resilient low carbon systems.

At the end of the quarter the CIB portfolio included 56 investment commitments, 53 of which have reached financial close.

Growth in CIB Portfolio

(Cumulative Number of Investment Commitments)



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 investment commitments 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

Sector	Life-to-date Q4 F2022-23	Q1 F2023-24	Q2 F2023-24	Q3 F2023-24	Total
Public transit	11	1	0	0	12
Clean power	7	0	1	2	10
Green infrastructure	17	1	0	2	20
Broadband	8	0	0	1	9
Trade & transportation	3	0	2	0	5
Total	46	2	3	5	56

Investment commitments.

Portfolio Composition by Region

Region	Life-to-date Q4 F2022-23	Q1 F2023-24	Q2 F2023-24	Q3 F2023-24	Total
West	12	0	2	3	17
Ontario	21	0	0	1	22
Quebec	6	0	0	0	6
Atlantic	1	0	0	1	2
North	1	0	0	0	1
Multiple	5	2	1	0	8
Total	46	2	3	5	56

Investment commitments.

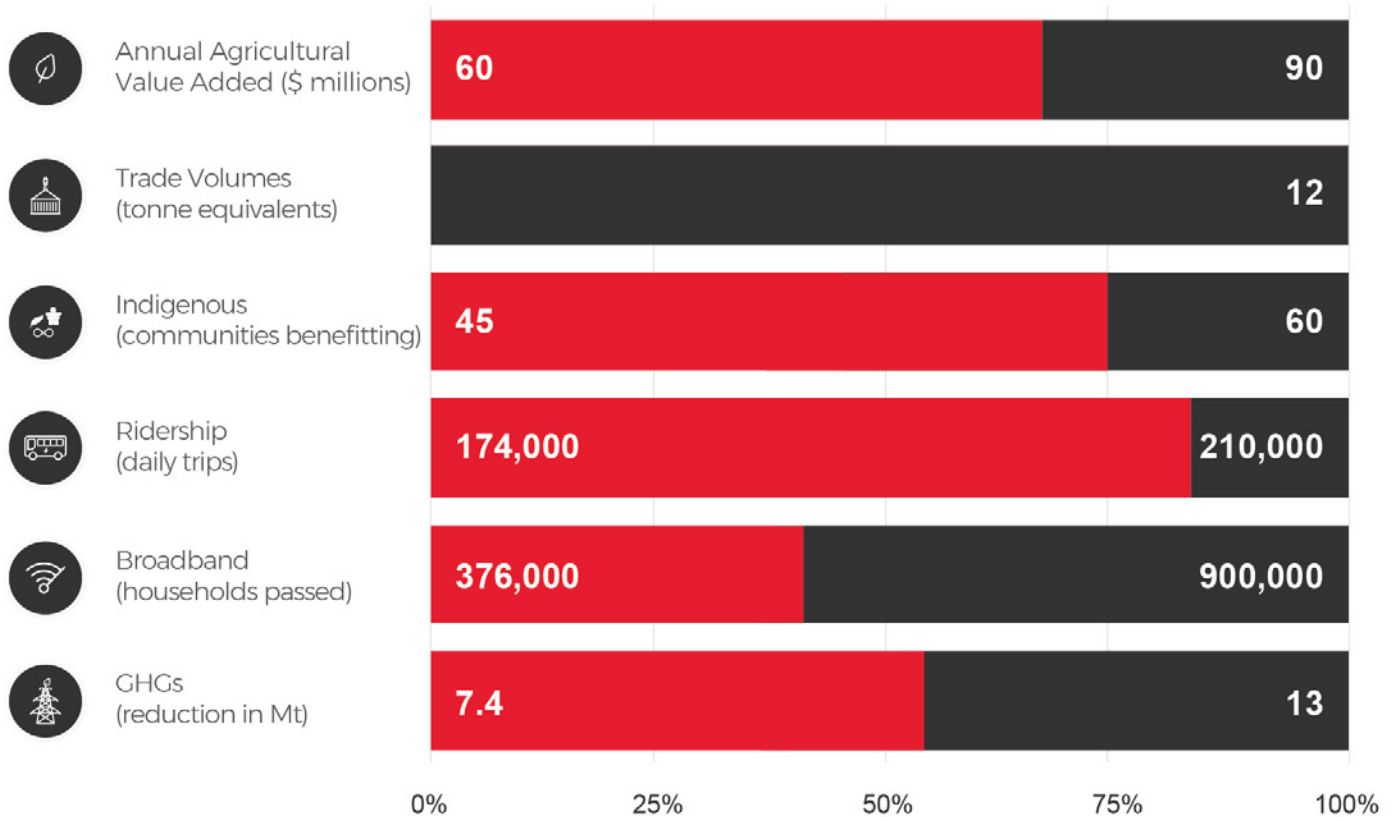
Multiple includes projects in more than one Region and includes three projects partially in the North.

