



MANITOBA
PUBLIC INSURANCE

2025

Annual Report



We acknowledge that MPI operates throughout Manitoba on the Treaty territories and ancestral lands of the Anishinaabe, Ininiwak, Anisininew, Dakota, Dene and the National Homeland of the Red River Metis

We acknowledge that we work in Winnipeg and elsewhere in southern Manitoba on Indigenous ancestral lands in Treaty 1 territory and that our work extends to other Treaty territories in Manitoba, precisely territories to which Treaties 2, 3, 4 and 5 apply.

We acknowledge that northern Manitoba includes what were and are the ancestral lands of the Inuit.

We further acknowledge that our Winnipeg locations are sustained by water sourced from Shoal Lake and express our gratitude to the Shoal Lake 40 First Nation for their stewardship, and to the Peoples of Treaty 3 and 5, for their stewardship, where our power and electricity are generated.

We respect the spirit and intent of Treaties and Treaty Making, acknowledge the historic and continuing harms of colonization and remain committed to working in partnership with First Nations, Inuit and Métis People, in the spirit of truth, reconciliation and collaboration, by partnering with them and by ensuring that the services we provide are accessible and responsive to their needs.

We confirm that our land acknowledgement is a living document that represents our continued commitment to learning, understanding, healing and growing.



Contents

2	Letters of Transmittal
3	About Manitoba Public Insurance
4	Message from the Chairperson
6	Message from the President and Chief Executive Officer
9	Strategic Direction
12	Key Topics
18	Corporate Performance Measures and Targets
20	2025/26 Year-End Summary
21	Management Discussion & Analysis
33	Annual Financial Statements
34	Responsibility for Financial Statements
36	Actuary's Report
41	Financial Statements
107	Procurement



Letters of Transmittal



July 31, 2026

Honourable Matt Wiebe
Minister of Justice and Attorney General
& Minister Responsible for the
Manitoba Public Insurance Corporation
Room 104, Legislative Building
Winnipeg, MB R3C 0V8

Dear Minister,

In accordance with Section 43(1) of *The Manitoba Public Insurance Corporation Act*, I am pleased to submit the Annual Report of the Manitoba Public Insurance Corporation for the fiscal year ended March 31, 2026.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'C. Nedohin'.

Carmen Nedohin
CHAIRPERSON OF THE BOARD



July 31, 2026

Her Honour The Honourable
Anita R. Neville, P.C., O.M.
Lieutenant Governor of Manitoba
Room 235, Legislative Building
Winnipeg, MB R3C 0V8

May it please your Honour,

I am pleased to present the Annual Report for the Manitoba Public Insurance Corporation for the fiscal year ended March 31, 2026.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'M. Wiebe'.

Matt Wiebe
MINISTER OF JUSTICE AND
ATTORNEY GENERAL & MINISTER
RESPONSIBLE FOR THE MANITOBA PUBLIC
INSURANCE CORPORATION

About Manitoba Public Insurance

Corporate Profile

Manitoba Public Insurance is a provincial Crown corporation that has provided automobile insurance coverage since 1971. We assumed a broader spectrum of services in 2004, when we merged driver and vehicle licensing into our operations. The Corporation is governed by *The Manitoba Public Insurance Corporation Act* and *The Drivers and Vehicles Act*.

Corporate Mission

Exceptional coverage and service, affordable rates and safer roads through efficient public auto insurance.

Corporate Vision

Manitoba's trusted auto insurer and driver services provider. Dedicated to road safety for all.

Corporate Values

As a public auto insurer, we hold ourselves accountable to all Manitobans to deliver value by fostering a culture of excellence. We achieve this through our four core values:



Striving for Excellence

We provide exceptional coverage and service. We adapt to meet evolving customer and industry needs, focusing on continuous improvement.



Providing Value to Manitobans

We maintain affordable rates and ensure accessible coverage. As a public auto insurer, fiscal responsibility is at the forefront of everything we do.



Doing What's Right

We act with integrity and accountability. We strive to be open and transparent.



Investing in People

We empower our employees to provide excellent service. We work together with business, community and road safety partners to fulfill our mission.

Message from the Chairperson



Manitoba Public Insurance (MPI) continues to play an important role in the everyday lives of Manitobans in pursuit of the Corporation's vision of being Manitoba's trusted auto insurer and driver services provider that is dedicated to road safety for all.

Guided by MPI's mission of providing exceptional coverage and service, affordable rates and safer roads through efficient public auto insurance, the Board continued to support decisions that reinforce MPI's corporate focus areas of affordability, financial stability, organizational effectiveness, customer value, and corporate responsibility. These principles help ensure the organization remains focused on serving Manitobans responsibly and sustainably.

At its core, MPI exists to serve the public. It is part of the fabric of this province, built on the idea that auto insurance should be fair, accessible, and there when it's needed most. As Board members, we approach this responsibility with care, recognizing that the decisions we make have a direct impact on the people and communities we are proud to be part of ourselves.

In Manitoba, this responsibility must also be understood through the lens of Truth and Reconciliation. For us, this is not separate from our work. It is fundamental to it. It shapes how we meet the needs of all Manitobans and ensure our products and services are accessible to all. It calls on us to listen to Indigenous people and communities, learn and understand the truth of our past, and ensure reconciliation is reflected in how we govern and make decisions.

Throughout the year, we remained focused on ensuring MPI continues to deliver on its public mandate in a way that balances affordability with long-term sustainability. Manitobans continue to benefit from comprehensive coverage that is universal, accessible, and dependable.

Transparency remains central to maintaining that trust. Manitobans deserve clarity on how decisions are made, how resources are managed, and how the organization is performing. Being open and accountable strengthens confidence in the system and reinforces the trust placed in MPI.

At the same time, we recognize that the environment around us continues to evolve. Advances in vehicle technology are increasing safety and complexity. Broader economic pressures, including global supply chain constraints and tariffs affecting sectors such as trucking, are contributing to rising costs. Claims trends are also shifting, with increased severity and more consequential injuries. These dynamics require disciplined oversight and careful, long-term stewardship.

In response, the organization continued sharpening its focus on operating effectively and responsibly, including strong claims management, prudent financial oversight, and thoughtful risk management practices that support long-term stability.

MPI's commitment to fiscal responsibility remains an important focus for us as a Crown corporation. It provides the stability needed to manage through volatility, support responsible risk management, and ensure the organization can continue delivering value for Manitobans over time.

Beyond insurance, MPI continues to contribute to the well-being of Manitoba communities through road safety initiatives and community partnerships. This reflects a broader understanding of service that recognizes the connection between safety, community, and quality of life.

As we reflect on the past year, we also see the foundation being set for what comes next. The organization is well positioned to move from a period of steady stability into one of more focused delivery and forward progress.

Looking ahead, the Board remains committed to supporting a clear and responsible direction – one that continues to prioritize safety, affordability, and value, while ensuring MPI is prepared to respond to emerging challenges and opportunities.

The Board also recognizes the importance of balancing the organization's operational responsibilities with the strategic work needed to prepare for the future. Continued progress will depend on maintaining that balance thoughtfully and responsibly.

On behalf of the Board, I want to thank MPI employees and leadership for their dedication, and Manitobans for the trust they place in the organization every day.

We look forward to the next phase of work and building on this foundation to ensure MPI continues to serve Manitobans well into the future.

Carmen Nedohin
CHAIRPERSON OF THE BOARD

Board of Directors

Carmen Nedohin
CHAIRPERSON

Christian Dandeneau

JD Devgan

Fran Frederickson

Luke Johnston

Gina McKay

Marilyn McLaren

Robert Plohman

Susan Swan

Candy Wong

Satvir Jatana
(EX-OFFICIO)



Message from the President and Chief Executive Officer

Executive Team

Satvir Jatana

PRESIDENT & CHIEF
EXECUTIVE OFFICER

Tamara Boblinski

VICE PRESIDENT & CHIEF
PEOPLE OFFICER

John Bowering

VICE PRESIDENT & CHIEF
CLAIMS OFFICER

Maria Campos

VICE PRESIDENT &
CHIEF CUSTOMER AND
PRODUCT OFFICER

Dana Frazer

VICE PRESIDENT & CHIEF
OPERATIONS OFFICER

Ryan Kolaski

VICE PRESIDENT & CHIEF
FINANCIAL OFFICER

Cara Low

VICE PRESIDENT &
CHIEF ACTUARY

Tracy Riley

VICE PRESIDENT &
CHIEF INFORMATION &
TECHNOLOGY OFFICER

Rennie Stonyk

VICE PRESIDENT & CHIEF
LEGAL & RISK OFFICER

At MPI, our purpose is clear: to serve Manitobans by providing affordable and reliable auto insurance, while helping keep our roads safe. It is work that connects all of us across our organization, and it is something that we, as Manitobans, take personally.

Looking back at 2025/26, I am truly proud of the meaningful progress we have made. Across the organization, our focus has been on delivering improvements while reinforcing the strength and reliability of the public insurance system Manitobans depend on.

This year marked an important step forward as it was the first under our Multi-Year Corporate Strategic Plan. Shaped by input from customers, partners, and employees, our strategy provides a clear and practical path for how we will continue to evolve and meet the needs of the people we serve. Our work is guided by five corporate focus areas: affordability, financial stability, organizational effectiveness, customer value, and corporate responsibility. These priorities are helping guide decisions across the organization and ensuring we remain focused on delivering value for Manitobans today while preparing for the future.

We are already seeing the impact of that focus.

In 2025/26 we maintained a strong financial position, enabling us to deliver affordable rates while supporting long-term sustainability. We also introduced a new \$1,000 Basic deductible, giving customers more flexibility to choose the coverage that fits their needs while reinforcing our commitment to affordability. The Corporation ended the year reporting \$55.6M net income, a favourable position that would have surpassed \$100M if not for write-offs in the fiscal year related to the closure of Project Nova. This strength also allows us to responsibly manage risk and absorb volatility. In a changing environment shaped by rising costs and claims pressures, a 5.7 per cent rate increase was approved for 2025/26 by the Public Utilities Board.

We also continued to expand the number of services that can be accessed online, giving customers more convenience and choice. This included expanding online appointment booking, enhancing digital transaction capabilities, and simplifying key processes so that more customers can complete common tasks without needing to visit a service centre in person.

At the same time, we strengthened our claims operations. Our team remained focused on supporting customers with care and professionalism, while improving coordination, consistency, and repair outcomes. For example, we enhanced our approach to repair planning and supplier coordination to help reduce delays and ensure vehicles are repaired properly the first time. We also prioritized early and proactive customer communication, so individuals have a clearer understanding of what to expect throughout the claims process.

We are doing this work in an increasingly complex environment. Vehicles are more advanced, which improves safety but increases repair costs and complexity – from sensors and cameras to specialized parts that require more time and expertise to replace. External pressures continue to influence costs and contribute to broader rate pressures. We are also seeing increases in claims severity and more injuries across both our Basic and Special Risk Extension lines of business. These trends require a disciplined and thoughtful approach to how we manage operations and plan for the future.

An equally important part of our work is doing our part to reduce the number of collisions that happen on our roadways. This is why road safety remains central to our mandate. This year, we continued to concentrate our efforts on high-risk driving behaviours through targeted campaigns, programming and partnerships, including efforts aimed at reducing the top issues that cause injuries and fatalities, including impaired, distracted driving, speeding, and seatbelt use. These initiatives, alongside enforcement and education, are an important part of keeping people safe while reducing claims before they happen.

Our people continue to be at the centre of this progress. Engagement remains strong, with 83 per cent participation in our Be Heard employee engagement survey and a 75 per cent favourable engagement score, the highest we have seen outside of the pandemic. More importantly, employees are sharing their perspectives and leaders are taking action by reinforcing a culture

where people feel heard and where their input helps shape how we improve our product and service delivery. That engagement is critical to delivering the strong customer experience Manitobans expect and deserve.

We are also continuing to strengthen how we reflect the communities we serve. Through our commitment to inclusion, diversity, equity, and accessibility, and our ongoing work towards Truth and Reconciliation, we are working to ensure our organization reflects Manitoba in a meaningful way.

Our partnerships have also continued to grow. Through open dialogue and a shared focus on outcomes that improve the cities and towns we operate in and beyond, we are strengthening relationships across our network. Beyond our core operations, we remain committed to supporting Manitoba communities through initiatives such as the United Way and long-standing road safety partnerships, like those with MADD and Operation Red Nose.

As we reflect on the past year, it is clear that we have made meaningful progress, but we also recognize that there is more to do.

Looking ahead, we are continuing to build on this momentum in a disciplined and thoughtful way. We will continue to strengthen service, advance modernization, enhance operational performance, and maintain our financial strength. At the same time, we are balancing the need to continue delivering on day-to-day operations while advancing the strategic initiatives that will prepare MPI for the future.

The environment around us will continue to evolve, and expectations will continue to grow. What will not change is our commitment to serving Manitobans with care, integrity, and accountability.

I want to thank our team members for their dedication and professionalism, and Manitobans for the trust they place in us every day. It is a responsibility we share, and we are proud to carry forward together.

Satvir Jatana

PRESIDENT & CHIEF EXECUTIVE OFFICER



Strategic Direction

As we look ahead, our focus is simple: keep building an organization that delivers real value for Manitobans while being open about where we're going and how we'll get there.

While we've built positive momentum over the past year, we have more work to do to ensure our long-term stability. Expectations are changing, technology is evolving quickly, and economic pressures continue to affect the people we serve. Our role is to stay responsive to those changes without losing sight of what matters most: affordable coverage, reliable service, and a strong, dependable presence in the lives of Manitobans.

In 2026/27, we're continuing to move forward with intention. That means choosing our priorities carefully, working within our capacity, and staying disciplined about what we take on. We're focused on delivering improvements without overextending our teams or compromising the day-to-day service people rely on.

Our direction is anchored in the strategic pillars of our Multi-year Corporate Strategic Plan.

1

Focus
on Our
Customers

2

Build
Engagement
and Pride

3

Deliver
on Our
Promises

4

Strengthen
Our
Financials

5

Be Ready
for What's
Ahead

Putting Customers First

We're making it easier for customers to interact with us. Whether someone is calling us, opening a claim, or completing a transaction, the experience should feel straightforward, timely, and accessible.

We're investing in tools that help our teams respond faster and more effectively, reducing wait times and improving consistency. At the same time, we're continuing to expand digital options. Improvements to online claims reporting will make it more intuitive to use, and broader use of e-signatures will allow more transactions to be completed remotely.

These aren't just technology upgrades – they're practical changes aimed at reducing frustration and saving time. For customers, brokers, and employees alike, the goal is a smoother, more connected experience.

We're also looking inward and improving how we work behind the scenes. By removing internal barriers and giving our teams clearer processes and better tools, we're enabling them to deliver the level of service Manitobans expect.

Building Engagement and Pride

The strength of MPI starts with our people. Creating an environment where employees feel supported and connected to their work is essential for workplace culture, and for the quality of service we provide.

We're continuing to invest in leadership development and in clarifying roles across the organization. When expectations are clear and leaders are equipped to support their teams, people can focus on doing their best work and growing their careers.

At the same time, building pride in our workplace means making sure it reflects the communities we serve. Our commitment to Truth and Reconciliation, employee wellness, and inclusion, diversity, equity, and accessibility is ongoing. We know this work requires more than statements; it requires sustained effort, accountability, and a willingness to listen and learn.

We're working to embed these priorities into how we operate every day, so employees feel respected, valued, and able to contribute fully. When people feel that sense of belonging, it strengthens everything we do.

Delivering on Our Promises

With the basic cost of living continuing to rise, affordability is top of mind for our customers. Ensuring our Basic and Extension products are priced responsibly reduces pressure on household expenses and delivers peace of mind to our customers. Enhancements to the Driver Safety Rating system are providing additional discounts for those with strong safety records, reinforcing good driving behaviour.

Strengthening Our Financial Foundation

Staying affordable over the long term requires strong financial discipline today. We're taking a closer look at how we manage costs and where we can operate more efficiently, without compromising service.

By making thoughtful decisions now, we can maintain a strong financial foundation while continuing to deliver value for Manitobans.

Our goal is to strike the right balance of keeping rates affordable for customers while ensuring MPI remains financially strong and able to invest in improvements where they matter most.

Getting Ready for What's Next

The pace of change around us isn't slowing down. Customers expect more digital options, faster service, and clearer information. At the same time, new technologies are creating opportunities to work smarter and deliver better outcomes. We're developing a clear technology roadmap to guide how we modernize our systems over time. This means making thoughtful choices about where to invest – upgrading existing platforms while introducing new capabilities that improve reliability, security, and ease of use.

Looking ahead, we're exploring how tools like artificial intelligence can support areas such as claims processing. Used responsibly, these technologies can help us improve efficiency and enhance the customer experience, while keeping people at the centre of decision-making.

Staying Focused on What Matters

We know we can't do everything at once. That's why focus is a key part of our strategy. By prioritizing the work that will have the greatest impact, and by supporting our teams to deliver it well, we're building momentum in a sustainable way.

We are committed to being transparent about our progress: what's working, where we're improving, and where challenges remain. Trust is built through consistency and openness, and we take that responsibility seriously.

At the end of the day, our direction is grounded in a clear purpose: to provide Manitobans with safer roads, value, and peace of mind. Everything we're working toward – better service, stronger teams, responsible financial management, and modern systems – supports that goal.

There's more ahead, and we're ready to keep moving forward, building an organization that helps Manitobans feel confident, protected, and supported wherever the road takes them.

Key Topics

Claims Control Strategies

MPI works diligently to ensure that the premiums entrusted to the Corporation by ratepayers are used efficiently and judiciously, while providing the best customer service possible when paying out on claims. This includes ongoing and active monitoring of claims costs. Our cost control measures with respect to claims management include efforts on multiple fronts to ensure cost effective repairs, fraud prevention, salvage and subrogation recovery, and the sound management of PIPP claims.

Each year, these initiatives contribute significantly to efficiencies in operations to help contain costs or generate revenue, as the case may be. Together, they contribute to keeping insurance premiums as low as possible for customers.

IT Roadmap

In 2025, MPI officially closed Project Nova after reviewing both the project and the organization's overall approach to technology modernization. While the project introduced new digital tools and made progress in some areas, the review found challenges with system complexity, connecting to older systems, timelines, and the overall size of the transformation.

The decision to close Project Nova also resulted in additional financial impacts in 2025/26, including approximately \$15.1 million related to the write off of deferred development costs and \$37.3 related to the recognition of a provision for an onerous contract for which the Corporation does not expect to receive economic benefit. While these costs affected MPI's reported financial results for the year, they were associated with the decision to conclude the project and establish a new path forward for modernization.

Closing Project Nova as a standalone project reflects MPI's commitment to a more practical, coordinated, and financially responsible approach moving forward. Lessons learned from the project helped shape a new direction focused on stronger oversight, clearer accountability, steady progress, and better alignment with annual planning and budgeting.

As part of this shift, MPI is developing an IT roadmap to guide technology stabilization, while building a foundation that allows systems to be changed in smaller, lower risk increments. Instead of relying on one large transformation project, the roadmap will modernize MPI's highest risk systems using a phased approach, introducing practical platforms that deliver the most value to customers. It will also give MPI more flexibility to adapt to changing business needs, new technology, and financial pressures over time.

The roadmap will improve online services for customers, strengthen cybersecurity and system reliability, update core systems, and improve how systems and service channels work together. It will also be designed to support stable day-to-day operations for the services Manitobans rely on, including insurance, driver licensing, and vehicle registration.

While Project Nova did not fully achieve its original goals, the work completed and lessons learned continue to guide MPI's modernization efforts. The decision to close the project and transition to a phased roadmap positions MPI to pursue technology investments in a more sustainable and financially disciplined way while continuing to build reliable, customer-focused technology that supports safe, accessible and efficient service for Manitobans.

Road Safety

Road safety is central to MPI's mandate. Through education, enforcement, and partnerships, MPI works to reduce serious and fatal collisions on Manitoba roads. In 2025/26, MPI advanced key initiatives that laid the groundwork for future enhancements to road safety strategy, public reporting and stakeholder collaboration.

Road Safety Strategy

In 2025/26, MPI took an important step forward in shaping the future of road safety in Manitoba by engaging stakeholders to inform the development of its new Road Safety Strategy, *Safer Roads: A Shared Journey*.

Built around the idea that safer roads are everyone's responsibility, the strategy was shaped by one of MPI's largest public and stakeholder engagement efforts to date. Throughout the process, MPI worked closely with communities, governments, law enforcement, industry partners, employees and Manitobans from across the province to better understand road safety concerns and priorities.

Between July 2025 and January 2026, MPI heard from 67 external organizations, conducted one-on-one sessions with 13 key stakeholder groups and gathered feedback from nearly 3,000 Manitobans through a public survey.

Engagement activities included workshops, surveys, direct outreach and public awareness campaigns through advertising and social media. MPI also prioritized engagement with Indigenous communities through its Indigenous Action Plan, supporting respectful, relationship-based conversations focused on collaboration and reconciliation.

Manitobans identified distracted driving, impaired driving and speeding among the province's top road safety concerns. Respondents also highlighted the importance of stronger driver education, improved infrastructure safety, enhanced enforcement and better access to road safety information.

The approach reflects MPI's commitment to listening to Manitobans, working collaboratively with partners and using data-informed approaches to help reduce serious injuries and fatalities on Manitoba roads.

Collision Dashboard

MPI also continued advancing transparency and access to road safety information through the development of the Manitoba Collision Dashboard, which is a publicly accessible platform designed to provide more timely, interactive collision data for Manitobans and road safety partners.

The project was developed in response to stakeholder feedback and Public Utilities Board direction calling for improved public access to collision information.

In 2025, MPI partnered with 11 external organizations through a stakeholder working group that included representatives from government, law enforcement, health and community organizations. Together, the group participated in multiple engagement sessions and additional surveys to help shape the dashboard's functionality, priorities and design.

Stakeholders emphasized the importance of timely, accessible data and flexible reporting tools that support collaboration and informed decision-making across sectors.

The goal of the dashboard is a shift toward more transparent, user-friendly reporting tools that provide Manitobans with easier access to important road safety information.

Other Road Safety Programs

Alongside its broader strategy work, MPI continued investing in targeted road safety programs focused on education, prevention and community partnerships across Manitoba.

One initiative launched in 2025 was the Let's Buckle Up pilot program, designed to improve seatbelt use among high school students in rural Manitoba. The three-week pilot combined observation, education and enforcement activities at four rural high schools.

Schools received posters, announcements and roadside message boards promoting seatbelt safety, while local law enforcement agencies participated through educational awareness and visibility efforts.

The pilot showed encouraging short-term improvements in seatbelt use. In Teulon, driver seatbelt compliance increased from 84.7 per cent before the program to 91.6 per cent afterward. In Gladstone, compliance increased from 90.4 per cent to 97.1 per cent.

The findings also reinforced the important role driver behaviour plays in influencing passenger safety habits, highlighting the need for continued education and awareness efforts.

MPI also continued investing in adult driver training partnerships aimed at reducing barriers to licensing and improving mobility for Manitobans.

Through partnerships with University College of the North, Assiniboine College and Citizens' Bridge, MPI supported accessible Class 5 driver training opportunities for adults facing financial, geographic or systemic barriers.

In northern Manitoba, more than 900 students have participated in the University College of the North program, which serves remote, northern and Indigenous communities. Citizens' Bridge in Winnipeg has supported more than 500 students and serves a high proportion of equity-deserving groups, including Indigenous participants, visible minorities, refugees and individuals with disabilities.

Feedback gathered through MPI's Road Safety Strategy engagement process reinforced the importance of adult driver education, with respondents identifying it as a key road safety priority.

MPI also continued supporting off-road vehicle safety education through workshops delivered in partnership with Safety Services Manitoba. Offered at schools and community centres across the province, the workshops focused on safe off-road vehicle operation and the proper use of safety equipment.

In 2025, the program reached more than 2,000 Manitobans and received positive feedback from students, teachers and communities.

Together, these programs reflect MPI's continued commitment to proactive, community-based road safety initiatives that support education, accessibility and safer driving behaviours across Manitoba.

Driver Education and Training

Driver Z Program Delivery

More Manitobans are accessing Driver Z training and road safety education across the province. In 2025, 433 Driver Z courses were delivered, supporting 9,781 students between the ages of 15 and 18, which is an increase of 49 courses and nearly 1,000 additional students compared to 2024.

To help meet demand, condensed summer courses were expanded, increasing course availability during peak months and helping students access training sooner.

These improvements support MPI's commitment to safer roads by making driver education more accessible, flexible and responsive to the needs of Manitobans.

Driver Z Instructor Recruitment and Capacity

MPI continued efforts to recruit Driver Z instructors across Manitoba, including in rural communities where finding qualified instructors remains more challenging. Support from schools, broker offices and community organizations helped expand awareness and increase applications for instructor positions.

In 2025, 28 new Driver Z instructors were hired across the province. As of early 2026, an additional 15 instructors had already been hired, helping expand course availability and reduce wait times for students.

Because of these efforts, MPI increased the number of courses offered by 14 per cent in 2025/26, resulting in over 1,300 more students enrolling in the program.

Driver Z Instructor Training and Development

In April 2026, Driver Z instructor training transitioned to an online format, giving instructors greater flexibility to complete training on their own schedules. Previously, training sessions were offered only a few times each year and required multiple instructors to participate at the same time.

The shift to online learning removed scheduling barriers, improved accessibility and allowed training to be completed on demand while maintaining accountability through interactive modules and completion requirements.

Driver Z Registration

Driver Z registration transitioned to a seasonal model in 2025, allowing customers to register for courses in three-month intervals instead of monthly releases. The change improved visibility into upcoming course options and helped reduce pressure during registration periods.

In early 2026, MPI also piloted a customer segmentation registration model, assigning registration windows by age rather than relying on a single provincewide registration date. The pilot helped reduce lineups at service centres and broker offices while improving the overall customer experience.

Together, these changes helped simplify registration, improve access to training and reduce pressure on frontline services.

Driver Testing

Route Redevelopment

MPI continued work on a provincial road test route redevelopment initiative aimed at improving consistency and fairness in road testing. A matrix-based scoring model was introduced to help standardize route assessments across Manitoba.

The model evaluates key driving maneuvers and road infrastructure elements to ensure routes fall within established scoring ranges while still reflecting local driving environments.

In 2025, the model was piloted for Class 5 road tests and helped reduce pass/fail variances between Winnipeg and rural locations from as much as 30 per cent to approximately six to eight per cent.

This work supports safer roads by helping ensure road tests are fair, consistent and reflective of real-world driving conditions across the province.

