

# Quarterly Financial Report

1st QUARTER

Three months ended  
**May 31, 2018**



**Manitoba  
Public Insurance**

## Management Discussion and Analysis

Management's discussion and analysis provides a review of the financial results and future outlook of Manitoba Public Insurance. It should be read in conjunction with the unaudited condensed interim financial statements and supporting notes for the first quarter ended May 31, 2018 included herein and the annual audited financial statements and supporting notes and the Corporation's 2017 Annual Report available at [mpi.mb.ca](http://mpi.mb.ca). Certain information in this report may consist of forward-looking statements. These statements are based on various techniques and assumptions including predictions about future events which may not occur. Actual results could deviate significantly from the forward-looking statements.

# Q1

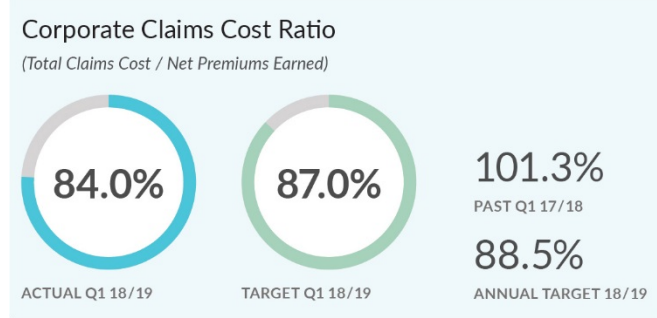
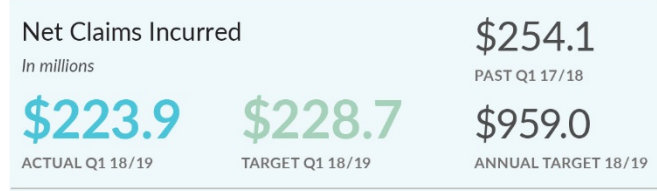
## Corporate Performance Measures and Targets

First quarter results / March 1, 2018–May 31, 2018

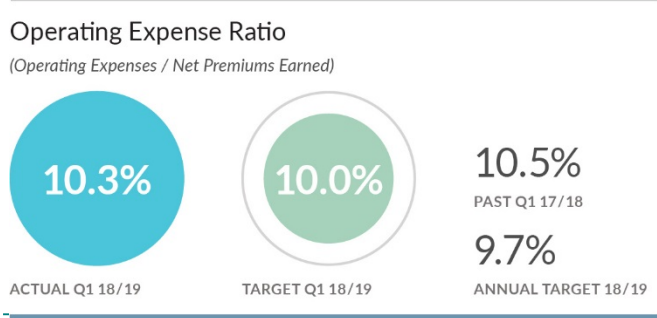
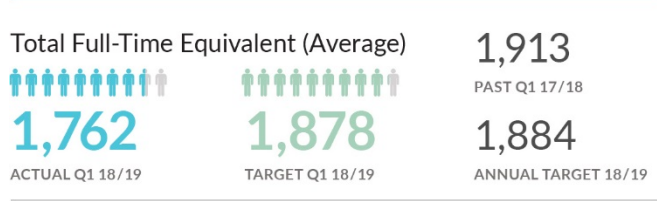