Results and Progress

As an impact investor, the CIB is focused on achieving outcomes that are of benefit to Canadians. The CIB defines its impact in terms of the outcomes achieved in reducing GHG emissions, increasing transit ridership, connecting Canadians to broadband, the number of Indigenous communities benefitting from investments, and trade as measured in the volume of goods and agricultural value added.

➤ Progress Towards 2026-27 Outcome Targets

(Based on Projects Reaching Financial Close) as at December 31, 2023



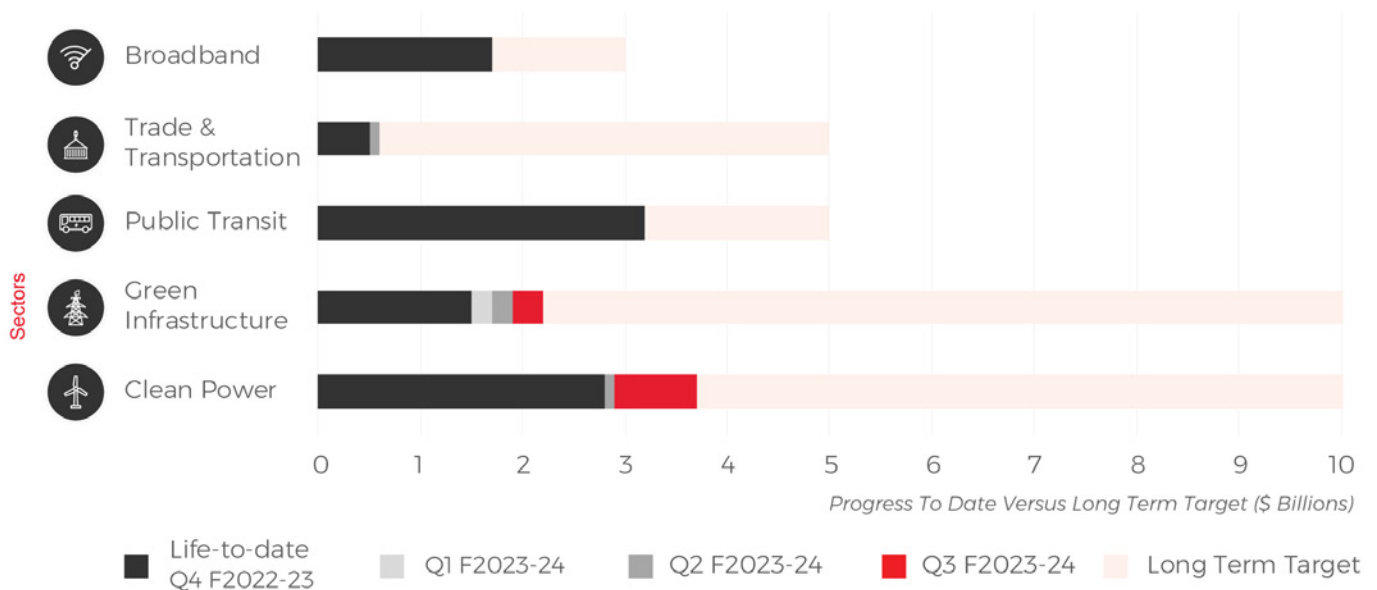
The CIB counts its progress in terms of expected outcomes once a project has reached financial close.

The CIB also 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.

In addition, Budget 2023, released on March 28, 2023, announced an increase in both the clean power and green infrastructure investment targets for the CIB, from \$5 billion to \$10 billion in each sector. The increase in targets is reflected in the table.

Progress Towards Long Term Investment Targets

(Based on Investment Commitments)



Project Developments

One of the important ways in which the CIB provides value to Canadians is in the ability to address gaps in the financing, economics, or risk profile of a project. This is how the CIB enables projects which otherwise would not be built. To date, 37 projects financed by the CIB are in active construction by the proponents. For example, this includes:

- » **Oneida Energy Storage** in southwestern Ontario is well into construction with over 60 workers on site daily, half of which are members of Aecon Six Nations (A6N), a joint venture between Six Nations of the Grand River Development Corporation (SNGRDC) and Aecon. Oneida will be of the largest clean energy storage facilities in the world, with the CIB investment expected to support the reduction of GHG emissions by 1.2 million tonnes once completed.
- » **Kahkewistahaw Landing Infrastructure** construction work for enabling infrastructure, such as road works, for this multi-use facility was 95% complete at the end of December 2023. This project is contributing to a designated multi-use gathering place in Saskatoon and represents the CIB's first investment in Saskatchewan and its second ICII investment to achieve financial close.