Class 1 Oversight

MPI expanded oversight activities for Class 1 training providers to help ensure students receive safe, high-quality instruction. In 2025, 24 compliance verification audits were completed, including reviews of student records, training equipment, instructional delivery and facility standards.

When non-compliance was identified, corrective action plans and follow-up inspections were completed to support accountability and continuous improvement. Administrative penalties introduced in 2025 further strengthened oversight expectations for training providers.

MPI also introduced enhanced course outline requirements to support unannounced inspections and help ensure consistent delivery of comprehensive training.

These efforts align with MPI's commitment to road safety by supporting stronger training standards and helping prepare safer, more capable commercial drivers for Manitoba roads.

Driver Testing Scheduling

Advanced booking for Class 1 road tests was expanded to include all Mandatory Entry-Level Training and Private Vocational Institution participants. The change allows eligible students to book road tests immediately following training completion and receive priority access over general bookings.

By reducing delays between training and testing, the updated approach helps improve access, reduce wait times and better support successful testing outcomes for future commercial drivers.

Campaigns

Using available data and stakeholder input, MPI developed 17 public awareness campaigns in 2025–26 focused on the driving behaviours and conditions that contribute most significantly to serious and fatal collisions, including impaired, distracted, careless and speeding-related driving.

These campaigns support MPI’s mission of safer roads for all Manitobans by encouraging drivers to think differently about the choices they make behind the wheel and the impact those decisions can have on others.

Public safety awareness campaigns focused on advocating for safer roads and influencing behaviours through relatable, real-world scenarios. One campaign reminded Manitobans that “it’s never just you on the road,” reinforcing how quickly conditions can change and how even brief moments of distraction or speeding can have serious consequences – whether it’s a child running into the street, a cyclist approaching or law enforcement around the bend.

Additional campaigns highlighted the many forms distracted driving can take beyond cellphone use. Everyday behaviours such as eating, searching for items or responding to notifications were positioned as distractions that can put all road users at risk. The campaign creative also emphasized the shared responsibility drivers have to one another on Manitoba roads.

MPI’s familiar impaired driving message reminding Manitobans that “even if it’s one or two, plan a safe ride home and never drink and drive” also returned throughout the year. Updated creative aired during high-visibility moments, including the spring Jets playoff run, the 112th Grey Cup and the holiday season, helping reinforce safe driving habits during times when impaired driving risks can increase.

Corporate Sponsorships and Presentations

MPI’s corporate sponsorships support road safety initiatives, business priorities and communities across Manitoba. MPI is the provincial sponsor for Operation Red Nose, a free designated driver program that gets patrons and their vehicles home safely during the holiday season. In 2025, across Manitoba, there were seven communities who hosted the program. Over the holiday season 2,405 rides were provided across Manitoba, making sure people celebrating the season got home safely.

MPI is also the long-standing provincial sponsor of MADD Canada’s high school program, which delivers critical messages related to impaired driving to high school students across the province. In 2025/26, funding supported the delivery of 109 presentations across Manitoba.

MPI employees raised \$350,864 through the annual 2025 United Way campaign, supporting vital programs that strengthen communities across Manitoba. The generosity of our employees reflects their ongoing commitment to improving lives, supporting families, and creating opportunities for those in need.

In addition to guiding the Corporation’s sponsorships, MPI’s Community Relations team offers free, interactive presentations on road safety topics. All presentations are designed to help Manitobans gain the knowledge and awareness they need to protect themselves and others. Presentations are available in person or virtually and can be booked by individuals or groups directly on MPI’s website.

Corporate Performance Measures and Targets

For the years ended March 31, 2026 and March 31, 2025

\$ Financial Performance

Net Income (Loss)

In millions

ACTUAL 2025/26

\$55.6

ANNUAL TARGET

\$9.3

PAST 2024/25

(\$19.7)

Revenue from Premiums

In millions

ACTUAL 2025/26

\$1,702.6

ANNUAL TARGET

\$1,719.3

PAST 2024/25

\$1,608.2

Incurred Claims before Reinsurance

In millions

ACTUAL 2025/26

\$1,236.5

ANNUAL TARGET

\$1,249.3

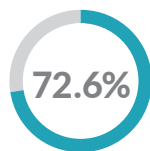
PAST 2024/25

\$1,202.1

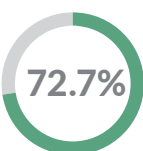
Corporate Loss Ratio

Incurred Claims before Reinsurance/Revenue from Premiums

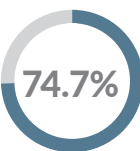
ACTUAL 2025/26



ANNUAL TARGET



PAST 2024/25



Total Return – Investments

ACTUAL 2025/26

4.39%

ANNUAL TARGET

4.67%

PAST 2024/25

8.86%

☆ Operational Excellence

Total Full-Time Equivalent*

ACTUAL 2025/26

2,041

ANNUAL TARGET

2,089

PAST 2024/25

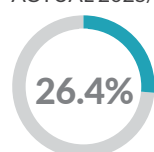
2,047

* Total Full Time Equivalent is the actual Full-Time Equivalent as at March 31 for the fiscal years reported.

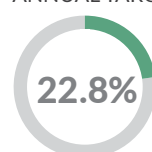
Total Expense Ratio

Corporate Expenses consisting of Maintenance, Acquisition-Other and Operating/Revenue from Premiums

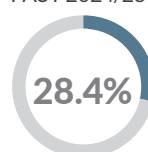
ACTUAL 2025/26



ANNUAL TARGET



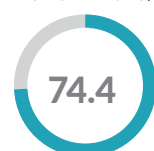
PAST 2024/25



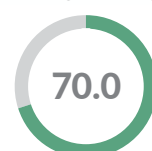
👤 Customer Service

Customer Experience (CX) Index™ Score

ACTUAL 2025/26



ANNUAL TARGET



Note: The overall CX Index™ score ranges from zero to 100.

Sourcing: A commissioned study conducted by Forrester Research leveraging the CX Index™ framework, March 2026.

MPI has adopted an industry standard method of measuring our customer experience. MPI's CX Index™ Score places it in the good range on the CX Index™, which is our targeted minimum customer experience.

Disclaimer: Forrester does not endorse any company included in any CX Index™ research and does not advise any person to select the products or services of any particular company based on their CX Index™ ratings.

+ Organizational Health

Capital Adequacy (Minimum Capital Test)

	ACTUAL 2025/26	TARGET	PAST 2024/25
Basic	108%	100%	107%
Extension	200%	200%	200%
SRE	247%	300%	226%

2025/26 Year-End Summary

Dollars and Cents

Approximate Autopac claims paid per working day	\$4.8	million
Total Autopac claims paid for injuries occurring in 2025/26 (before expenses)	\$211.2	million
Total Autopac claims paid for property damage occurring in 2025/26 (before expenses)	\$984.2	million
Amounts paid by MPI to Manitoba medical practitioners on behalf of customers	\$30.1	million
Commissions expensed to independent insurance brokers for product sales	\$121.7	million
Grants-in-lieu of taxes paid to Manitoba municipalities by MPI	\$1.9	million
Provincial premium taxes total	\$53.4	million
Savings to policyholders through use of recycled parts made available for use in claims repairs	\$8.3	million
Estimated direct savings to policyholders through subrogation	\$25.1	million
Average cost per claim	\$4,434	

Significant Numbers

Average number of Autopac claims reported to MPI per working day	1,124
Total Autopac claims reported	278,842
Third-party-liability, bodily injury and PIPP injury claims reported	13,086
Property damage claims reported	265,756
Number of Autopac policies in force (average)	1,335,042

Management Discussion & Analysis

The following management discussion and analysis (MD&A) is the responsibility of management and has been reviewed by the Board of Directors (the Board) for the year ended March 31, 2026. This MD&A is intended to enable the reader to assess the results of operations and financial condition of the Corporation for the year ended March 31, 2026, compared to the corresponding year ended March 31, 2025. It should be read in conjunction with the Corporation's annual audited financial statements and supporting notes for the year ended March 31, 2026, found herein. "MPI", the "Corporation", "we" and "our" are terms used throughout this document to refer to Manitoba Public Insurance Corporation. Further information about MPI may be found online at mpi.mb.ca.

Cautionary Note Regarding Forward-Looking Statements

Certain statements included in this MD&A about MPI's current and future plans, expectations and intentions, results, levels of activity, performance, goals, achievements, any other future events or developments constitute forward-looking statements. Forward-looking statements are based on estimates and assumptions made by management based on management's experience and perception of historical trends, current conditions and expected future developments, as well as other factors that management believes are appropriate in the circumstances. In addition to other estimates and assumptions which may be identified herein, estimates and assumptions have been made regarding, among other things, economic and political environments, and industry conditions. Many factors could cause the Corporation's actual results, performance, achievements, future events or developments to differ materially from those expressed or implied by the forward-looking statements.

Corporate Governance

Effective governance is key to creating value for Manitobans. The Corporation's Board of Directors provides oversight to our executive leadership team to ensure MPI has effective processes in place to deal with issues and concerns from staff, customers and other stakeholders.

Responsibilities of the Board

The Corporation's Board of Directors, appointed by the Government of Manitoba, ensures that corporate policies are consistent with its mandate and the laws of the Province of Manitoba. The Board of Directors is also responsible for overall policy direction of MPI and provides oversight and monitoring. Further duties, obligations and responsibilities of the Board of Directors are prescribed by *The Crown Corporations Governance and Accountability Act* and *The Manitoba Public Insurance Corporation Act*.

The Corporation is responsible for preparing an annual business plan which must be approved by the Board and submitted to the Minister responsible for the Manitoba Public Insurance Corporation (MPI) for their approval. The Board chairperson is required to provide the Minister Responsible for MPI and the Lieutenant Governor in Council with an annual report that includes audited financial statements, which is subsequently reviewed by the Standing Committee on Crown Corporations of the Legislative Assembly. With the approval of the Lieutenant Governor in Council, the Minister Responsible for MPI has the legislative authority to issue a mandate letter, and directives related to respecting matters of policy, conducting organizational reviews and ensuring consistency with other Crown corporations or prescribed government agencies.

Basic Autopac Rates

Under *The Crown Corporations Governance and Accountability Act*, MPI is required to submit Basic insurance rates to the Public Utilities Board (PUB) for approval. The Corporation generally files its rate application in June of each year for rates effective at the beginning of the following fiscal year.

On December 19, 2025, the PUB issued Order No. 126/25 that included a 1.77 per cent rate increase to Basic insurance for policies taking effect on or after April 1, 2026. The PUB also extended the Driver Safety Rating system to +20 as of April 1, 2026; and increased the vehicle premium discounts for all levels above +2, to a maximum of 53 per cent for Levels +19 and +20.

Whistleblower Report

The Corporation has established an independent, anonymous and confidential Whistleblower Reporting System to receive disclosures of wrongdoing, being actions or omissions that are potentially unlawful, injurious to life, health or to the safety of persons or the environment, or which constitute gross mismanagement. The Corporation promotes reporting by ensuring that employees who disclose wrongdoing in good faith are protected against reprisal for making such disclosures.

As fairness and accountability are of paramount concern, and recognizing that employees are more likely to disclose wrongdoing confidentially, valid disclosures are investigated by the Vice President, Chief Legal and Risk Officer, the senior official designated to receive and deal with disclosures, with the assistance of independent third parties, the results of which are reported to the Chair of the Audit & Finance Committee.

In the fiscal year ended March 31, 2026, the Whistleblower Reporting System received a total of eight disclosures. Of the disclosures received, three were accepted for investigation. In this past fiscal year, the Corporation completed two investigations, one of which related to an existing disclosure from 2024/25 and the other related to one of the disclosures received in 2025/26. Of the two investigations completed in this fiscal year, neither resulted in findings of wrongdoing. One of the two disclosures made in 2025/26 that was being investigated was recently closed with no finding of wrongdoing. The other disclosure accepted for investigation remains active.

Fair Practices Office

The Fair Practices Office (FPO) is an avenue for customers and other interested parties to bring issues and concerns of a systemic nature to the attention of MPI. The FPO generally deals with concerns related to corporate policy, or issues involving complex or unusual situations where the correct interpretation of policy may seem unclear. The FPO may initiate its own investigations or respond to inquiries referred by others. It is free to scrutinize MPI's policies and procedures in an objective and constructive manner. As required, it can make recommendations about an operational decision on a specific case and alert senior management of any systemic concerns or policies that should be addressed.

Business Continuity

Over a number of successive years now, MPI has built up robust business-continuity capabilities. These have been developed as a "made-for-MPI" solution leveraging industry best practices, and are aligned to the needs of our staff, customers and business partners. Our Business Continuity Management Program creates corporate plans and responses that ensure continued customer service in the event of a business disruption. It includes emergency response, crisis management, business recovery, IT service continuity, catastrophe, contingency and pandemic responses, and the processes used to ensure ongoing readiness in all phases of our operations. The program is focused on creating and implementing corporate business continuity planning through a strong understanding of our products and services, our people, and our delivery processes and technology.

Business continuity includes planning, prevention, preparedness and a proactive program approach to crisis responses and business delivery. This approach leverages the prevention and proactive aspects of business continuity that provide continuous service during business disruptions as opposed to suspension and recovery.

Results Of Operations

Manitoba Public Insurance's mandate is to ensure affordable and stable rates and provide value to Manitobans.

The Corporation reported Net income from operations of \$55.6 million for the year ended March 31, 2026, as compared to a Net loss of \$19.7 million for the prior year. The Insurance service result was \$121.7 million as compared to \$35.8 million for the prior year. This reflects the underlying performance of the Corporation's individual lines of business. More specifically,

- The Basic insurance line of business reported a Net loss of \$4.6 million as compared to a Net loss of \$39.6 million for the prior year. The Insurance service result was \$31.1 million as compared to (\$27.1) million for the prior year;
- The Extension line of business reported Net income of \$70.2 million as compared to Net income of \$53.7 million reported in the prior year. The Insurance service result was \$75.2 million as compared to \$62.1 million for the prior year;
- The Special Risk Extension (SRE) line of business reported Net income of \$2.2 million as compared to a Net loss of \$4.1 million in the prior year. The Insurance service result was \$15.4 million as compared to \$0.8 million for the prior year; and,
- *The Drivers and Vehicles Act* operations (DVA) line of business reported a Net loss of \$12.2 million as compared to a Net loss of \$29.7 million in the prior year.

Insurance Revenue

Insurance revenue is comprised of Revenue from premiums and Other insurance revenue (fees related to policy administration). Insurance revenue for the Corporation increased by 5.7 per cent or \$93.7 million and is reported at \$1,738.5 million for the year ended March 31, 2026. It is comprised of Insurance revenue from the Corporation's three insurance lines of business: Basic, Extension and SRE. The revenue attributable to each of these lines of business is approximately 76 per cent, 14 per cent and 10 per cent respectively.

The Basic line of business reported \$1,321.7 million in Insurance revenue for the year ended March 31, 2026, an increase of \$86.1 million or 7.0 per cent over the prior year. Insurance revenue includes a 5.7 per cent increase in premiums charged for the Basic line of business that took effect April 1, 2025, in accordance with a Public Utilities Board ("PUB") order. The 5.7 per cent increase consisted of a 7.9 per cent increase to vehicle premiums and a 2.04 per cent decrease related to changes in the Driver Safety Rating Scale.

Insurance revenue for the Extension line of business increased by 10.3 per cent or \$22.9 million to \$246.0 million for the year ended March 31, 2026, as compared to the prior year. The growth in revenue includes impacts from an increase of 2.0 per cent in rates charged within the Extension product portfolio, as approved by the Corporation's Board of Directors, that came into effect during the 2025/26 fiscal year. The increase in revenue also relates to stronger demand for certain products such as reduction to deductible, loss of use coverage and maximum insured vehicle coverage.

Insurance revenue for the SRE line of business decreased 8.2 per cent or \$15.3 million to \$170.8 million for the year ended March 31, 2026, as compared to the prior year. The decreased revenue reflects a reduction in the number of policies issued and the exposures underwritten, driven in part by deliberate non renewals of accounts with adverse claims experience.

Regulatory Environment and Rate Setting

The PUB has sole authority over reviewing and approving premiums and service fee charges for the Basic line of business. MPI participates in an annual general rate application (“GRA”) process to establish rates and fees which take effect April 1. As such, changes in revenue outside of a PUB order reflect underlying changes in policy volume, timing of renewals and shifts in the mix of insured vehicles over the period. As part of the application process, the PUB provides directives or orders that the Corporation is required to follow.

The Corporation is subject to PUB Order 145/23 that provides a directive for MPI to exclude initiative expenses for rate setting purposes; and Directive 8 of PUB Order 2/25 that directs MPI to continue to accumulate deferred initiative costs within a Regulatory Deferral Account (RDA) balance. The RDA only exists in the venue of the Public Utilities Board for rate setting purposes, and is not applicable for external reporting purposes. Under these PUB orders, MPI excludes initiative amounts for rate setting purposes and is prohibited from recovering the cost of initiatives through rates until such time as approved by the PUB in its annual GRA. Adjustments to the RDA directly impact Basic insurance rates (increases to the RDA reduce the rate requested by MPI and vice versa).

In MPI’s 2025 GRA \$15.4 million (2024 GRA \$24.1 million) of forecasted initiative expenses for the rating year (2 year average) was excluded. The exclusion of initiative expenses from recovery in rates resulted in rate deficiency that must be funded or offset by a reduction in operating expenses, reduced claims incurred trending, increased revenue from sources other than Basic insurance premiums, investment income, or transfers of capital from another line of business, or a combination of these. Where these sources fall short, in whole or in part, the remaining rate deficiency is funded by the Rate Stabilization Reserve fund.

Incurred Claims

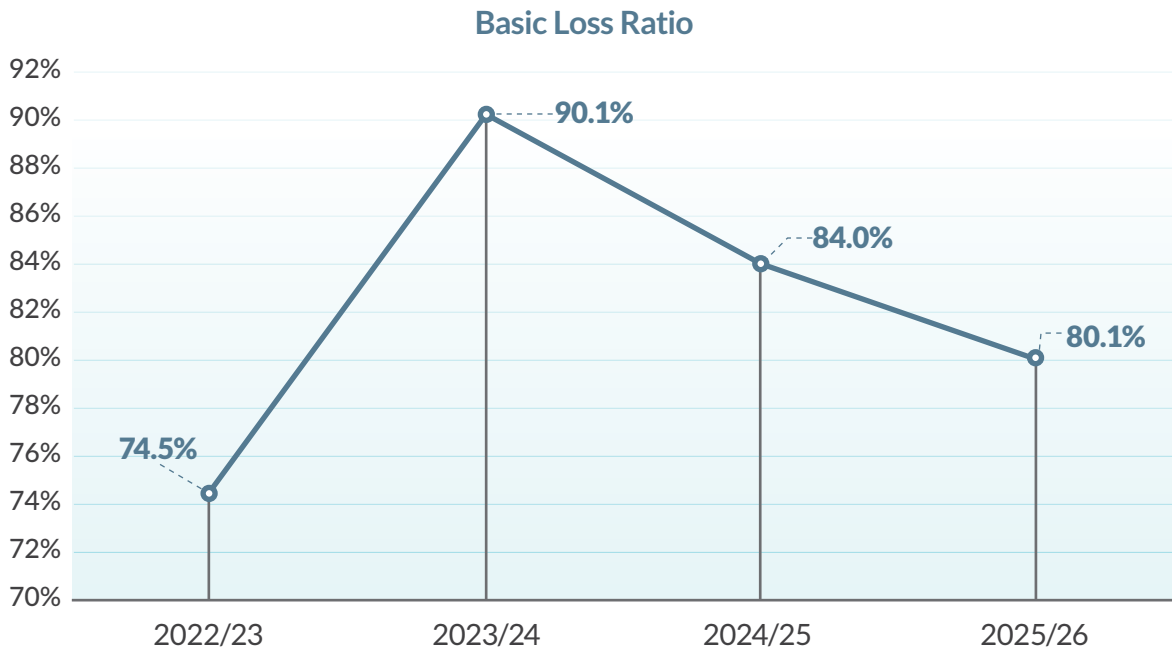
Incurred claims are a function of frequency (the number of claims submitted), severity (how expensive are the actual or expected injuries, repairs, or total loss), and the timing of when claims are settled and paid. Frequency is affected by several factors, such as driving patterns, weather, and individual decisions to advance a claim or not. Severity is impacted by several factors such as supply chain availability of parts and service, prevailing market conditions for new and used vehicle pricing, and complexity of the vehicle requiring repair. Timing related to claims settlement is impacted by several factors, such as inflation, discount rates, risk adjustments, and investment yields.

Incurred claims for the Corporation increased by 2.9 per cent or \$34.4 million to \$1,236.5 million for the year ended March 31, 2026, as compared to the prior year, with all insurance lines of business reporting increases from the prior year. The following graph illustrates the trend in the corporate loss ratio over the four years reported in accordance with IFRS 17 – Insurance Contracts. Loss ratio is a key performance measure that reflects the relationship between claims costs and premium revenue. It is calculated as incurred claims divided by revenue from premiums.



Basic Line of Business

Incurred claims for the Basic line of business increased by 2.2 per cent or \$22.3 million to \$1,034.5 million for the year ended March 31, 2026, as compared to the prior year. Despite this increase, the loss ratio improved to 80.1 per cent from 84.0 per cent reported in the prior year, driven by the year over year increase in Revenue from Premiums. The following graph illustrates the trend in the Basic loss ratio over the past four years reported in accordance with IFRS 17.



Autopac claims reported for the year ended March 31, 2026, decreased slightly by 0.5 per cent or 1,458 claims to 278,842.

Physical damage incurred claims (excluding discount rate impact and risk adjustment) increased by 6.7 per cent or \$55.7 million to \$882.9 million for the year ended March 31, 2026, as compared to the prior year. More specifically,

- Comprehensive (non-catastrophic) increased by 32.7 per cent or \$35.3 million to \$143.1 million;
- Comprehensive (catastrophic) decreased by 73.3 per cent or \$51.7 million to \$18.8 million;
- Collision increased by 11.5 per cent or \$67.2 million to \$650.8 million. For the year ended March 31, 2026, the estimated cost for Collision claims is 50.4 per cent of the earned premium; and,
- Property damage increased by 7.5 per cent or \$4.9 million to \$70.2 million.

Bodily injury incurred claims (excluding inflation, discount rate impact, and risk adjustment) increased by 14.4 per cent or \$44.4 million to \$353.7 million for the year ended March 31, 2026, as compared to the prior year. Changes in economic assumptions had a significant favourable impact on bodily injury obligations in the current year. The effect of inflation assumptions reduced outstanding bodily injury liabilities by \$375.5 million and contributed to a recovery of \$318.9 million for the year ended March 31, 2026.

Changes in discount rates for the Basic line of business were favourable by \$444.7 million and impacts from risk adjustments were favourable by \$9.2 million for the year ended March 31, 2026, as compared to the prior year.

Enhancements in Measuring Case Reserves for Personal Injury Protection Plan (PIPP)

As of February 28, 2026, the Corporation implemented enhancements in calculating case reserves for the Personal Injury Protection Plan, with improvements to data quality and refinements in actuarial assumptions. These changes were adopted to more accurately reflect the experience of Manitobans, and to strengthen the Corporation's reserving methodologies for this program.

The implementation of the enhancements in measuring case reserves for PIPP resulted in a \$97.3 million reduction to Insurance contract liabilities reported by the Corporation in the Statement of Financial Position as at February 28, 2026. The impact from the change in measuring the reserves provided a \$62.3 million decrease to Incurred Claims, a favourable impact of \$35.0 million to Net insurance financial result, and an increase of \$97.3 million to Net Income reported in the Corporation's Statement of Operations for the eleven-month period ended February 28, 2026.

Extension Line of Business

Incurred claims for the Extension line of business increased by 10.7 per cent or \$9.8 million to \$101.6 million for the year ended March 31, 2026, as compared to the prior year. The increase reflects unfavourable developments in prior year claims; the loss ratio remained consistent with the prior year at 42.4 per cent.

Special Risk Extension Line of Business

Incurred claims for the SRE line of business increased by 2.2 per cent or \$2.2 million to \$100.4 million for the year ended March 31, 2026, as compared to the prior year. More specifically,

- Public liability (excluding discount rate impact and risk adjustment) decreased by 3.1 per cent or \$2.4 million to \$75.5 million; and,
- Physical damage (excluding discount rate impact and risk adjustment) increased by 5.8 per cent or \$1.8 million to \$33.1 million.

The increase reflects unfavourable developments in prior year claims compared to the previous fiscal year, with claims settling, or expected to settle, for more than originally estimated. The loss ratio for this line of business for the year ended March 31, 2026, was 58.8 per cent as compared to 52.8 per cent for the prior year.

Net Income (Expense) from Reinsurance Contracts Held

The Corporation follows a practice of obtaining reinsurance coverage for both casualty and catastrophic events to limit its exposure to losses. Net expense from reinsurance contracts was \$20.1 million for the year ended March 31, 2026, \$15.7 million lower than net expense of \$35.8 million reported in the prior year, primarily attributable to the volume of claims incurred that were eligible for recovery from reinsurers. A significant hail event in August 2023 continued to drive reinsurance claims submitted by the Corporation in the fiscal year ended March 31, 2026. Premiums paid by the Corporation under the reinsurance program were \$37.7 million for the year ended March 31, 2026 (\$40.0 million—March 31, 2025).

Comprehensive coverage for catastrophic weather events was \$51.7 million lower compared to the prior year. This coverage has declined year over year since the significant hail event in 2023. MPI mitigates exposure to catastrophic weather events through reinsurance on an annual basis. The net financial exposure to MPI in the year ended March 31, 2026, was \$50.0 million, same as prior year.

Net Insurance Financial Result

Net insurance financial expense was \$9.1 million for the year ended March 31, 2026, a decrease of \$157.6 million from \$166.7 million in the net expense reported by the Corporation in the prior year. This reflects the change in discount rates applied in the measurement of claims, along with the unwinding of discount rates (a process of recognizing the increase in the present value of a liability over time as it moves forward in time). The change was mainly due to the increase in the discount rates applied to value net liabilities for incurred claims reported during the fiscal year ended March 31, 2026, which moved more favourably than in the prior year.

Corporate Operating Expenses

The Corporation leverages an integrated service delivery model wherein its lines of business benefit from sharing costs amongst themselves, resulting in lower costs overall than if each were operated on a stand-alone basis. Corporate operating expenses are not presented or readily identifiable under IFRS 17 reporting. They are reported as a separate line item or in aggregate as Acquisition, Maintenance, or Operating expense on the Statement of Operations by line of business. The table below illustrates a traditional view of corporate operating expenses prior to being classified as Acquisition, Maintenance, or Operating expense.

