

2025/26 Third Quarter

Condensed Interim Financial Statements
For the nine-month period ended December 31, 2025
Including Management Discussion and Analysis
(unaudited)



MANITOBA
PUBLIC INSURANCE

Q3

Corporate Performance Measures and Targets

For the nine months ended December 31, 2025

Financial Performance

Net Income/(Loss)
In millions

(\$30.4) **\$34.6** **\$46.8**
 ACTUAL Q3 2025/26 TARGET Q3 2025/26 PAST Q3 2024/25

Revenue from Premiums
In millions

\$1,282.4 **\$1,292.5** **\$1,218.8**
 ACTUAL Q3 2025/26 TARGET Q3 2025/26 PAST Q3 2024/25

Incurred Claims before Reinsurance
In millions

\$1,025.6 **\$914.5** **\$1,249.3**
 ACTUAL Q3 2025/26 TARGET Q3 2025/26 PAST Q3 2024/25

Corporate Loss Ratio
 (Incurred Claims before Reinsurance/Revenue from Premiums)



Total Return – Investments

3.05% **3.48%** **6.80%**
 ACTUAL Q3 2025/26 TARGET Q3 2025/26 PAST Q3 2024/25

Organizational Health

Capital Adequacy (Minimum Capital Test)
Basic

76% **100%** **92%**
 ACTUAL Q3 2025/26 TARGET Q3 2025/26 PAST Q3 2024/25

Extension

332% **200%** **289%**
 ACTUAL Q3 2025/26 TARGET Q3 2025/26 PAST Q3 2024/25

Special Risk Extension

217% **300%** **122%**
 ACTUAL Q3 2025/26 TARGET Q3 2025/26 PAST Q3 2024/25

Operational Excellence

Total Expense Ratio
 (Corporate Expenses consisting of Maintenance, Acquisition and Operating/Revenue from Premiums)



Total Full-Time Equivalent



Manitoba Public Insurance Corporation

Management Discussion and Analysis

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

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 nine-month period ended December 31, 2025. This MD&A is intended to enable the reader to assess our results of operations and financial condition for the nine-month period ended December 31, 2025, compared to the corresponding periods in 2024. It should be read in conjunction with our interim condensed financial statements, as well as the MD&A and the 2024/25 annual audited financial statements and supporting notes found in the Corporation's 2024 Annual Report.

"MPI", the "Corporation", "we" and "our" are terms used throughout this document to refer to Manitoba Public Insurance Corporation. Further information about MPI can be found online at www.mpi.mb.ca.

Cautionary Note Regarding Forward-Looking Statements

Certain of the statements included in this MD&A about MPI's current and future plans, expectations and intentions, results, levels of activity, performance, goals or achievements or 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 or achievements or future events or developments to differ materially from those expressed or implied by the forward-looking statements.

Results of Operations

The Corporation reported net loss from operations of \$30.4 million for the nine-month period ended December 31, 2025, as compared to net income of \$46.8 million for the same period in the prior year. This reflects the underlying performance of the Corporation's individual lines of business. The Insurance service result was \$0.2 million as compared to \$35.9 million for the prior year. More specifically,

- The Basic insurance line of business reported net loss of \$66.9 million as compared to a net income of \$16.0 million for the same period in the prior year. The Insurance service result was a loss of \$47.6 million as compared to income of \$4.1 million for the prior year.
- The Extension line of business reported net income of \$48.5 million as compared to a net income of \$45.5 million for the same period in the prior year. The Insurance service result was \$47.0 million as compared to \$43.3 million for the prior year.
- The Special Risk Extension (SRE) line of business reported a net loss of \$6.4 million as compared to a net loss of \$14.4 million for the same period in the prior year. The Insurance service result was \$0.8 million as compared to a loss of \$11.5 million for the prior year.
- *The Drivers and Vehicles Act* operations (DVA) line of business reported a net loss of \$5.6 million as compared to a net loss of \$0.2 million for the same period in the prior year.