- » **Deerfoot and Barlow Solar** projects in Calgary, Alberta represents the largest solar installation in an urban centre in western Canada. At the end of December 2023, module installation was complete and the Barlow Solar Park was in operation to contribute to reduced GHG emissions and foster economic resiliency for the Chiniki and Goodstoney First Nations.
- » **Toronto Western Hospital Retrofit** construction is ongoing with significant work completed toward the energy transfer station and completion of the deep wetwell excavation. This facility will become the world's largest raw wastewater energy transfer system with an expected reduction of 250,000 tonnes of GHGs over the next 30 years.

In the third quarter, the CIB closed its first Green Infrastructure funding for Front-End Engineering and Design (FEED) Project Acceleration commitment to advance energy transition projects. The \$8.4 million investment to **Azure Sustainable Fuels** will help their study to accelerate domestic sustainable aviation fuel (SAF) – a product which could reduce airline sector carbon emissions by up to 80 per cent. CIB financing will enable Azure to leverage its multi-site strategy to develop potential SAF production sites in British Columbia, Manitoba, and Ontario.

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.

As of December 31, 2023, the CIB has committed to projects that have attracted \$11.1 billion in private sector and institutional financing.

Private sector and institutional financing includes²:

- » \$0.9 billion in Broadband
- » \$2.3 billion in Clean Power
- » \$2.5 billion in Green Infrastructure
- » \$5.2 billion in Public Transit
- » \$0.3 billion in Trade and Transportation

Operating Environment

Inflation and higher interest rates continue to impact the Canadian economy and business investments. Canada's Consumer Price Index (CPI) rose 3.4% on a year-over-year basis in December, following a 3.1% increase in November.³ Interest rates are working to moderate spending and inflation is easing gradually, though underlying pressures are proving persistent. The Bank of Canada projects that inflation will stay around 3% through the first half of 2024, returning to target (2%) in 2025.⁴

² Figures may not add due to rounding.

³ Statistics Canada – [Consumer Price Index, December 2023](#)

⁴ Bank of Canada – [Monetary Policy Report – January 2024](#)

One of the ways that the CIB supports the advancement of infrastructure is by deploying capital to fill in gaps in project financing, including through the accepting of concessional returns and offering flexible financing terms. As broader economic conditions change, the CIB retains the flexibility to structure its participation in investments to fill gaps that can prevent projects from proceeding, including establishing pricing or repayment profiles in response to changes in prevailing interest rates.

While certain CIB projects are being impacted in terms of construction timing and budget; these have not led to any material impacts on expectations for overall performance of the portfolio.

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 our portfolio. Cost increases are largely expected to be absorbed by contingencies built into project budgets as well as commitments from our counterparties to fund cost overruns or mitigated through fixed-price contracts. The CIB continues to monitor risks and the impact to existing and potential portfolio holdings.

Corporate Activities

The CIB continues to actively engage with the infrastructure community including governments, Indigenous communities, and market participants.

In November, the CIB CEO Ehren Cory discussed the CIB's FQ2 results, and took questions from participants in a live event hosted by the Ontario Chamber of Commerce. The CIB team was also actively participating in a variety of conferences and events, with senior representatives attending events including:

- » Canadian Urban Institute's State of Canadian Cities Summit
- » Indigenomics Institute Indigenomics on Bay Street conference
- » Toronto Region Board of Trade's Future of Climate and Energy Symposium
- » The First Nations Energy Summit

In November 2023, the CIB unveiled details of its Indigenous Equity Initiative (IEI) designed to support First Nation, Métis and Inuit communities in purchasing equity ownership stakes in infrastructure projects within their traditional territories that the CIB is also investing in.

The [Fall Economic Statement](#) released in November 2023 noted the work the CIB is doing to explore further ways to support the needs of communities seeking to develop the infrastructure required to build more homes. It also included additional details with respect to the Investment Tax Credits that will help inform the CIB's increased role to invest in clean power and support electrification of the economy.

The CIB's 2023-24 Corporate Plan was approved by [Governor General in Council](#) in November 2023 in accordance with provisions of the *Canada Infrastructure Bank Act and Financial Administration Act*.

Financial Overview

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.

Q3 F2023-24 Highlights

- » Government investment appropriation revenues were \$1,776.6 million (\$1,917.9 million year-to-date, "YTD") driven by eight financial closes in the quarter (\$11,245.9 million life-to-date).
- » Government operational appropriations totaled \$25.7 million (\$66.2 million YTD) to cover cashflow needs for the ongoing operations of the business.
- » \$15.7 million of interest income realized (\$37.8 million YTD).
- » CIB operating expenses totaled \$13.5 million for the quarter (\$38.7 million YTD).

