



**First Quarter  
Fiscal 2019 Financial Report  
Unaudited**

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# Message to Reader

These quarterly condensed interim financial statements were prepared on the basis of International Accounting Standard (IAS) 34, Interim Financial Reporting, and must be read in conjunction with the March 31, 2018 annual audited financial statements and with the narrative discussion included in this quarterly financial report. The March 31, 2018 annual audited financial statements and annual report will be published after they are tabled in Parliament in the fall of 2018.

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, we make written or oral forward-looking statements. We may make forward-looking statements 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.

# Statement of Management Responsibility

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 quarterly financial report is consistent, where appropriate, with the quarterly condensed interim financial statements.

These statements have been prepared on the basis of IAS 34, Interim Financial Reporting. 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.



**Pierre Lavallée**  
President &  
Chief Executive Officer



**Annie Ropar**  
Chief Financial Officer &  
Chief Administrative Officer

August 29<sup>th</sup>, 2018  
Toronto

# Management Discussion & Analysis

This MD&A presents readers with management's view of corporate strategy and performance and should be read in conjunction with the unaudited financial statements for the quarter ending June 30, 2018. Figures are expressed in Canadian dollars unless stated otherwise.

## Strategy

Canada Infrastructure Bank ("CIB" or the "Bank") was created to bridge the public sector's need for capital to build more, new infrastructure for Canadians by drawing in private and institutional investment. CIB's strategic objectives are to build its organizational capability and capacity; promote new models for infrastructure funding and planning; and make strategic investments and use innovative tools to build new infrastructure.

Since its creation in June 2017, CIB has made strong progress on establishing the Bank's governance framework and policies; launching its Toronto office, internal systems and processes; and attracting the right talent to lead the organization. In accordance with its mandate, the Bank is building capacity in all three parts of its mandate: Investment, Advisory Services, and Data and Information.

## Investment

The government has set three priority areas for investment: public transit, trade and transportation, and green infrastructure. Eligible projects must align with government priorities set out in its *Investing in Canada* plan and Pan-Canadian Framework on Clean Growth and Climate Change. Projects must be revenue generating, be able to attract private-sector investment, and be in the public interest.

## Advisory Services

The Bank will develop its capabilities as a centre of expertise to advise and support all levels of government in the evaluation of the most efficient means and different models through which to deliver infrastructure. This advisory role will bring greater awareness of innovative partnership models involving the private sector and their application to potential projects.

## Data and Information

The Bank will begin working with Infrastructure Canada, Statistics Canada, and provincial, municipal, territorial and Indigenous governments in the coming year to collect and share data about Canadian infrastructure projects. In this role, the Bank can help governments and public agencies across Canada obtain access to better information and resources about revenue-generating infrastructure, the potential for private-sector involvement, and to support informed decisions.

## Status of Operations

CIB's fiscal 2019 corporate plan was approved in the latter part of the current quarter and will be tabled in Parliament early in the fall session.

During the quarter, CIB gained momentum in building its internal capabilities and proactive outreach to industry participants with the hiring of our inaugural President and Chief Executive Officer, Pierre Lavallée in June 2018.

Also in June, Annie Ropar joined CIB as Chief Financial Officer and Chief Administrative Officer.

Bruno Guilmette, who stepped down from our Board of Directors to serve as our interim Chief Investment Officer from January to May of 2018, returned to his role on the Board as of June 1, 2018 and now serves as Chair of the Investment Committee.

The Bank is actively recruiting to fill the investment and functional roles required to fulfill our mandate and we expect to make significant further progress prior to the end of the calendar year.

## Outlook

A key focus in the 2018-19 fiscal year will be delivering on the Bank's three business lines. For its Investment role, the Bank will continue analysis of individual projects and potential investments, as appropriate. Robust structures and methodologies will be established for all stages of the investment process, from intake to exit. The Bank will further establish its Advisory and Data and Information capabilities, continuing its engagement with key institutions nationally and internationally.

# Financial Management

## Statement of Financial Position

As at June 30<sup>th</sup>, CIB had \$6.5MM in cash on the balance sheet, down from \$9.7MM as at year end March 31<sup>st</sup>. Funds utilized during the quarter were to continue to build the internal capabilities of the Bank and largely complete the buildout of its new head office. CIB was not in operation during the same period in the last fiscal year, and therefore comparatives against this period are not meaningful.

The Bank is funded by way of statutory appropriations through the Department of Finance.

## Operating Expenses

Total operating expenses for the first quarter of fiscal 2019, including professional fees, facilities expenses, personnel and other costs, were \$2.3 million.

## Capital Expenditures

During the quarter CIB expended \$1.1 million related to leasehold improvements in its new office location as well as for furniture and fixtures.

## Risk Management

The Bank is developing an enterprise risk management framework which includes the investment risk framework, reporting guidelines, policies and procedures, and will complete this process in the current fiscal year.

