



Financial Summary – June 2025

Financial Results

ICBC's corporate net income for the first three months of the 2025/26 fiscal year (April 1, 2025 to June 30, 2025) was \$304 million. ICBC's net income was \$46 million higher than our net income for the same period last fiscal year (2024/25). The key factor behind the change was higher premium revenue driven by higher Optional insurance product demand, which is in competition with private insurers. The increase is partially offset by lower investment income mainly due to lower interest income from bonds.

The positive net income results demonstrate that the Enhanced Care insurance model implemented in May 2021 is continuing to deliver on the promise of providing British Columbians with a financially stable auto insurance system that offers some of the best care, recovery and income replacement benefits available in Canada, along with more affordable premiums.

ICBC's capital levels are measured by the Minimum Capital Test (MCT) ratio. MCT is an important industry measurement used to determine whether a company has sufficient capital to absorb unexpected losses.

We have a corporate MCT ratio of 221% as at June 30, 2025, which is an improvement over the recent 2024/25 fiscal year end (March 31, 2025) ratio of 212%, driven by the positive net income so far this fiscal year.



Statement of Operations

For the Three Months Ended June 30, 2025 and 2024¹

	Basic		Optional		Corporate	
(\$ Millions)	2025/26	2024/25	2025/26	2024/25	2025/26	2024/25
Premiums written	\$ 931	\$ 909	\$ 876	\$ 811	\$ 1,807	\$ 1,720
Insurance revenues						
Premiums earned	838	823	768	685	1,606	1,508
Service fees	28	32	23	26	51	58
Total insurance revenues	866	855	791	711	1,657	1,566
Insurance service expenses						
Current year claims	610	687	507	525	1,117	1,212
Prior years' claims adjustments	(68)	(104)	(5)	(50)	(73)	(154)
Total claims incurred	542	583	502	475	1,044	1,058
Claims services, road safety and loss management services	89	78	43	39	132	117
Total claims and related costs	631	661	545	514	1,176	1,175
Operating expenses	15	13	19	18	34	31
Premium taxes, commissions and other acquisition costs	69	69	174	161	243	230
Total insurance service expenses	715	743	738	693	1,453	1,436
Net expenses (recovery) from reinsurance contracts	1	1	2	4	3	5
Insurance service result	150	111	51	14	201	125
Realized investment income (loss)	91	162	40	73	131	235
Unrealized gains (losses) on investments	78	56	35	25	113	81
Net investment income (loss)	169	218	75	98	244	316
Net insurance finance expenses	42	77	17	32	59	109
Other operating expenses (income), non-attributable ²	18	16	15	16	33	32
Net insurance and investment result	259	236	94	64	353	300
Non-insurance expenses						
Administrative and other	10	9	-	-	10	9
Driver licensing	30	25	-	-	30	25
Commissions	12	12	-	-	12	12
Non-insurance other income	(3)	(4)	-	-	(3)	(4)
Total non-insurance expenses	49	42	-	-	49	42
Cost of non-insurance operations	(49)	(42)	-	-	(49)	(42)
Net income (loss)	\$ 210	\$ 194	\$ 94	\$ 64	\$ 304	\$ 258
Net income (loss) attributable to:						
Non-controlling interest ^{3,4}	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Owner of the corporation	210	194	94	64	304	258
	\$ 210	\$ 194	\$ 94	\$ 64	\$ 304	\$ 258
Insurance Industry Ratios						
%	2025/26	2024/25	2025/26	2024/25	2025/26	2024/25
Loss ratio	80.2	89.7	73.4	80.2	76.9	85.4
Expense ratio	19.0	18.0	27.6	29.0	23.1	23.0
Combined ratio	99.2	107.7	101.0	109.2	100.0	108.4

¹ The financial results are unaudited and contain a number of estimates and assumptions regarding claims costs and savings. Final year end results will be subject to audit.

² Expenses and income not directly related to ICBC providing insurance coverage.

³ Non-controlling interest net income is income that is attributable to the minority shareholder of a joint venture who has no control over decisions. Under IFRS, ICBC, as the parent, has to reflect 100% of the net income and disclose separately the portion related to non-controlling interest.

