Financial Summary – June 2026

Financial Results

ICBC’s corporate net income for the first quarter of 2026/27 fiscal year (April 1, 2026 to June 30, 2026) was $580 million, which was $276 million higher than the same period in the last fiscal year (2025/26).

The key factor behind the change was primarily the higher investment returns, partially offset by inflationary increases in claims costs.

The positive net income was largely the result of investment income, as well as the Enhanced Care insurance model implemented in May 2021 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. ICBC’s corporate MCT ratio was 264% as at June 30, 2026, which was higher than the prior year (as at March 31, 2026) primarily driven by the positive net income, as explained previously.

Statement of Operations

For the Three Months Ended June 30, 2026 and 2025[1]

($ Millions)	Basic 2026/27	Basic 2025/26	Optional 2026/27	Optional 2025/26	Corporate 2026/27	Corporate 2025/26
Premiums written	$ 947	$ 931	$ 924	$ 876	$ 1,871	$ 1,807
Insurance revenues						
Premiums earned	851	838	817	768	1,668	1,606
Service fees	22	28	20	23	42	51
Total insurance revenues	873	866	837	791	1,710	1,657
Insurance service expenses						
Current year claims	746	610	593	507	1,339	1,117
Prior years' claims adjustments	(73)	(68)	(29)	(5)	(102)	(73)
Total claims incurred	673	542	564	502	1,237	1,044
Claims services, road safety and loss management services	85	89	39	43	124	132
Total claims and related costs	758	631	603	545	1,361	1,176
Operating expenses	17	15	24	19	41	34
Premium taxes, commissions and other acquisition costs	71	69	182	174	253	243
Total insurance service expenses	846	715	809	738	1,655	1,453
Net expenses (recovery) from reinsurance contracts	1	1	5	2	6	3
Insurance service result	26	150	23	51	49	201
Realized investment income (loss)	168	91	79	40	247	131
Unrealized gains (losses) on investments	294	78	138	35	432	113
Net investment income (loss)	462	169	217	75	679	244
Net insurance finance expenses	38	42	13	17	51	59
Other operating expenses (income), non-attributable[2]	25	18	22	15	47	33
Net insurance and investment result	425	259	205	94	630	353
Non-insurance expenses						
Admininstrative and other	12	10	-	-	12	10
Driver licensing	29	30	-	-	29	30
Commissions	12	12	-	-	12	12
Non-insurance other income	(3)	(3)	-	-	(3)	(3)
Total non-insurance expenses	50	49	-	-	50	49
Cost of non-insurance operations	(50)	(49)	-	-	(50)	(49)
Net income (loss)	$ 375	$ 210	$ 205	$ 94	$ 580	$ 304
Net income (loss) attributable to:						
Non-controlling interest[3]	$ -	$ -	$ -	$ -	$ -	$ -
Owner of the corporation	375	210	205	94	580	304
	$ 375	$ 210	$ 205	$ 94	$ 580	$ 304

Insurance Industry Ratios %	Basic 2026/27	Basic 2025/26	Optional 2026/27	Optional 2025/26	Corporate 2026/27	Corporate 2025/26
Loss ratio	93.7	80.2	75.8	73.4	85.0	76.9
Expense ratio	19.9	19.0	28.3	27.6	24.0	23.1
Combined ratio	113.6	99.2	104.1	101.0	109.0	100.0

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.

Statement of Financial Position

As at June 30, 2026[1] and March 31, 2026

($ Millions)		June 30 2026		March 31 2026
Assets				
Cash and cash equivalents	$	71	$	25
Accrued interest		-		-
Assets held for sale		7		5
Financial investments		18,838		18,253
Reinsurance contract assets		42		43
Investment properties		125		122
Property, equipment, intangible and lease assets		324		336
Accrued pension benefits		238		236
Prepaids and other receivables		317		230
	$	19,962	$	19,250
Liabilities and Equity				
Liabilities				
Current liabilities	$	386	$	439
Investment-related and other liabilities		329		241
Premiums and fees received in advance		81		84
Lease liabilities		159		159
Insurance contract liabilities[2]		9,509		9,411
Pension and post-retirement benefits		182		180
		10,646		10,514
Equity				
Retained earnings		8,701		8,121
Other components of equity		615		615
Equity attributable to parent corporation		9,316		8,736
Non-controlling interest		-		-
		9,316		8,736
	$	19,962	$	19,250
Minimum Capital Test ("MCT") ratio				
Corporate		264%		255%
Basic		270%		268%
Optional		252%		230%

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 Insurance contract liabilities is made up of:

Provision for unpaid claims	$	7,890	$	7,855
Unearned premiums		3,342		3,139
Claims related payables		166		192
Premiums receivable		(1,889)		(1,775)
	$	9,509	$	9,411

Glossary – June 2026

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 indicates stronger cost efficiency, as a smaller portion of premium revenue is absorbed by operating expenses.

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. A lower loss ratio indicates that claims costs are being managed effectively, supporting the organization’s financial sustainability.

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.