Insurance Revenue

Total insurance revenue is comprised of Revenue from premiums and Other insurance revenue (fees related to policy administration). Total insurance revenue for the Corporation increased by 5.1 per cent or \$63.7 million to \$1,310.0 million for the nine-month period ended December 31, 2025, as compared to the prior year. Total insurance revenue for the Corporation is comprised of insurance revenue from three lines of business: Basic, Extension and SRE. The revenue reported by each of these lines of business is approximately 76 per cent, 14 per cent and 10 per cent, respectively, of the Total insurance revenue for the Corporation.

The Basic insurance line of business is subject to regulation by the Public Utilities Board of Manitoba. Rates and premiums are set annually through a General Rate Application (GRA). The Extension and SRE lines of business are not subject to regulation.

Total insurance revenue for the Basic line of business increased by 5.9 per cent or \$55.7 million to \$999.3 million for the nine-month period ended December 31, 2025, as compared to the same period in the prior year. The Public Utilities Board has sole authority over reviewing and approving premiums and service fee charges for the Basic line of business. To this end, MPI participates in an annual GRA process beginning in June each year, to establish rates and fees that are effective for the subsequent fiscal year. On January 7, 2025, the Public Utilities Board issued Order No. 2/25 for an overall 5.7 per cent rate increase. This 5.7 per cent increase consists of a 7.9 per cent increase to vehicle premiums and a 2.04 per cent decrease due to the change in the Driver Safety Rating Scale. In addition, the Public Utilities Board approved Manitoba Public Insurance's request to raise compulsory driver insurance premiums by \$10. Changes in revenue outside of a Public Utilities Board order reflect underlying changes in policy volume and timing of renewals related to same in the period.

Manitoba Public Insurance Corporation

Management Discussion and Analysis

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

Insurance revenue for the Extension line of business increased by 11.9 per cent or \$19.4 million to \$183.0 million for the nine-month period ended December 31, 2025, as compared to the same period last year. The increased revenue in the Extension line of business reflects an overall increased demand for Extension products with highest increases for such products as: maximum insured vehicle coverage (16.9 per cent increase over prior year), third-party liability of \$5.0 million (16.2 per cent increase over prior year) and new or leased car protection (8.7 per cent increase over prior year).

Insurance revenue for the SRE line of business decreased 8.2 per cent or \$11.4 million to \$127.7 million for the nine-month period ended December 31, 2025, as compared to the same period in the prior year. This decrease reflects a downturn in policy renewals and a shift to policies with shorter-term coverage.

Incurred Claims

Incurred claims are a function of both frequency (the number of claims made) and severity (how expensive is the actual or expected injuries, repairs, or total loss), as well as 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 10.3 per cent or \$95.6 million to \$1,025.6 million for the nine-month period ended December 31, 2025, as compared to the same period in the prior year. The Basic and Extension lines of business experienced increased claims activity compared to the prior year, both frequency and severity impacted incurred claims reported for comprehensive and collision insurance coverages.

Basic Line of Business

Incurred claims for the Basic line of business increased 13.8 per cent or \$104.0 million to \$860.0 million for the nine-month period ended December 31, 2025, as compared to the same period in the prior year. The loss ratio for the nine-month period was 88.1 per cent as compared to 82.1 per cent for the same period in the prior year.

Physical damage incurred claims (excluding discount rate impact and risk adjustment) increased by 11.5 per cent or \$69.5 million to \$673.6 million for the nine-month period ended December 31, 2025, as compared to the prior year. More specifically,

- Collision increased by 11.0 per cent or \$46.6 million to \$469.8 million. For the nine-month period ended December 31, 2025, the estimated cost for collision claims is 48.1 per cent of the Revenue from premiums.
- Comprehensive non-hail increased by 63.4 per cent or \$50.0 million.
- Comprehensive hail decreased by 57.9 per cent or \$28.8 million.
- Property damage incurred claims increased by 3.3 per cent or \$1.7 million.