\$ in '000's	March 31, 2026	March 31, 2025
Compensation	\$228,999	\$220,396
Data processing	131,905	139,147
Special services	13,231	19,746
Merchant fees & bank charges	12,226	11,255
Buildings	8,768	8,453
Other	6,197	7,216
Postage	6,119	5,530
Driver education program	5,611	5,451
Printing, stationery, supplies	4,819	4,770
Regulatory/appeal	4,612	4,678
Safety/loss prevention programs	3,095	3,409
Public information/advertising	2,760	2,522
Telephones	2,007	1,734
Furniture & equipment	1,983	3,444
Grants in lieu of taxes	1,903	1,787
Travel and vehicle	1,106	1,188
	435,341	440,726
Commissions-policy	115,084	107,107
Commissions-non-policy	6,606	6,541
Premium taxes	53,356	48,823
	175,046	162,471
Amortization of deferred development costs	6,372	9,935
Depreciation of operating property and equipment	6,956	6,574
	13,328	16,509
Total	623,715	619,706

Total corporate operating expenses increased 0.6 per cent or \$4.0 million to \$623.7 million for the year ended March 31, 2026. The current year expenses were impacted by the recognition of a provision for onerous contracts, asset impairments, and continued postal service disruption; the prior year's results include recognition of more significant asset impairments and write-offs, impacts from fire damage incurred at the Gateway Service Centre in June 2024, and interruption in postal services.

Compensation expense increased over the prior year primarily due to higher rates provided by the collective bargaining agreement.

Impairment Losses and Write Off of Assets Reported as Deferred Development Costs

As part of the Corporation's annual impairment assessment of intangible assets, certain technology assets that had been foundational to development under Project Nova were assessed as no longer meeting the criteria for asset recognition, subsequent to the project's formal closure in June 2025. As a result, the Corporation recognized a write-off of \$15.1 million in deferred development costs.

The write-offs recognized in the current year are reported as a reduction of \$15.1 million in assets presented as Deferred development costs in the Corporation's Statement of Financial Position at March 31, 2026. The impacts of the write-offs are reported as Data processing expense of \$14.0 million within Operating expense, and \$1.1 million in Acquisition expense, in the Statement of Operations for the year ended March 31, 2026. In the prior fiscal year ended March 31, 2025, the Corporation reported \$62.1 million in impairments and write-offs to Deferred development costs (Maintenance expense \$6.2 million; Acquisition expense \$11.6 million and Operating expense \$44.3 million).

Recognition of Onerous Contract

As at March 31, 2026, the Corporation recognized a provision for onerous contracts, representing the estimated unavoidable costs to satisfy contractual obligations in respect of rights and services that are not expected to provide future economic benefit to the Corporation. The provision is reported in the Statement of Financial Position as at March 31, 2026, at \$37.3 million, as the present value of the Corporation's estimated remaining contractual commitments until the contract's expiry in July 2030. The provision will be assessed by the Corporation each year until the contract expiry date. Assets that were associated with the contract had been written down to nil by the Corporation prior to recording the provision at March 31, 2026. The impact of the recognition of the provision for onerous contracts was recorded as \$37.3 million in Data processing expense, reported within Operating expense in the Corporation's Statement of Operations for the year ended March 31, 2026.

Investments and Investment Income

Investments are held within five separate portfolios internally. The purpose of the five portfolios is to pay the short and long-term liabilities of the Corporation as they come due and to provide investment income from interest, dividends and capital gains that will assist in stabilizing premiums payable by policyholders. The Basic line of business has two investment portfolios. The first is the Basic Claims Liabilities Portfolio which backs policyholder claims and ensures funds are available as liabilities come due. The secondary objective of the Basic Claims Portfolio is to minimize interest rate risk with modest returns. The second Basic portfolio is the Rate Stabilization Reserve (RSR) portfolio which has an objective to ensure sufficient levels of capital are maintained to withstand plausible adverse events to deliver rate stability and predictability. The Extension and SRE lines of business portfolios back both liabilities and retained earnings and have objectives to achieve target returns and stabilize premiums. The last portfolio backs liabilities for employee future benefits and has an objective to ensure these obligations are paid as they become due.

The Operational Asset Liability Management (ALM) strategy aims to align the dollar duration of Basic Claims fixed income assets—including government bonds, corporate bonds, short-term investments, mortgages, and non-marketable bonds—with the dollar duration of Basic Claims liabilities, within a tolerance of +/- 5 per cent. In addition, the market value of the Basic Claims investment portfolio (fixed income assets plus real estate) is targeted to match the present value of the associated liabilities within +/- \$100 million. Maintaining this alignment helps minimize the sensitivity of the surplus to interest rate fluctuations.

As of March 31, 2026, the dollar duration match was 97.6 per cent and was within the acceptable +/- 5 per cent tolerance range. This measure was calculated using February 2026 liability cash flows, as March 2026 cash flows were not yet available. This timing lag is typical following fiscal year-end due to standard reporting processes and the investment manager therefore relies on the most recent available liability valuation data.

At March 31, 2026, the market value of the Basic Claims investment portfolio exceeded the present value of the liabilities by \$109.0 million (March 31, 2025—\$21.0 million). A transfer from Basic Claims to the Rate Stabilization Reserve is expected to occur after the fiscal year-end to bring the difference back within the target range of +/- \$100 million.

The SRE and Extension lines of business are excluded from the ALM strategy. Their portfolios contain assets backing both surplus and claims, and the market value of the fixed income assets generally approximates the present value of claims liabilities.

The Employee Future Benefits portfolio is also outside the scope of the ALM strategy. This portfolio follows a balanced asset allocation approach—including fixed income, equities, and alternative assets—to support accrued employee pension, post-retirement, and severance benefit obligations.

The approximate impact of an increase of 100 basis points in interest rates as at March 31, 2026, would decrease the Liabilities for incurred claims by \$168.4 million (March 31, 2025—\$148.6 million decrease) and decrease Investments by \$224.6 million (March 31, 2025—\$204.6 million decrease) resulting in a decrease to Net income (loss) attributable to Owner of the Corporation of \$56.2 million (March 31, 2025—\$56.0 million decrease).

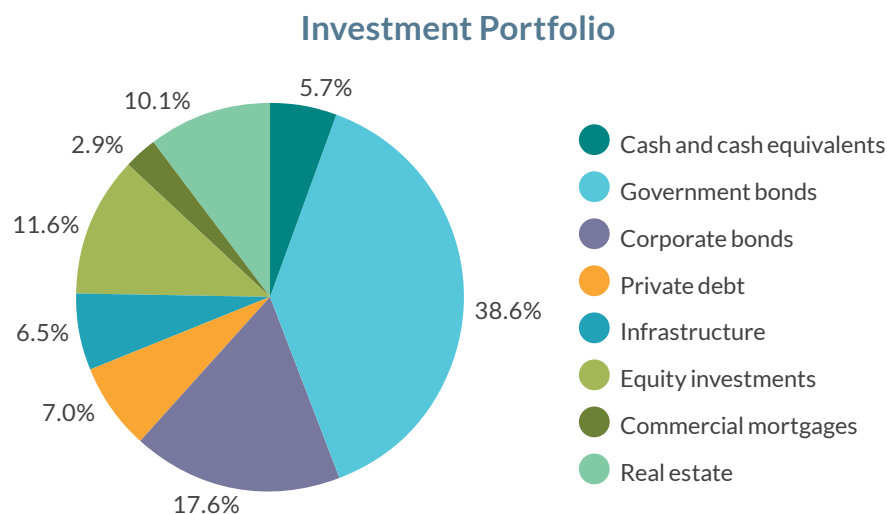
An increase of 100 basis points would increase Other Comprehensive Income (OCI) by \$58.7 million (March 31, 2025—\$62.6 million increase) as it relates to the employee future benefits liabilities.

The approximate impact of a decrease of 100 basis points in interest rates as at March 31, 2026, would increase the Liabilities for incurred claims by \$205.1 million (March 31, 2025—\$175.1 million increase) and increase Investments by \$225.3 million (March 31, 2025—\$205.3 million increase) resulting in an increase to Net income (loss) attributable to Owner of the Corporation of \$20.2 million (March 31, 2025—\$30.2 million increase).

A decrease of 100 basis points would decrease OCI by \$65.8 million (March 31, 2025—\$70.4 million decrease) as it relates to the employee future benefits liabilities.

Investment income, net of investment management fees, decreased 52.1 per cent or \$151.1 million to \$139.1 million for the year ended March 31, 2026, as compared to the prior year.

The fair value of the Corporation's combined investments was \$3,872.8 million for the year ended March 31, 2026. The investment portfolio is made up of the below investments:



The total portfolio, on a market value basis, had a positive 4.4 per cent return during the fiscal year (holding period return over the 12 months ended at March 31, 2026). The portfolio return is reported on a market value basis for all assets.

Marketable bonds returned 1.1 per cent while non-marketable bonds returned 2.3 per cent during the annual period. The private debt portfolio returned 0.6 per cent. The total Canadian equity portfolio increased by 39.5 per cent; large cap Canadian equities returned 44.1 per cent and small cap Canadian equities returned 35.0 per cent. Global equities returned 11.4 per cent in Canadian dollars. The real estate portfolio returned 3.7 per cent while the infrastructure portfolio returned 9.3 per cent in fiscal 2025/26. Commercial mortgages returned 4.7 per cent during the period. Over a four-year period, the investment portfolio achieved an annualized return of 3.9 per cent.

Canadian equity markets had a very positive performance during the period with the S&P/TSX index increasing by 34.8 per cent and the S&P/TSX Small Cap Index increasing by 65.8 per cent. Global equity markets were also positive with the MSCI World index rising by 18.3 per cent.

Government bond yields were volatile during the period with the Government of Canada 10-year bond reaching a low of 2.88 per cent on April 4, 2025, a high of 3.60 per cent on July 15, 2025, while ending the fiscal year at 3.47 per cent.

During the year, the yield curve steepened while presenting a normal upward sloping structure, with yields on short-term bonds decreasing by 32 basis points (from 2.64 per cent to 2.32 per cent) and yields on long-term government bonds increasing by 50 basis points (from 2.97 per cent to 3.47 per cent).

Inflation was quite volatile during the period, declining in the first quarter of the fiscal year (from an annual 2.3 per cent by March 2025 to an annual 1.9 per cent by June 2025) and rising in the last three quarters of that period (from an annual 1.9 per cent by June 2025 to an annual 2.4 per cent by March 2026). Overall, from March 2025 to March 2026, inflation slightly increased (from an annual 2.3 per cent to an annual 2.4 per cent). The decline in the average annual inflation rate in fiscal 2025/26 relative to prior fiscal year (from an annual 2.2 per cent to an annual 2.0 per cent) supported the Bank of Canada's decision to continue reducing its overnight interest rate—as they did in the prior fiscal year—which was cut twice by 25 basis points at each of the two consecutive meetings (September 2025 and October 2025) from a high of 2.75 per cent as of March 31, 2025 to a low of 2.25 per cent as of October 31, 2025.

Retained Earnings

At March 31, 2026, retained earnings are \$777.2 million (March 31, 2025—\$721.6 million). This is an accumulation from four lines of business: Basic \$564.0 million; Extension \$85.9 million; SRE \$102.9 million; DVA \$24.4 million (March 31, 2025—Basic \$496.6 million; Extension \$87.7 million; SRE \$100.7 million; DVA \$36.6 million).

Transfer of Capital Between Lines of Business

The Corporation transferred \$72.0 million (March 31, 2025—\$52.9 million) from the Extension line of business to the Basic line of business during the year ended March 31, 2026.

2025/26

Annual Financial Statements

For the fiscal year ended March 31, 2026

Responsibility for Financial Statements

The financial statements are the responsibility of management and are prepared in accordance with International Financial Reporting Standards. The financial statements necessarily include amounts that are based on careful assessment of data available through Manitoba Public Insurance Corporation's (the Corporation) information systems and management. In the opinion of management, the accounting practices utilized are appropriate in the circumstances and the financial statements fairly reflect the financial position and results of operations of the Corporation.

In carrying out its responsibilities, management maintains appropriate systems of internal and administrative controls designed to ensure that transactions are accurately recorded on a timely basis, are properly approved and result in reliable financial statements. The adequacy and operation of the control systems are monitored on an ongoing basis.

The financial statements were approved by the Board of Directors, which has overall responsibility for their contents. The Board of Directors is assisted with this responsibility by its Audit and Finance Committee (the "Committee"), which consists primarily of Directors not involved in the daily operations of the Corporation.

The general responsibilities of the Committee are categorized into the following: review of financial reporting, review of internal controls and processes, review of actuarial functions, monitoring of corporate integrity, compliance with authorities and review of performance reporting. The Committee's role is that of oversight in these areas in order to ensure management processes are in place and functioning so as to identify and minimize risks to the business operations.

In carrying out the above responsibilities, this Committee meets regularly with management, and with both the Corporation's external and internal auditors to approve the scope and timing of their respective audits, to review their findings and to satisfy itself that their responsibilities have been properly discharged. The Committee is readily accessible to the external and internal auditors.

The Committee is responsible for the review of the actuarial function. As well, the Committee recommends, for approval, the appointment of the external actuary and their fee arrangements to the Board of Directors. The Appointed Actuary is responsible for ensuring that the assumptions and methods used in the valuation of policy and claims liabilities are in accordance with accepted actuarial practice, applicable legislation and associated regulations or directives. In addition, the Appointed Actuary provides an opinion regarding the valuation of policy and claims liabilities at the balance sheet date to meet all policyholder obligations of the Corporation. Examination of supporting data for accuracy and completeness of assets and their ability to meet the policy and claims liabilities are important elements in forming the Appointed Actuary's opinion.

PricewaterhouseCoopers LLP, the Corporation's appointed external auditor, have audited the financial statements. Their Independent Auditor's Report is included herein. Their opinion is based upon an examination conducted in accordance with Canadian generally accepted auditing standards, performing such tests and other procedures as they consider necessary in order to obtain reasonable assurance that the financial statements are free of material misstatement and present fairly the financial position of the Corporation in accordance with International Financial Reporting Standards.



Satvir Jatana
PRESIDENT AND
CHIEF EXECUTIVE OFFICER

June 24, 2026



Ryan Kolaski, CPA, CA
VICE PRESIDENT AND
CHIEF FINANCIAL OFFICER

June 24, 2026

Actuary's Report

To the Board of Directors of Manitoba Public Insurance Corporation:

I have valued the policy liabilities of the Manitoba Public Insurance Corporation for its financial statements prepared in accordance with International Financial Reporting Standards for the year ended 31 March 2026.

In my opinion, the amount of policy liabilities is appropriate for this purpose. The valuation conforms to accepted actuarial practice in Canada and the financial statements fairly present the results of the valuation.



Cosimo Pantaleo, FCIA
June 24, 2026



Independent auditor's report

To the Board of Directors of Manitoba Public Insurance Corporation

Our opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Manitoba Public Insurance Corporation (the Corporation) as at March 31, 2026 and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards.

What we have audited

The Corporation's financial statements comprise:

- the statement of financial position as at March 31, 2026;
- the statement of operations for the year then ended;
- the statement of comprehensive income (loss) for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

PricewaterhouseCoopers LLP
Richardson Building, 1 Lombard Place, Suite 2300
Winnipeg, Manitoba, Canada R3B 0X6
T.: +1 204 926 2400, F.: +1 204 944 1020
Fax to mail: ca_winnipeg_main_fax@pwc.com

"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Corporation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Other information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PricewaterhouseCoopers LLP

Chartered Professional Accountants

Winnipeg, Manitoba

June 24, 2026

Audited Financial Statements

(in thousands of Canadian dollars, except as otherwise noted)

Financial Statements

Statement of Financial Position

	Notes	March 31, 2026	March 31, 2025
Assets			
Cash and cash equivalents	5	220,193	188,683
Accounts receivable	25	162,072	148,404
Prepaid expenses		2,052	3,018
Investments	5	3,652,594	3,587,114
Investment property	6	12,026	12,420
Reinsurance contract assets	14	57,094	74,043
Property and equipment	7	175,550	174,017
Deferred development costs	8	39,351	54,262
		4,320,932	4,241,961
Liabilities			
Accounts payable and accrued liabilities	9	47,819	52,797
Deferred revenue		32,352	33,204
Lease obligation	10	6,781	6,865
Provision for onerous contracts	29	37,341	-
Provision for employee current benefits	12	33,341	31,149
Provision for employee future benefits	13	479,855	486,061
Insurance contract liabilities	14	2,875,836	2,905,897
		3,513,325	3,515,973
Equity			
Retained earnings	15	777,227	721,620
Accumulated other comprehensive income	16	30,380	4,368
		807,607	725,988
		4,320,932	4,241,961

Commitments (Note 23) and Contingent Liabilities (Note 28)

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

Approved by the Board of Directors:



Carmen Nedohin
CHAIRPERSON OF THE BOARD



Luke Johnston
CHAIR, AUDIT AND FINANCE COMMITTEE

Audited Financial Statements

(in thousands of Canadian dollars, except as otherwise noted)

Statement of Operations

For the years ended March 31	Notes	2026	2025
Revenue from premiums		1,702,598	1,608,200
Other insurance revenue		35,919	36,550
Insurance revenue	17	1,738,517	1,644,750
Incurred claims		1,236,457	1,202,130
Maintenance expense	20	178,145	188,788
Acquisition expense:			
Commission	20	115,084	107,107
Premium taxes	20	53,356	48,823
Other	20	13,615	26,365
Total insurance service expense		1,596,657	1,573,213
Insurance service result from insurance contracts		141,860	71,537
Net expense from reinsurance contracts held		(20,131)	(35,784)
Insurance service result		121,729	35,753
Investment income	5	139,058	290,124
Insurance finance expense	5	(10,171)	(172,675)
Reinsurance finance income	5	1,050	5,919
Net insurance financial result		(9,121)	(166,756)
Net insurance and investment result		251,666	159,121
Service fees and other revenue	18	27,347	29,500
<i>The Drivers and Vehicles Act</i> operations recovery	19	40,200	40,200
Total other revenues		67,547	69,700
Commission expense - non-policy	20	6,606	6,541
Operating expenses	20	256,909	242,082
Total other expenses		263,515	248,623
Gain (loss) on disposal of property and equipment		(91)	115
Net income (loss) attributable to Owner of the Corporation	21	55,607	(19,687)

Statement of Comprehensive Income (Loss)

For the years ended March 31	Notes	2026	2025
Net income (loss) attributable to Owner of the Corporation	21	55,607	(19,687)
Other comprehensive income (loss)	13 & 16		
Items that will not be reclassified to income			
Remeasurement of employee future benefits		26,012	(16,975)
Other comprehensive income (loss) for the year		26,012	(16,975)
Total comprehensive income (loss) attributable to Owner of the Corporate		81,619	(36,662)

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

Audited Financial Statements

(in thousands of Canadian dollars, except as otherwise noted)

Statement of Changes in Equity

	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Equity
Balance as at April 1, 2024	741,307	21,343	762,650
Net loss attributable to Owner of the Corporation	(19,687)	-	(19,687)
Other comprehensive loss	-	(16,975)	(16,975)
Balance as at March 31, 2025	721,620	4,368	725,988
Net income attributable to Owner of the Corporation	55,607	-	55,607
Other comprehensive income	-	26,012	26,012
Balance as at March 31, 2026	777,227	30,380	807,607

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

Audited Financial Statements

(in thousands of Canadian dollars, except as otherwise noted)

Statement of Cash Flows

For the years ended March 31	Notes	2026	2025
Cash Flows from (to) Operating Activities:			
Net income (loss) attributable to Owner of the Corporation		55,607	(19,687)
Non-cash item adjustments:			
Depreciation of property and equipment, and investment property		7,349	7,199
Amortization of deferred development costs		6,372	9,935
Amortization of bond discount and premium		(1,833)	(3,958)
Gain on sale of investments		(58,078)	(30,454)
Unrealized (gain) loss on sale of investments		39,320	(142,076)
Loss (gain) on disposal of property and equipment		91	(115)
Impairment of deferred development costs		15,089	62,123
		63,917	(117,033)
Net change in operating assets and liabilities:			
Accounts receivable		(13,668)	(688)
Prepaid expenses		966	(170)
Reinsurance contract assets		16,949	79,982
Accounts payable and accrued liabilities		(4,978)	(15,262)
Deferred revenue		(852)	9,728
Provision for onerous contracts		37,341	
Provision for employee current benefits		2,192	1,489
Provision for employee future benefits		19,806	17,517
Insurance contract liabilities		(30,061)	52,729
		27,695	145,325
		91,612	28,292
Cash Flows from (to) Investment Activities:			
Purchase of investments		(1,417,933)	(1,087,443)
Proceeds from sale of investments		1,373,045	1,064,407
Acquisition of property and equipment		(8,519)	(9,483)
Proceeds from disposal of property and equipment		(61)	115
Lease obligation		(84)	(56)
Deferred development costs paid		(6,550)	(13,818)
		(60,102)	(46,278)
Increase (decrease) in cash and cash equivalents		31,510	(17,986)
Cash and cash equivalents beginning of year		188,683	206,669
Cash and cash equivalents end of year	5	220,193	188,683
Supplemental cash flow information:			
Interest received (operating)		3,025	4,060
Interest received (investing)		69,094	75,719
Dividends received (investing)		27,885	21,748

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

Audited Financial Statements

(in thousands of Canadian dollars, except as otherwise noted)

Notes to Financial Statements

March 31, 2026

1. Corporate Information

The Manitoba Public Insurance Corporation (the Corporation) was incorporated as a Crown corporation under *The Automobile Insurance Act* in 1970. The Corporation is owned by the Province of Manitoba and the financial results of the Corporation are included in the consolidated financial statements of the Province of Manitoba. 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 Extension 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 material 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 Presentation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). They were approved for issue by the Manitoba Public Insurance Corporation Board of Directors on June 24, 2026.

These financial statements are presented in thousands, unless as otherwise noted, and in Canadian dollars which is the Corporation's functional and presentation currency. The Corporation presents its Statement of Financial Position broadly in order of liquidity and, Statement of Financial Position line items may include both current and non-current balances, as applicable.

The material accounting policies applied in the preparation of these financial statements are described in Note 3. These policies have been applied consistently to all periods presented.

Audited Financial Statements

(in thousands of Canadian dollars, except as otherwise noted)

2.1 Seasonality

The automobile insurance business, which reflects the primary business of the Corporation, is seasonal in nature. While revenue from premiums is generally stable from quarter to quarter, underwriting results are impacted by weather conditions which may vary significantly between quarters.

2.2 Material Estimates, Assumptions and Judgments

The preparation of these financial statements in accordance with IFRS requires management to use estimates, assumptions and judgments that affect the amount reported for certain assets, liabilities, and disclosures as at the reporting date, as well as recognized amounts of revenues and expenses during the reporting period. Actual results could differ significantly from these estimates and assumptions.

The key sources of estimation uncertainty and areas where significant judgments have been applied are discussed in material accounting policies summarized in Note 3 and other notes to these financial statements including:

- Determination of the fair value of level 3 financial instruments – Note 5
- Assessment and measurement of deferred development costs – Note 8
- Measurement of employee future benefits and underlying actuarial assumptions - Note 13
- Determination of insurance contract liabilities – Note 14
- Assessment and measurement of onerous contract – Note 29

3. Summary of Material Accounting Policies

A summary of the material accounting policies followed by the Corporation are outlined below.

3.1 Financial assets and liabilities

Financial assets and financial liabilities are recognized in the Statement of Financial Position when the Corporation becomes a party to the contractual requirements of the instrument.

3.2 Investments

Funds available for investments are managed by the Manitoba Department of Finance or administered by external managers that are under contract with the Manitoba Department of Finance, on behalf of the Corporation, in accordance with Section 12(1) of *The Manitoba Public Insurance Corporation Act*.

Investments include cash, cash equivalents and short-term securities, debt securities, equity securities, investments in pooled funds, private debt, infrastructure debt and venture capital.

The Corporation's directly held real estate investments are recorded at cost and are depreciated over their estimated useful life in accordance with IAS 40 Investment Property (IAS 40).

The Corporation classifies and measures financial instruments in accordance with IFRS 9.

Audited Financial Statements

(in thousands of Canadian dollars, except as otherwise noted)

All financial instruments are measured at initial recognition at fair value and are classified and subsequently measured as fair value through profit or loss (FVTPL), fair value through other comprehensive income (FVOCI), or amortized cost based upon the Corporation's business model for managing its assets and the contractual cash flow characteristics of the asset.

The Corporation's business models are determined at the level that reflects how its groups of financial assets are managed together to achieve business objectives.

The Corporation accounts for the purchase and sale of securities on settlement date. Transaction costs associated with the acquisition of financial instruments classified or designated as FVTPL are expensed as incurred.

Financial Assets

A financial asset is classified as FVOCI if it meets the following criteria and is not designated as FVTPL:

- It is held in a business model whose objective is to hold to collect contractual cash flows and sell financial assets, and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

A financial asset is classified as amortized cost if it meets the following criteria and is not designated as FVTPL:

- It is held in a business model with the objective to hold to collect contractual cash flows, and
- Its contractual terms give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

Financial assets that are managed on a fair value basis and do not meet the objectives of a hold to collect or hold to collect and sell business model, such as financial assets that are held for trading, are measured at FVTPL.

A financial asset is classified as held-for-trading if it is acquired principally for the purpose of selling in the near term. Cash, cash equivalents and short-term securities are held to meet short-term cash requirements, as such, they are held for trading and are measured at FVTPL.

The Corporation may make an irrevocable election, on an instrument-by-instrument basis, at initial recognition of the instrument, to assign the 'Designated at fair value through profit and loss' measurement category (designated at FVTPL) to the financial instrument, if doing so eliminates or significantly reduces an accounting mismatch. Financial assets that the Corporation has voluntarily assigned to the designated at FVTPL measurement category include investments in bonds, debt securities and private debt that are held and managed in backing insurance contract liabilities.

Business model assessment

The Corporation's business models are determined at the level that best reflects how the Corporation manages portfolios of financial assets to achieve its business objectives. They therefore reflect whether cash flows will result from collecting contractual cash flows, selling financial assets or both. Determining business models requires the use of judgment and is based on all relevant evidence that is available to the Corporation at the time of the assessment including:

Audited Financial Statements

(in thousands of Canadian dollars, except as otherwise noted)

- How the economic activities of the business model generate benefits and how such economic activities are evaluated and reported to key management personnel; and
- The frequency, volume, and timing of sales in prior periods, the reasons for the sales and expectations about future sales activity. Information about sales activity is not considered in isolation, but as part of an overall assessment of how the stated objective for managing the financial assets is achieved and how cash flows are realized.