MANITOBA  
PUBLIC INSURANCE

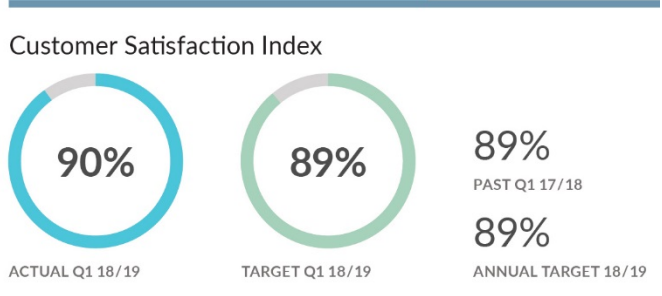
### FINANCIAL PERFORMANCE



### OPERATIONAL EXCELLENCE

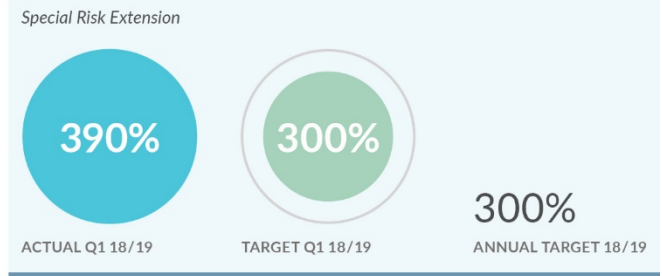
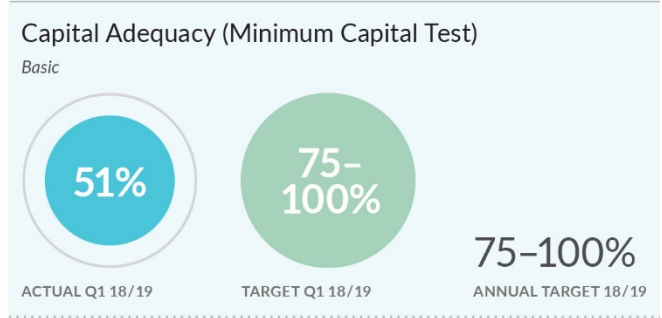
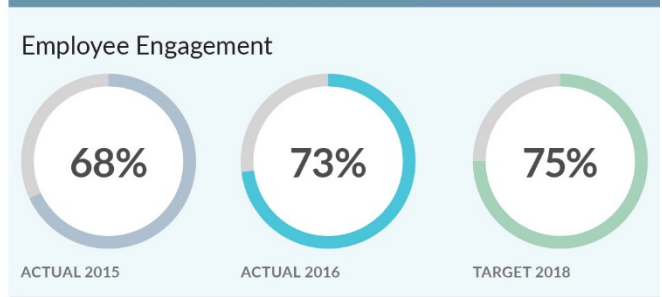


### CUSTOMER SERVICE



Note: Manitoba Public Insurance will conduct a review of our customer satisfaction metrics during the 2018/19 year.

### ORGANIZATIONAL HEALTH



## Results of Operations

Manitoba Public Insurance reported net income of \$33.7 million for the three months ended May 31, 2018 compared to net income of \$38.9 million for the same period last year. This includes net income of \$14.9 million (2017 – net income of \$15.4 million) from the Basic insurance line of business. Corporate net income decreased from the previous year by \$5.2 million due to:

- i) an increase in earned revenues of \$23.2 million, offset by a increase in total expenses of \$3.7 million;
- ii) a decrease in claims cost of \$30.6 million;
- iii) a decrease in investment income of \$57.0 million mainly due to the decrease of unrealized gains on Fair Value Through Profit or Loss bonds of \$47.3 million and decrease gains on the sale of equities and other investments of \$9.7 million.

### *Current Year and Last Year*

Total earned revenues for the three months ended May increased from the previous year by \$23.2 million. This increase is primarily attributed to motor vehicle earned revenues which increased by \$19.2 million or 6.8%. The increase in earned revenues is primarily due to the growth in the number of vehicles on the road in Manitoba, and the value of these vehicles and movement of drivers down the Drivers Safety Rating scale resulted in higher premiums.

Claims costs for the three months ended May 31, 2018 decreased by \$30.6 million or 11.6% compared to last year due primarily to a decrease of \$26.1 million or 22.9% in bodily injury claims incurred and a decrease of \$4.3 million or 3.1% in physical damage claims incurred. The \$26.1 million increase in bodily injury claims was impacted by a decrease of \$51.3 million due to the interest rate adjustment on unpaid claims. Claims expense increased by \$0.2 million or 0.5% from the previous year, offset by a decrease in road safety and loss prevention expenses of \$0.4 million or \$15.5%.