⁴ Non-controlling interest is reported at zero as it is rounded to millions.



Statement of Financial Position

As at June 30, 2025¹ and March 31, 2025

(\$ Millions)	June 30 2025	March 31 2025
Assets		
Cash and cash equivalents	\$ 12	\$ 18
Accrued interest	20	21
Assets held for sale	44	18
Financial investments	17,722	18,052
Other receivables	254	318
Reinsurance contract assets	34	39
Investment properties	157	179
Property, equipment, intangible and lease assets	280	296
Accrued pension benefits	302	300
Prepays	49	49
	<u>\$ 18,874</u>	<u>\$ 19,290</u>
Liabilities and Equity		
Liabilities		
Current liabilities	\$ 409	\$ 470
Bond repurchase agreements and investment-related liabilities	251	396
Premiums and fees received in advance	78	77
Lease liabilities	47	50
Insurance contract liabilities ²	10,376	10,892
Pension and post-retirement benefits	213	209
	<u>11,374</u>	<u>12,094</u>
Equity		
Retained earnings	6,904	6,600
Other components of equity	593	593
Equity attributable to parent corporation	<u>7,497</u>	<u>7,193</u>
Non-controlling interest	3	3
	<u>7,500</u>	<u>7,196</u>
	<u>\$ 18,874</u>	<u>\$ 19,290</u>
Minimum Capital Test ("MCT") ratio		
Corporate	221%	212%
Basic	229%	221%
Optional	204%	193%

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² Insurance contract liabilities is made up of:

Provision for unpaid claims	\$ 8,827	\$ 9,103
Unearned premiums	3,222	3,021
Claims related payables	134	157
Premiums receivable	(1,807)	(1,389)
	<u>\$ 10,376</u>	<u>\$ 10,892</u>



Glossary – June 2025

Premiums Written

Amount of total premiums of all the auto insurance policies issued during the fiscal year.

Premiums Earned

Premiums earned are the portion of the premiums written for which coverage has already been provided based on the period the policy has been in effect. For example, a 12-month policy will have one twelfth of the total policy premium earned each month, over the life of the policy.

Current year claims

Current year claims expense is the total costs (paid and expected) to settle claims occurring in the current year. Current year claims includes loss events that have occurred during the year but are not yet reported to ICBC.

Prior years' claims adjustments

Prior years' claims adjustments are the change in the reserve to settle claims that occurred in prior years.

Unrealized gains (losses)

Unrealized gains (losses) are the increase (decrease) in the value of an investment asset that is not yet sold ("paper" gains/losses).

Net insurance finance expenses

Net insurance finance expense represents changes in the amount of discount applied to show future payments on claims at their present value. This change can occur for two reasons: a reduction due to the passage of time, known as discount unwinding; and an update in the rate used for discounting. Prior to the change in accounting rules for insurance entities that ICBC began using on April 1, 2023, these amounts were included as part of total claims incurred.

Non-controlling interest

ICBC's financial reporting standards attribute the total comprehensive income of investment partnerships between the majority and minority partners based on their respective ownership interests. Non-controlling interest represents the portion of ICBC's net income and assets that are attributable to minority partners.

Expense ratio

The ratio of operating expenses (excluding claims costs and claims-related costs), premium taxes, commissions and other acquisition costs to premiums earned. A lower expense ratio is better.

Loss ratio

The loss ratio is an industry measure of claims and claims-related costs (claims services, road safety and loss management services) to premiums earned. The lower the percentage, the more profitable the product is.

Combined ratio

A key measure of overall profitability within the insurance industry. It is the ratio of all costs (claims, claims-related costs, operating expenses, premium taxes, commissions and other acquisition costs) to premiums earned. A lower combined ratio is better.

Minimum Capital Test ("MCT") ratio

An industry measure used to determine whether a company has sufficient capital levels, commensurate with the risks within its business. The measure is based on guidelines set by the Office of the Superintendent of Financial Institutions.