The Corporation's business models fall into two categories, which are indicative of the key strategies to generate returns:

- The Corporation's primary business model is held-to-collect and sell which provides flexibility aimed at supporting the cash flow required in managing insurance contracts.
- The Corporation also carries certain financial assets under the held-to-collect business model where the emphasis is to collect contractual cash flows. Sales are incidental to this objective and are expected to be insignificant or infrequent. The Corporation maintains a portfolio of financial assets to manage its liabilities and obligations for employee pension and retirement benefits.

Investments in Equity

Financial assets that are investments in equity securities are classified at FVTPL, unless an irrevocable designation is taken at initial recognition to designate the asset at FVOCI.

Investments in Debt Instruments

The Corporation's investments in financial assets that are debt securities, investments in private debt, venture capital, partnerships, pooled commercial mortgages, and pooled funds are classified at FVTPL because these investments either fail the SPPI test or are individually designated at initial recognition as FVTPL because they support insurance contract liabilities.

Investments in financial assets that are classified as FVTPL or designated at FVTPL are recorded at fair value in the Statement of Financial Position, with gains or losses including interest or dividend income and foreign exchange gains and losses, recognized in Investment income in the Statement of Operations.

Cash and Cash Equivalents

Cash and cash equivalents are comprised of cash, current operating accounts, provincial short-term deposits with maturities of 90 days or less from the date of acquisition, and funds held in trust on behalf of other insurance companies.

Cash equivalents are highly liquid investments that are subject to insignificant changes in value and are readily convertible into known amounts of cash. These are classified as held for trading for the purpose of meeting short-term cash requirements for insurance contracts and are accounted for at FVTPL. Cash and cash equivalents values are assumed to approximate their carrying values, due to their short-term nature or because they are frequently repriced to current market rates.

Accounts Receivable

Accounts receivable represents receivables from customers for products and services that are not insurance contracts, amounts due from third parties, and amounts to be collected from employees of the Corporation.

Audited Financial Statements

(in thousands of Canadian dollars, except as otherwise noted)

Accounts receivable are initially recognized at cost, being the fair value. Subsequent to initial measurement they are measured at amortized cost. Accounts receivable do not contain a significant financing component. For financial assets that are not held at fair value through profit or loss, the Corporation assesses at each reporting date whether to recognize a loss allowance for expected credit losses (ECL). The ECL is estimated as the difference between the contractual cash flows due in accordance with the contract and all cash flows the Corporation expects to receive.

The Corporation applies a simplified approach in calculating ECL for accounts receivable, where changes in credit risk are not tracked, and loss allowances are based on historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Derecognition of Financial Assets

The Corporation derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

If the Corporation neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Corporation recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Corporation retains substantially all the risks and rewards of ownership of a transferred financial asset, the Corporation continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

When a financial asset is derecognized in its entirety, a gain or a loss is recognized in the Statement of Operations for an amount equal to the difference between the carrying amount of the asset and the value of the consideration received.

The Corporation applies judgment to determine whether the contractual rights to the cash flows have expired, have been transferred or have been retained with an obligation to pay them to a third party. With respect to the transfer of substantially all the risks and rewards of ownership of the assets, the Corporation evaluates its exposure before and after the transfer as well as the changes in the amount and timing of the net cash flows of the transferred asset.

Financial Liabilities

Financial liabilities include accounts payable and accrued liabilities, which are all current liabilities, are recorded in the Statement of Financial Position at amortized cost which approximates their fair value. Financial liabilities are derecognized when the related obligation is discharged, cancelled, or expires. The difference between the carrying amount of the transferred financial liability and the consideration paid is recognized in Investment income in the Statement of Operations.

Fair Value Determination

The fair values of financial instruments are obtained from external pricing services and are based on available bid prices for Level 1 financial assets. Level 2 and Level 3 fair value determinations are based on availability of inputs other than bid prices as there is not a quoted market price.

The Corporation maximizes the use of observable inputs when measuring fair value. The Corporation obtains quoted prices in active markets, when available, for identical assets at the reporting date to measure equity securities at fair value in its fair value through profit or loss portfolio.

Audited Financial Statements

(in thousands of Canadian dollars, except as otherwise noted)

Valuation techniques used by the Corporation’s independent pricing service providers and third-party broker-dealers include use of prices from similar instruments where observable market prices exist, discounted cash flow analysis, option pricing models, and other valuation techniques commonly used by market participants. The Corporation assesses the reasonableness of pricing received from these third-party sources by comparing the fair values received to recent transaction prices for similar assets where available, to industry accepted discounted cash flow models (that incorporate estimates of the amount and timing of future cash flows and market observable inputs such as credit spreads and discount rates) and to option pricing models (that incorporate market observable inputs including the quoted price, volatility and dividend yield of the underlying security and risk-free rate).

Detailed valuations are prepared for those financial instruments that are priced internally, while external pricing received from independent pricing service providers and third-party broker-dealers are evaluated by the Corporation for reasonableness. The Corporation’s Chief Actuary and Chief Financial Officer oversee the valuation function and regularly review the valuation processes and results, including at each quarterly reporting period. Significant valuation matters, particularly those requiring extensive judgment, are communicated to the Corporation’s Investment Committee and Audit & Finance Committee.

3.3 Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Replacement costs are capitalized when incurred and if it is probable that future economic benefits associated with the item will flow to the Corporation and the cost of the item can be measured reliably. All repairs and maintenance costs are recognized in Net income (loss) attributable to Owner of the Corporation during the period in which they occur.

Depreciation is provided on a straight-line basis which will depreciate the cost of each asset to its residual value over its estimated useful life:

Land & Buildings

- HVAC systems 20 years
- land improvements 25 years
- roofing systems 30 years
- elevators/escalators 30 years
- buildings 40 years

Furniture & Equipment

- computer equipment 3 years
- vehicles 5 years
- furniture and equipment 10 years
- demountable wall systems 10 years

Buildings held under a long-term lease arrangement are depreciated on a straight-line basis over 40 years. Leasehold improvements are carried at cost and are depreciated over the term of the lease plus the first renewal period.

Tenant improvements are carried at cost and are depreciated over the term of the lease plus the first renewal period.

Audited Financial Statements

(in thousands of Canadian dollars, except as otherwise noted)

Depreciation of construction in progress will begin, in accordance with the above policy, when construction has been completed and the property is deemed available for use.

Land is not subject to depreciation and is carried at cost.

3.4 Investment Property

The Corporation applies IAS 40 in the recognition, measurement and disclosure of investment property.

In the determination of what constitutes investment property relative to property and equipment the Corporation considers only property that is 100 per cent utilized as investment property to be classified as investment property.

The Corporation's investment property, which is property held 100 per cent to earn rentals and/or capital appreciation, is measured initially at its cost, including transaction costs. The Corporation has elected to use the cost model to subsequently value its investment property. Therefore, the investment property's carrying amount is valued at cost less accumulated depreciation and impairment losses. Depreciation is based on the useful life of each component of the investment property along with the property's residual value.

The fair value of the investment property is disclosed based on an external valuation that occurs, at a minimum, every other year. The fair value disclosed is based on the most recent valuation which was conducted for March 31, 2026.

The Corporation assesses its investment property for impairment on an annual basis in accordance with the impairment test guidance set forth in IAS 36, Impairment of Assets. Based on this assessment it was determined the investment property was not impaired as at March 31, 2026.

Depreciation is provided on a straight-line basis which will depreciate the cost of each asset to its residual value over its estimated useful life:

- parkade 40 years
- surface parking lot held at cost

3.5 Deferred Development Costs (Intangible Assets)

The costs of developing major information systems that are expected to provide an economic benefit to the Corporation are deferred to future periods. These information system expenditures are stated at cost net of accumulated amortization and accumulated impairment losses and are amortized on a straight-line basis over five years unless the useful life is deemed to be longer, but in no case shall the useful life exceed 10 years, starting the month after the asset becomes available for use.

An internally generated intangible asset arising from development (or from the development phase of an internal project) is recognized if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;

Audited Financial Statements

(in thousands of Canadian dollars, except as otherwise noted)

- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognized for internally generated intangible assets is the sum of the expenditure incurred, including directly assigned employee costs, from the date when the intangible asset first meets the recognition criteria listed above. Where no internally generated intangible asset can be recognized, development expenditures are recognized in Net income (loss) attributable to Owner of the Corporation in the period in which they are incurred. Subsequent to initial recognition, internally generated intangible assets are reported at cost less accumulated amortization and accumulated impairment losses.

3.6 Impairment of Tangible and Intangible Assets (Other Than Financial Assets)

When specific events or circumstances arise, the Corporation reviews the carrying amount of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Corporation estimates the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognized as an expense immediately in the Net income (loss) attributable to Owner of the Corporation.

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized as income immediately.

The Corporation is required to assess appropriate metrics and sources of information for evidence that intangible assets may be impaired. Further, the Corporation may be required to estimate the recoverable amount of the asset. Performing these assessments and developing the estimate of recoverable amounts requires the Corporation to make estimates and assumptions. The main estimates and assumptions used in calculating the recoverable amount are future cash flows estimated based on internal financial forecasts, expected future earnings and the discount rate.

Audited Financial Statements

(in thousands of Canadian dollars, except as otherwise noted)

3.7 Leasing

The Corporation as a Lessee

The Corporation, as a lessee, recognizes a right-of-use asset and a lease liability at the lease's commencement date. The right-of-use asset is initially measured at cost which is comprised of the amount of the initial lease liability and any lease payments made at or before the commencement date less any lease incentives received, initial direct costs and restoration costs. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term plus renewal options expected to be exercised on a straight-line basis.

The lease liability arising from the lease is originally measured on a present-value basis. Lease liabilities include the net present value of fixed payments (including in-substance fixed payments), less any lease incentives receivable, variable lease payments that are based on an index or a rate, amounts expected to be payable by the lessee under residual value guarantees, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and payment of penalties for terminating a lease if the lease term reflects the lessee exercising that option. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the Corporation's incremental borrowing rate. Generally, the Corporation uses its incremental borrowing rate as the discount rate.

The Corporation as a Lessor

The Corporation leases retail, office and parking space in buildings and parking facilities owned by the Corporation. Revenue from lease payments is recognized on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Revenue from leases is reported in the Net income (loss) attributable to Owner of the Corporation, reported on the Statement of Operations within Service fees and other revenue.

3.8 Insurance revenue

Insurance revenue is comprised of Revenue from premiums and Other insurance revenue.

The Corporation measures insurance contracts using the Premium Allocation Approach (PAA) provided under IFRS 17 *Insurance Contracts* (IFRS 17). Revenue from premiums is the amount of expected premium receipts from groups of insurance contracts issued, net of cancellations and promotional returns, allocated to each period over the coverage period provided by the contracts, based on the passage of time as this approximates the pattern of release of risk over the coverage period.

Other insurance revenue represents fees charged to policyholders for costs incurred under the Corporation's billing and payment plans, payment processing charges and transaction fees for the administration of policies.

3.9 Total Insurance Service Expense

Insurance service expense includes contract fulfilment and acquisition costs that are directly attributable to insurance contracts. Insurance service expenses are comprised of the following:

- Claims incurred in the period;

Audited Financial Statements

(in thousands of Canadian dollars, except as otherwise noted)

- Expenses incurred that are directly attributable to fulfilling the insurance contracts;
- Losses on onerous contracts and reversals of those losses, if any;
- Changes related to past service (e.g., changes in the liability for incurred claims in periods subsequent to the claim being incurred); and
- Insurance acquisition costs incurred in the period.

3.10 Net Income (Expense) from Reinsurance Contracts Held

The Corporation has elected to present income and expenses arising from reinsurance contracts held as a single line item in the Statement of Operations. Income comprises the amounts recoverable from reinsurers for incurred claims and other incurred insurance service expense, impacts from changes in the risk of non-performance by the reinsurer, when relevant, and changes in the loss recovery component for groups of onerous contracts, if any. Reinsurance expenses is the expected reinsurance premiums expense allocated to the period, based on the passage of time.

3.11 Investment Income (Loss)

Investment income is recorded as it accrues. Dividend income from investments is recognized when the Corporation's rights to receive payments is established. Dividend income on common and preferred shares is recorded on the ex-dividend date and usually the notification date or date when the shareholders have approved the dividend for private equity instruments. Distributions on pooled funds are recorded on the income distribution date. Gains and losses are determined and recorded as at the settlement date and are calculated on the basis of average cost. The effective interest rate method is used to amortize premiums or discounts on the purchase of bonds.

- Interest revenue is recognized when it is probable that the economic benefits will flow to the Corporation and the amount of revenue can be measured reliably. Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.
- The realized gain or loss on disposal of an investment is the difference between the proceeds received, net of transaction costs, and its original cost or amortized cost as appropriate.
- The realized gain or loss on disposal of property and equipment is the difference between the proceeds received, net of transaction costs and its original cost or depreciated cost as appropriate.
- Unrealized gains and losses represent the difference between the carrying value at the period end and the carrying value at the previous period end or purchase value during the period, less the reversal of previously recognized unrealized gains or losses in respect of disposals during the period.

Audited Financial Statements

(in thousands of Canadian dollars, except as otherwise noted)

3.12 Insurance Finance Income (Expense)

Insurance finance income or expense reports the change in the carrying amount of the group of insurance contracts arising from the effect of unwinding of discounting applied in measuring insurance contracts and the change in discounting from changes in discount rates. The Corporation has elected to present all Insurance finance income (expense) in the Statement of Operations rather than in the Statement of Comprehensive Income (Loss).

3.13 Service Fees and Other Revenue

Service fees and other revenue includes fees charged to customers for products and services other than insurance products or services, rental income, and incidental income from operations. The income is recognized when services have been provided or the products have been delivered.

3.14 *The Drivers and Vehicles Act* operations for the Province 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.

3.15 Operating Expense

Operating expense is comprised of corporate operating expenses after allocation of expenses to insurance service expense. Expenses that are attributable to the fulfillment of insurance contracts including costs of premium collection, claims adjudication and processing, actuarial calculations, and policy pricing and administration are assigned to maintenance and acquisition expense reported within insurance service expense on the Statement of Operations. Expenses are allocated based on the Corporation's internal expense allocation methodology including expense and activity-based costing analysis.

3.16 Provisions

Provisions are recognized when the Corporation has a present obligation (legal or constructive) as a result of a past event, it is probable that the Corporation will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

Provision for Employee Current Benefits

The provision for employee current benefits includes accruals for vacation pay and sick pay determined in accordance with the Collective Agreement and Corporate policy.

Audited Financial Statements

(in thousands of Canadian dollars, except as otherwise noted)

Provision for Employee Future Benefits

Included in the provision for employee future benefits are the pension benefit plan and other benefit plans.

i. Pension Benefit Plan

The employees of the Corporation are members of a defined benefit pension plan administered under The Civil Service Superannuation Act. Included in the accounts is a provision for the employer's future pension liability calculated on an indexed basis. The provision for pension is actuarially determined on an annual basis using the projected benefit method prorated on services. The actuarial present value of the accrued pension benefits is measured using the Corporation's best estimates based on assumptions relating to market interest rates at the measurement date based on high quality debt instruments, salary changes, withdrawals and mortality rates. Changes in experience gains and losses are recognized in the current period. Current service costs and interest costs are recognized in Net income (loss) attributable to Owner of the Corporation in the current period. Actuarial gains and losses are recognized in OCI in the current period.

ii. Other Benefit Plans

Other benefit plans consist of two post-retirement extended health plans and severance pay benefits.

The provision for post-retirement extended health benefits is actuarially determined on an annual basis using the projected benefit method prorated on services, which includes the Corporation's best estimates based on assumptions relating to retirement ages of employees and expected health costs. Changes in experience gains and losses are recognized in the current period. Current service costs and interest costs are recognized in Net income (loss) attributable to Owner of the Corporation in the current period. Actuarial gains and losses are recognized in OCI in the current period.

Employees of the Corporation are entitled to severance pay in accordance with the Collective Agreement and Corporate policy. The provision for severance pay is actuarially determined on an annual basis using the projected benefit method prorated on services, without salary projection, which includes the Corporation's best estimates based on assumptions relating to the proportion of employees that will ultimately retire.

3.17 Salvage and Subrogation

Recoveries from salvage and subrogation are recorded as an offset to claims costs. Expected salvage recoveries and subrogation reimbursements are included in the measurement of the liability for incurred claims reported within Insurance contract liabilities on the Statement of Financial Position.

Audited Financial Statements

(in thousands of Canadian dollars, except as otherwise noted)

3.18 Structured Settlements

In the normal course of tort claims adjudication, the Corporation settles certain long-term claims losses through the purchase of annuities under structured settlement arrangements with life insurance companies. As the Corporation does not retain any interest in the related insurance contract and obtains a legal release from the claimant, any gain or loss on the purchase of the annuity is recognized in the Statement of Operations at the date of purchase and the related claims liabilities are derecognized. While the Corporation remains exposed to the credit risk that the life insurance companies may fail to fulfill their obligations, management believes this risk to be remote.

3.19 Allocation of Revenue, Incurred Claims and Expenses

Revenue from premiums and incurred claims are allocated directly to the division writing the insurance risk.

Other insurance revenue is allocated to the automobile insurance division lines of business on the following basis:

- Identifiable other insurance revenue is allocated to each line of business.
- Where direct allocation is not possible, other insurance revenue is prorated to each line of business based mainly on factors such as premiums written ratios, expense allocation ratios and payroll allocation ratios. The formulas developed for the allocation of other insurance revenue are approved by the Board of Directors.

Service fees and other income are allocated to the automobile insurance division lines of business and *The Drivers and Vehicles Act* operations on the following basis:

- Identifiable direct service fees and other revenue are allocated to each line of business.
- Where direct allocation is not possible, service fees and other revenue are prorated to each line of business based mainly on factors such as premiums written ratios, expense allocation ratios and payroll allocation ratios. The formulas developed for the allocation of service fees and other revenue are approved by the Board of Directors.

Investment income is allocated to the automobile insurance division and *The Drivers and Vehicles Act* operations and the discontinued general insurance division based on a direct attribution of each segment's unique portfolio returns and a pro-rata share of the portfolio backing the corporate employee future benefits obligation.

Expenses, including Corporate Operating expenses, are allocated to the automobile insurance division lines of business and *The Drivers and Vehicles Act* operations on the following basis:

- i. Identifiable direct expenses are charged to each line of business.
- ii. Where direct allocation is not possible, expenses are prorated to each line of business based mainly on factors such as space, number of employees, time usage, Contact Centre statistics, and metrics such as revenue from premiums and incurred claims. The basis for allocation of indirect shared expenses is approved by the Board of Directors.
- iii. The allocation of improvement initiative costs is based on a review of each project to determine which line of business will benefit from the project. The allocation basis for each project is approved by the Board of Directors.

Audited Financial Statements

(in thousands of Canadian dollars, except as otherwise noted)

3.20 Foreign Currency

Monetary items denominated in foreign currencies are adjusted to reflect the exchange rate in effect at the year end. Revenue and expense items in foreign currencies are translated at the exchange rate in effect at the transaction date. Unrealized gains or losses arising on translation are reported in the Statement of Operations in the current year.

3.21 Comprehensive Income

Comprehensive income consists of Net income (loss) attributable to Owner of the Corporation and Other comprehensive income (loss). Actuarial gains and losses on employee future benefits amounts are recorded in Other Comprehensive Income (OCI) and included in Accumulated Other Comprehensive Income (AOCI). AOCI is included on the Statement of Financial Position as a separate component.

3.22 Insurance Contracts

Classification of Contracts

Insurance contracts are comprised of insurance contracts issued and reinsurance contracts held.

Insurance contracts issued by the Corporation are arrangements where the Corporation accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder for specified uncertain future events that adversely affect the policyholder and whose amount and timing is unknown. The Corporation determines whether it has accepted significant insurance risks by comparing the benefits that could become payable under various possible scenarios relative to the premium received from the policyholder for insuring the risk.

Reinsurance contracts held are insurance contracts under which the Corporation transfers insurance risk to another entity that issues the contract (the reinsurer).

Measurement of Insurance Contracts

The carrying value of insurance contracts is comprised of the liability for remaining coverage (LRC) and the liability for incurred claims (LIC). Measurement of these two components is based on the application of an appropriate measurement model provided under IFRS 17.

A simplified measurement model, the Premium Allocation Approach (PAA), can be applied to contracts that are one year or less or contracts longer than one year if the liability for remaining coverage determined under the PAA is not materially different than the result provided under the general measurement model (GMM).

The insurance contracts the Corporation issues and reinsurance contracts it holds meet the requirements for measurement under PAA. The Corporation applies the PAA in measuring all insurance contracts reported in these financial statements.

The GMM measures groups of contracts based on estimates of the present value of future cash flows that are expected to arise over the term of the contracts, plus an explicit risk adjustment for non-financial risk. The LIC is measured by applying the GMM requirements.

Audited Financial Statements

(in thousands of Canadian dollars, except as otherwise noted)

Significant judgment and assumptions are required in measuring assets or liabilities for insurance contracts. Application of different assumptions may result in significantly different measurement results. Actual experience may differ from assumptions, and estimates may change from period to period based on future events or revisions of assumptions. Key assumptions and considerations in selecting these assumptions are discussed in Note 14. The sensitivity of the measurement of insurance contracts to changes in risk variables are discussed in Note 14.

Level of Aggregation

Insurance contracts that are subject to similar risks and are managed together are assigned to portfolios of insurance contracts.

Insurance contracts issued by the Corporation are aggregated into portfolios that are reported and measured separately from portfolios of reinsurance contracts held by the Corporation.

The Corporation uses judgment in establishing its various portfolios, consideration is given to the lines of businesses and distribution channels.

Portfolios are further disaggregated into groups of contracts that are issued within a 12-month period. These annual cohorts are further divided into groups of contracts based on expected profitability: onerous contracts, contracts that do not have a significant possibility of becoming onerous subsequently, and other contracts.

An insurance contract is onerous if, at the date of initial recognition, the estimated fulfillment cash flow expectations determined on a probability-weighted basis is a net outflow. The Corporation's evaluation of whether contracts are onerous is based on reasonable and supportable information including historical experience and forward-looking information that is available without undue cost or effort.

In determining groups of contracts, the Corporation has elected to include in the same group, contracts where the ability to set prices or levels of benefits for policyholders with different characteristics is constrained by regulation.

Reinsurance contracts held by the Corporation provide cover for underlying contracts that are reported in different groups. The Corporation reports portfolios of reinsurance contracts by nature of risk covered by the contracts (Casualty, Facultative and Catastrophe). Groups of reinsurance contracts held that are entered into within an annual period (typically a financial year) are divided into groups based on whether they present a net gain or net loss position at initial recognition.

Combination and Separation of Components from Contracts

Insurance and reinsurance contracts are assessed to determine whether they contain components which must be accounted for under an IFRS other than IFRS 17. The Corporation's insurance and reinsurance contracts do not include such components.

Service components of insurance contracts are treated as separate service contracts only if the service component is not highly interrelated with the insurance component. Service components that are not separated, such as payment plan services provided to policyholders, are accounted for with insurance contracts.

Audited Financial Statements

(in thousands of Canadian dollars, except as otherwise noted)

The Corporation applies judgment when particular facts and circumstances require the separation of its insurance contracts into distinct insurance components. The Corporation considers interdependency between the different risks covered, whether components lapse together and whether components can be priced and purchased separately.

Contract Recognition and Derecognition

The Corporation recognizes a group of insurance contracts that it issues from the earliest of:

- The beginning of the coverage period of the group of contracts;
- The date when the first payment from a policyholder in the group becomes due or when the first payment is received if there is no due date; and
- For a group of onerous contracts, when the group becomes onerous if facts and circumstances indicate there is such a group.

A group of reinsurance contracts is recognized at the earliest of:

- The beginning of the coverage period;
- The date an onerous group of underlying insurance contracts is recognized, to the extent that a reinsurance contract applying to these contracts is entered into at that date.

Contract Boundaries

Contract boundaries are identified to determine which future cash flows are included in the measurement of an insurance contract (or reinsurance contract held). Cash flows are within the boundary of a contract if they arise from substantive rights and obligations that exist during the reporting period in which the Corporation can compel the policyholder to pay the premiums (or is compelled to pay amounts to a reinsurer), or in which the Corporation has a substantive obligation to provide the policyholder with services (or receive services from a reinsurer).

A substantive obligation to provide services ends when:

- The Corporation has the practical ability to reassess the risks of the particular policyholder and, as a result, can set a price or level of benefits that fully reflects those risks, or
- Both the following criteria are satisfied:
 - The Corporation has the practical ability to reassess the risks of the portfolio of insurance contracts that contain the contract and, as a result, can set a price or level of benefits that fully reflects the risk of that portfolio; and
 - The pricing of the premiums for coverage up to the date when the risks are reassessed does not take into account the risks that relate to periods after the reassessment date.

Liabilities or assets relating to expected premiums or claims outside the boundary of the insurance contract relate to future insurance contracts and are not recognized in measuring or reporting insurance contracts in effect. Premiums payments received outside the contract boundary are reported as Deferred Revenue in the Statement of Financial Position or in accordance with other IFRS that appropriately report the nature and substance of the amounts involved.

For reinsurance contracts, a substantive obligation to receive services under a reinsurance contract ends when the reinsurer has the practical ability to reassess the risk transferred to it and, as a result, can set a price or level of benefits that fully reflects those risks, or the reinsurer has the substantive right to terminate the coverage.

Audited Financial Statements

(in thousands of Canadian dollars, except as otherwise noted)

Initial Measurement

On initial recognition, the insurance contract liability for a group of insurance contracts is the liability for remaining coverage.

In applying the PAA and the option to expense acquisition costs as incurred, the Corporation measures the liability for remaining coverage at initial recognition as the premium received when the contract is initially recognized, and the coverage period commences.

The Corporation assumes that no contracts in a portfolio are onerous at initial recognition unless facts and circumstances indicate otherwise.

Subsequent Measurement

The carrying amount of a group of insurance contracts at the end of each reporting period is the sum of the liability for remaining coverage and the liability for incurred claims.

i. Liability for Remaining Coverage

The liability for remaining coverage is the Corporation's obligation to provide insurance services over the remaining unexpired portion of the coverage period. This liability is measured at each reporting period as:

- the carrying amount of the liability for remaining coverage at the beginning of the period,
- plus the amount of premium received in the period,
- minus the amount recognized as revenue for the insurance services provided in the period,
- plus the remaining loss component for groups of contracts that are onerous, if any.