Total expenses increased by \$3.7 million compared to last year due primarily to an increase of \$1.2 million or 5.8% in commission expenses, an increase of \$700 thousand or 7.4% in premium taxes and an increase of \$1.8 million or 5.6% in operating expenses.

### *Retained Earnings*

Net income of \$33.7 million for the first three months ending May 31, 2018 increased retained earnings from \$352.6 million to \$386.3 million (May 31, 2017 – \$300.4 million). Retained earnings are comprised of \$185.9 million for Basic insurance (May 31, 2017 - \$114.7 million) and \$200.4 million for non-Basic lines (May 31, 2017 - \$185.7 million).

### **Total Equity**

Total equity of \$442.0 million (May 31, 2017 – \$379.5 million) are comprised of \$386.3 million retained earnings and \$55.7 million accumulated other comprehensive income (May 31, 2017 - \$79.1 million).

The Corporation's Chief Actuary concluded that a minimum total equity level of \$201.0 million would be required for Basic to achieve satisfactory future financial condition. At the end of the first quarter, Basic insurance reported total equity of \$234.0 million (May 31, 2017 – \$183.4 million). Extension's current capital target level for total equity is \$64.0 million based on the Corporation's most recent Dynamic Capital Adequacy Test (DCAT) analysis. At the end of the first quarter, Extension insurance reported total equity of \$116.9 million (May 31, 2017 - \$111.3 million). Special Risk Extension's current capital target level for total equity is \$65.0 million based on the Corporation's most recent DCAT analysis. At the end of the first quarter, Special Risk Extension insurance reported total equity of \$91.7 million (May 31, 2017 - \$84.9 million).

### **Outlook**

The Corporation remains committed to achieving its Corporate goals. Actual results will be monitored, and corrective actions taken when necessary, to ensure that expected outcomes are realized.

As approved by the Public Utilities Board (PUB), effective March 1, 2018, there was a 2.6 per cent overall rate increase to average Basic insurance rates for the 2018/19 insurance year and the equivalent of a 1.8 per cent increase for demerit drivers.

For the 2019/20 insurance year, Manitoba Public Insurance is requesting a 2.2 per cent overall rate increase in its general rate application. All insurance companies hold funds to pay claims, as well as to maintain a buffer of capital to endure unexpected adverse circumstances. Manitoba Public Insurance's 'buffer' is known as the Rate Stabilization Reserve and to remain effective it must grow with the business. For the 2019/20 insurance year, the Corporation is proposing a Capital Maintenance Provision which accounts for 2.1 per cent of the overall 2.2 per cent increase.

Overall:

- 547,166 vehicles (excluding trailers and off-road vehicles) will receive increases in their Basic premium next year, with 39.5 per cent of these vehicles increasing by less than \$50 per year.
- Approximately 37.7 per cent of all vehicle owners (excluding trailers and off-road vehicles) will see no change or a decrease in premium over 2018/19 rates.
- The average vehicle premium for Private Passenger Vehicle Class will be \$1,138 if the 2019 rate application is approved
- Motorcycle rates (including moped and motor scooters) will increase 3.1 per cent
- If approved, rate changes will take effect March 1, 2019

Manitoba Public Insurance is committed to keeping rates stable over the long term. Manitoba Public Insurance continues to have one of the lowest rates of year-over-year premium increases of all Canadian provinces.