	For the three months ended December 31		For the nine months ended December 31	
	2023	2022	2023	2022
(in thousands of Canadian dollars)				
Revenue				
Government appropriations – investments	\$ 1,776,600	\$ 248,092	\$ 1,917,929	\$ 2,173,487
Government appropriations – operations	25,700	11,000	66,200	51,500
Interest income	15,660	8,479	37,835	21,222
	1,817,960	267,571	2,021,964	2,246,209
Operating expenses				
Compensation	8,912	7,219	26,438	22,347
General and administration				
Professional fees	3,050	6,197	7,998	10,559
Administration	1,345	1,316	3,822	3,099
Amortization of capital assets	148	130	427	359
	13,455	14,862	38,685	36,364
Non-operating expenses				
Project development	839	(146)	1,513	418
Concessionary loan provision	-	189	-	189
Loan valuation allowance	1,233	159	2,786	588
	2,072	202	4,299	1,195
Total expenses	15,527	15,064	42,984	37,559
Surplus	\$ 1,802,433	\$ 252,507	\$ 1,978,980	\$ 2,208,650

Year-to-date Highlights

Revenue

Government Appropriation revenues: 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 when the legal obligation to provide funding is reduced. Operating appropriation revenues are recognized as received each quarter.

The CIB recognized \$1,917.9 million of government investment appropriations YTD driven by 11 financial closes (Q3 F2022-23 YTD, \$2,173.5 million), net of a \$6.8 million reduction in an existing loan due to restricted payments. The CIB continues to make progress towards meeting its short-term goal of 20-30 investment commitments and \$3 billion to \$5 billion of financial closes in F2023-24.

Interest income: \$24.0 million (Q3 F2022-23 YTD, \$18.2 million) of income was earned from financing activities and \$13.8 million (Q3 F2022-23 YTD, \$3.0 million) was earned on cash and short-term investments from appropriations.

Expenses

Year-to-date operating expenses of \$38.7 million were \$2.3 million greater than Q3 F2022-23 YTD, driven by an increase in compensation due to the continued buildout of staffing across the organization required to meet demands stemming from increased deal activity and portfolio growth. This was partially offset by lower than expected professional fees of \$8.0 million (Q3 F2022-23 YTD, \$10.6 million), due to higher capitalized transaction costs of \$4.1 million (Q3 F2022-23 YTD, \$1.6 million) related to due diligence.

YTD project development expense was \$1.5 million (Q3 F2022-23 YTD, \$0.4 million). Project development expenses primarily relate to Accelerator funding that the CIB invests in due diligence and early construction works to accelerate high impact infrastructure projects in which the CIB expects to make a long-term investment. Project acceleration shortens critical paths to construction and operations by (i) expediting due diligence, planning and

development activities which could include engineering studies, demand forecasting or other activities necessary to establish the project business case and (ii) shortens the critical paths of high-impact projects in which the CIB expects to invest in as part of the overall CIB capital plan. Accelerator funding is either expensed as incurred, or capitalized over the life of the project. Such distinction is dependent on each project's characteristics.

As a result, timing and amount of expense recognition is difficult to predict as these projects are in early stages and may be impacted by external factors such as pending government approvals that are outside of the CIB's control.

The loan valuation allowance expense was \$2.8 million for the nine-month period ended December 31, 2023, versus \$0.6 million Q3 F2022-23 YTD mainly driven by an increase in funds deployed, and comprised of a general valuation allowance that is an estimate of short-term credit risk on our portfolio of assets. No specific impairment was recognized (\$nil for Q3 F2022-23 YTD).

Quarter Highlights

The CIB recognized \$1,776.6 million of government investment appropriations in the third quarter, which was significantly greater in comparison to Q3 F2022-23 (\$248.1 million), due to the larger average size (\$222.3 million in Q3 F2023-24, versus \$73.6 million in Q3 F2022-23) and number (8 in Q3 F2023-24, versus 3 in Q3 F2022-23) of investments reaching financial close. Q3 F2023-24 interest income included \$9.0 million (Q3 F2022-23, \$6.4 million) of income earned from financing activities and \$6.7 million (Q3 F2022-23, \$2.1 million) earned on cash and short-term investments from appropriations.

Operating costs decreased \$1.4 million from Q3 F2022-23 primarily from a \$3.1 million decrease in professional fees due to \$1.0 million (Q3 F2022-23, \$0.3 million) being capitalized related to due diligence. This was partially offset by an increase of \$1.7 million in compensation as a result of build out of staffing.

Non-operating costs increased \$1.9 million from Q3 F2022-23 primarily from a \$1.0 million increase in project development expenses and \$1.1 million increase in loan valuation allowance.

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 Q3, the CIB is pursuing 71 opportunities that are in a stage of investment structuring with the intent to finalize terms to be able to make an investment commitment.