Under the PAA, the Corporation elects to not adjust the liability for remaining coverage for the time value of money and the effects of financial risk because the time between providing coverage and the related premiums is expected to be no more than one year.

Also, under the PAA, the Corporation elects to recognize insurance acquisition expenses in the Statement of Operations as incurred, rather than including these expenses within the measurement of liability for remaining coverage.

ii. Liability for Incurred Claims

The liability for incurred claims is the measurement of the Corporation's obligation to investigate and pay valid claims for insured events that have already occurred, including events that have occurred but for which claims have not been reported, and other incurred insurance expenses. The liability is measured as the fulfillment cash flows expected to occur in fulfilling the contract. These are probability-weighted estimates of future cash flows, discounted to reflect the time value of money and the associated financial risks, plus a risk adjustment for non-financial risk. These fulfillment cash flows are measured using current estimates of future cash flows, current discount rates, and current estimates of risk adjustment for non-financial risk.

In measuring the liability for incurred claims, the Corporation estimates future contractual cash flows within the contracts' boundary by considering evidence from current and past conditions as well as possible future conditions including market and non-market variables impacting the valuation of the cash flows.

Audited Financial Statements

(in thousands of Canadian dollars, except as otherwise noted)

The liability for incurred claims is discounted to consider the time value of money. The PAA provides an option to not adjust future cash flows for the time value of money and the effect of financial risk if the cash flows are expected to be paid or received in one year or less from the date the claims are incurred. Upon adoption of IFRS 17, the Corporation has elected to discount all liabilities for incurred claims.

The risk adjustment is the compensation the Corporation receives in fulfilling an insurance contract that arises from uncertainties surrounding the amount and timing of cash flows for non-financial risks. Estimates and assumptions are reviewed periodically for appropriateness in reflecting current, past, and future conditions.

When estimating fulfillment cash flows, the Corporation includes all cash flows that are within the contract boundary including:

- Premiums and related cash flows;
- Claims and benefits, including reported claims not yet paid, incurred claims not yet reported and expected future claims (within the contract boundary);
- Premium taxes; and
- Commissions expense.

Onerous Insurance Contracts

The Corporation assumes that no contracts in a portfolio are potentially onerous at initial recognition unless facts and circumstances indicate otherwise.

The Corporation's process for identifying indicators of possible onerous contracts includes assessing internal management reports and information from planning and pricing activities, forecast information and historical experience.

During the coverage period, if facts and circumstances indicate that a group of insurance contracts is or becomes onerous, the Corporation considers information available including experience loss reports, metrics such as loss ratios, and forecasts to determine whether the group is in an onerous position.

When a group of insurance contracts is assessed as onerous, the Corporation recognizes the net outflow of fulfillment cash flows as a loss in the Statement of Operations and records a loss component within the liability for remaining coverage. The loss component is reported to Net income (loss) attributable to Owner of the Corporation over the remaining coverage period.

If such losses on onerous contracts are recoverable under coverage provided by reinsurance contracts, the Corporation reports a loss recovery in the Statement of Operations within Net income (loss) from reinsurance contracts held. A loss recovery component is established within assets for remaining coverage for reinsurance contracts held, the loss recovery component is reported to Net income (loss) attributable to Owner of the Corporation over the remaining term of the contract.

Audited Financial Statements

(in thousands of Canadian dollars, except as otherwise noted)

Discount Rates

Measurement of the liability for incurred claims requires discounting the estimated future cash flows to reflect the time value of money and financial risks associated with the insurance contract liabilities. The Corporation applies discount rates that are consistent with observable market prices and reflect the characteristics of the liabilities and the duration of the portfolio. The rates exclude the effect of factors that influence such observable market prices but do not affect the future cash flows of the insurance contract liabilities (e.g., credit risk).

The Corporation applies a top-down approach to determine appropriate discount rates for measuring insurance contracts it issues and reinsurance contracts it holds. Under this approach, the Corporation determines appropriate discount rates from a yield curve that provides the expected returns of a reference portfolio of assets that closely reflects the duration and liquidity characteristics of the cash flows for the insurance contract liabilities.

The reference portfolio of assets is comprised of a combination of fixed income assets that closely reflect the duration and liquidity characteristics of the cash flows for the portfolio of insurance contract liabilities. Adjustments are applied to eliminate impacts from risks and factors for the financial instruments in the reference portfolio, that are not relevant to the insurance contract liabilities.

In constructing the discount yield curves, a portion of the curve is based on observable market information that is available going out 30 years (the observable period) and beyond that point, the discount rates are estimated (the unobservable period). The portion of the curve in the unobservable period has been determined using a linear interpolation technique between the last observable point and the ultimate rate, which was set at 70 years. The ultimate rate at 70 years was determined using a bottom-up approach according to Canadian accepted actuarial practice.

Judgment is applied in selecting the appropriate discount rates. Judgment and estimates are applied in determining the yield curves, the asset mix within the reference portfolio, and the adjustments to the yield curve for factors such as credit risk and liquidity risk when appropriate. In addition, judgment is applied in developing yield curves beyond the last observable point and in determining the ultimate rate.

Risk Adjustment

The measurement of insurance and reinsurance contracts includes a risk adjustment for non-financial risk. The risk adjustment represents the compensation the issuer requires for bearing the uncertainty about the amount and timing of cash flows that arise from non-financial risk as the issuer fulfils the insurance contracts.

The Corporation applies the Quantile approach in determining the risk adjustment by coverage, for each line of business. The risk adjustment for insurance contracts issued by the Corporation includes an adjustment for the benefits of diversification across the lines of business. Under the Quantile Approach, a range of claims development scenarios are simulated and the future claims payments of each of the scenarios are discounted to the measurement date. The risk adjustment for non-financial risk is determined as the difference between the discounted unpaid claims at the selected percentile and the best estimate of the unpaid claims' liability averaged across the scenarios. The Corporation's target confidence level for the risk adjustment is the 90th percentile.

Audited Financial Statements

(in thousands of Canadian dollars, except as otherwise noted)

Measurement of Reinsurance Contracts Held

Reinsurance contracts held are measured in a manner consistent with the associated underlying insurance contracts and in accordance with the terms of each reinsurance contract held. As such, the Corporation applies the PAA in measuring reinsurance contracts held when that method is applied in measuring the underlying groups of insurance contracts.

The basis of measurement and reporting is adapted to reflect the features of reinsurance contracts held that differ from insurance contracts issued. For example, reinsurance contracts generate expenses or a reduction in expenses rather than revenue, and the risk adjustment for reinsurance contracts held represents the amount of risk transferred from the Corporation to the reinsurer.

Measurement of reinsurance contracts held includes a provision for risk that the reinsurer will not fulfill its obligations under the contract. The Corporation selects well-established, highly rated reinsurers to engage with in reinsurance contracts and treaties.

Contract boundaries are identified to determine which future cash flows are included in the measurement of a reinsurance contract held. A substantive obligation to receive services under a reinsurance contract ends when the reinsurer has the practical ability to reassess the risk transferred to it and, as a result, can set a price or level of benefits that fully reflects those risks, or the reinsurer has the substantive right to terminate the coverage.

A group of reinsurance contracts is recognized at the earliest of:

- the beginning of the coverage period; or
- the date an onerous group of underlying insurance contracts is recognized

When a loss on onerous contracts is recognized for a group of insurance contracts in which there are one or more contracts underlying a reinsurance contract held, the Corporation calculates a loss-recovery component and adjusts the amount of the asset for remaining coverage of the group of reinsurance contracts held.

3.23 Presentation on the Financial Statements

The Corporation presents separately in the Statement of Financial Position, the carrying value of portfolios of insurance contracts that are assets, portfolios of insurance contracts that are liabilities, portfolios of reinsurance contracts that are assets and portfolios of reinsurance contracts that are liabilities.

4. Changes in Accounting Policies

4.1 Future Changes in Accounting Policy and Disclosure

Accounting standards and amendments issued by the IASB, that may be applicable to the Corporation but are not effective as at March 31, 2026, are presented below.

Audited Financial Statements

(in thousands of Canadian dollars, except as otherwise noted)

4.1.1 IFRS 7 – Financial Instruments: Disclosures (IFRS 7) and IFRS 9 – Financial Instruments (IFRS 9)

In May 2024, the IASB issued amendments to IFRS 7 – Financial Instruments: Disclosures and IFRS 9 – Financial Instruments. The amendments to IFRS 9 include additional guidance and disclosure relating to the settlement of certain financial liabilities through electronic payment systems, as well as providing additional guidance for assessing whether the cash flows of a financial asset are solely payments of principal and interest on the principal amount outstanding. The classification of the Corporation's financial assets will not be affected by these amendments.

The Corporation will adopt the amendments of IFRS 9 as of April 1, 2026, retrospectively. However, restatement of comparative periods is not required, in accordance with transition requirements for amendments to the Standard. Accordingly, the retrospective impact of the application of the amendments to IFRS 9 will be recognized in the Statement of Financial Position as at April 1, 2026, the effective date of the amendments.

The amendments to IFRS 9 seek to clarify the recognition and derecognition date for certain financial assets and liabilities, including the introduction of a new exception for the derecognition of financial liabilities before the settlement date when they are settled in cash through an electronic payment system if and only if a payment order has been issued and certain criteria are met. The Corporation expects to apply this election to all settlements made through electronic payment systems meeting the criteria, effective April 1, 2026.

Coinciding with the amendments to IFRS 9, the IASB modified IFRS 7 to add new disclosures for certain instruments whose contractual terms could change cash flows as well as to improve the disclosures about equity instruments designated as at fair value through other comprehensive income.

The Corporation does not expect these amendments to have a material impact on its financial statements.

4.1.2 IFRS 18 – Presentation and Disclosure in the Financial Statements

In April 2024, the IASB issued IFRS 18 - Presentation and Disclosure in Financial Statements which will replace IAS 1 – Presentation of Financial Statements.

The standard provides a defined structure for the statement of profit or loss, with three main categories for reporting revenue and expenses (operating, investing, and financing) to improve the comparability of the income statement between companies. IFRS 18 introduces specified subtotals in the statements of income, new disclosures for management defined performance measures, and additional requirements for the aggregation and disaggregation of information. IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027. The Corporation is assessing the impact of this new standard on the presentation and disclosure of its financial statements.

Audited Financial Statements

(in thousands of Canadian dollars, except as otherwise noted)

5. Cash, Cash Equivalents and Investments

Cash and cash equivalents are comprised of cash, current operating accounts, provincial short-term deposits with maturities of 90 days or less from the date of acquisition, and funds held in trust on behalf of other insurance companies.

Cash equivalent investments have a total principal amount of \$114.5 million (March 31, 2025—\$121.9 million) comprised of provincial short-term deposits with effective interest rates of 2.14 per cent to 2.22 per cent (March 31, 2025—2.39 per cent to 2.59 per cent), with interest receivable at varying dates.

The Corporation has an unsecured operating line of credit with its principal banker in the amount of \$10.0 million (March 31, 2025—\$10.0 million). The unsecured operating line of credit remained unutilized at March 31, 2026 (March 31, 2025—nil).

Cash, Cash Equivalents and Investments

	Financial Instruments		Total Carrying Value
	Classified as FVTPL	Designated as FVTPL	
As at March 31, 2026			
Cash and cash equivalents	220,193	-	220,193
Bonds			
Federal	-	112,385	112,385
Manitoba:			
Provincial	13,997	106,816	120,813
Municipal	-	134,834	134,834
Schools	-	239,172	239,172
Other provinces:			
Provincial	78,800	756,755	835,555
Municipal	3,514	44,914	48,428
Corporations	82,908	600,374	683,282
	179,219	1,995,250	2,174,469
Private debt	271,728	-	271,728
Other investments	587	-	587
Infrastructure	251,805	-	251,805
Equity investments	449,422	-	449,422
Pooled commercial mortgages	114,063	-	114,063
Pooled real-estate fund	390,520	-	390,520
Investments	1,657,344	1,995,250	3,652,594
Total	1,877,537	1,995,250	3,872,787

Audited Financial Statements

(in thousands of Canadian dollars, except as otherwise noted)

As at March 31, 2025	Financial Instruments		Total Carrying Value
	Classified as FVTPL	Designated as FVTPL	
Cash and cash equivalents	188,683	-	188,683
Bonds			
Federal	85,579	28,384	113,963
Manitoba:			
Provincial	14,065	110,304	124,369
Municipal	-	100,694	100,694
Schools	-	284,883	284,883
Other provinces:			
Provincial	67,082	759,766	826,848
Municipal	3,572	52,914	56,486
Corporations	82,377	620,040	702,417
	252,675	1,956,985	2,209,660
Private debt	270,086	-	270,086
Other investments	421	-	421
Infrastructure	237,948	-	237,948
Equity investments	386,432	-	386,432
Pooled commercial mortgages	108,956	-	108,956
Pooled real-estate fund	373,611	-	373,611
Investments	1,630,129	1,956,985	3,587,114
Total	1,818,812	1,956,985	3,775,797

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 consists of private equity, and units in pooled fund 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.

Transfers between fair value hierarchy levels are considered effective from the beginning of the annual reporting period in which the transfer is identified.

Audited Financial Statements

(in thousands of Canadian dollars, except as otherwise noted)

Valuation techniques used by the Corporation's independent pricing service providers and third-party broker-dealers include use of prices from similar instruments where observable market prices exist, discounted cash flow analysis, option pricing models, and other valuation techniques commonly used by market participants. The Corporation assesses the reasonableness of pricing received from these third-party sources by comparing the fair values received to recent transaction prices for similar assets where available, to industry accepted discounted cash flow models (that incorporate estimates of the amount and timing of future cash flows and market observable inputs such as credit spreads and discount rates) and to option pricing models (that incorporate market observable inputs including the quoted price, volatility and dividend yield of the underlying security and risk-free rate).

Detailed valuations are prepared for those financial instruments that are priced internally, while external pricing received from independent pricing service providers and third-party broker-dealers are evaluated by the Corporation for reasonableness. The Corporation's Chief Actuary and Chief Financial Officer oversee the valuation function and regularly review the valuation processes and results, including at each quarterly reporting period. Significant valuation matters, particularly those requiring extensive judgment, are communicated to the Corporation's Investment Committee and Audit & Finance Committee.

No investments were transferred between levels in the year ended March 31, 2026 (March 31, 2025—nil).

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 March 31, 2026	Level 1	Level 2	Level 3
FVTPL financial assets			
Cash and cash equivalents	220,200	-	-
Bonds	105,790	1,735,515	358,391
Private debt	-	271,728	-
Other investments	-	-	587
Infrastructure	35,394	-	216,411
Equity investments	122,028	327,394	-
Pooled commercial mortgages	-	-	114,063
Pooled real-estate fund	73,423	64,322	252,775
Total assets measured at fair value	556,835	2,398,959	942,227
As at March 31, 2025	Level 1	Level 2	Level 3
FVTPL financial assets			
Cash and cash equivalents	188,691	-	-
Bonds	91,408	1,772,828	368,953
Private debt	-	270,086	-
Other investments	-	-	421
Infrastructure	90,645	-	147,303
Equity investments	3,566	382,866	-
Pooled commercial mortgages	-	-	108,956
Pooled real-estate fund	113,225	31,132	229,254
Total assets measured at fair value	487,535	2,456,912	854,887

Accrued interest in the amounts of \$7.0 thousand (March 31, 2025—\$8.0 thousand) and \$25.2 million (March 31, 2025—\$23.5 million) are included above in Cash and cash equivalents and Bonds respectively. These amounts are included in Accounts receivable reported on the Statement of Financial Position.

Audited Financial Statements

(in thousands of Canadian dollars, except as otherwise noted)

Unobservable Inputs and Sensitivity for Level 3 Assets

The assets reported as Level 3 consist primarily of MUSH bonds that are designated as FVTPL, and investments in private debt, infrastructure and pooled investments classified as FVTPL.

The fair value of investment in MUSH bonds is marked-to-market (i.e. the present value of all future cash flows is calculated) monthly by the Province of Manitoba based on a yield curve published by the province. These cannot be corroborated with observable market transactions. Due to the unobservable nature of these quotes, the Corporation does not assess whether applying reasonably possible alternative assumptions would have an impact on the fair value of these Level 3 assets.

The fair value of infrastructure and pooled investments is based on net asset values provided by the investment manager, using valuation methods such as discounted cash flow analysis and multiples of relevant metrics (for example, regulated asset base and earnings before interest, taxes, depreciation and amortization) for comparable assets and transactions.

The following tables present the fair-value measurement of instruments included in Level 3.

	Bonds at FVTPL	Other Investments at FVTPL	Infrastructure at FVTPL	Pooled Commercial Mortgages at FVTPL	Pooled Real- Estate Fund at FVTPL	Total at FVTPL
As at March 31, 2026						
Balance, beginning of the year	368,953	421	147,303	108,956	229,254	854,887
Unrealized gains/(losses) included in investment income	(6,862)	166	10,467	(1,211)	(604)	1,956
Accrued interest	36	-	-	-	-	36
Purchases	43,485	-	58,641	6,318	25,413	133,857
Sales	(47,221)	-	-	-	(1,288)	(48,509)
Balance, end of the year	358,391	587	216,411	114,063	252,775	942,227

	Bonds at FVTPL	Other Investments at FVTPL	Infrastructure at FVTPL	Pooled Commercial Mortgages at FVTPL	Pooled Real- Estate Fund at FVTPL	Total at FVTPL
As at March 31, 2025						
Balance, beginning of the year	391,217	209	73,371	100,374	193,358	758,529
Unrealized gains/(losses) included in investment income	16,840	212	5,629	2,403	896	25,980
Accrued interest	(840)	-	-	-	-	(840)
Purchases	10,079	-	68,303	6,179	35,000	119,561
Sales	(48,343)	-	-	-	-	(48,343)
Balance, end of the year	368,953	421	147,303	108,956	229,254	854,887

Audited Financial Statements

(in thousands of Canadian dollars, except as otherwise noted)

Investment Income and Net Insurance Financial Result

The tables below provide analysis of investment income recognized in the years ended March 31, 2026, and March 31, 2025, and the composition of the net insurance financial result reported in the Statement of Operations.

Net Insurance Financial Result and Investment Result

For the years ended March 31	2026	2025
Investment income from interest, dividends and investment property	128,838	125,014
Net gain on investments	18,758	172,530
Investment management fees	(8,538)	(7,420)
Investment Income	139,058	290,124
Insurance finance expense	(10,171)	(172,675)
Reinsurance finance income	1,050	5,919
Net insurance financial result	(9,121)	(166,756)
Net insurance financial result and investment result	129,937	123,368

Investment Income

For the years ended March 31	2026	2025
Interest and similar income from securities classified as FVTPL	18,528	21,276
Interest and similar income from securities designated as FVTPL	81,256	81,078
Interest income	99,784	102,354
Dividend income from equities at FVTPL	27,885	21,748
Income from investment property	1,169	912
Investment income from interest, dividends and investment property	128,838	125,014
Net unrealized gain from financial instruments classified as FVTPL	19,158	56,596
Net unrealized (loss) gain from financial instruments designated as FVTPL	(58,478)	85,480
Net unrealized (loss) gain on investments	(39,320)	142,076
Net realized gain from financial instruments classified as FVTPL	54,648	29,356
Net realized gain from financial instruments designated as FVTPL	3,430	1,098
Net realized gain on investments	58,078	30,454
Net gain on investments	18,758	172,530
Investment management fees	(8,538)	(7,420)
Investment income	139,058	290,124

Investment income is net of investment management fees paid to the Department of Finance in the amount of \$8.5 million (March 31, 2025—\$7.4 million). This includes \$6.2 million (March 31, 2025—\$6.0 million) of fees the Province paid to outside managers on the Corporation's behalf.

Audited Financial Statements

(in thousands of Canadian dollars, except as otherwise noted)

Net Insurance Financial Result

Net insurance financial result is comprised of insurance finance income (expense) from insurance contracts issued and reinsurance contract held and are provided in the table below.

Changes in the carrying value of insurance contracts that arise from the unwinding of discounting and changes in financial assumptions (including discount rates) applied in measuring insurance contracts, are reported as insurance finance income (expense). Changes in the carrying value of reinsurance contracts that arise from the unwinding of discounting and changes in financial assumptions (including discount rates) applied to measuring reinsurance contracts, are reported as reinsurance finance income (expense).

For the years ended March 31	2026	2025
Change in carrying amount of insurance contracts issued due to:		
Unwinding of discounting	(101,267)	(111,801)
Changes in discount rate and other financial assumptions	91,096	(60,874)
Insurance finance expense from insurance contracts issued	(10,171)	(172,675)
Change in carrying amount of reinsurance contracts held due to:		
Unwinding of discounting	1,410	4,661
Changes in discount rate and other financial assumptions	(360)	1,258
Reinsurance finance income	1,050	5,919
Net insurance financial result	(9,121)	(166,756)

6. Investment Property

Investment property is reported in accordance with IAS 40.

	Surface Parking Lot	Parkade	Total
Cost			
Balance at April 1, 2024	1,040	16,186	17,226
Balance at March 31, 2025	1,040	16,186	17,226
Balance at March 31, 2026	1,040	16,186	17,226
Accumulated Depreciation			
Balance at April 1, 2024	-	4,181	4,181
Depreciation	-	625	625
Balance at March 31, 2025	-	4,806	4,806
Depreciation	-	394	394
Balance at March 31, 2026	-	5,200	5,200
Carrying Amounts			
At March 31, 2025	1,040	11,380	12,420
At March 31, 2026	1,040	10,986	12,026
Fair Value			
At March 31, 2025*	5,840	16,750	22,590
At March 31, 2026*	3,360	18,490	21,850

*The fair value of the parkade and surface parking lot is determined using an appraisal performed by an external valuator on, at a minimum, a bi-annual basis. The last appraisal conducted was for March 31, 2026.

Audited Financial Statements

(in thousands of Canadian dollars, except as otherwise noted)

7. Property and Equipment

	Land & Buildings (1)	Furniture & Equipment(2)	Right-of-Use Assets (3)	Property Under Construction(4)	Total
Cost					
Balance at April 1, 2024	206,052	37,825	16,586	11,494	271,957
Additions	3,086	3,251	-	3,146	9,483
Disposals	-	(807)	-	-	(807)
Transfer from (out of) Property under Construction	13,243	707	41	(13,991)	-
Balance at March 31, 2025	222,381	40,976	16,627	649	280,633
Additions	5,111	1,869	-	1,539	8,519
Disposals	(287)	(6,452)	-	-	(6,739)
Transfer from (out of) Property under Construction	708	45	-	(753)	-
Balance at March 31, 2026	227,913	36,438	16,627	1,435	282,413
Accumulated Depreciation					
Balance at April 1, 2024	66,135	28,993	5,721	-	100,849
Disposals	-	(807)	-	-	(807)
Depreciation	4,703	1,916	(45)	-	6,574
Balance at March 31, 2025	70,838	30,102	5,676	-	106,616
Disposals	(257)	(6,452)	-	-	(6,709)
Depreciation	4,520	1,990	446	-	6,956
Balance at March 31, 2026	75,101	25,640	6,122	-	106,863
Carrying Amounts					
At March 31, 2025	151,543	10,874	10,951	649	174,017
At March 31, 2026	152,812	10,798	10,505	1,435	175,550

1. Includes land, land improvements, leasehold improvements, buildings and building components: elevators, escalators, HVAC systems, roofing systems.
2. Includes furniture, equipment, computer equipment, vehicles and demountable wall systems.
3. Includes right-of-use assets land and buildings accounted for under IFRS 16 Leases. Refer to Note 10 for the corresponding lease obligations. The below right-of-use assets are included in the property and equipment table above, totaling the "Right-of-Use Assets" column (1284 Main Street—Building portion; 1284 Main Street—Land portion; Brandon—Royal Canadian Legion Branch #3 Building):

Right-Of-Use Assets	1284 Main Street Building	1284 Main Street Land	Brandon-Royal Canadian Legion #3	Total
Balance at April 1, 2024	14,982	1,562	42	16,586
Additions	41	-	-	41
Balance at March 31, 2025	15,023	1,562	42	16,627
Balance at March 31, 2026	15,023	1,562	42	16,627

4. Includes renovations to Cityplace, land improvements, HVACs and roofing.

Audited Financial Statements

(in thousands of Canadian dollars, except as otherwise noted)

8. Deferred Development Costs

	Internally Developed Intangible Assets
Cost	
Balance at April 1, 2024	333,817
Additions	13,780
Impairment	(52,465)
Write-off	(13,756)
Balance at April 1, 2025	281,376
Additions	6,549
Impairment	(15,951)
Balance at April 1, 2026	271,974
Accumulated Amortization	
Balance at April 1, 2024	221,315
Amortization	9,935
Impairment	(3,224)
Write-off	(912)
Balance at April 1, 2025	227,114
Amortization	6,371
Impairment	(862)
Balance at April 1, 2026	232,623
Carrying Amounts	
At March 31, 2025	54,262
At March 31, 2026	39,351

Deferred development costs represent costs accumulated in the ongoing development of technology assets. Deferred development costs of \$6.5 million (March 31, 2025—\$13.7 million) are not yet available for use and are currently not being amortized.

Annually, the Corporation assesses information available for evidence that intangible assets such as deferred development costs may be impaired. Performing the assessment and developing an estimate of recoverable amounts requires the Corporation to make estimates and assumptions. The main estimates and assumptions used in calculating the recoverable amount are future cash flow estimates based on internal financial forecasts, expected future earnings, and the discount rate to apply to the future cash flows. Actual values and results could be significantly different than estimates developed by the Corporation.

Write Down for Impairment in Assets Reported as Deferred Development Costs

The Corporation performed the assessment for indications of impairment in intangible assets reported by the Corporation as at the third quarter reporting date December 31, 2025. The assessment identified technological assets that had been foundational to future and ongoing developments under Project Nova, that were assessed as not meeting the criteria to be recognized as assets in light of the formal closure of Project Nova in June 2025.

The write down relates to assets associated with the February 2023 implementation of Release 1 (R1) as well as additional assets capitalized but not implemented related to Release 3 (R3). The results of the assessment lead to the Corporation recognizing \$15.1 million in write downs for assets that had been previously reported under Project Nova that were identified in the current year as offering reduced value or no future economic value.