Bodily injury claims (excluding inflation, discount rate impact and risk adjustment) decreased 5.6 per cent or \$13.9 million to \$234.7 million for the nine-month period ended December 31, 2025, as compared to the same period in the prior year. The impact of inflation increased outstanding bodily injury obligations by \$45.5 million for the nine-month period ended December 31, 2025, as compared to a reduction of \$15.2 million in the same period of the prior year.

Impacts from discount rates were favourable by \$13.2 million and impacts from risk adjustments were unfavourable by \$0.9 million, as compared to the same period of the prior year.

Extension Line of Business

Incurred claims for the Extension line of business increased by 23.6 per cent or \$16.3 million to \$85.3 million for the nine-month period ended December 31, 2025, as compared to the prior year. The loss ratio for the nine-month period was 47.8 per cent as compared to 43.4 per cent for the same period in the prior year.

Impacts from discount rates were favourable by \$0.5 million and impacts from risk adjustments were unfavourable by \$1.4 million, as compared to the same period of the prior year.

Special Risk Extension Line of Business

Incurred claims for the SRE line of business decreased by 23.5 per cent or \$24.7 million to \$80.3 million for the nine-month period ended December 31, 2025, as compared to the prior year. More specifically,

- Public liability (excluding discount rate impact and risk adjustment) decreased by 16.7 per cent or \$10.4 million to \$51.7 million.
- Physical damage (excluding discount rate impact and risk adjustment) decreased by 25.2 per cent or \$11.2 million to \$33.3 million.

Manitoba Public Insurance Corporation

Management Discussion and Analysis

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

Impacts from discount rates were favourable by \$3.7 million and impacts from risk adjustments were unfavourable by \$0.6 million, as compared to the same period of the prior year.

The loss ratio for the nine-month period was 62.9 per cent compared to 75.5 per cent for the same period in the prior year.

Net Income (Expense) from Reinsurance Contracts

The Corporation follows a practice of obtaining reinsurance coverages for both casualty and catastrophic events to limit its exposure to losses. The Net expense from reinsurance contracts increased by \$1.2 million to an expense of \$20.5 million for the nine-month period ended December 31, 2025, as compared to the same period in the prior year. This reflects the claims incurred volume and eligibility for recovery from reinsurers. Premiums paid for the reinsurance program were \$28.0 million compared to \$29.9 million for the same period of the prior year.

Net Insurance Financial Income (Expense)

Net insurance financial expense was \$28.8 million for the nine-month period ended December 31, 2025, as compared to net insurance financial expense of \$125.7 million, for the same period in the prior year. This reflects the change in discount rates on 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).

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 reported as a separate line item or in aggregate as Acquisition, Maintenance, and Operating on the Statement of Operations. The table, below, illustrates a traditional view of corporate operating expenses prior to being classified as Acquisition, Maintenance, and Operating.

For the nine months ended December 31	2025	2024
Compensation	170,096	163,082
Data processing	59,703	57,620
Special services	9,429	13,051
Merchant fees and bank charges	8,683	8,802
Buildings	5,810	5,574
Postage	4,076	3,761
Other	3,982	3,970
Driver education program	992	3,230
Printing, stationery and supplies	1,424	3,712
Regulatory/appeal	3,347	2,848
Furniture and equipment	919	2,255
Public information/advertising	1,602	1,336
Grants in lieu of taxes	1,564	1,301
Telephones	1,176	1,002
Travel and vehicle	4,030	1,157
Safety/loss prevention programs	3,484	1,532
	280,317	274,233
Commissions-policy	83,737	77,019
Commissions-non-policy	5,133	5,031
Premium taxes	38,723	35,271
	127,593	117,321
Amortization of deferred development costs	4,814	6,374
Depreciation of operating property and equipment	5,228	5,123
	10,042	11,497
Total	417,952	403,051

Total corporate operating expenses including commissions and premium taxes increased 3.7 per cent or \$14.9 million to \$418.0 million.