Portfolio Outlook by Sector

Priority Sector	Opportunities in Advanced Due Diligence
Public transit	11
Clean power	25
Green infrastructure	17
Broadband	5
Trade & transportation	13
Total	71



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

February 13, 2024

Condensed Interim Statement of Financial Position (unaudited)

As at	Note	December 31, 2023	March 31, 2023
(in thousands of Canadian dollars)			
Financial assets			
Cash		\$ 555,334	\$ 121,353
Interest receivable		3,704	310
Government funding receivable	5	8,352,665	7,546,298
Loans receivable	4	2,486,825	1,755,711
HST receivable		3,423	1,820
Related party accounts receivable	9	13	5,708
		11,401,964	9,431,200
Liabilities			
Accounts payable and accrued liabilities	7	10,229	18,010
Deferred liabilities		4,263	3,897
		14,492	21,907
Net financial assets		11,387,472	9,409,293
Non-financial assets			
Tangible capital assets	6	2,516	2,018
Prepaid expenses and advances		580	277
		3,096	2,295
Accumulated surplus		\$ 11,390,568	\$ 9,411,588

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

Condensed Interim Statement of Operations and Accumulated Surplus (unaudited)

	Note	F2023-24	For the three months ended December 31		For the nine months ended December 31	
		Budget	2023	2022	2023	2022
(in thousands of Canadian dollars)						
Revenue						
Government appropriations – investments		\$ 4,597,088	\$ 1,776,600	\$ 248,092	\$ 1,917,929	\$ 2,173,487
Government appropriations – operations		91,616	25,700	11,000	66,200	51,500
Interest income		23,923	15,660	8,479	37,835	21,222
		4,712,627	1,817,960	267,571	2,021,964	2,246,209
Expenses						
Compensation		44,507	8,912	7,219	26,438	22,347
General and administration	8	24,861	4,543	7,643	12,247	14,017
Project development		14,100	839	(146)	1,513	418
Concessionary loan provision		3,121	-	189	-	189
Loan valuation allowance	4	185,105	1,233	159	2,786	588
		271,694	15,527	15,064	42,984	37,559
Surplus		4,440,933	1,802,433	252,507	1,978,980	2,208,650
Accumulated surplus, beginning of period		9,411,588	9,588,135	6,880,397	9,411,588	4,924,254
Accumulated surplus, end of period		\$ 13,852,521	\$ 11,390,568	\$ 7,132,904	\$ 11,390,568	\$ 7,132,904

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

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

	F2023-24	For the three months ended December 31		For the nine months ended December 31	
	Budget	2023	2022	2023	2022
(in thousands of Canadian dollars)					
Surplus	\$ 4,440,933	\$ 1,802,433	\$ 252,507	\$ 1,978,980	\$ 2,208,650
Change in tangible capital assets – acquisition	(1,882)	(59)	(134)	(925)	(627)
Change in tangible capital assets – amortization	634	148	129	427	358
Change in prepaid expenses and advances	-	38	54	(303)	233
Net financial assets, beginning of period	9,409,293	9,584,912	6,877,943	9,409,293	4,921,885
Net financial assets, end of period	\$ 13,848,978	\$ 11,387,472	\$ 7,130,499	\$ 11,387,472	\$ 7,130,499

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

Condensed Interim Statement of Cash Flows (unaudited)

	Note	For the three months ended December 31		For the nine months ended December 31	
		2023	2022	2023	2022
(in thousands of Canadian dollars)					
Cash provided by (used in):					
Operating activities:					
Surplus		\$ 1,802,433	\$ 252,507	\$ 1,978,980	\$ 2,208,650
Items not involving cash:					
Capitalized interest paid in kind	4	(5,834)	(5,697)	(17,343)	(16,949)
Amortization of tangible capital assets	6	148	130	427	359
Loan valuation allowance	4	1,233	159	2,786	588
Concessionary loan provision	4	-	189	-	189
Accretion of concessionary loan provision	4	(3)	(2)	(9)	(2)
Changes in non-cash working capital					
Government funding receivable	5	(1,184,248)	(248,092)	(806,367)	(1,840,537)
Related party accounts receivable		15,338	(7,069)	5,695	(14,628)
Interest receivable		(2,245)	(652)	(3,394)	(1,062)
Transaction costs	4	(1,022)	(314)	(4,114)	(1,609)
HST receivable		(471)	1,902	(1,603)	664
Prepaid expenses and advances		38	54	(303)	233
Accounts payable and accrued liabilities	7	2,118	5,457	(7,781)	4,892
Deferred liabilities		711	324	366	734
Principal repayment	4	75	32	876	32
Loan disbursements	4	(239,222)	(130,442)	(713,310)	(205,067)
Total cash provided by operating activities		389,049	(131,514)	434,906	136,487
Capital activities:					
Acquisition of tangible capital assets	6	(59)	(134)	(925)	(627)
Total cash used in capital activities		(59)	(134)	(925)	(627)
Net increase/(decrease) in cash during the year		388,990	(131,648)	433,981	135,860
Cash, beginning of period		166,344	313,048	121,353	45,540
Cash, end of period		\$ 555,334	\$ 181,400	\$ 555,334	\$ 181,400

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, 2023. 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, 2023.