## Condensed Interim Financial Statements

### Condensed Interim Statement of Financial Position

(Unaudited - in thousands of Canadian dollars)	<i>Notes</i>	May 31, 2018	February 28, 2018
<b>Assets</b>			
Cash and cash equivalents	5	131,072	89,006
Investments	5	2,673,308	2,660,850
Investment property	5	40,317	40,646
Due from other insurance companies		4	3
Accounts receivable		490,082	477,908
Prepaid expenses		5,444	1,227
Deferred policy acquisition costs		25,942	24,727
Reinsurers' share of unearned premiums		11,408	133
Reinsurers' share of unpaid claims		2,555	2,452
Property and equipment		114,825	116,754
Deferred development costs		67,752	69,191
		<b>3,562,709</b>	<b>3,482,897</b>
<b>Liabilities</b>			
Due to other insurance companies		7,706	171
Accounts payable and accrued liabilities		75,443	69,217
Financing lease obligation		4,067	4,092
Unearned premiums		640,655	628,837
Provision for employee current benefits		23,232	22,373
Provision for employee future benefits		449,392	446,458
Provision for unpaid claims	4	1,920,185	1,912,734
		<b>3,120,680</b>	<b>3,083,882</b>
<b>Equity</b>			
Retained Earnings		386,335	352,608
Accumulated Other Comprehensive Income		55,694	46,407
<b>Total Equity</b>		<b>442,029</b>	<b>399,015</b>
		<b>3,562,709</b>	<b>3,482,897</b>

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

## Condensed Interim Statement of Operations

(Unaudited - in thousands of Canadian dollars)	<i>Notes</i>	Three Months Ended	
		May 31, 2018	May 31, 2017
<b>Earned Revenues</b>			
Gross premiums written		357,209	332,517
Premiums ceded to reinsurers		(15,107)	(15,179)
Net premiums written		342,102	317,338
(Increase) decrease in gross unearned premiums		(39,788)	(38,428)
Increase (decrease) in reinsurers' share of unearned premiums		11,274	11,340
Net premiums earned		313,588	290,250
Service fees & other revenue		8,817	9,061
The Drivers and Vehicles Act operations recovery		7,563	7,491
<b>Total Earned Revenues</b>		<b>329,968</b>	<b>306,802</b>
<b>Claims Costs</b>			
Direct claims incurred – gross		223,963	254,312
Claims (recovered) incurred ceded to reinsurers		(106)	(173)
Net claims incurred		223,857	254,139
Claims Expense		37,364	37,246
Loss prevention/Road safety		2,172	2,582
<b>Total Claims Costs</b>		<b>263,393</b>	<b>293,967</b>
<b>Expenses</b>			
Operating		32,151	30,392
Commissions		20,790	19,608
Premium taxes		9,523	8,823
Regulatory/Appeal		905	931
<b>Total Expenses</b>		<b>63,369</b>	<b>59,754</b>
<b>Underwriting income (loss)</b>		<b>3,206</b>	<b>(46,919)</b>
<b>Investment income (loss)</b>	6	<b>28,761</b>	<b>85,785</b>
<b>Gain on disposal of property</b>		<b>1,760</b>	-
<b>Net income from operations</b>		<b>33,727</b>	<b>38,866</b>

## Condensed Interim Statement of Comprehensive Income (Loss)

(Unaudited - in thousands of Canadian dollars)	Three Months Ended	
	May 31, 2018	May 31, 2017
<b>Net income from operations</b>	<b>33,727</b>	<b>38,866</b>
<b>Other Comprehensive Income (Loss)</b>		
Items that will be reclassified to income		
Unrealized gains (losses) on Available for Sale assets	9,884	(2,985)
Reclassification of net realized (gains) losses related to Available for Sale assets	(596)	(13,526)
Total Available for Sale assets	9,288	(16,511)
Other Comprehensive Income (Loss) for the period	9,288	(16,511)
<b>Total Comprehensive Income (Loss)</b>	<b>43,015</b>	<b>22,355</b>

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

## Condensed Interim Statement of Changes in Equity

(Unaudited - in thousands of Canadian dollars)	Retained Earnings	Accumulated Other Comprehensive Income	Equity
Balance as at March 1, 2017	261,532	95,637	357,169
Net income from operations for the period (restated)	38,866	-	38,866
Other comprehensive income for the period	-	(16,511)	(16,511)
<b>Balance as at May 31, 2017</b>	<b>300,398</b>	<b>79,126</b>	<b>379,524</b>
Balance as at March 1, 2018	352,608	46,507	399,015
Net income from operations for the period	33,727	-	33,727
Other comprehensive income for the period	-	9,287	9,287
<b>Balance as at May 31, 2018</b>	<b>386,335</b>	<b>55,694</b>	<b>442,029</b>