Capital Management

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. The target MCT for each of the lines of business is set out in *The Manitoba Public Insurance Corporation Act*. More specifically,

- The Basic Insurance line of business has an established minimum MCT target of 100 per cent. MCT as at December 31, 2025, was 76 per cent.
- The Extension Insurance line of business has an established minimum MCT target of 200 per cent. MCT as at December 31, 2025, was 332 per cent.
- The SRE Insurance line of business has an established minimum MCT target of 300 per cent. MCT as at December 31, 2025, was 217 per cent.

Outlook

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

On December 19, 2025, the Public Utilities Board issued Order 156/25 for an overall 1.77 per cent increase to universal compulsory automobile insurance (Basic) premiums for the 2026/27 insurance year. An expansion to the Driver Safety Rating system to provide a +20 rating was also approved. Customers who move to the new level of +20 on the scale will receive a discount of 53 per cent off the cost of their vehicle insurance and 55 per cent off their driver insurance. Also, effective April 2026, the Basic insurance deductible is changing from \$750 to \$1,000. With this change, customers can choose the higher deductible to maximize the affordability of the mandatory Basic coverage or can opt for a lower deductible level by purchasing an optional product through the Extension line of business. Changes provided by the order will take effect as of April 1, 2026.

Manitoba Public Insurance Corporation
Condensed Interim Financial Statements (unaudited)
(in thousands of Canadian dollars, except as otherwise noted)

Condensed Interim Statement of Financial Position

	Notes	December 31, 2025	March 31, 2025
Assets			
Cash and cash equivalents	5	179,915	188,683
Accounts receivable		173,705	148,404
Prepaid expenses		4,672	3,018
Investments	5	3,659,839	3,587,114
Investment property	5	12,125	12,420
Reinsurance contract assets	7	51,109	74,043
Property and equipment		174,923	174,017
Deferred development costs		53,472	54,262
		4,309,760	4,241,961
Liabilities			
Accounts payable and accrued liabilities		35,365	52,797
Deferred revenue		33,397	33,204
Lease obligation		6,802	6,865
Provision for employee current benefits		32,468	31,149
Provision for employee future benefits		488,265	486,061
Insurance contract liabilities	7	3,004,113	2,905,897
		3,600,410	3,515,973
Equity			
Retained earnings		691,229	721,620
Accumulated other comprehensive income		18,121	4,368
		709,350	725,988
		4,309,760	4,241,961

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

Manitoba Public Insurance Corporation
Condensed Interim Financial Statements (unaudited)
(in thousands of Canadian dollars, except as otherwise noted)

Condensed Interim Statement of Operations

	Notes	For the 3 months ended December 31, 2025	For the 3 months ended December 31, 2024	For the 9 months ended December 31, 2025	For the 9 months ended December 31, 2024
Revenue from premiums		432,083	402,197	1,282,397	1,218,845
Other insurance revenue		8,937	9,151	27,593	27,497
Insurance revenue		441,020	411,348	1,309,990	1,246,342
Incurred claims		387,361	335,013	1,025,596	930,000
Maintenance expense		45,543	45,708	132,216	134,538
Acquisition expense:					
Commission		29,360	27,901	83,737	77,019
Premium taxes		13,264	12,090	38,723	35,271
Other		3,467	5,137	9,028	14,349
Total insurance service expense		478,995	425,849	1,289,300	1,191,177
Insurance service result before reinsurance contracts		(37,975)	(14,501)	20,690	55,165
Net income (expense) from reinsurance contracts held		(10,427)	1,178	(20,539)	(19,257)
Insurance service result		(48,402)	(13,323)	151	35,908
Investment income	6	14,595	8,052	102,111	227,061
Insurance finance income (expense)	6	(4,758)	(15,297)	(29,668)	(130,479)
Reinsurance finance income (expense)	6	139	1,077	861	4,790
Net insurance financial result		(4,619)	(14,220)	(28,807)	(125,689)
Net insurance and investment result		(38,426)	(19,491)	73,455	137,280
Service fees and other revenue		6,863	7,955	20,186	21,173
<i>The Drivers and Vehicles Act operations recovery</i>		10,050	10,050	30,150	30,150
Total other revenues		16,913	18,005	50,336	51,323
Commission expense - non-policy		1,656	1,600	5,133	5,031
Operating expenses		54,327	48,719	149,115	136,843
Total other expenses		55,983	50,319	154,248	141,874
Gain on disposal of property and equipment		211	59	66	66
Net income (loss) attributable to Owner of the Corporation		(77,285)	(51,746)	(30,391)	46,795