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

b) Budget figures:

Budget information is reflected in the Statement of Operations and Accumulated Surplus and the Statement of Change in Net Financial Assets. Budget data presented for F2023-24 is sourced from the projections and estimates of year one of the 2023-24 to 2027-28 approved Corporate Plan.

c) Measurement uncertainty:

In preparing the Financial Statements in accordance with PSAS, management is required to make subjective judgments, estimates and assumptions that affect the carrying amounts of certain assets and liabilities, and the reported amounts of revenues and expenses recorded during the period. Significant changes in the underlying assumptions could result in significant changes to these judgments and estimates. Consequently, management reviews these assumptions regularly. Revisions to accounting judgments and estimates are recognized prospectively – i.e., in the period in which the judgments and estimates are revised and in any future period affected. Management uses assumptions in determining the CIB’s loan valuation allowance such as the CIB’s internal credit rating methodology and other primary factors as described in Note 9 to the Corporation’s annual audited Financial Statements for the year ended March 31, 2023, 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, 2023.

4. 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	December 31, 2023			March 31, 2023		
	Carrying amount	LVA	Loans receivable (net)	Carrying amount	LVA	Loans receivable (net)
Public transit	\$ 1,440,678	\$ (10,650)	\$ 1,430,028	\$ 1,398,935	\$ (9,398)	\$ 1,389,537
Clean power	616,146	(1,045)	615,101	125,994	(117)	125,877
Green infrastructure	183,029	(393)	182,636	32,323	(97)	32,226
Broadband	129,959	(406)	129,553	80,471	(131)	80,340
Trade & transportation	129,996	(489)	129,507	128,186	(455)	127,731
Total	\$ 2,499,808	\$ (12,983)	\$ 2,486,825	\$ 1,765,909	\$ (10,198)	\$ 1,755,711

The portfolio weighted average effective interest rate for projects the CIB has funded to date is approximately 1.8% (March 31, 2023 – 1.6%) over an average weighted term of 16.1 years (March 31, 2023 – 13.8 years).

Of the loan receivable balance, \$15.0 million relates to municipalities (March 31, 2023 – \$15.0 million) and \$4.9 million relates to Indigenous governments (March 31, 2023 – \$0.6 million).

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

As at	December 31, 2023	March 31, 2023
Opening balance	\$ 1,755,711	\$ 1,457,743
Drawdowns	713,310	261,570
Capitalized interest paid in kind	17,343	23,083
Transaction costs (net of amortization)	4,114	8,688
Concessionary loan provision	-	(189)
Accretion of concessionary loan provision	9	4
Principal repayment	(876)	(40)
Loan valuation recovery/(allowance)	(2,786)	4,852
Loans receivable	\$ 2,486,825	\$ 1,755,711

The loan valuation allowance consists of the general loan valuation allowance of \$12.9 million as at December 31, 2023 (March 31, 2023 – \$10.2 million) and the specific loan valuation allowance of \$nil as at December 31, 2023 (March 31, 2023 – \$nil).

The value of physical assets held as security is \$56.2 million (March 31, 2023 – \$7.2 million). The remaining loans are generally expected to be recovered through future revenues of the project and equity interests in special purpose vehicles.

The following table illustrates the outstanding loan receivable principal repayments expected for the next five years and thereafter, not including interest or transaction costs:

As at	December 31, 2023
2024	\$ 9,811
2025	51,466
2026	38,108
2027	52,500
2028 and thereafter	2,331,906
Outstanding loans receivable principal repayments	\$ 2,483,791

5. 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	December 31, 2023	March 31, 2023
Opening balance	\$ 7,546,298	\$ 3,430,322
New investment contractual agreements	1,924,748	4,651,036
Government appropriations received – investments	(1,111,562)	(332,950)
Reductions, post financial close ¹	(6,819)	(202,110)
Government funding receivable	\$ 8,352,665	\$ 7,546,298

¹Reductions may occur post financial close for certain projects due to changes in project scope or mechanisms within the project agreements that reduce the final loan amounts.