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



## Condensed Interim Statement of Cash Flows

(Unaudited - in thousands of Canadian dollars)	<i>Notes</i>	Three months ended	
		May 31, 2018	May 31, 2017
<b>Cash Flows from (to) Operating Activities:</b>			
Net income (loss) from operations		33,727	38,866
Non-cash items:			
Depreciation of property and equipment		1,168	1,307
Amortization of deferred development costs		5,811	4,947
Amortization of bond discount and premium		877	865
(Gain) loss on sale of investments		(8,934)	(4,675)
Unrealized (gain) loss on Fair Value Through Profit or Loss bonds		2,822	(12,835)
Unrealized (gain) loss on investment in real estate		(6,391)	(3,779)
Unrealized (gain) loss on investment in infrastructure		1,113	520
Impairment of deferred development costs		858	-
		<b>31,051</b>	<b>(6,160)</b>
Net change in non-cash balances:			
Due from other insurance companies		(1)	21
Accounts receivable and prepaid expenses		(16,391)	(2,974)
Deferred policy acquisition costs		(1,215)	(1,266)
Reinsurers' share of unearned premiums and unpaid claims		(11,378)	(11,504)
Due to other insurance companies		7,535	7,579
Accounts payable and accrued liabilities		6,226	(7,838)
Unearned premiums		11,818	10,072
Provision for employee current benefits		859	538
Provision for employee future benefits		2,934	3,060
Provision for unpaid claims		7,451	26,749
		<b>7,838</b>	<b>24,437</b>
		<b>38,889</b>	<b>1,749</b>
<b>Cash Flows from (to) Investing Activities:</b>			
Purchase of investments		(326,952)	(170,243)
Proceeds from sale of investments		334,623	170,732
Acquisition of property and equipment net of proceeds from disposals		761	(1,365)
Financing lease obligation		(25)	(23)
Deferred development costs incurred		(5,230)	(4,749)
		<b>3,177</b>	<b>(5,648)</b>
<b>Increase (decrease) in Cash and Cash Equivalents</b>			
Cash and short-term investments beginning of period		89,006	73,434
<b>Cash and Cash Equivalents end of period</b>	5	<b>131,072</b>	<b>69,535</b>

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

## Notes to Financial Statements

### 1) Status of the Corporation

The Manitoba Public Insurance Corporation (the “Corporation”) was incorporated as a Crown Corporation under The Automobile Insurance Act in 1970. In 1974, The Automobile Insurance Act was revised and became The Manitoba Public Insurance Corporation Act (Chapter A180 of the continuing consolidation of the Statutes of Manitoba). In 1988, the Act was re-enacted in both official languages as Chapter P215 of the Statutes of Manitoba. The address of the Corporation’s registered office is 234 Donald Street, Winnipeg, Manitoba.

Under the provisions of its Act and regulations, the Corporation operates an automobile insurance division and a discontinued general insurance division. The lines of business for the automobile insurance division provide for basic universal compulsory automobile insurance, extension and special risk coverages. For financial accounting purposes, the lines of business for the automobile insurance division and the discontinued general insurance division are regarded as separate operations and their revenues and expenses are allocated on a basis described in the summary of significant accounting policies. For financial reporting purposes, due to the immateriality of the financial results of the discontinued general insurance operations, the operations are reported as part of the Special Risk Extension line of business. The basic universal compulsory automobile insurance line of business rates are approved by the Public Utilities Board of Manitoba.

Under The Drivers and Vehicles Act (DVA), the Corporation is responsible for DVA operations pertaining to driver safety, vehicle registration and driver licensing, including all related financial, administrative and data processing services.