Condensed Interim Statement of Comprehensive Income

	For the 3 months ended December 31, 2025	For the 3 months ended December 31, 2024	For the 9 months ended December 31, 2025	For the 9 months ended December 31, 2024
Net income (loss) attributable to Owner of the Corporation	(77,285)	(51,746)	(30,391)	46,795
Other comprehensive income (loss)				
Items that will not be reclassified to income				
Remeasurement of employee future benefits	14,269	(15,137)	13,753	(20,712)
Other comprehensive income (loss) for the period	14,269	(15,137)	13,753	(20,712)
Total comprehensive income (loss) attributable to Owner of the Corporation	(63,016)	(66,883)	(16,638)	26,083

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

Manitoba Public Insurance Corporation
Condensed Interim Financial Statements (unaudited)
(in thousands of Canadian dollars, except as otherwise noted)

Condensed Interim Statement of Changes in Equity

	Retained	Accumulated Other Comprehensive	Equity
	Earnings	Income (Loss)	
Balance as at April 1, 2024	741,307	21,343	762,650
Net income attributable to Owner of the Corporation	46,795	-	46,795
Other comprehensive loss for the period	-	(20,712)	(20,712)
Balance as at December 31, 2024	788,102	631	788,733
Balance as at April 1, 2025	721,620	4,368	725,988
Net loss attributable to Owner of the Corporation	(30,391)	-	(30,391)
Other comprehensive income for the period	-	13,753	13,753
Balance as at December 31, 2025	691,229	18,121	709,350

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

Condensed Interim Statement of Cash Flows

	For the 9 months ended December 31, 2025	For the 9 months ended December 31, 2024
Cash Flows from (to) Operating Activities:		
Net income (loss) attributable to Owner of the Corporation	(30,391)	46,795
Non-cash items:		
Depreciation of property and equipment, and investment property	5,536	5,405
Amortization of deferred development costs	4,814	6,374
Amortization of bond discount and premium	(2,200)	(3,360)
Gain on sale of investments	(41,672)	(22,366)
Unrealized (gain) loss on investments	27,011	(119,383)
(Gain) loss on disposal of property and equipment	(211)	59
Impairment of deferred development costs	-	1,344
	(37,113)	(85,132)
Net change in non-cash balances:		
Accounts receivable	(25,301)	8,609
Prepaid expenses	(1,654)	(1,041)
Reinsurance contract assets	22,934	57,674
Accounts payable and accrued liabilities	(17,432)	(27,642)
Deferred revenue	193	6,053
Provision for employee current benefits	1,319	756
Provision for employee future benefits	15,957	13,754
Insurance contract liabilities	98,216	46,422
	94,232	104,585
	57,119	19,453
Cash Flows from (to) Investment Activities:		
Purchase of investments	(955,851)	(889,892)
Proceeds from sale of investments	899,988	843,670
Acquisition of property and equipment	(6,148)	(5,487)
Proceeds from disposal of property and equipment	211	(59)
Lease obligation	(63)	(42)
Deferred development costs incurred	(4,024)	(13,096)
	(65,887)	(64,906)
Decrease in cash and cash equivalents	(8,768)	(45,453)
Cash and cash equivalents beginning of period	188,683	206,669
Cash and cash equivalents end of period	179,915	161,216

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

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 (SRE) 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 SRE 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 unaudited interim financial statements have been prepared based on principles and guidance provided under International Financial Reporting Standards (IFRS).