Audited Financial Statements

(in thousands of Canadian dollars, except as otherwise noted)

The impacts from the recognition of \$15.1 million in write downs due to impairment in Deferred development costs, are reported in the Corporation's Statement of Operations for the year ended March 31, 2026, as Acquisition expense and Operating expense of \$1.1 million and \$14.0 million respectively. The Corporation reported \$62.1 million in impairments and write-offs to Deferred development costs in the prior fiscal year ended March 31, 2025, reported as Maintenance expense, Acquisition expense, and Operating expense of \$6.2 million; \$11.6 million; and \$44.3 million respectively.

The Deferred development costs after write downs for impairment are expected to provide the Corporation with future value that exceed or equal the carrying values reported, based on planned future use of the assets and financial budgets and forecasts.

9. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities are comprised of the following:

	2026	2025
Commission	401	366
Due to the Province of Manitoba	22,219	22,856
IT Services	463	1,608
IT Projects	3,281	1,555
Other payables and accrued liabilities	13,697	20,277
Payroll	6,816	5,335
Taxes	942	800
Balance at March 31	47,819	52,797

10. Lease Obligation

The Corporation has elected not to recognize lease liabilities for short-term or low value leases. Lease payments associated with such leases are expensed on a straight-line basis over the lease term. During the year ended March 31, 2026, \$328.8 thousand was recognized as an expense for short-term and low value leases (March 31, 2025—\$402.0 thousand).

None of the Corporation's leases are subleased and no contingent rent is payable for any lease arrangements.

The Service Centre built on land in Winnipeg at 1284 Main Street and the land on which it is built are owned by a third-party and are leased to the Corporation. The provisions of the lease include an initial term of 25 years and, at the Corporation's option, three further terms of five years each. The Corporation also recognizes the right-of-use asset for a building in Brandon, for which the Corporation has a lease agreement.

Audited Financial Statements

(in thousands of Canadian dollars, except as otherwise noted)

The details of the lease obligations are as follows:

Balance at April 1, 2024	6,921
Lease payments	(506)
Interest	450
Balance at March 31, 2025	6,865
Lease payments	(530)
Interest	446
Balance at March 31, 2026	6,781

Main Street—Building Lease

	March 31, 2026	March 31, 2025
Interest rate	6.70%	6.70%
Interest expense for the year	357	360
Lease obligations at year end	5,299	5,355

The minimum lease payments are as follows:

	Minimum Lease Payments		Present Value of Minimum Lease Payments	
	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
Not later than one year	413	414	399	399
Later than one year and not later than five years	1,674	1,654	1,368	1,354
Later than five years	8,895	9,328	3,532	3,602
Total	10,982	11,396	5,299	5,355

Main Street—Land Lease

	March 31, 2026	March 31, 2025
Interest rate	5.95%	5.95%
Interest expense for the year	88	89
Lease obligations at year end	1,473	1,492

The minimum lease payments are as follows:

	Minimum Lease Payments		Present Value of Minimum Lease Payments	
	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
Not later than one year	107	107	104	104
Later than one year and not later than five years	433	428	362	358
Later than five years	2,302	2,414	1,007	1,030
Total	2,842	2,949	1,473	1,492

Brandon—Royal Canadian Legion Branch #3

	March 31, 2026	March 31, 2025
Interest rate	5.20%	5.20%
Interest expense for the year	1	1
Lease obligations at year end	9	18

The minimum lease payments are as follows:

(in thousands of Canadian dollars)	Minimum Lease Payments		Present Value of Minimum Lease Payments	
	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
Not later than one year	10	10	9	9
Later than one year and not later than five years	-	10	-	9
Total	10	20	9	18

Audited Financial Statements

(in thousands of Canadian dollars, except as otherwise noted)

11. Operating Leases

As A Lessor:

The Corporation owns the Cityplace property located in downtown Winnipeg including the Cityplace building, one adjacent parking lot and one adjacent parkade. The Cityplace building includes five floors of office space, three floors of parking and two floors of retail space. The Corporation leases out portions of the Cityplace building.

None of the leases in which the Corporation acts as a lessor are sub-leased.

Future minimum lease payments under non-cancellable leases to be received are:

	March 31, 2026	March 31, 2025
Not later than one year	7,237	6,358
Later than one year and not later than five years	25,959	27,141
Later than five years	20,671	26,468
Total	53,867	59,967

During the year ended March 31, 2026, other revenue includes gross rental income from operating leases of \$15.8 million (March 31, 2025—\$14.0 million) and gross rental expenses pertaining to operating leases of \$13.1 million (March 31, 2025—\$13.4 million). Income contingent on retail sales included in rental income at March 31, 2026 was \$192.7 thousand (March 31, 2025—\$183.3 thousand).

12. Provision for Employee Current Benefits

The provision for employee current benefits includes accrued vacation and sick leave liabilities. The determination of expenses and liabilities associated with the sick leave plan requires the use of key assumptions such as discount rates and expected sick leave.

	2026	2025
Balance at beginning of year	31,149	29,660
Provisions incurred	23,459	21,966
Payments	(21,267)	(20,477)
Balance at March 31	33,341	31,149

13. Provision for Employee Future Benefits

The Corporation has a defined benefit pension plan, severance benefit plan and post-retirement extended health benefit plan available to eligible employees. The defined benefit pension plan is based on years of service and final average salary whereas the severance benefit plan is based on years of service and final salary.

The Corporation uses an actuarial valuation, on an annual basis, to measure the accrued provision for its benefit plans. The most recent full actuarial valuation was conducted by an external actuary as at December 31, 2025, with the next scheduled actuarial valuation being December 31, 2026. Additionally, the Corporation had the external actuary extrapolate the benefit plans at the Corporation fiscal year end of March 31, 2026.

Audited Financial Statements

(in thousands of Canadian dollars, except as otherwise noted)

The actuarial valuation of the Corporation's benefit obligations is exposed to actuarial risks such as mortality risk which represents life expectancy and impacts the calculation of the obligations; interest rate risk which impacts the discount rate used to calculate the obligations; and inflation rate risk which impacts the calculation of the obligations.

The actuarial valuation is based on the Corporation's best estimate of various economic assumptions. On a yearly basis the Civil Service Superannuation Board provides an approval of the cost-of-living adjustment which is factored into the pension valuation. With respect to the demographic assumptions, the Corporation relies on and uses the assumptions adopted by the Civil Service Superannuation Board. The weighted average duration of the defined benefit obligation is 12.9 years (March 31, 2025—13.5 years). Results from the most recent actuarial valuations, projected to March 31, 2026, and the corresponding economic assumptions are as follows:

Assumptions:

	Pension Benefit Plan		Other Benefit Plans	
	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
Discount rate - December Actuarial Valuation	4.96%	4.71%	4.96%	4.71%
Discount rate - March Actuarial Valuation	5.11%	4.68%	5.11%	4.68%
Discount rate on benefit costs	5.11%	4.68%	5.11%	4.68%
Inflation rate	2.33%	1.80%	N/A	N/A
Expected salary increase	2.00%	3.60%	N/A	N/A
Expected health care cost increase (out of scope)	N/A	N/A	4.30%	4.20%
Expected health care cost increase (in scope)	N/A	N/A	2.33%	1.80%

Change in benefit obligations:

	Pension Benefit Plan		Other Benefit Plans	
	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
Balance at beginning of period	435,361	403,542	50,700	48,027
Current service cost	15,805	14,451	5,008	5,643
Interest cost	20,287	19,664	1,147	1,128
Benefits paid	(19,566)	(18,917)	(2,875)	(4,452)
Remeasurement gains recognized in other comprehensive income	(25,023)	16,621	(989)	354
Balance at March 31	426,864	435,361	52,991	50,700
Employee contribution for the period	14,590	13,278	-	-

Funding

The Employee Future Benefits (EFB) investment portfolio is a separate investment portfolio established to support the liabilities for Pension, Employee Post Retirement Benefits and Severance. The EFB portfolio has a unique asset allocation strategy in order to meet its objective of ensuring pension and other future employee benefit obligations are paid as they become due. When the portfolio requires funding to match an increase in the employee future benefit liabilities, it is funded by all lines of business.

The carrying value of the assets in the EFB investment portfolio as at March 31, 2026, and March 31, 2025, which are included in Investments in the Statement of Financial Position, are as follows:

Audited Financial Statements

(in thousands of Canadian dollars, except as otherwise noted)

Employee Future Benefits Investment Portfolio

	March 31, 2026		March 31, 2025	
	Carrying Value	Percentage of Portfolio	Carrying Value	Percentage of Portfolio
Cash & cash equivalents	902	0.1%	1,314	0.2%
Bonds	82,908	11.9%	82,377	12.9%
Private debt	108,659	15.6%	110,586	17.3%
Infrastructure	158,760	22.8%	152,602	23.9%
Equity investments	280,400	40.3%	235,967	36.9%
Pooled real-estate funds	64,881	9.3%	56,288	8.8%
Total	696,510	100.0%	639,134	100.0%

The Corporation contributes the employer's share of the cost of employee future benefits to the Civil Service Superannuation Fund (CSSF) on a pay-as-you-go method of funding. The interest cost associated with the various benefit plans is based on market interest rates at the most recent valuation date.

Benefit Plan Expenses

	Pension Benefit Plan		Other Benefit Plans	
	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
Current service cost	15,805	14,451	5,010	5,643
Interest cost	20,287	19,664	1,147	1,128
Total	36,092	34,115	6,157	6,771

Sensitivity Analysis

Based on the March 31, 2026, actuarial valuation, changes to the actuarial assumptions would change the benefit obligation as follows:

Pension Benefit Plan

Gain due to discount rate increasing from 5.11% to 5.61% (plus .50%)	(27,515)
Loss due to discount rate decreasing from 5.11% to 4.61% (minus .50%)	30,794
Loss due to mortality life expectancy at age 65 up one year	11,009
Loss due to inflation indexing (2/3rd COLA) increasing .25%	11,745
Gain due to inflation indexing (2/3rd COLA) decreasing from .25%	(11,237)

Other Benefit Plans

Gain due to discount rate increasing from 5.11% to 5.61% (plus .50%)	(289)
Loss due to discount rate decreasing from 5.11% to 4.61% (minus .50%)	322
Loss due to mortality life expectancy at age 65 up one year	131
Loss due to health care cost inflation indexing increasing .25%	156
Gain due to health care cost inflation indexing decreasing .25%	(148)

Out-of-Scope Retirement Benefits

Gain due to discount rate increasing from 5.11% to 5.61% (plus .50%)	(1,555)
Loss due to discount rate decreasing from 5.11% to 4.61% (minus .50%)	1,761
Loss due to mortality life expectancy at age 65 up one year	746
Loss due to health care cost inflation indexing increasing .25%	835
Gain due to health care cost inflation indexing decreasing .25%	(789)

Audited Financial Statements

(in thousands of Canadian dollars, except as otherwise noted)

The sensitivity to the significant assumptions has been determined, assuming all other assumptions remain unchanged. If multiple assumptions were to change at the same time, there may be correlations between the assumptions that could result in different impacts than simply adding the individual sensitivities above.

Expected maturity analysis of undiscounted pension benefit and other benefit plans:

	Less than a year	Between 1 & 2 years	Between 2 & 5 years	Over 5 years	Total
Pension benefit plan	21,121	21,569	68,036	927,181	1,037,907
Other benefit plans	815	868	2,969	63,797	68,449
At March 31, 2026	21,936	22,437	71,005	990,978	1,106,356

	Less than a year	Between 1 & 2 years	Between 2 & 5 years	Over 5 years	Total
Pension benefit plan	20,098	20,447	64,075	901,136	1,005,756
Other benefit plans	751	804	2,746	58,784	63,085
At March 31, 2025	20,849	21,251	66,821	959,920	1,068,841

14. Insurance Contract Liabilities and Reinsurance Contract Assets

The net carrying amounts of insurance and reinsurance contracts is summarized as follows:

For the years ended March 31	2026	2025
Liability for remaining coverage	424,857	379,647
Liability for incurred claims	2,450,979	2,526,250
Insurance contract liabilities	2,875,836	2,905,897
Asset for remaining coverage	2,160	1,740
Asset for reinsured claims	54,934	72,303
Reinsurance contract assets	57,094	74,043
Net insurance and reinsurance contracts	2,818,742	2,831,854

Insurance Contract Liabilities

Insurance contracts analysis by remaining coverage and incurred claims

The following tables present the change in the net liability reported for insurance contracts, showing the movement in the liability for remaining coverage and the liability for incurred claims over the period. The insurance contracts are measured under PAA, and the Corporation applies the accounting policy choice to expense acquisition cash flows as they arise.

Audited Financial Statements

(in thousands of Canadian dollars, except as otherwise noted)

	Liability for Remaining Coverage	Liability for Incurred Claims Present Value of Future Cash Flows	Risk Adjustment	Total
For the year ended March 31, 2026				
Insurance contract liabilities, beginning of year	379,647	2,406,519	119,731	2,905,897
Changes in comprehensive income (loss):				
Insurance revenue	(1,738,517)	-	-	(1,738,517)
Insurance service expense:				
Incurred claims and other insurance expenses	-	1,682,173	38,048	1,720,221
Changes to liabilities for incurred claims prior year	-	(80,445)	(43,119)	(123,564)
Insurance service expense	-	1,601,728	(5,071)	1,596,657
Insurance service result from insurance contracts	(1,738,517)	1,601,728	(5,071)	(141,860)
Insurance finance expense	-	10,171	-	10,171
Total changes in comprehensive income (loss)	(1,738,517)	1,611,899	(5,071)	(131,689)
Cash flows:				
Premiums received	1,783,727	-	-	1,783,727
Claims and other expenses paid	-	(1,682,099)	-	(1,682,099)
Total cash flows	1,783,727	(1,682,099)	-	101,628
Insurance contract liabilities, end of year	424,857	2,336,319	114,660	2,875,836

	Liability for Remaining Coverage	Liability for Incurred Claims Present Value of Future Cash Flows	Risk Adjustment	Total
For the year ended March 31, 2025				
Insurance contract liabilities, beginning of year	344,169	2,389,185	119,814	2,853,168
Changes in comprehensive income (loss):				
Insurance revenue	(1,644,750)	-	-	(1,644,750)
Insurance service expense:				
Incurred claims and other insurance expenses	-	1,666,910	39,154	1,706,064
Changes to liabilities for incurred claims prior year	-	(93,614)	(39,237)	(132,851)
Insurance service expense	-	1,573,296	(83)	1,573,213
Insurance service result from insurance contracts	(1,644,750)	1,573,296	(83)	(71,537)
Insurance finance income	-	172,675	-	172,675
Total changes in comprehensive income (loss)	(1,644,750)	1,745,971	(83)	101,138
Cash flows:				
Premiums received	1,680,228	-	-	1,680,228
Claims and other expenses paid	-	(1,728,637)	-	(1,728,637)
Total cash flows	1,680,228	(1,728,637)	-	(48,409)
Insurance contract liabilities, end of year	379,647	2,406,519	119,731	2,905,897

Audited Financial Statements

(in thousands of Canadian dollars, except as otherwise noted)

Material Estimates, Assumptions and Judgments

Estimate of future cash flows

The liability for incurred claims includes the estimate of loss for reported claims, a provision for claims incurred but not reported, and other insurance service expenses that are expected to be incurred to settle those claims. The ultimate cost of settling claims liabilities is estimated by applying a range of generally accepted standard actuarial techniques.

These techniques assume that the Corporation's own claims experience is indicative of future claims development patterns and therefore ultimate claims cost. The ultimate cost of settling claims is estimated separately for each line of business.

The main assumption underlying these methods is that the Corporation's past claims development can be used to project future claims development patterns and ultimate claims cost. Additional qualitative judgments are made to assess the extent to which past trends may not be applicable to the future, which future trends are expected to emerge and then incorporate the necessary adjustments to adequately determine the liability for incurred claims that represents the probability-weighted mean of the possible outcomes for future claim payments. The assumptions used to develop this estimate are selected by lines of business and type of coverage.

The significant assumptions applied in estimating the liability for incurred claims include: the Corporation's experience with similar cases, historical claim payment trends and claim development patterns, characteristics of each line of business, claim severity and frequency, effect of inflation on future claim settlement costs, relevance of recent court decisions, and economic conditions. Timely settlement is also a factor in determining the provision because delays in settling and paying a claim can increase the risk of variation in settlement amounts. Accordingly, short-tail claims such as physical damage or collision claims tend to be more reasonably predictable than long-tail claims such as liability claims.

There is uncertainty inherent in the estimation process. The actual value of ultimate claims can only be ascertained once all claims are closed. The unpaid claim liabilities for Personal Injury Protection Plan (PIPP) benefits represent the majority of the Corporation's claim liabilities. PIPP claim liabilities are also the most uncertain because of the long-term nature of these benefits.

As a result, the establishment of the liability for incurred claims relies on a number of factors, which necessarily involves risk that actual results may differ materially from the estimates.

The estimates of future cash flows are adjusted to reflect the time value of money and financial risks.

Discount Rates

The Corporation measures time value of money using discount rates that are consistent with observable market prices and reflect the liquidity characteristics of the insurance contracts. The discount rates exclude the effect of factors that influence such observable market prices but do not affect the future cash flows of the insurance contracts (e.g., credit risk).

Audited Financial Statements

(in thousands of Canadian dollars, except as otherwise noted)

The top-down approach is followed to determine appropriate discount rates applied in measuring the Corporation's portfolios of insurance contract liabilities. Under this approach, discount rates are estimated by starting from the yield curve implied in a reference portfolio of assets that closely reflects the duration and liquidity characteristics of the insurance cash flows. The yield from the reference portfolio is then adjusted to exclude the effects of risks, such as credit risk, that are inherent in the cash flows of the financial instruments within the reference portfolio but are not applicable to the cash flows of the insurance contracts.

In applying the top-down approach, the Corporation selected a reference portfolio that is based on the composition of the marketable bond portfolio in the asset portfolio for the Basic line of business. The Corporation considers this portfolio as suitably matched with the duration and liquidity characteristics of the insurance claims it carries. The reference portfolio is used as a basis to develop a yield curve that is then adjusted for market risk and credit risk (including default risk and downgrade risk), and both expected and unexpected credit, to arrive at the Corporation's yield curve for discounting its insurance contract liabilities. The observable period implied from the reference portfolio and the corresponding credit risk adjustments is 30 years. The Corporation has reserving lines extending beyond 30 years and extrapolates yields to determine discount rates for claims reaching beyond 30 years, called the unobservable period. For this period, the Corporation applies a straight-line interpolation from the last observable period (30 years) to the ultimate rate at the 70-year term of 5.22 per cent (March 31, 2025—5.22 per cent), consistent with the Canadian Institute of Actuaries (CIA) reference curve. The interest rate remains constant beyond the defined ultimate point. The Corporation applies judgement in selecting a reference portfolio; and applies judgement and the use of estimates in determining a yield curve and adjustments to that yield curve.

The discount rates applied in discounting future cash flows in the measurement of insurance contracts are listed below:

March 31, 2026	1 year	3 years	5 years	10 years	20 years	30 years
Discount rates	2.92%	3.32%	3.58%	4.27%	4.89%	4.84%
March 31, 2025	1 year	3 years	5 years	10 years	20 years	30 years
Discount rates	2.82%	2.94%	3.21%	3.97%	4.41%	4.27%

Risk Adjustment

The measurement of insurance and reinsurance contracts includes a risk adjustment for non-financial risk. The risk adjustment represents the compensation the Corporation requires for bearing the uncertainty about the amount and timing of cash flows that arise from non-financial risks as the Corporation fulfils insurance contracts.

The risk adjustment for non-financial risk is determined at the corporate level, including benefits from risk diversification across lines of business. The risk adjustment is then allocated and applied in measuring the liability for incurred claims for insurance contracts, by coverage and line of business.

The diversified risk adjustment is allocated to coverage level for bottom-up reporting and disclosure purposes based on the relative proportion of each segment's undiversified risk adjustment.

Audited Financial Statements

(in thousands of Canadian dollars, except as otherwise noted)

The risk adjustment is determined using a quantile technique. The Corporation's target confidence level for this risk is the 90th percentile. At March 31, 2026, the confidence level for the Corporation's risk adjustment is at the 90th percentile for insurance risk and reinsurance risk (March 31, 2025—90th percentile for insurance risk and reinsurance risk).

Assessment for groups of onerous contracts

For each portfolio, the facts and circumstances indicating that a group of insurance contracts is or becomes onerous are based on review of loss ratios. Loss experience monitoring may also be used to identify situations and variances to be investigated.

Sensitivity analysis

It is not possible to quantify the sensitivity to certain assumptions such as legislative changes or uncertainty in the estimation process. The analysis is performed for possible movements in the assumptions with all other assumptions held constant, showing the impact on Net income (loss) attributable to Owner of the Corporation. Movements in these assumptions may be non-linear and may be correlated with one another.

A five per cent increase in the best estimate of future cash flows for net PIPP claim liabilities is equal to approximately \$78.1 million (March 31, 2025—\$82.3 million). Such a change could occur if the actual future development of lifetime PIPP claimants was higher than expected.

A 100 basis point (bps) decrease to the yield curve used to discount the best estimate of future cash flows claims liabilities would increase the balance by approximately \$205.1 million (March 31, 2025—\$175.1 million), while a 100 bps increase to the yield curve used to discount the best estimate of future cash flows claims liabilities would decrease the balance by approximately \$168.4 million (March 31, 2025—\$148.6 million). However, this impact would be largely offset by gains/losses on the Corporation's fixed income portfolio as described in the Interest Rate Risk section of Note 25.

Prior-Year Claims Development

The following claims development table demonstrates the extent to which the original claim cost estimates in any one accident year has subsequently developed favorably (lower than originally estimated) or unfavorably. This table illustrates the variability and inherent uncertainty in estimating the claims estimate on a yearly basis. The ultimate claims cost for any accident year is not known until all claim payments have been made. For physical damage insurance, payout of claims liabilities generally occurs shortly after the occurrence of the loss. For casualty (long-tailed) coverages, the loss may not be paid, or even reported, until well after the loss occurred. The estimated ultimate claims payments at the end of each subsequent accident year demonstrate the extent to which the original estimate has been revised over time.

The following tables show the development of the estimated gross and net liability for incurred claims for the 10 most recent accident years as estimated at each reporting date. The Corporation adopted IFRS 17 on April 1, 2023, however actuarial valuations were previously performed under IFRS 4. As such, in the claims development tables below, for years 2022 and prior, net ultimate losses are valued using IFRS 4 while 2023 onwards, net ultimate losses are valued under IFRS 17.

Audited Financial Statements

(in thousands of Canadian dollars, except as otherwise noted)

Development of Ultimate Claims

The following tables show the development of the estimated gross and net liability for incurred claims for the 10 most recent accident years as estimated at each reporting date.

Current Ultimate Loss Estimates

Gross	2017	2018	2019	2020*	2021	2022	2023	2024	2025	2026	Total
Estimate of ultimate claims costs for the most recent 10 years:											
At end of accident year	849,115	850,714	903,009	929,436	729,074	922,297	1,022,324	1,302,904	1,281,470	1,336,964	
One year later	868,568	862,666	912,378	855,664	741,785	950,592	1,094,795	1,283,399	1,293,984		
Two years later	883,231	871,953	903,754	842,449	742,642	956,881	1,089,923	1,324,100			
Three years later	884,145	864,352	881,504	840,047	758,702	971,133	1,106,306				
Four years later	882,820	865,522	879,298	845,935	752,470	971,184					
Five years later	883,890	869,307	885,217	849,540	761,047						
Six years later	882,357	870,572	888,810	848,697							
Seven years later	888,521	874,625	902,636								
Eight years later	892,384	875,165									
Nine years later	884,032										
Current estimate of ultimate claims cost	884,032	875,165	902,636	848,697	761,047	971,184	1,106,306	1,324,100	1,293,984	1,336,964	10,304,115
Cumulative payments to date	803,224	791,403	818,704	765,072	660,283	865,370	978,330	1,124,713	1,044,763	738,432	8,590,294
Unpaid claims costs	80,808	83,762	83,932	83,625	100,764	105,814	127,976	199,387	249,221	598,532	1,713,821
ULAE	6,901	7,670	8,390	7,822	9,250	9,031	12,285	20,039	31,237	69,292	181,917
Effect of indexation, discounting and risk adjustment	(23,423)	(25,079)	(25,612)	(25,653)	(26,775)	(28,304)	(30,418)	(32,817)	(38,935)	(25,011)	(282,027)
Discounted unpaid claims costs	64,286	66,353	66,710	65,794	83,239	86,541	109,843	186,609	241,523	642,813	1,613,711
Discounted unpaid claims in respect of years prior to 2017											775,336
Gross claims relating to discontinued general lines											2,187
Total gross unpaid claims											2,391,234
Net payables included in incurred claims											59,745
Liability for incurred claims											2,450,979
Current estimate of surplus (deficiency)	(34,917)	(24,451)	373	80,739	(31,973)	(48,887)	(83,982)	(21,196)	(12,514)	-	
Percentage surplus (deficiency) of initial gross reserve	(4.1%)	(2.9%)	0.0%	8.7%	(4.4%)	(5.3%)	(8.2%)	(1.6%)	(1.0%)	0.0%	

* The Corporation changed its year end from February 28/29 to March 31, effective March 31, 2020. Current loss estimates (gross and net) are based on the 12-month (April to March) accident year and are shaded. Due to the year-end transition, the March 31, 2020, accident year estimates are for a 13-month period of March 1, 2019, to March 31, 2020. All other accident years are for the 12-month period of March 1 to February 28/29.

Audited Financial Statements

(in thousands of Canadian dollars, except as otherwise noted)

The following table presents the estimates of cumulative incurred claims after reinsurance with subsequent developments during the periods and together with cumulative payments to date.