### 2) Basis of Reporting

#### ***Statement of Compliance***

The financial statements of the Corporation are in such form as prescribed by Section 43(1) of The Manitoba Public Insurance Corporation Act and are presented in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

#### ***Basis of Presentation***

The Corporation presents its Statement of Financial Position broadly in order of liquidity.

These statements are presented in thousands of Canadian dollars which is the Corporation’s functional and presentational currency except as otherwise specified.

#### ***Seasonality***

The automobile insurance business, which reflects the primary business of the Corporation, is seasonal in nature. While net premiums earned are generally stable from quarter to quarter, underwriting income is typically highest in the first and second quarter of each year and lowest in the fourth quarter of each year. This is driven mainly by weather conditions which may vary significantly between quarters.

***Basis of Measurement***

The Corporation prepares its financial statements as a going concern, using the historical cost basis, except for financial instruments and insurance contract liabilities and reinsurers' share of unpaid claims. Measurement of the financial instruments is detailed in Note 3 of the 2017 Annual Report. Insurance contract liabilities and reinsurers' share of unpaid claims are measured on a discounted basis in accordance with accepted actuarial practice (which in the absence of an active market provides a reasonable proxy for fair value).

***Estimates and Judgments***

The preparation of financial statements requires management to make estimates and judgments that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ materially from these estimates.

**3) Summary of Significant Accounting Policies**

Refer to the 2017/18 Annual Audited Financial Statements for a summary outlining those accounting policies followed by the Corporation that have a significant effect on the condensed interim financial statements.

**4) Provision for Unpaid Claims**

The provision for unpaid claims, including adjustment expenses, represents an estimate for the full amount of all costs and the projected final settlement of claims incurred.

The provision for unpaid claims, including adjustment expenses, is subject to variability. This variability is related to future events that arise from the date the loss was reported to the ultimate settlement of the claims. Accordingly, short-tail claims such as physical damage claims tend to be more reasonably predictable than long-tail claims such as Personal Injury Protection Plan (PIPP) and public liability claims. Factors such as the receipt of additional claims information during the claims settlement process, changes in severity and frequencies of claims from historical trends, and effects of inflationary trends contribute to this variability.

The determination of the provision for unpaid claims, including adjustment expenses, relies on judgment, analysis of historical claim trends, investment rates of return and expectation on the future development of claims. The process of establishing this provision necessarily involves risks which could cause the actual results to deviate, perhaps substantially, from the best determinable estimate.

**5) Cash and Investments**

Cash consists of cash net of cheques issued in excess of amounts on deposit.

Cash equivalent investments have a total principal amount of \$133.4 million (2017 – \$74.1 million) comprised of provincial short-term deposits with effective interest rates of 1.10% (2017 – 0.55%), with interest receivable at varying dates.

The Corporation has an unsecured operating line of credit with its principal banker in the amount of \$5.0 million (2017 - \$5.0 million). The unsecured operating line of credit remained unutilized at May 31, 2018 (2017 – nil).

**Cash and Investments**

As at May 31, 2018 (in thousands of Canadian dollars)	Financial Instruments			Non-Financial Instruments	Total Carry Value
	Classified as AFS	Classified as HTM	Classified as FVTPL		
Cash and cash equivalents	131,072	-	-	-	131,072
Bonds					
Federal	-	-	28,389	-	28,389
Manitoba:					
Provincial	-	-	127,521	-	127,521
Municipal	-	27,375	32,758	-	60,133
Schools	-	578,293	-	-	578,293
Other provinces:					
Provincial	-	-	900,146	-	900,146
Municipal	-	-	70,007	-	70,007
Corporations	-	-	115,295	-	115,295
	-	605,668	1,274,116	-	1,879,784
Other investments	1,308	-	-	-	1,308
Infrastructure	-	-	100,743	-	100,743
Equity investments	422,060	-	-	-	422,060
Pooled Real Estate Fund	-	-	269,413	-	269,413
Investments	423,368	605,668	1,644,272	-	2,673,308
Investment property	-	-	-	40,317	40,317
	554,440	605,668	1,644,272	40,317	2,844,697