These unaudited interim financial statements do not include all of the note disclosures normally included in the annual financial statements. As such, these unaudited financial statements should be read in conjunction with the Corporation's annual financial statements for the fiscal year ended March 31, 2025. These financial statements have been prepared using the same accounting policies and methods applied in the annual audited financial statements.

These financial statements are presented in thousands of 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.

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, the Insurance service result from insurance contracts is typically highest in the first and second quarter of each year and lowest in the fourth quarter of each year. This is driven mainly by weather conditions which may vary significantly between quarters.

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.

3. Summary of Material Accounting Policies

A summary of the material accounting policies followed by the Corporation is provided in Note 3 to the annual financial statements for the fiscal year ended March 31, 2025, as provided in the Corporation's 2024 Annual Report. The accounting policies have been applied consistently to the periods presented, except for the new standards and amendments to existing standards adopted on April 1, 2025, as described in Note 4.

4. Changes in Accounting Policies

Future Changes in Accounting Policy and Disclosure

Certain new standards, interpretations, amendments and improvements to existing standards have been issued by the International Accounting Standards Board (IASB) over the past year. The standards that may be applicable to the Corporation are:

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 Corporation is assessing the impact of adopting these amendments, which will be effective for years beginning on or after January 1, 2026.

4.1.2 IFRS 18 - Presentation and Disclosure in 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). IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027, with earlier application permitted. The Corporation is assessing the impact of this new standard on the presentation and disclosure of its financial statements.

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 \$102.6 million (March 31, 2025—\$121.9 million) comprised of provincial short-term deposits with effective interest rates of 1.93 per cent to 2.17 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 as of December 31, 2025 (March 31, 2025—nil).

Cash, Cash Equivalents and Investments

The following tables present the carrying values of cash, cash equivalents and investments held by the Corporation, according to their classification as defined by IFRS.

	Financial Instruments		Non-Financial Instruments	Total Carrying Value
	Classified as FVTPL	Designated as FVTPL		
As at September 30, 2025				
Cash and cash equivalents	179,915	-	-	179,915
Bonds				
Federal	-	107,479	-	107,479
Manitoba:				-
Provincial	14,039	107,278	-	121,317
Municipal	-	127,228	-	127,228
Schools	-	251,766	-	251,766
Other provinces:				-
Provincial	87,931	754,186	-	842,117
Municipal	3,530	53,162	-	56,692
Corporations	82,697	602,235	-	684,932
Total bonds	188,197	2,003,334	-	2,191,531
Private debt	275,230	-	-	275,230
Other investments	420	-	-	420
Infrastructure	243,175	-	-	243,175
Equity investments	468,724	-	-	468,724
Pooled commercial mortgage fund	113,066	-	-	113,066
Pooled real-estate fund	367,693	-	-	367,693
Investments	1,656,505	2,003,334	-	3,659,839
Investment property	-	-	12,125	12,125
Total	1,836,420	2,003,334	12,125	3,851,879

Manitoba Public Insurance Corporation
Notes to the Condensed Interim Financial Statements (unaudited)
(in thousands of Canadian dollars, except as otherwise noted)

As at March 31, 2025	Financial Instruments		Non-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
Total bonds	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 mortgage fund	108,956	-	-	108,956
Pooled real-estate fund	373,611	-	-	373,611
Investments	1,630,129	1,956,985	-	3,587,114
Investment property	-	-	12,420	12,420
Total	1,818,812	1,956,985	12,420	3,788,217

6. Investment Income and Net Insurance Financial Result

The tables below provide analysis of investment income recognized in the period and comparison with the same period prior year as well as the composition of the net reinsurance financial result reported in the Statement of Operations.