6. Tangible capital assets:

	Leasehold improvements	Computer software	Computer hardware	Furniture & equipment	Total
Cost:					
Balance at beginning of year	\$ 1,709	\$ 952	\$ 492	\$ 440	\$ 3,593
Additions	577	-	112	236	925
Balance at end of period	2,286	952	604	676	4,518
Accumulated amortization:					
Balance at beginning of year	644	360	337	234	1,575
Amortization expense	149	143	86	49	427
Balance at end of period	793	503	423	283	2,002
Carrying amounts					
Balance at December 31, 2023	\$ 1,493	\$ 449	\$ 181	\$ 393	\$ 2,516

	Leasehold improvements	Computer software	Computer hardware	Furniture & equipment	Total
Cost:					
Balance at beginning of year	\$ 1,545	\$ 830	\$ 318	\$ 365	\$ 3,058
Additions	164	122	174	75	535
Balance at end of period	1,709	952	492	440	3,593
Accumulated amortization:					
Balance at beginning of year	482	182	254	191	1,109
Amortization expense	162	178	83	43	466
Balance at end of period	644	360	337	234	1,575
Carrying amounts					
Balance at March 31, 2023	\$ 1,065	\$ 592	\$ 155	\$ 206	\$ 2,018

No tangible capital asset was impaired as at December 31, 2023 (March 31, 2023 – \$nil).

7. Accounts payable and accrued liabilities:

As at	December 31, 2023		March 31, 2023	
Accrued compensation	\$	7,160	\$	8,111
Accrued professional fees		2,952		5,674
Accounts payable		117		1,134
		10,229		14,919
Related party accounts payable (Note 9)		-		3,091
Accounts payable and accrued liabilities	\$	10,229	\$	18,010

8. General and administrative expenses:

	For the three months ended December 31		For the nine months ended December 31	
	2023	2022	2023	2022
Professional fees	\$ 3,050	\$ 6,197	\$ 7,998	\$ 10,559
Administration fees	1,345	1,316	3,822	3,099
Amortization of capital assets	148	130	427	359
General and administrative expenses	\$ 4,543	\$ 7,643	\$ 12,247	\$ 14,017

9. Related party transactions:

The Corporation 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. The Corporation enters into transactions with these entities and individuals in the normal course of business. 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 to support the CIB's Memorandum of Agreement with Transport Canada which provides a bridge loan to support the activities of the VIA HFR Project.

The CIB and Transport Canada signed a Memorandum of Agreement effective March 4, 2022, whereby, the CIB has agreed to make funding available, for the activities of a Transport Canada project delivery office on an interim basis, which will be repaid upon the permanent establishment and operations of a VIA subsidiary, VIA HFR-VIA TGF, Inc, which happened on November 29, 2022 and July 1, 2023, respectively. The outstanding balance of accounts payable to vendors on behalf of the VIA HFR-VIA TGF, Inc is \$nil (March 31, 2023 – \$3.1 million) and the receivable from Transport Canada is \$13 thousand as at December 31, 2023 (March 31, 2023 – \$5.7 million). The Memorandum of Agreement with Transport Canada terminated on July 31, 2023.

10. Financial instruments and risk management:

The treatment of financial instruments and risk management in these Interim Financial Statements are consistent with those disclosed in Note 9 to the Corporation's annual audited Financial Statements for the year ended March 31, 2023.

11. Contractual obligations:

a) Leasing commitments:

The CIB currently maintains three leases for offices located in Toronto, Montreal, and Calgary.

- » **Toronto office:** On August 31, 2017, the CIB entered into a long-term lease agreement for both office and storage space. 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. On October 25, 2022, the CIB entered into a lease expansion and amending agreement whereby the original terms of the Toronto lease were amended for additional premises to the original rentable area. The additional premises has a term of 5 years, commencing on June 1, 2023, and expires co-terminously with the original lease term, on the same terms and conditions as the original lease. On September 19, 2023, the CIB entered into a lease expansion and amending agreement whereby the original terms of the Toronto lease were amended for expansion premises to the original rentable area commencing on October 1, 2023. The expansion premises expires co-terminously with the original lease term, on the same terms and conditions as the original lease. The expansion premises were subsequently subleased for a term of 18 months.