As at May 31, 2017 (in thousands of Canadian dollars)	Financial Instruments			Non-Financial Instruments	Total Carry Value
	Classified as AFS	Classified as HTM	Classified as FVTPL		
Cash and cash equivalents	69,535	-	-	-	69,535
Bonds					
Federal	-	-	92,853	-	92,853
Manitoba:					
Provincial	-	-	142,761	-	142,761
Municipal	-	16,684	33,729	-	50,413
Schools	-	620,580	-	-	620,580
Other provinces:					
Provincial	-	-	776,881	-	776,881
Municipal	-	-	67,373	-	67,373
Corporations	-	-	67,968	-	67,968
	-	637,264	1,181,565	-	1,818,829
Other investments	1,493	-	-	-	1,493
Infrastructure	-	-	96,011	-	96,011
Equity investments	440,046	-	-	-	440,046
Pooled Real Estate Fund	-	-	240,046	-	240,046
Investments	441,539	637,264	1,517,622	-	2,596,425
Investment property	-	-	-	41,398	41,398
	511,074	637,264	1,517,622	41,398	2,707,358

Gross unrealized gains and gross unrealized losses included in accumulated other comprehensive income on available for sale equity and other investments are comprised as follows:

<b>As at May 31, 2018</b> (in thousands of Canadian dollars)	<b>Book Value</b>	<b>Unrealized Gains/(Losses)</b>	<b>Fair Value</b>
Equity Investments			
With unrealized gains	263,850	129,536	393,386
With unrealized (losses)	33,049	(4,375)	28,674
<b>Subtotal – Equity Investments</b>	<b>296,899</b>	<b>125,161</b>	<b>422,060</b>
Other Investments			
With unrealized gains	341	967	1,308
With unrealized (losses)	-	-	-
<b>Subtotal – Other Investments</b>	<b>341</b>	<b>967</b>	<b>1,308</b>
<b>Total AFS Equity and Other Investments</b>	<b>297,240</b>	<b>126,128</b>	<b>423,368</b>
<b>As at May 31, 2017</b> (in thousands of Canadian dollars)	<b>Book Value</b>	<b>Unrealized Gains/(Losses)</b>	<b>Fair Value</b>
Equity Investments			
With unrealized gains	294,357	122,426	416,783
With unrealized (losses)	25,783	(2,520)	23,263
<b>Subtotal – Equity Investments</b>	<b>320,140</b>	<b>119,906</b>	<b>440,046</b>
Other Investments			
With unrealized gains	28	1,126	1,154
With unrealized (losses)	371	(32)	339
<b>Subtotal – Other Investments</b>	<b>399</b>	<b>1,094</b>	<b>1,493</b>
<b>Total AFS Equity and Other Investments</b>	<b>320,539</b>	<b>121,000</b>	<b>441,539</b>

AFS financial assets where the investment's underlying cost is greater than the fair value, the loss has not been recognized in net income either because:

- there is not objective evidence of impairment, or
- the loss is not considered to be significant or prolonged.

### **Fair Value Measurement**

Financial assets that are measured at fair value are classified by their level within the fair value hierarchy. The fair value hierarchy consists of three levels that are defined on the basis of the type of inputs used to measure fair value. The classification cannot be higher than the lowest level of input that is significant to the measurement:

Level 1 – Fair value is determined based on unadjusted quoted prices of identical assets in active markets. Inputs include prices from exchanges where equity and debt securities are actively traded.

Level 2 – Level 2 valuations utilize inputs other than quoted market prices included in Level 1 that are observable, directly or indirectly, for the asset. These inputs include quoted prices for similar assets in active markets and observable inputs other than quoted prices, such as interest rates and yield curves. The fair values for some Level 2 securities were obtained from a pricing service. Pricing service inputs may include benchmark yields, reported trades, broker/dealer quotes and bid/ask spreads.