Investment Income and Net Insurance Financial Result

For the nine months ended December 31	2025	2024
Investment income from interest, dividends and investment property	92,012	90,743
Net gain on investments	15,859	141,748
Investment management fees	(5,760)	(5,430)
Investment income	102,111	227,061
Insurance finance expense	(29,668)	(130,479)
Reinsurance finance income	861	4,790
Net insurance financial result	(28,807)	(125,689)
Net insurance financial result and investment result	73,304	101,372

Manitoba Public Insurance Corporation
Notes to the Condensed Interim Financial Statements (unaudited)
(in thousands of Canadian dollars, except as otherwise noted)

Investment Income

For the nine months ended December 31	2025	2024
Interest and similar income from securities classified as FVTPL	9,178	11,639
Interest and similar income from securities designated as FVTPL	61,738	61,036
Interest income	70,916	72,675
Dividend income from equities at FVTPL	20,245	17,220
Income from investment property	851	848
Investment income from interest, dividends and investment property	92,012	90,743
Net unrealized gain from financial instruments classified as FVTPL	13,889	53,806
Net unrealized gain (loss) from financial instruments designated as FVTPL	(40,900)	65,577
Net unrealized gain (loss) on investments	(27,011)	119,383
Net realized gain from financial instruments classified as FVTPL	42,389	21,800
Net realized gain (loss) from financial instruments designated as FVTPL	(717)	565
Net realized gain on investments	41,672	22,365
Net gain on investments	14,661	141,748
Investment management fees	(4,562)	(5,430)
Investment income	102,111	227,061

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 nine months ended December 31	2025	2024
Change in carrying amount of insurance contracts issued due to:		
Unwinding of discounting	(71,164)	(80,941)
Changes in discount rate and other financial assumptions	41,496	(49,538)
Insurance finance expense from insurance contracts issued	(29,668)	(130,479)
Change in carrying amount of reinsurance contracts held due to:		
Unwinding of discounting	1,071	3,523
Changes in discount rate and other financial assumptions	(210)	1,267
Reinsurance finance income	861	4,790
Net insurance financial result	(28,807)	(125,689)

7. Insurance and Reinsurance Contracts

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

	December 31, 2025	March 31, 2025
Liability for remaining coverage	363,756	379,647
Liability for incurred claims	2,640,357	2,526,250
Insurance contract liabilities	3,004,113	2,905,897
Asset for remaining coverage	3,118	1,740
Asset for reinsured claims	47,991	72,303
Reinsurance contract assets	51,109	74,043
Net insurance and reinsurance contracts	2,953,004	2,831,854

Manitoba Public Insurance Corporation
Notes to the Condensed Interim Financial Statements (unaudited)
(in thousands of Canadian dollars, except as otherwise noted)

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 the Premium Allocation Approach (PAA), and the Corporation applies the accounting policy choice to expense acquisition cash flows as they arise.

	Liability for Remaining Coverage	Liability for Incurred Claims		Total
		Present Value of Future Cash Flows	Risk Adjustment	
For the nine months ended December 31, 2025				
Insurance contract liabilities, beginning of period	379,647	2,406,518	119,732	2,905,897
Changes in comprehensive income (loss):				
Insurance revenue	(1,309,990)	-	-	(1,309,990)
Insurance service expense:				
Incurred claims and other insurance expenses	-	1,278,018	37,617	1,315,635
Changes to liabilities for incurred claims prior year	-	6,527	(32,862)	(26,335)
Insurance service expense	-	1,284,545	4,755	1,289,300
Insurance service result from insurance contracts	(1,309,990)	1,284,545	4,755	(20,690)
Insurance finance expense	-	29,668	-	29,668
Total changes in comprehensive income (loss)	(1,309,990)	1,314,213	4,755	8,978
Cash flows:				
Premiums received	1,294,099	-	-	1,294,099
Claims and other expenses paid	-	(1,204,861)	-	(1,204,861)
Total cash flows	1,294,099	(1,204,861)	-	89,238
Insurance contract liabilities, end of period	363,756	2,515,870	124,487	3,004,113