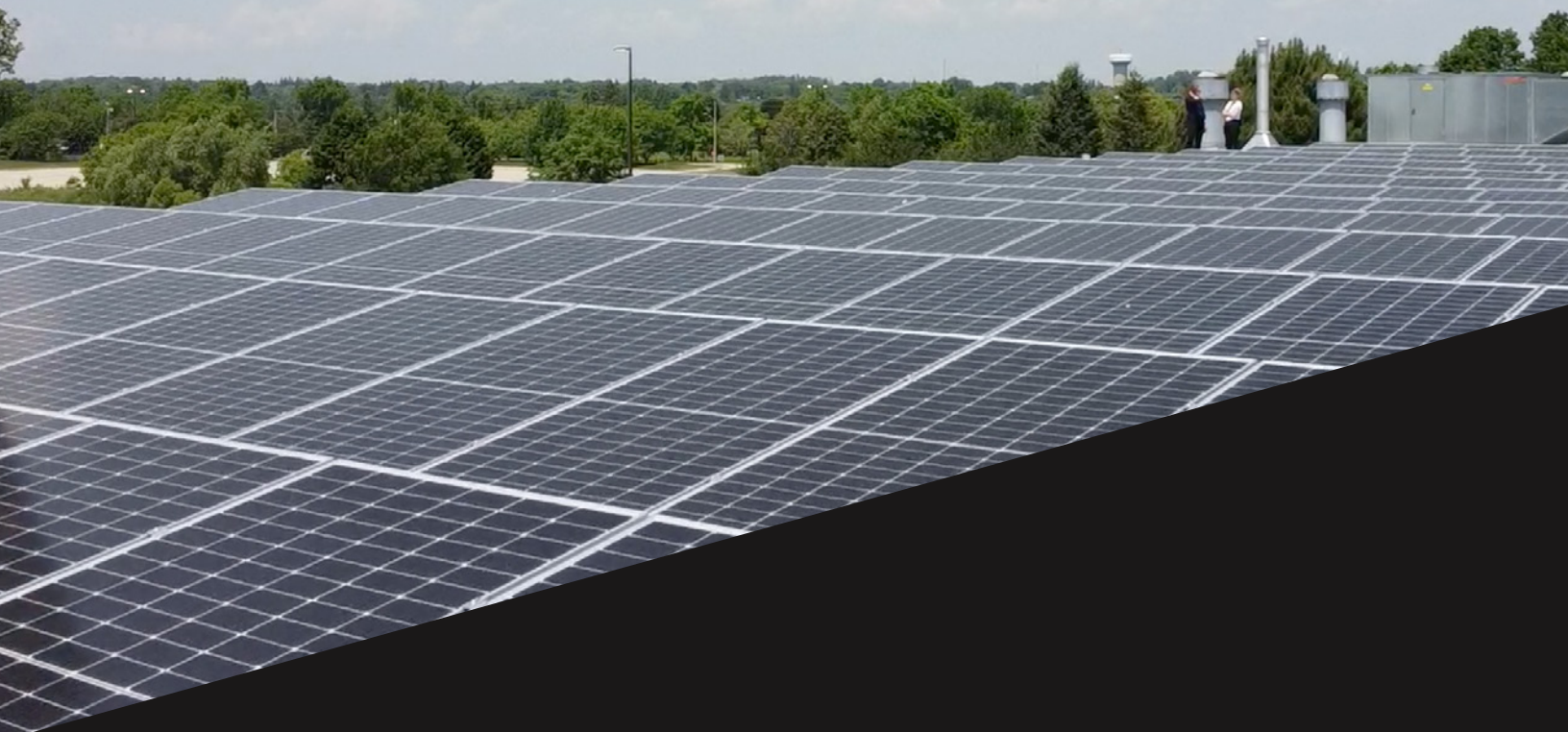
- » **Montreal office:** On April 22, 2020, the CIB entered into a lease agreement with a term of 2 years, commencing on July 1, 2020, and automatically extending on a month-to-month basis. On December 7, 2022, the CIB entered into a lease amendment agreement whereby the original terms of the Montreal lease were amended to include additional premises to the original rentable area. The amended agreement has a term of 2 years, commencing on January 1, 2023, with the same terms and conditions as the original lease and automatically extending on a month-to-month basis.
- » **Calgary office:** On January 20, 2023, the CIB entered into a lease agreement with a term of 5 years, commencing on October 1, 2023.

b) Financial closes:

The CIB has committed to lend funds towards infrastructure project investments when it has completed all due diligence and has entered into binding agreements with its counterparties. The expected timing and amount of future drawdown requests is variable as they are generally based on the reimbursement of eligible project costs incurred. Total financial closes are segregated between amounts advanced and undrawn in the table below:

As at	December 31, 2023	March 31, 2023
Public transit	\$ 1,844,938	\$ 1,869,511
Clean power	2,958,801	2,624,477
Green infrastructure	2,065,313	1,367,231
Broadband	1,730,600	1,592,561
Trade & transportation	470,813	405,741
Undrawn financial closes	9,070,465	7,859,521
Amounts advanced (cash basis)	2,383,859	1,670,549
Reductions, post financial close	(208,436)	(202,110)
Total financial closes	\$ 11,245,888	\$ 9,327,960

Amounts advanced in this table do not factor in interest being capitalized as payment in kind, or loan valuation allowances. The terms of the CIB's credit facility 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.



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