

Undertaking #45

MPI to provide breakdown, as per Exhibit 51, for '15/'16, '16/'17, and '17/'18 using the pro formas forecasted using September 2015 bank forecasts

RESPONSE:

Investment and Claims Net Interest Rate Impact (Basic) - September 2015 Interest Rate Forecast
(in Millions of Dollars)

	2015/16	2016/17	2017/18
	Forecasted		
Marketable Bond Yield*	2.84%	3.44%	3.71%
YoY Change	0.57%	0.60%	0.27%
Claims Discount Rate	3.21%	3.74%	3.98%
YoY Change	0.29%	0.53%	0.23%
Duration Gap (Years)	0.0	0.0	0.0
<u>Investments</u>			
Basic Investment Income	27.6	0.6	52.3
(1) Marketable Bond Gain/(Loss)**	-53.5	-83.2	-34.8
Basic Investment Income excluding Marketable Bond G/L	81.1	83.8	87.1
<u>Claims</u>			
Basic Net Claims Incurred	635.6	668.4	755.4
(2) Claims Interest Rate Impact	-55.3	-95.9	-40.2
Claims Excluding Interest Rate Impact	690.8	764.3	795.6
<u>Net Interest Rate Impact</u>			
(1) Marketable Bond Gain/Loss	-53.5	-83.2	-34.8
(2) Claims Interest Rate Impact	-55.3	-95.9	-40.2
Net Impact of Interest Rates [(1) - (2)]	1.7	12.7	5.4

* Marketable bond yield consists of GoC 10 year bond spread plus the forecasted duration yield spread.

GoC 10 year bond rate was based on September 2015 forecast.

**includes amortization of bond premium or discount