	Liability for Remaining Coverage	Liability for Incurred Claims		Total
		Present Value of Future Cash Flows	Risk Adjustment	
For the nine months ended December 31, 2024				
Insurance contract liabilities, beginning of period	344,169	2,389,184	119,815	2,853,168
Changes in comprehensive income (loss):				
Insurance revenue	(1,246,342)	-	-	(1,246,342)
Insurance service expense:				
Incurred claims and other insurance expenses	-	1,252,147	37,122	1,289,269
Changes to liabilities for incurred claims prior year	-	(62,791)	(35,301)	(98,092)
Insurance service expense	-	1,189,356	1,821	1,191,177
Insurance service result from insurance contracts	(1,246,342)	1,189,356	1,821	(55,165)
Insurance finance income	-	130,479	-	130,479
Total changes in comprehensive income (loss)	(1,246,342)	1,319,835	1,821	75,314
Cash flows:				
Premiums received	1,222,437	-	-	1,222,437
Claims and other expenses paid	-	(1,251,329)	-	(1,251,329)
Total cash flows	1,222,437	(1,251,329)	-	(28,892)
Insurance contract liabilities, end of period	320,264	2,457,690	121,636	2,899,590

Manitoba Public Insurance Corporation
Notes to the Condensed Interim Financial Statements (unaudited)
(in thousands of Canadian dollars, except as otherwise noted)

Reinsurance Contract Assets

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

	Assets for		Total	
	Remaining Coverage	Assets for Incurred Claims		
For the nine months ended December 31, 2025		Present Value of Future Cash Flows	Risk Adjustment	
Reinsurance contract assets, beginning of year	1,740	68,041	4,262	74,043
Changes in comprehensive income (loss):				
Allocation of reinsurance premiums	(28,048)	-	-	(28,048)
Recoveries of incurred claims and other reinsurance service expenses	-	4,800	294	5,094
Prior period development	-	3,669	(1,254)	2,415
Net income from reinsurance contracts	(28,048)	8,469	(960)	(20,539)
Reinsurance finance income	-	861	-	861
Total changes in comprehensive income (loss)	(28,048)	9,330	(960)	(19,678)
Cash flows:				
Premiums paid	29,426	-	-	29,426
Amounts received	-	(32,682)	-	(32,682)
Total cash flows	29,426	(32,682)	-	(3,256)
Reinsurance contract assets, end of period	3,118	44,689	3,302	51,109

	Assets for		Total	
	Remaining Coverage	Assets for Incurred Claims		
For the nine months ended December 31, 2024		Present Value of Future Cash Flows	Risk Adjustment	
Reinsurance contract assets, beginning of year	1,192	145,174	7,659	154,025
Changes in comprehensive income (loss):				
Allocation of reinsurance premiums	(29,868)	-	-	(29,868)
Recoveries of incurred claims and other reinsurance service expenses	-	11,652	650	12,302
Prior period development	-	2,881	(4,572)	(1,691)
Net income from reinsurance contracts	(29,868)	14,533	(3,922)	(19,257)
Reinsurance finance income	-	4,790	-	4,790
Total changes in comprehensive income (loss)	(29,868)	19,323	(3,922)	(14,467)
Cash flows:				
Premiums paid	28,664	-	-	28,664
Amounts received	-	(71,871)	-	(71,871)
Total cash flows	28,664	(71,871)	-	(43,207)
Reinsurance contract assets, end of period	(12)	92,626	3,737	96,351