Level 3 – Fair value measurements using significant inputs that are not based on observable market data are Level 3. This mainly consists of derivatives and private equity investments. In these cases prices may be determined by internal pricing models utilizing all available financial information, including direct comparison

and industry sector data. For some investments, valuations are obtained annually. For periods between valuations, management assesses the validity of the valuation for current reporting purposes.

The following table presents financial instruments measured at fair value in the Statement of Financial Position, classified by level within the fair value hierarchy.

**As at May 31, 2018**

(in thousands of Canadian dollars)	Level 1	Level 2	Level 3
FVTPL financial assets			
Bonds	-	1,259,754	14,362
Infrastructure	-	-	100,743
Pooled real estate	-	269,413	-
Total FVTPL financial assets	-	1,529,167	115,105
AFS financial assets			
Cash and cash equivalents	131,072	-	-
Other investments	-	-	1,308
Equity investments	422,060	-	-
Total AFS financial assets	553,132	-	1,308
Total assets measured at fair value	553,132	1,529,167	116,413

**As at May 31, 2017**

(in thousands of Canadian dollars)	Level 1	Level 2	Level 3
FVTPL financial assets			
Bonds	61,500	1,104,954	15,111
Infrastructure	-	-	96,011
Pooled real estate	-	240,046	-
Total FVTPL financial assets	61,500	1,345,000	111,122
AFS financial assets			
Cash and short term investments	69,535	-	-
Other investments	-	-	1,493
Equity investments	440,046	-	-
Total AFS financial assets	509,581	-	1,493
Total assets measured at fair value	571,081	1,345,000	112,615

Fair value measurement of instruments included in Level 3 (in thousands of Canadian dollars)	FVTPL		AFS	
	2018	2017	2018	2017
Balance at March 1	114,447	110,121	1,351	1,493
Total gains/(losses)				
Included in net income	(1,114)	1,001	-	-
Included in other comprehensive income	-	-	15	-
Purchases	30,635	-	-	-
Sales	(28,863)	-	(58)	-
<b>Balance at May 31</b>	<b>115,105</b>	<b>111,122</b>	<b>1,308</b>	<b>1,493</b>

The fair value of HTM bonds, which include schools and certain municipalities, is based on their carrying value, which approximates fair value.

## 6) Investment Income

(in thousands of Canadian dollars)	May 31, 2018	May 31, 2017
Interest income	14,108	12,981
Gain (loss) on sale of FVTPL bonds	6,566	3,942
Unrealized gain (loss) on FVTPL bonds	(2,822)	44,441
Unrealized gain (loss) on pooled real estate	6,391	6,065
Dividends on infrastructure investments	265	523
Realized gain (loss) on infrastructure investments	1,771	-
Unrealized gain (loss) on infrastructure investments	(1,113)	1,001
Dividend income	3,006	3,446
Gain (loss) on sale of equities and other investments	597	13,526
Gain (loss) on foreign exchange	(20)	(9)
Income from investment property	981	774
Investment management fees	(969)	(905)
<b>Total Investment income (loss)</b>	<b>28,761</b>	<b>85,785</b>

## 7) Employee Future Benefits Expense

The total benefits costs included in expenses are as follows:

(in thousands of Canadian dollars)	May 31, 2018	May 31, 2017
Pension benefits	6,989	6,938
Other post-employment benefits	536	467
<b>Total</b>	<b>7,525</b>	<b>7,405</b>

## 8) Depreciation and Amortization

The total depreciation and amortization included in expenses are as follows:

(in thousands of Canadian dollars)	May 31, 2018	May 31, 2017
Amortization – Deferred Development	5,811	5,195
Depreciation – Property and equipment	1,168	1,258
<b>Total</b>	<b>6,979</b>	<b>6,453</b>

*For more information contact:*

**Manitoba Public Insurance  
Communications & Community Relations**

Room 820, 234 Donald Street

P.O. Box 6300

Winnipeg, MB R3C 4A4



**Manitoba  
Public Insurance**