# Financial Statements of Canada Infrastructure Bank

For the first quarter period from April 1, 2018 to June 30, 2018 (UNAUDITED)



## Statement of Financial Position (UNAUDITED)

| As at   | June 30, 2018       | March 31, 2018      |
|---|---------------------|---------------------|
| <b>Assets</b>   |                     |                     |
| Current assets:   |                     |                     |
| Cash  | \$ 6,500,089        | \$ 9,681,705        |
| HST and Interest Receivable                                   | 572,509             | 205,573             |
| Prepaid expenses and advances                                 | 74,093              | -                   |
|   | 7,146,691           | 9,887,278           |
| Non-current assets:   |                     |                     |
| Property and equipment  | 1,129,519           | 17,726              |
|   | <b>\$ 8,276,210</b> | <b>\$ 9,905,004</b> |
| <b>Liabilities and Shareholder's Equity</b>                   |                     |                     |
| Current liabilities:  |                     |                     |
| Accounts payable and accrued liabilities                      | \$ 1,221,136        | \$ 646,554          |
| Deferred government funding related to operating expenditures | 4,846,211           | 7,107,128           |
|   | 6,067,347           | 7,753,682           |
| Non-Current Liabilities:                                      |                     |                     |
| Accrued rent  | 131,451             | 98,692              |
| Deferred government funding related to capital expenditures   | 1,992,285           | 2,010,600           |
|   | 2,123,736           | 2,109,292           |
| Equity  |                     |                     |
| Share capital   | 100                 | 100                 |
| Retained earnings   | 85,027              | 41,930              |
|   | <b>\$ 8,276,210</b> | <b>\$ 9,905,004</b> |

## Statement of Income and Comprehensive Income (UNAUDITED)

For the period from April 1 to June 30, 2018\*\*

**Revenue:**

|                 |           |
|-----------------|-----------|
| Interest income | \$ 43,097 |
|-----------------|-----------|

**Expenses:**

|                        |           |
|------------------------|-----------|
| Professional fees      | 1,666,381 |
| Compensation           | 325,315   |
| Premises and equipment | 145,596   |
| Communications         | -         |
| Travel                 | 66,606    |
| Information technology | 16,050    |
| Administration         | 40,970    |
| Depreciation           | 18,315    |

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2,279,233

|                                    |             |
|------------------------------------|-------------|
| Net loss before government funding | (2,236,136) |
|------------------------------------|-------------|

**Government funding:**

|                |           |
|----------------|-----------|
| Appropriations | 2,279,233 |
|----------------|-----------|

**Net income and comprehensive income**


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**\$ 43,097**

\*\* CIB was created on June 22, 2017 and therefore comparative figures for the same period in the prior year are not meaningful

**Statement of Changes in Equity (UNAUDITED)**

For the period from April 1 to June 30, 2018

|                                    | Share capital | Retained earnings | Total Equity     |
|------------------------------------|---------------|-------------------|------------------|
| Balance as at April 1, 2018        | \$ 100        | \$ 41,930         | \$ 42,030        |
| Share issuance                     | -             | -                 | -                |
| Net Income                         | -             | 43,097            | 43,097           |
| <b>Balance as at June 30, 2018</b> | <b>\$ 100</b> | <b>\$ 85,027</b>  | <b>\$ 85,127</b> |

## Statement of Cash Flows (UNAUDITED)

For the period from April 1 - June 30, 2018

**Cash provided by (used in):****Operating activities:**

|   |                    |
|---|--------------------|
| Net income  | \$ 43,097          |
| Items not involving cash:   |                    |
| Depreciation  | 18,315             |
| Accrued rent  | 32,759             |
| Changes in non-cash working capital:                                      |                    |
| Increase in HST/Interest receivable                                       | (366,936)          |
| Increase in Prepaid expenses and advances                                 | (74,093)           |
| Increase in Accounts payable and accrued liabilities                      | 574,582            |
| Decrease in Deferred government funding related to operating expenditures | (2,260,917)        |
| <b>Total cash used in operating activities</b>                            | <b>(2,033,193)</b> |

**Financing Activities:**

|  |          |
|--|----------|
| Share issuance                                     | -        |
| <b>Total cash provided by financing activities</b> | <b>-</b> |

**Investing activities:**

|   |                    |
|---|--------------------|
| Acquisition of property and equipment                       | (1,130,108)        |
| Deferred government funding related to capital expenditures | (18,315)           |
| <b>Total cash used in investing activities</b>              | <b>(1,148,423)</b> |

|  |                     |
|--|---------------------|
| <b>Cash, beginning of the period</b>   | <b>9,681,705</b>    |
| Net decrease in cash during the period | (3,181,616)         |
| <b>Cash, end of the period</b>         | <b>\$ 6,500,089</b> |

CANADA   
**INFRASTRUCTURE BANK**

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