Net of Reinsurance Ceded	Accident Year										Total
	2017	2018	2019	2020*	2021	2022	2023	2024	2025	2026	
Estimate of ultimate claims costs for the most recent 10 years:											
At end of accident year	848,721	850,337	886,592	929,436	724,781	904,377	1,011,454	1,191,371	1,269,993	1,326,964	
One year later	868,299	862,475	895,678	855,663	736,356	938,396	1,066,270	1,165,128	1,288,702		
Two years later	883,108	871,937	888,400	842,449	737,413	946,387	1,061,975	1,195,616			
Three years later	884,135	864,329	866,488	840,068	744,533	960,619	1,078,477				
Four years later	882,805	865,522	863,313	845,935	746,965	960,691					
Five years later	883,890	869,308	870,255	849,540	755,330						
Six years later	881,981	870,341	873,785	848,697							
Seven years later	887,692	874,278	887,366								
Eight years later	891,120	874,611									
Nine years later	881,718	874,611	887,366	848,697	755,330	960,691	1,078,477	1,195,616	1,288,702	1,326,964	10,098,172
Current estimate of ultimate claims cost	881,718	874,611	887,366	848,697	755,330	960,691	1,078,477	1,195,616	1,288,702	1,326,964	10,098,172
Cumulative payments to date	803,224	791,403	803,821	765,072	654,779	854,876	950,417	1,026,590	1,044,763	738,432	8,433,377
Unpaid claims costs	78,494	83,208	83,545	83,625	100,551	105,815	128,060	169,026	243,939	588,532	1,664,795
ULAE	6,901	7,670	8,390	7,822	9,250	9,031	12,285	20,039	31,237	69,292	181,917
Effect of indexation, discounting and risk adjustment	(22,797)	(24,927)	(25,505)	(25,653)	(26,771)	(28,304)	(30,420)	(33,625)	(38,731)	(24,714)	(281,447)
Discounted unpaid claims costs	62,598	65,951	66,430	65,794	83,030	86,542	109,925	155,440	236,445	633,110	1,565,265
Discounted unpaid claims in respect of years prior to 2017											
Gross claims relating to discontinued general lines											769,826
Total net unpaid claims											2,187
Directly attributable expenses payable included within Liability for incurred claims											2,337,278
Amounts to be received from reinsurers included in reinsurance claims											59,745
Liability for incurred claims											(978)
Current estimate of surplus (deficiency)	(32,997)	(24,274)	(774)	80,739	(30,549)	(56,314)	(67,023)	(4,245)	(18,709)	-	2,396,045
Percentage surplus (deficiency) of initial net reserve	(3.9%)	(2.9%)	(0.1%)	8.7%	(4.2%)	(6.2%)	(6.6%)	(0.4%)	(1.5%)	0.0%	

* The Corporation changed its year end from February 28/29 to March 31, effective March 31, 2020. Current loss estimates (gross and net) are based on the 12-month (April to March) accident year and are shaded. Due to the year-end transition, the March 31, 2020, accident year estimates are for a 13-month period of March 1, 2019, to March 31, 2020. All other accident years are for the 12-month period of March 1 to February 28/29.

Audited Financial Statements

(in thousands of Canadian dollars, except as otherwise noted)

Reinsurance Contract Assets

The Corporation purchases reinsurance to limit its exposure to low frequency and high severity events which may result in significant losses to the Corporation.

As at March 31, 2026, the Corporation's casualty reinsurance treaty limits its net exposure on any one occurrence to \$20.0 million for all claims (March 31, 2025—\$10.0 million for PIPP claims; \$5.0 million for SRE claims), with an upper limit of \$50.0 million (March 31, 2025—\$50.0 million).

In addition, the Corporation's catastrophe reinsurance treaty provides aggregate protection for a fiscal year accumulation of catastrophe events, with losses from each event first reduced by a \$2.0 million per event deductible (March 31, 2025—\$2.0 million), and aggregate coverage attaching once cumulative net losses exceed \$50.0 million (March 31, 2025—\$50.0 million). Under this arrangement, the Corporation's retained maximum is \$50.0 million (March 31, 2025—\$50.0 million), with reinsurance protection available up to \$400.0 million (March 31, 2025—\$400.0 million).

Certain lines of insurance are subject to lower coverage limits. In addition, due to a limited number of reinstatements, losses could exceed the stated maximums. While reinsurance is used to mitigate the impact of large losses, the Corporation remains liable to its policyholders.

The Corporation applies the PAA to measure reinsurance contracts it holds. The following tables present the change in the net asset reported for reinsurance contracts, reporting the movement in the assets for remaining coverage and the assets for incurred claims over the period.

	Assets for Remaining Coverage	Assets for Incurred Claims		Total
		Present Value of Future Cash Flows	Risk Adjustment	
For the year ended March 31, 2026				
Reinsurance contract assets, beginning of year	1,740	68,041	4,262	74,043
Changes in comprehensive income (loss):				
Allocation of reinsurance premiums	(37,679)	-	-	(37,679)
Recoveries of incurred claims and other reinsurance service expenses	-	9,007	553	9,560
Prior period development	-	9,295	(1,307)	7,988
Net income from reinsurance contracts	(37,679)	18,302	(754)	(20,131)
Reinsurance finance income	-	1,050	-	1,050
Total changes in comprehensive income (loss)	(37,679)	19,352	(754)	(19,081)
Cash flows:				
Premiums paid	38,099	-	-	38,099
Amounts received	-	(35,967)	-	(35,967)
Total cash flows	38,099	(35,967)	-	2,132
Reinsurance contract assets, end of year	2,160	51,426	3,508	57,094

Audited Financial Statements

(in thousands of Canadian dollars, except as otherwise noted)

	Assets for Remaining Coverage	Assets for Incurred Claims		Total
		Present Value of Future Cash Flows	Risk Adjustment	
For the year ended March 31, 2025				
Reinsurance contract assets, beginning of year	1,192	145,174	7,659	154,025
Changes in comprehensive income (loss):				
Allocation of reinsurance premiums	(40,037)	-	-	(40,037)
Recoveries of incurred claims and other reinsurance service expenses	-	10,367	636	11,003
Prior period development	-	(2,718)	(4,033)	(6,751)
Net income from reinsurance contracts	(40,037)	7,649	(3,397)	(35,785)
Reinsurance finance income	-	5,920	-	5,920
Total changes in comprehensive income (loss)	(40,037)	13,569	(3,397)	(29,865)
Cash flows:				
Premiums paid	40,585	-	-	40,585
Amounts received	-	(90,702)	-	(90,702)
Total cash flows	40,585	(90,702)	-	(50,117)
Reinsurance contract assets, end of year	1,740	68,041	4,262	74,043

15. Capital Management

The Corporation's objectives for managing capital are to ensure the Corporation is capitalized in a manner which provides a strong financial position, to protect its ability to meet policyholder obligations, and to maintain stable rates.

The capital structure of the Corporation is comprised of retained earnings and AOCI. Retained earnings are comprised of the accumulation of Net income (loss) attributable to Owner of the Corporation for the Basic and non-Basic lines of business. Non-Basic lines of business consist of Extension and SRE lines of business and *The Drivers and Vehicles Act* operations.

The capital backing Basic is comprised of the total equity position of the line of business, referred to as the Rate Stabilization Reserve (RSR). The purpose of the RSR is to protect motorists from rate increases made necessary by unexpected events and losses arising from non-recurring events or factors.

The Corporation's expectations of fulfilment cashflows (FCF) are based on providing sufficient working capital for operations. The cash flow forecasts consider the probability of the Corporation experiencing a period of sustained surplus beyond working capital requirements. When such surplus may benefit insured members, a liability for FCF attributable to current or future insured policyholders will be recognized and measured within insurance contract liabilities.

The Corporation follows the capital management framework of the Office of the Superintendent of Financial Institutions Canada which includes a Minimum Capital Test (MCT). MCT is a standardized measure of capital adequacy for an insurance company and represents the ratio of available capital to required capital as derived from a risk-based formula.

The Corporation has established minimum capital adequacy targets for each of its insurance lines of business that reflects the underlying risk and the competitive nature unique to that line of business. Higher risk equates to a higher minimum capital requirement. More specifically,

Audited Financial Statements

(in thousands of Canadian dollars, except as otherwise noted)

- The Basic Insurance line of business has an established minimum MCT target of 100 per cent. MCT as at March 31, 2026, was 108 per cent (March 31, 2025—107 per cent). The target MCT is set out in The Manitoba Public Insurance Corporation Act.
- The Extension Insurance line of business has an established minimum MCT target of 200 per cent. MCT as at March 31, 2026, was 200 per cent (March 31, 2025—200 per cent). The target MCT is set out in The Manitoba Public Insurance Corporation Act.
- The SRE Insurance line of business has an established minimum MCT target of 300 per cent. MCT as at March 31, 2026, was 247 per cent (March 31, 2025—226 per cent). The target MCT is set out in The Manitoba Public Insurance Corporation Act.

Annually, the Corporation's external actuary provides a Financial Condition Test report for the Basic line of business to assess capital adequacy under adverse financial conditions.

16. Accumulated Other Comprehensive Income (Loss)

Changes in AOCI by type of asset are presented below.

	Employee Future Benefits	Total AOCI
Balance as at April 1, 2024	21,343	21,343
Items that will not be reclassified to income		
Remeasurement of employee future benefits	(16,975)	(16,975)
Balance as at March 31, 2025	4,368	4,368
Items that will not be reclassified to income		-
Remeasurement of employee future benefits	26,012	26,012
Balance as at March 31, 2026	30,380	30,380

17. Insurance Revenue

For the years ended March 31	2026	2025
Revenue from premiums	1,702,598	1,608,200
Other insurance revenue		
Transaction fees	1,033	1,086
Time payment fees	2,894	2,816
Time payment interest	30,129	31,328
Late payment fees	1,279	816
Dishonoured payment fees	584	504
	1,738,517	1,644,750

Audited Financial Statements

(in thousands of Canadian dollars, except as otherwise noted)

18. Service Fees and Other Revenue

For the years ended March 31	2026	2025
Transaction fees	9,025	8,833
Time payment fees	352	364
Time payment interest	9,700	9,877
Late payment fees	427	276
Dishonoured payment fees	734	672
Identity card/enhanced identity card fees	564	565
Rental income	1,809	101
Proceeds from insurance claim	-	4,319
Other miscellaneous revenue	4,736	4,493
	27,347	29,500

19. *The Drivers and Vehicles Act* Operations Recovery

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.

The Province of Manitoba provides funding to the Corporation to defray the costs of DVA operations. The annual payment, beginning April 1, 2017, was \$30.2 million per year. Beginning April 1, 2023, the Province increased the payment to \$40.2 million per year. The revised funding level has been sustained in subsequent years and remains subject to future determination by the Province. For the fiscal year ended March 31, 2026, funding provided was \$40.2 million (March 31, 2025—\$40.2 million).

The Corporation, on behalf of the Province of Manitoba, collects and transfers motor vehicle registration fees and driver licensing fees to the Province of Manitoba.

Fees collected on behalf of and transferred to the Province of Manitoba include:

For the years ended March 31	2026	2025
Vehicle registration fees	182,697	181,190
Driver licensing fees	29,618	30,213
Total	212,315	211,403

Audited Financial Statements

(in thousands of Canadian dollars, except as otherwise noted)

20. Operating Expenses by Nature

Overall operating expenses are comprised of corporate operating expenses, which are allocated to the categories, Maintenance, Acquisition, and Operating on the Statement of Operations as well as Commissions related to both policy and non-policy transactions and Premium taxes. The nature of these expenses are as follows:

For the years ending March 31	2026	2025
Commissions-policy	115,084	107,107
Commissions-non-policy	6,606	6,541
Premium taxes	53,356	48,823
Compensation	228,999	220,396
Data processing	131,905	139,147
Special services	13,231	19,746
Buildings	8,768	8,453
Safety/loss prevention programs	3,095	3,409
Telephones	2,007	1,734
Public information/advertising	2,760	2,522
Printing, stationery, supplies	4,819	4,770
Postage	6,119	5,530
Regulatory/appeal	4,612	4,678
Travel and vehicle	1,106	1,188
Driver education program	5,611	5,451
Grants in lieu of taxes	1,903	1,787
Furniture & equipment	1,983	3,444
Merchant fees & bank charges	12,226	11,255
Other	6,197	7,216
Amortization of deferred development costs	6,372	9,935
Depreciation of operating property and equipment	6,956	6,574
	623,715	619,706

For the years ending March 31	2026	2025
Maintenance expense	178,145	188,788
Acquisition expense:		
Commission	115,084	107,107
Premium taxes	53,356	48,823
Other	13,615	26,365
Commission expense - non-policy	6,606	6,541
Operating expenses	256,909	242,082
	623,715	619,706

During the year ended March 31, 2026, the Corporation recognized \$15.1 million in write offs in assets reported as Deferred development costs (March 31, 2025—\$62.1 million in write downs and write offs). The total impacts of these write offs is recorded in Data processing expense, and reported as Acquisition expense and Operating expense, \$1.1 million and \$14.0 million respectively, in the Statement of Operations for the year ended March 31, 2026.

The Corporation recognized a provision for onerous contracts in the Statement of Financial Position as at March 31, 2026. The impact of the recognition of the provision is reported as Data processing expense of \$37.3 million within Operating expense in the Statement of Operations for the year end March 31, 2026 (March 31, 2025 – nil).

Audited Financial Statements

(in thousands of Canadian dollars, except as otherwise noted)

21. Insurance Portfolio and Non-Insurance Line of Business Financials

Statement of Financial Positions by Insurance Portfolio and Non-Insurance Line of Business

	Basic & Extension*			SRE		DVA		Total**	
	March 31, 2026	March 31, 2025	March 31, 2025	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
Assets									
Cash and investments	3,363,214	3,271,445		350,688	342,531	170,911	174,241	3,884,813	3,788,217
Accounts receivable and prepaid expenses	176,323	204,828		49,169	37,245	55,264	53,507	280,756	295,580
Reinsurance contract assets	29,769	47,947		27,325	26,096	-	-	57,094	74,043
Property and equipment	136,047	140,498		13,317	11,591	26,186	21,928	175,550	174,017
Deferred development costs	18,287	14,476		1,977	8,623	19,087	31,163	39,351	54,262
	3,723,640	3,679,194		442,476	426,086	271,448	280,839	4,437,564	4,386,119
Liabilities									
Accounts payable and accrued liabilities	19,757	48,800		2,011	2,483	142,683	145,672	164,451	196,955
Deferred revenue	20,977	22,563		2	-	11,373	10,641	32,352	33,204
Lease obligation	5,259	5,558		515	456	1,007	851	6,781	6,865
Provision for onerous contracts	32,730	-		4,611	-	-	-	37,341	-
Provision for employee current benefits	25,067	23,628		2,635	2,322	5,639	5,199	33,341	31,149
Provision for employee future benefits	360,764	368,697		37,928	36,236	81,163	81,128	479,855	486,061
Insurance contract liabilities	2,586,346	2,622,331		289,490	283,566	-	-	2,875,836	2,905,897
	3,050,900	3,091,577		337,192	325,063	241,865	243,491	3,629,957	3,660,131
Equity									
Retained earnings	649,900	584,304		102,883	100,697	24,444	36,619	777,227	721,620
Accumulated other comprehensive income	22,840	3,313		2,401	326	5,139	729	30,380	4,368
	672,740	587,617		105,284	101,023	29,583	37,348	807,607	725,988
	3,723,640	3,679,194		442,476	426,086	271,448	280,839	4,437,564	4,386,119

*Under IFRS 17, the Basic and Extension lines of business are combined into one portfolio.

**The total reflected above includes inter-line of business transfers and therefore does not match the corporate financial statements for accounts receivable and accounts payable. The differences are \$116.6 million for the year ended March 31, 2026 (March 31, 2025 - \$144.2 million).

Audited Financial Statements

(in thousands of Canadian dollars, except as otherwise noted)

Statement of Operations by Insurance Portfolio and Non-Insurance Line of Business

	Basic and Extension*			SRE		DVA		Total	
	2026	2025	2026	2025	2026	2025	2026	2025	2026
For the years ended March 31									
Revenue from premiums	1,531,816	1,422,176	170,782	186,024	-	-	1,702,598	1,608,200	
Other insurance revenue	35,912	36,515	7	35	-	-	35,919	36,550	
Insurance revenue	1,567,728	1,458,691	170,789	186,059	-	-	1,738,517	1,644,750	
Incurred claims									
Maintenance expense	1,136,085	1,103,955	100,372	98,175	-	-	1,236,457	1,202,130	
Acquisition expense	158,197	165,830	19,948	22,958	-	-	178,145	188,788	
Commission expense	99,082	90,782	16,002	16,325	-	-	115,084	107,107	
Premium taxes	48,348	43,506	5,008	5,317	-	-	53,356	48,823	
Acquisition expense - other	7,177	7,320	6,438	19,045	-	-	13,615	26,365	
Total insurance service expense	1,448,889	1,411,393	147,768	161,820	-	-	1,596,657	1,573,213	
Insurance service result from insurance contracts	118,839	47,298	23,021	24,239	-	-	141,860	71,537	
Net expense from reinsurance contracts held	(12,496)	(12,333)	(7,635)	(23,451)	-	-	(20,131)	(35,784)	
Insurance service result	106,343	34,965	15,386	788	-	-	121,729	35,753	
Investment income	116,668	254,335	12,160	20,775	10,230	15,014	139,058	290,124	
Insurance finance expense	(3,841)	(157,635)	(6,330)	(15,040)	-	-	(10,171)	(172,675)	
Reinsurance finance income	410	2,955	640	2,964	-	-	1,050	5,919	
Net insurance financial result	(3,431)	(154,680)	(5,690)	(12,076)	-	-	(9,121)	(166,756)	
Net insurance and investment result	219,580	134,620	21,856	9,487	10,230	15,014	251,666	159,121	
Service fees and other revenue	17,934	18,339	845	858	8,568	10,303	27,347	29,500	
The DVA - operations recovery	-	-	-	-	40,200	40,200	40,200	40,200	
Total other revenue	17,934	18,339	845	858	48,768	50,503	67,547	69,700	
Commission expense - non-policy	4,153	4,027	-	-	2,453	2,514	6,606	6,541	
Operating expense	167,693	134,948	20,508	14,415	68,708	92,719	256,909	242,082	
Total other expense	171,846	138,975	20,508	14,415	71,161	95,233	263,515	248,623	
Gain (loss) on disposal of property and equipment	(72)	95	(7)	7	(12)	13	(91)	115	
Net income (loss) attributable to Owner of the Corporation	65,596	14,079	2,186	(4,063)	(12,175)	(29,703)	55,607	(19,687)	

*Under IFRS 17, the Basic and Extension lines of business are combined into one portfolio.

Audited Financial Statements

(in thousands of Canadian dollars, except as otherwise noted)

22. Discontinued General Insurance Operations

The Corporation discontinued writing reinsurance assumed business effective November 18, 1987, and personal and commercial insurance policies effective October 1, 1990.

As of February 28, 2001, the Corporation accepted a third-party offer to purchase the reinsurance assumed business from the Corporation. Under the terms of the agreement, the Corporation transferred and assigned to the third party the title, interest and all of the obligations resulting from the un-commuted reinsurance assumed treaties written by the Corporation for the period July 1, 1975, to November 18, 1987, including retrocessional treaties. The obligations include all known or unknown liabilities. The primary liability to the treaty holders remains with the Corporation in the event of the third party's insolvency.

Claims costs and expenses on personal and commercial policies will be incurred until all claims on existing policies are settled.

Discontinued operations resulted in a net loss of \$290.9 thousand (March 31, 2025—\$371.6 thousand net loss) which is reported as part of the SRE line of business (Note 21). Included in the insurance contract liabilities is \$2.2 million (March 31, 2025—\$2.3 million) relating to discontinued operations.

23. Commitments

As of March 31, 2026, the Corporation has material commitments related to Administrative Service Contracts, Operations Service Agreements, and Information Technology Systems Contracts as follows:

	2026/27	2027/28	2028/29	2029/30	2030/31	Thereafter
Administrative service contracts	8,515	567	352	316	53	-
Operations service agreements	94,589	92,000	21,785	5,623	2,888	1,937
Information technology systems contracts	36,712	21,734	15,109	11,090	6,943	14,220
	139,816	114,301	37,246	17,029	9,884	16,157

Audited Financial Statements

(in thousands of Canadian dollars, except as otherwise noted)

24. Related-Party Transactions

Key Management Personnel

Key management personnel are comprised of all members of the Board of Directors and the named Executive management team. The summary of compensation of key management personnel for the years are as follows:

For the years ended March 31	2026	2025
Short term benefits	2,819	2,605
Post-employment benefits	180	392
Other long-term benefits	42	39
Termination benefits	-	421
Total	3,041	3,457

Key management personnel and their close relatives may have insurance policies and driver's licences with the Corporation as required by *The Manitoba Public Insurance Corporation Act* and *The Drivers and Vehicles Act*. The terms and conditions of such transactions are the same as those available to clients and employees of the Corporation.

Province of Manitoba

Investment management fees paid to the Department of Finance are disclosed in Note 5.

Accounts payable and accrued liabilities include \$22.2 million (March 31, 2025—\$22.3 million) due to the Province of Manitoba. Additionally, Insurance contract liabilities include premium taxes due to the Province of Manitoba of \$14.6 million (March 31, 2025—\$13.6 million).

Audited Financial Statements

(in thousands of Canadian dollars, except as otherwise noted)

25. Insurance and Financial Risk Management

As a provider of vehicle insurance products, effective risk management is fundamental in protecting earnings, cash flow and ultimately the financial stability of the Corporation. The Corporation is exposed to various types of insurance and financial risks.

Insurance Risk

The principal risk that the Corporation faces under its insurance contracts is that the actual claims and benefit payments exceed the carrying amount of the insurance contract liabilities. This could occur when the frequency or severity of claims and benefits are greater than estimated. Insurance events have an element of randomness and the actual number and amount of claims and benefits will vary each year from the level established using statistical techniques.

Frequency and Severity of Claims

Frequency is the average number of claims per policy, calculated by dividing the total number of claims by the total number of policies. Severity is the average cost of a claim calculated by dividing the total costs of claims by the total number of claims. There are a number of factors that influence the frequency and severity of claims.

Some factors are affected by the actions of the Corporation and a number of strategies are used to try to reduce cost pressures created by those factors, including claims operational changes, road safety programs, programs to influence driver behaviour such as impaired driving and distracted driving prevention, public awareness campaigns, auto crime reduction initiatives and fraud detection and investigation.

There are other factors that the Corporation has little or no control over, including weather, demographics, pandemic events and economic changes, including vehicle parts/repair inflation and medical expense inflation that influences the cost of claims.

Sources of Uncertainty in the Estimation of the Policy Liabilities

To manage the uncertainty associated with estimating the policy liabilities, the Corporation's Chief Actuary employs standard actuarial methods. The estimation of the policy liabilities is determined in accordance with accepted actuarial practice in Canada and is based on reasonable assumptions and appropriate methods that are consistently applied, giving appropriate consideration to relevant changes in circumstances and product changes.

There is inherent uncertainty regarding the assumptions to estimate the amount and timing of future claims payments that make up the insurance contract liabilities. Actuarial assumptions in the insurance contract liabilities include: length of time of settlement with impacts to predictability, experience with similar cases, historical claim payment trends and development patterns, line of business characteristics, effects of inflation on future claim settlement costs and economic decisions. Additionally, the Corporation's insurance contract liabilities can be affected by the frequency and severity of claims and the discount rate.

The Corporation is liable for all insured events that occurred during the term of the insurance contract, even if the loss is reported after the end of the contract term. In addition, injury claims can be long-tailed.

Audited Financial Statements

(in thousands of Canadian dollars, except as otherwise noted)

Injury claims include income replacement income, care benefits, medical and death benefits, which account for approximately 25 per cent of total incurred claims net of reinsurance. The timing of payments of injury claims can be extended due to delayed reporting, and the timing and amount of injury payments can exhibit considerable uncertainty because of the complex bodily injury claims environment and internal claims operational changes.

The frequency and severity of claims is discussed above, while the discount rate and actuarial methods and assumptions are discussed in Note 14.

Concentration of Insurance Risk

The Corporation has a diverse customer base as the sole provider of Basic insurance to all drivers in Manitoba. The Corporation operates in one provincial jurisdiction and provides vehicle insurance only, so there is a concentration of insurance risk with respect to geography, jurisdiction and product type.

The impact of the concentration of insurance risk is quantified through catastrophe modeling that the Corporation's reinsurance broker updates annually. This testing allows the Corporation to assess, monitor and manage these risks effectively. The concentration of insurance risk is also managed through a catastrophe reinsurance treaty, road safety programs, the graduated licensing program and distracted driving campaigns. As the sole provider of Basic insurance, the Corporation invests in and benefits the most from these programs.

Premium Pricing Risk

The Corporation is the sole provider of Basic insurance and is not subject to competitive risk for its Basic insurance product. Basic insurance rates are set to breakeven after considering investment returns. Because the insurance rates are determined based on forward looking estimates of costs, the unfavourable variance in costs, in particular claims costs, may result in Basic insurance premiums not being sufficient to cover costs.

The Corporation is subject to legislative requirements and applies to the Public Utilities Board annually to establish rates for the Basic insurance line of business.

The Corporation's Extension line of business products compete with other insurers and are subject to underwriting risk and competitive risk.

Financial Risk

Investments carry certain financial risks including market risk, credit risk and liquidity risk. In accordance with Section 12(1) of The Manitoba Public Insurance Corporation Act, the Minister of Finance is responsible for the investments of the Corporation. The Minister has charged the Department of Finance with the operational management of the investments. The Corporation, through the Investment Committee of the Board, and the Department jointly determine appropriate policies and strategies to mitigate risk. The investment objectives and goals of the Corporation are embodied in an Investment Policy document, which sets target asset allocation and portfolio concentration limits as well as defining the credit quality of the counterparties and the percentage of highly liquid investments required to meet cash flow needs.

Audited Financial Statements

(in thousands of Canadian dollars, except as otherwise noted)

Market Risk

Market risk is the risk that changes in foreign exchange rates, market interest rates and other changes in market prices will result in fluctuation of the fair value or future cash flows of a financial instrument.

Currency Risk

Currency risk is the risk that changes in foreign exchange rates will result in fluctuation of the fair value or future cash flows of a financial instrument. The Corporation has low exposure to currency risk because the Corporation has limited non-Canadian financial instruments. As of March 31, 2026, total foreign denominated financial instruments were approximately 9.34 per cent (March 31, 2025—5.52 per cent) of the Corporation's investment portfolio and had carrying values noted below.

A 10 per cent change in the USD exchange rate as at March 31, 2026, would change the fair value of the USD investments below and result in a change to Net income (loss) attributable to Owners of the Corporation of \$34.1 million (March 31, 2025—\$19.8 million).

March 31, 2026	March 31, 2026	March 31, 2025	March 31, 2025
\$244.8 million USD	\$341.3 million CAD	\$137.8 million USD	\$198.2 million CAD

Interest Rate Risk

Interest rate risk is the risk of economic loss resulting from market changes in interest rates and impact on interest rate sensitive assets and liabilities.

The market valuation of the Corporation's fixed income portfolio is directly impacted by fluctuations in interest rates and will have a larger impact on instruments with a long duration.

