

Remarks by  
Janice Fukakusa,  
Chair, Board of Directors  
and  
Pierre Lavallée,  
President & CEO

Annual Public Meeting

Nov. 8, 2018

Good afternoon.

My name is Janice Fukakusa and I am Chair of the Board of Canada Infrastructure Bank.

I am pleased to be hosting the Bank's first annual public meeting, which is being webcast live.

You are welcome to listen to the webcast in the official language of your choice.

I am joined by Pierre Lavallée, the Bank's President and Chief Executive Officer.

Pierre and I will deliver short opening remarks. I will provide an overview of the Bank's start-up activities, and Pierre will present financial highlights for the fiscal year ended March 31, 2018, and give an update on the Bank's strategy.

The meeting will then be open for questions.

If you are tuning in to the webcast in real time, you can pose questions by following the instructions on your screen. Questions are welcome in English or in French.

We plan to wrap up the Q&A session by 12:30 Eastern Time.

[MANDATE]

Canada Infrastructure Bank was established in June 2017.

To recap our mandate, we work at arm's length from the federal government to attract and co-invest with private-sector and institutional investors, in **new, revenue-generating** infrastructure projects... that are **in the public interest**.

The Bank made substantial progress in establishing strong governance, leadership and operating capability in our first year, which ended March 31, 2018.

I will touch on some of our important milestones.

[SIGNIFICANT PROGRESS MADE]

A significant part of my role as Chair of the Board was to lead start-up activities, and the first task was to get a board of directors in place.

After a robust selection process, our inaugural 11-member board was announced last November.

We are six women and five men from across the country with expertise in business, investing, operations, finance, law, and risk management.

The board oversees management and approves investments.

[SIGNIFICANT PROGRESS MADE]

By Dec. 31<sup>st</sup>, 2017, the Bank's bilingual website was launched and we had moved into temporary offices.

In January, the Board approved governance policies and adopted charters and a bylaw to ensure appropriate oversight of Bank activities.

We developed an organizational structure and began recruiting leaders and other expert staff.

[LEADERSHIP]

Bruno Guilmette, one of our board members, kindly agreed to act as interim Chief Investment Officer during the winter and spring.

Bruno was instrumental in building up the Bank's investment and advisory capabilities and reaching out to potential investment partners.

At the same time, our Board was involved in the search for a highly qualified President & CEO and developed the Bank's five-year corporate plan.

In June, which was after the Bank's first fiscal year-end, Pierre Lavallée came on board as the inaugural President & CEO.

We also welcomed Annie Ropar as Chief Financial Officer and Chief Administrative Officer.

Both of them immediately set to work building their teams.... and continue to do so.

With that, I will turn it over to Pierre to review the operational highlights.

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*Pierre Lavallée:* Thank you, Janice.

Welcome to our first annual public meeting. It's an opportunity to examine the progress made in increasing the capacity and the capabilities of the Canada Infrastructure Bank.

I started as CEO of the Bank in June and I am excited about the role we will play in getting more infrastructure built for Canadians.

[FINANCIAL HIGHLIGHTS]

I will review some key financial figures and then discuss our strategy and direction.

The Bank's first fiscal year consisted of the period from late June, 2017, to the end of March, 2018.

In those nine months, revenue was not material. Expenses in the period amounted to \$2.25 million.

These were costs related to start-up. They included professional fees.... compensation to board members and a small number of staff... office premises and equipment.... communication and travel.... technology.... and administration.

After government appropriations, we reported nominal net income.

At the end of the fiscal year, the Bank had 9.7 million dollars in cash remaining on the balance sheet, which has continued to fund our operations to date.

I will now turn to the Bank's strategy and current status.

Our strategic objectives are three-fold: we are building the Bank's organizational capabilities and capacity; we are promoting new models for infrastructure funding and planning in Canada; and we are making co-investments alongside private investors to build new infrastructure.

#### [STRATEGIC OBJECTIVES]

To expand on the first point, ***building capabilities and capacity***, we continue to add senior executives and staff, and to develop the policies and systems we need to succeed.

We recently hired Nick Hann, a veteran infrastructure expert, as our Head of Investments.

He leads the investment team, which we will continue to build over the coming months and years.

Annie Ropar, who wears two hats as both Finance and Administrative chief, is building our finance, HR, risk management and legal teams.

She has just hired Frédéric Duguay as full-time General Counsel and Corporate Secretary.

To the second part of our strategy, which is ***promoting new funding models***, we have just announced the hiring of the first of two key leaders this week.

François Lecavalier will lead the Project Development team, which will work with potential proponents. The second individual will lead Public Affairs and Communications team, which will keep stakeholders informed and aware of our activities.

To ***promote long-term planning and collaboration***, the Bank will develop and publish an Inventory of Canadian Infrastructure Projects, beginning in 2019.

And the third part of our strategy is ***making co-investments***. We focus on three priority areas: public transit, trade and transportation, and green infrastructure.

[FIRST INVESTMENT MADE]

Our first investment, a 15-year, senior secured loan to the REM public transit project in Montreal, is within one of these priority areas.

The REM is a good example of what we are trying to accomplish: creating a tailor-made solution for each project that fits our mandate.

After extensive discussions and extensive due diligence over five months, our team, the Government of Quebec and the CDPQ agreed that the most appropriate contribution from us would be a 15-year loan.

[CURRENT STATUS]

We are often asked what projects we are reviewing, when the Bank will make the next deal, and so on.

While it is not appropriate to comment specifically on potential transactions, we are actively engaging with project proponents and investors.

We are building teams with the experience and talent required to make large investment decisions and advise proponents on complex projects.

There is clearly strong appetite among private-sector and institutional investors at home, and around the world, for good infrastructure opportunities.

We aim to draw them to new, greenfield projects in Canada.

Our co-investments will be structured to ensure public dollars go as far as possible, and the risks and rewards are shared among well-aligned partners.

We are in the business of customised financing solutions.

In closing, I take inspiration from the large Canadian pension plans.

***Over time***, they developed an exceptional pension investment model that is recognized and emulated around the world.

Canada Infrastructure Bank has a terrific opportunity to do the same in infrastructure. We will continue to ramp up our investment, engagement and advisory activities in the next year.

Thank you.

We will now take your questions. Our moderator will get things started.

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## Q&A SESSION

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*Janice Fukakusa:* Thank you all for taking the time to join our first annual public meeting.

I would also like to thank my fellow board members, the Bank's executives, our employees, contractors, and consultants, as well as Infrastructure Canada, for all your dedication and support.

Setting up the Bank was truly a group effort. Pierre and I look forward to sharing our progress with you at the next annual meeting.

Thank you.