	Average Effective Rate—%	
	2026	2025
Federal	2.14	1.76
Provincial	3.86	3.28
Municipal	4.69	4.19
Schools	3.84	3.45
Corporations	4.27	3.93

The Operational Asset Liability Management (ALM) strategy aims to align the dollar duration of Basic Claims fixed income assets—including government bonds, corporate bonds, short-term investments, mortgages, and non-marketable bonds—with the dollar duration of Basic Claims liabilities, within a tolerance of +/-5 per cent. In addition, the market value of the Basic Claims investment portfolio (fixed income assets plus real estate) is targeted to match the present value of the associated liabilities within +/- \$100 million. Maintaining this alignment helps minimize the sensitivity of the surplus to interest rate fluctuations.

As at March 31, 2026, the dollar duration match was 97.6 per cent, within the acceptable +/-5 per cent tolerance range. This measure was calculated using February liability cash flows, as March cash flows were not yet available. This timing lag is typical following fiscal year-end due to standard reporting processes, and the investment manager therefore relies on the most recent available liability valuation data.

Audited Financial Statements

(in thousands of Canadian dollars, except as otherwise noted)

At March 31, 2026, the market value of the Basic Claims investment portfolio exceeded the present value of the liabilities by \$109.0 million (March 31, 2025 - \$21.0 million). A transfer from Basic Claims to the Rate Stabilization Reserve will occur after the fiscal year-end to bring the difference back within the target range of +/- \$100 million.

The Special Risk Extension and Extension lines of business are excluded from the ALM strategy. Their portfolios contain assets supporting both surplus and claims, and the market value of fixed income assets generally approximates the present value of claims liabilities.

The Employee Future Benefits portfolio is also outside the scope of the ALM strategy. This portfolio follows a balanced asset allocation approach—including fixed income, equities, and alternative assets—to support accrued employee pension, post-retirement, and severance benefit obligations.

The approximate impact of an increase of 100 basis points in interest rates as at March 31, 2026, would decrease the Liabilities for incurred claims by \$168.4 million (March 31, 2025—\$148.6 million decrease) and decrease Investments by \$224.6 million (March 31, 2025—\$204.6 million decrease) resulting in a decrease to Net income (loss) attributable to Owner of the Corporation of \$56.2 million (March 31, 2025—\$56.0 million decrease).

An increase of 100 basis points would increase OCI by \$58.7 million (March 31, 2025—\$62.6 million increase) as it relates to the employee future benefits liabilities.

The approximate impact of a decrease of 100 basis points in interest rates as at March 31, 2026, would increase the Liabilities for incurred claims by \$205.1 million (March 31, 2025—\$175.1 million increase) and increase Investments by \$225.3 million (March 31, 2025—\$205.3 million increase) resulting in an increase to Net income (loss) attributable to Owner of the Corporation of \$20.2 million (March 31, 2025—\$30.2 million increase).

A decrease of 100 basis points would decrease OCI by \$65.7 million (March 31, 2025—\$70.4 million decrease) as it relates to the employee future benefits liabilities.

Equity Price Risk

The fair value of equity securities held by the Corporation can be affected by changes in market prices, other than currency and interest rate risks, which may be caused by factors specific to the individual financial instrument or factors affecting all similar financial instruments. General economic conditions, political conditions and other factors affect the equity market. As at March 31, 2026, a 10.0 per cent change in the fair value of the Corporation's equity portfolio would result in a \$44.9 million change in Net income (loss) attributable to Owner of the Corporation (March 31, 2025—\$38.6 million).

The Corporation has policies in place to limit and monitor its exposure to individual issuers and classes of issuers of equity securities.

The Corporation's investment portfolio is exposed to changes in equity prices in Canadian and global markets. At March 31, 2026, equities comprised 12.3 per cent (March 31, 2025—10.8 per cent) of the carrying value of the Corporation's investment portfolio.

Audited Financial Statements

(in thousands of Canadian dollars, except as otherwise noted)

Equity risk results from movements in and/or the volatility of equity markets, including equity prices and indices. Diversification techniques are employed to minimize risk including exposure to various investment styles. The Corporation's investment policies limit total investment in any entity to a maximum of five per cent of the Corporation's assets. The Corporation's stock portfolio is benchmarked to the indices noted in the table below. A 10 per cent movement in the indices, with all other variables held constant, would have the following estimated effect on the fair value of the Corporation's stock holdings as at March 31, 2026, and March 31, 2025.

Stock Portfolio	Benchmark	March 31, 2026	March 31, 2025
Canadian common	S&P/TSX Capped Composite Index & S&P/TSX Small Cap Index	20,024	15,309
Global equities	MSCI World Index	24,918	23,334
Total		44,942	38,643

Credit Risk

Credit risk is the potential for the Corporation to incur a financial loss due to the failure of the other party to discharge an obligation. Financial instruments that give rise to potential credit risk for the Corporation include fixed income securities, accounts receivable, reinsurance receivables and structured settlements.

The following table summarizes the Corporation's maximum exposure to credit risk on the Statement of Financial Position. The maximum credit exposure is the carrying value of the asset net of an allowance for loss. Cash and cash equivalents carry minimal exposure to credit risk.

As at March 31	2026	2025
Cash and cash equivalents	220,193	188,683
Bonds	2,174,469	2,209,660
Private debt	271,728	270,086
Pooled commercial mortgages	114,063	108,956
Accounts receivable	162,072	148,404
Reinsurance contract assets	57,094	74,043
Maximum credit risk exposure on the Statement of Financial Position	2,999,619	2,999,832

Fixed Income Securities Credit Risk

Fixed Income Securities Credit Risk includes Bonds, Private Debt, and Pooled Commercial Mortgages. The Corporation mitigates its exposure to credit risk by placing fixed income securities with high-quality institutions with investment grade ratings. The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings, where available, or to historical information about counterparty default rates. The following table highlights the fixed income securities by credit quality according primarily to Moody's Investors Service, with additional inputs from Standard & Poor's and Dominion Bond Rating Service, at the period end date. All Manitoba municipal and school bonds are backed by the Province of Manitoba and, as such, have been assigned the credit rating of the Province of Manitoba Bonds.

	March 31, 2026		March 31, 2025	
	Carrying Value	Percentage of Portfolio	Carrying Value	Percentage of Portfolio
Aaa	157,249	6.1%	129,623	5.0%
Aa	793,566	31.0%	797,956	30.8%
A	881,389	34.5%	912,153	35.3%
Baa	259,358	10.1%	287,552	11.1%
Not Rated	468,698	18.3%	461,418	17.8%
Total	2,560,260	100.0%	2,588,702	100.0%

Audited Financial Statements

(in thousands of Canadian dollars, except as otherwise noted)

Accounts Receivable Credit Risk

All significant past due receivables are fully provided for due to the uncertainty of collection. Substantially all remaining receivables are deemed to be collectible within 12 months. The credit risk pertaining to premiums receivable is mitigated as a customer's policy may be cancelled for default of payment.

The following table highlights the Corporation's accounts receivable by major category.

	2026	2025
Customer and broker non-policy	130,781	122,967
Accrued interest	25,233	23,537
Other receivables	8,365	3,954
Estimated expected credit losses	(2,307)	(2,054)
Balance at March 31	162,072	148,404

Accounts receivable are primarily from customers, along with amounts from brokers across the province of Manitoba.

	2026	2025
Current	160,180	148,029
31-60 days	-	245
61-90 days	376	307
Greater than 90 days	3,823	1,877
Subtotal	164,379	150,458
Estimated expected credit losses	(2,307)	(2,054)
Balance at March 31	162,072	148,404

Reinsurance Receivable Credit Risk

The Corporation evaluates the financial condition of its reinsurers to minimize the exposure to significant losses from reinsurer insolvency. The Corporation holds collateral in regard to unregistered reinsurance in the form of amounts on deposit and letters of credit of which nil was outstanding as of March 31, 2026 (March 31, 2025—nil).

Furthermore, a corporate guideline requiring reinsurers to have a minimum credit rating of A- from A.M. Best and BBB+ credit rating from S&P Global Ratings is in place.

For the year ended March 31, 2026, six reinsurers share the Corporation's casualty reinsurance coverage, ranging from 0.4 to 25.0 per cent (March 31, 2025—1.0 to 31.0 per cent) on any one layer. The reinsurer exposed to 25.0 per cent (March 31, 2025—31.0 per cent) of the losses is licensed in Canada by OSFI and, therefore, subject to minimum capital requirements.

For the year ended March 31, 2026, 14 reinsurers (March 31, 2025—14 reinsurers) share the Corporation's catastrophe reinsurance coverage, none holding more than 25.0 per cent (March 31, 2025—25.0 per cent) of the reinsurance exposure on any one layer.

No material amount due from reinsurers was considered uncollectible during the fiscal year ended March 31, 2026 (March 31, 2025—nil) and no estimated expected credit loss was recorded as at March 31, 2026 (March 31, 2025—nil).

Audited Financial Statements

(in thousands of Canadian dollars, except as otherwise noted)

Structured Settlements Credit Risk

The Corporation has obligations to provide certain fixed amounts to claimants on a recurring basis and has purchased annuities from various Canadian life insurers to provide for those payments. In the event any of the life insurers are in default, the Corporation may have to assume a financial guarantee obligation. Therefore, the net risk to the Corporation is any credit risk related to the life insurers underwriting the annuities the Corporation has purchased to provide for these settlement payments. This risk is reduced to the extent of coverage provided by Assuris, the life insurance compensation insurance plan. Assuris is an independent not-for-profit, industry-funded compensation organization founded in 1990. Assuris is designated by the federal Minister of Finance under *The Insurance Companies Act of Canada* to protect policyholders.

As at March 31, 2026, the present value of expected payments the Corporation has purchased to provide for settlement arrangements totals \$108.5 million (March 31, 2025—\$102.6 million), based on various dates of purchase. Of this total, \$107.1 million (March 31, 2025—\$96.3 million) is placed with insurers with a financial strength rating of AA- or AA (Very Strong) and the remaining \$1.4 million (March 31, 2025—\$6.3 million) is placed with insurers with a financial strength rating of A or A+ (Strong), as assessed by Fitch and S&P.

Liquidity Risk

A significant risk of the insurance industry is the ability to match the cash inflows of the investment portfolio with the cash requirements of the policy liabilities and operating expenses. The Corporation has taken the overall historical liability settlement pattern as a basis to define diversification and duration characteristics of the investment portfolio. To meet the cash requirements for claims and operating expenses, the Corporation has policies to ensure that assets and liabilities are broadly matched in terms of their duration.

Cash and cash equivalents are essential components of the Corporation's financial liquidity management. Cash flows are monitored to ensure sufficient resources are available to meet our current operating requirements. Excess funds not needed to meet current operating requirements are invested in long-term instruments to generate additional revenue for future obligations.

Audited Financial Statements

(in thousands of Canadian dollars, except as otherwise noted)

Bonds—maturity profile

	March 31, 2026			Total
	Within One Year	One Year to Five Years	After Five Years	
Federal	-	-	112,385	112,385
Manitoba				
Provincial	-	5,443	115,370	120,813
Municipal	-	2,165	132,669	134,834
Schools	-	42,182	196,990	239,172
Other Provinces				
Provincial	-	272,585	562,970	835,555
Municipal	-	4,975	43,453	48,428
Corporations	82,908	-	600,374	683,282
Total	82,908	327,350	1,764,211	2,174,469

	March 31, 2025			Total
	Within One Year	One Year to Five Years	After Five Years	
Federal	-	-	113,963	113,963
Manitoba				
Provincial	-	5,489	118,880	124,369
Municipal	188	3,280	97,226	100,694
Schools	2,855	59,079	222,949	284,883
Other Provinces				
Provincial	103,776	323,008	400,064	826,848
Municipal	-	13,049	43,437	56,486
Corporations	82,377	4,283	615,757	702,417
Total	189,196	408,188	1,612,276	2,209,660

Liability Liquidity

	March 31, 2026						Total
	Within One Year	One Year to Two Years	Two Years to Three Years	Three Years to Four Years	Four Years to Five Years	After Five Years	
LIC - expected cash flows (undiscounted basis)	676,993	226,509	174,315	144,099	122,478	2,459,116	3,803,510

	March 31, 2025						Total
	Within One Year	One Year to Two Years	Two Years to Three Years	Three Years to Four Years	Four Years to Five Years	After Five Years	
LIC - expected cash flows (undiscounted basis)	702,396	232,756	190,225	171,704	149,345	1,911,852	3,358,278

The amount reported as "within one year" for the year ended March 31, 2025 has been revised to increase by \$53.6 million in order to be consistent with presentation in the current year.

26. Non-Current Assets and Liabilities

The following table presents assets and liabilities on the Corporation's Statement of Financial Position that the Corporation expects to recover or settle in 12 months or more. During the year, the Corporation revised the comparative figures presented for lease obligations and insurance contract liabilities.

This is reported as follows:

Audited Financial Statements

(in thousands of Canadian dollars, except as otherwise noted)

	March 31, 2026	March 31, 2025 as previously reported	Revision of Prior Year	March 31, 2025 Revised
Assets				
Bonds	2,091,561	2,020,464	-	2,020,464
Private debt	271,728	270,086	-	270,086
Pooled commercial mortgages	114,063	108,956	-	108,956
Pooled real-estate fund	390,520	373,611	-	373,611
Infrastructure and other investments	252,392	238,369	-	238,369
Reinsurance contract assets ⁽¹⁾	30,014	33,556	(3,915)	29,641
	3,150,278	3,045,042	(3,915)	3,041,127
Liabilities				
Lease obligations ⁽²⁾	6,269	7,315	(962)	6,353
Provision for onerous contracts	28,003	-	-	-
Provision for employee future benefits	457,919	465,212	-	465,212
Insurance contract liabilities ⁽³⁾	1,724,885	2,655,883	(880,253)	1,775,630
	2,217,076	3,128,410	(881,215)	2,247,195
Net liabilities due after one year	933,202	(83,368)	877,300	793,932

⁽¹⁾ Prior year Reinsurance contract assets have been restated to report the discounted value of the asset.

⁽²⁾ Prior year Lease obligations have been restated after correction to the calculation of the total lease payments.

⁽³⁾ Prior year Insurance contract liabilities have been restated to report the discounted value of the liabilities.

The investments in pooled real-estate and infrastructure funds, that are in redeemable units, have been categorized as non-current as the Corporation does not intend to sell the investments in the next 12 months.

27. Rate Regulation

Under the provisions of The Crown Corporations Governance and Accountability Act, the Public Utilities Board has the authority to review and approve Basic Insurance rates, premiums and service fees charged with respect to compulsory driver and vehicle insurance provided by the Corporation. No new rates or fees for services for Basic Insurance can be introduced without the approval of the Public Utilities Board. This business comprises approximately 84 per cent (March 31, 2025—84 per cent) of the total business based on incurred claims.

Annually the Corporation prepares its Basic Insurance general rate application and files it with the Public Utilities Board in June for implementation in the following fiscal year. The general rate application includes the prospective rate requirements based on historical and forecasted financial and other information as well as the application of actuarial, accounting and statistical principles and practices.

The Corporation is required to pay a portion of the Public Utilities Board's operating costs relating to the Corporation's share of the overall Public Utilities Board budget. In addition, the Public Utilities Board can also order the Corporation to reimburse other proceeding participants for specified costs such as their time, legal and expert witness fees.

28. Contingent Liabilities

The Corporation is subject to litigation arising in the normal course of conducting its insurance business. The Corporation is of the opinion that this litigation will not have a significant effect on the financial position, financial performance or cash flows of the Corporation.

Audited Financial Statements

(in thousands of Canadian dollars, except as otherwise noted)

29. Onerous Contracts

At March 31, 2026, the Corporation recognized a provision for an onerous contract representing unavoidable costs to satisfy contractual obligations in respect of rights and services that are not expected to provide future economic benefit to the Corporation.

The provision established as at March 31, 2026, is reported at \$37.3 million, reflecting the present value of the remaining monthly payments required under the contract, including applicable non-refundable tax, to the contract expiry date of July 31, 2030.

Assets that were associated with the contract had been written down by the Corporation prior to recording the provision at March 31, 2026.

Measurement of the provision required the use of significant judgment and assumptions including assessment of proposals for changes to the terms of the contract, potential recoveries from legal action; and determination of an appropriate discount rate used to measure the present value of the future cash outflows.

The discount rate applied at March 31, 2026, in determining the present value of the future payments includes assessment for interest rate risk, and the Corporation's operational risk, and excludes credit risk.

The provision is reported on the Statement of Financial Position at March 31, 2026, as Provision for Onerous Contracts. The expense arising from the recognition of the provision was recorded in Operating Expense in the Statement of Financial Operations for the year ended March 31, 2026, and is reported as Data processing in Note 20, Operating Expenses by Nature.

Unaudited Supplemental Information

(in thousands of Canadian dollars, except as otherwise noted)

30. Unaudited Supplemental Information - Line of Business Financials

Statement of Financial Positions by Line of Business

	Basic			Extension			SRE			DVA			Total**	
	March 31, 2026	March 31, 2025	March 31, 2024	March 31, 2026	March 31, 2025	March 31, 2024	March 31, 2026	March 31, 2025	March 31, 2024	March 31, 2026	March 31, 2025	March 31, 2024	March 31, 2026	March 31, 2025
Assets														
Cash and investments	3,195,285	3,084,410		167,929	187,035		350,688	342,531		170,911	174,241		3,884,813	3,788,217
Accounts receivable and prepaid expenses	101,073	135,545		75,250	69,283		49,169	37,245		55,264	53,507		280,756	295,580
Reinsurance contract assets	27,568	43,958		2,201	3,989		27,325	26,096		-	-		57,094	74,043
Property and equipment	125,607	129,927		10,440	10,571		13,317	11,591		26,186	21,928		175,550	174,017
Deferred development costs	16,513	8,818		1,774	5,658		1,977	8,623		19,087	31,163		39,351	54,262
	3,466,046	3,402,658		257,594	276,536		442,476	426,086		271,448	280,839		4,437,564	4,386,119
Liabilities														
Accounts payable and accrued liabilities	16,560	21,769		3,197	27,031		2,011	2,483		142,683	145,672		164,451	196,955
Deferred revenue	12,698	13,540		8,279	9,023		2	-		11,373	10,641		32,352	33,204
Lease obligation	4,853	5,138		406	420		515	456		1,007	851		6,781	6,865
Provision for onerous contracts	29,485	-		3,245	-		4,611	-		-	-		37,341	31,149
Provision for employee current benefits	23,106	21,825		1,961	1,803		2,635	2,322		5,639	5,199		33,341	31,149
Provision for employee future benefits	332,549	340,564		28,215	28,133		37,928	36,236		81,163	81,128		479,855	486,061
Insurance contract liabilities	2,461,727	2,500,173		124,619	122,158		289,490	283,566		-	-		2,875,836	2,905,897
	2,880,978	2,903,009		169,922	188,568		337,192	325,063		241,865	243,491		3,629,957	3,660,131
Equity														
Retained earnings	564,014	496,589		85,886	87,715		102,883	100,697		24,444	36,619		777,227	721,620
Accumulated other comprehensive income	21,054	3,060		1,786	253		2,401	326		5,139	729		30,380	4,368
	585,068	499,649		87,672	87,968		105,284	101,023		29,583	37,348		807,607	725,988
	3,466,046	3,402,658		257,594	276,536		442,476	426,086		271,448	280,839		4,437,564	4,386,119

*Under IFRS 17, the Basic and Extension line of business are combined into one portfolio.

** The total reflected here includes inter-line of business transfers and therefore does not match the corporate financial statements for accounts receivable and accounts payable. The differences are \$116.6 million for 2025/26 and \$144.2 million for 2024/25.

Unaudited Supplemental Information

(in thousands of Canadian dollars, except as otherwise noted)

Statement of Operations by Line of Business

	Basic			Extension			SRE			DVA			Total		
For the years ended March 31	2026	2025	2024	2026	2025	2024	2026	2025	2024	2026	2025	2024	2026	2025	2024
Revenue from premiums	1,292,012	1,205,390	1,205,390	239,804	216,786	216,786	170,782	186,024	186,024	-	-	-	1,702,598	1,608,200	1,608,200
Other insurance revenue	29,727	30,159	30,159	6,185	6,356	6,356	7	35	35	-	-	-	35,919	36,550	36,550
Insurance revenue	1,321,739	1,235,549	1,235,549	245,989	223,142	223,142	170,789	186,059	186,059	-	-	-	1,738,517	1,644,750	1,644,750
Incurred claims	1,034,455	1,012,131	1,012,131	101,630	91,824	91,824	100,372	98,175	98,175	-	-	-	1,236,457	1,202,130	1,202,130
Maintenance expense	142,703	149,182	149,182	15,494	16,648	16,648	19,948	22,958	22,958	-	-	-	178,145	188,788	188,788
Acquisition expense	54,795	49,196	49,196	44,287	41,586	41,586	16,002	16,325	16,325	-	-	-	115,084	107,107	107,107
Commission expense	40,973	36,498	36,498	7,375	7,008	7,008	5,008	5,317	5,317	-	-	-	53,356	48,823	48,823
Premium taxes	6,708	6,913	6,913	469	407	407	6,438	19,045	19,045	-	-	-	13,615	26,365	26,365
Acquisition expense - other	1,279,634	1,253,920	1,253,920	169,255	157,473	157,473	147,768	161,820	161,820	-	-	-	1,596,657	1,573,213	1,573,213
Total insurance service expense	42,105	(18,371)	(18,371)	76,734	65,669	65,669	23,021	24,239	24,239	-	-	-	141,860	71,537	71,537
Insurance service result from insurance contracts	(11,005)	(8,761)	(8,761)	(1,491)	(3,572)	(3,572)	(7,635)	(23,451)	(23,451)	-	-	-	(20,131)	(35,784)	(35,784)
Net expense from reinsurance contracts held	31,100	27,132	27,132	75,243	62,097	62,097	15,386	788	788	-	-	-	121,729	35,753	35,753
Insurance service result	105,149	241,972	241,972	11,519	12,363	12,363	12,160	20,775	20,775	10,230	15,014	15,014	139,058	290,124	290,124
Investment income	(1,632)	(153,452)	(153,452)	(2,209)	(4,183)	(4,183)	(6,330)	(15,040)	(15,040)	-	-	-	(10,171)	(172,675)	(172,675)
Reinsurance finance income	369	2,695	2,695	41	260	260	640	2,964	2,964	-	-	-	1,050	5,919	5,919
Net insurance financial result	(1,263)	(150,757)	(150,757)	(2,168)	(3,923)	(3,923)	(5,690)	(12,076)	(12,076)	-	-	-	(9,121)	(166,756)	(166,756)
Net insurance and investment result	134,986	64,083	64,083	84,594	70,537	70,537	21,856	9,487	9,487	10,230	15,014	15,014	251,666	159,121	159,121
Service fees and other revenue	11,032	11,763	11,763	6,902	6,576	6,576	845	858	858	8,568	10,303	10,303	27,347	29,500	29,500
The DVA operations recovery	-	-	-	-	-	-	-	-	-	40,200	40,200	40,200	40,200	40,200	40,200
Total other revenue	11,032	11,763	11,763	6,902	6,576	6,576	845	858	858	48,768	50,503	50,503	67,547	69,700	69,700
Commission expense - non-policy	3,895	3,773	3,773	258	254	254	-	-	-	2,453	2,514	2,514	6,606	6,541	6,541
Operating expense	146,632	111,745	111,745	21,061	23,203	23,203	20,508	14,415	14,415	68,708	92,719	92,719	256,909	242,082	242,082
Total other expense	150,527	115,518	115,518	21,319	23,457	23,457	20,508	14,415	14,415	71,161	95,233	95,233	263,515	248,623	248,623
Gain (loss) on disposal of property and equipment	(66)	87	87	(6)	8	8	(7)	7	7	(12)	13	13	(91)	115	115
Net income (loss) attributable to Owner of the Corporation	(4,575)	(39,585)	(39,585)	70,171	53,664	53,664	2,186	(4,063)	(4,063)	(12,175)	(29,703)	(29,703)	55,607	(19,687)	(19,687)

*Under IFRS 17, the Basic and Extension line of business are combined into one portfolio.

Procurement

In accordance with OIC 41/2023: A Directive to The Manitoba Public Insurance Corporation Respecting Procurement Policies and Procedures, the Corporation includes as part of its annual report the following agreements which were entered into pursuant to a direct award or sole source arrangement or as a result of an emergency.

Approval Date	Vendor	Contract Amount	Currency	Description	Rationale
12-Mar-26	i3 Verticals LLP	\$5,500,000.00	CAD	Services	Support and maintenance of current systems
26-Feb-26	Forrester	\$230,000.00	CAD	Services	Access to the CX Index™ score
7-Apr-25	Veridos	\$12,100,000.00	CAD	Software	Facial Recognition Identity Management Services and Driver's Licence (DL) and Identification (ID) Card Production Services
3-Dec-25	Kofax	\$810,000.00	CAD	Services	Document capture and processing platform
22-Aug-25	Informatica	\$1,302,939	CAD	Software	Data Management Platform
22-Dec-25	Arius	\$1,090,000	CAD	Software	Accounting Software

Manitoba Public Insurance Locations

Customer Service

Winnipeg

T: 204-985-7000

Outside Winnipeg (Toll-Free)

T: 800-665-2410

Deaf Access (VRS/SRV)

T: 204-985-8832

Out-of-Province Claims

T: 800-661-6051

Administrative Offices

Winnipeg

234 Donald Street
Box 6300 R3C 4A4

Brandon

731 1st Street R7A 6C3

Service Locations

Winnipeg

Service Centres

15 Barnes Street

125 King Edward Street East

40 Lexington Park

1284 Main Street

930 St. Mary's Road

Cityplace

234 Donald Street

- Service Centre, Main Floor
- ID Verification and Data Integrity
- Rehabilitation Management Centre
- Serious and Long-Term Case Management Centre
- Bodily Injury Centre

Physical Damage Centre

1981 Plessis Road

- Holding Compound/Receiving
- Salvage
- Commercial Claims

Outside Winnipeg

Arborg Service Centre

323 Sunset Boulevard

Beausejour Service Centre

848 Park Avenue

Brandon Service Centre

731 1st Street

Dauphin Service Centre

217 Industrial Road

Portage La Prairie Service Centre

2007 Saskatchewan Avenue West

Selkirk Service Centre

1008 Manitoba Avenue

Steinbach Service Centre

91 North Front Drive

Swan River Claim Centre

125 4th Avenue North

The Pas Claim Centre

424 Fischer Avenue

Thompson Service Centre

53 Commercial Place

Winkler Service Centre

355 Boundary Trail



MANITOBA
PUBLIC INSURANCE

This document, and a French-language version of this document, are available on our website, mpi.mb.ca

Ce document, ainsi qu'une version en français de ce document, se trouve sur notre site Web mpi.mb.ca

18/06/26
26-070-6409