



Financial Summary – December 2025

Financial Results

ICBC's corporate net income for the first nine months of the 2025/26 fiscal year (April 1, 2025 to December 31, 2025) was \$837 million, which is \$384 million lower than the same period in the last fiscal year (2024/25).

The key factors behind the change were the lower investment income mainly due to negative market value changes, as well as higher costs associated with large legal-based claims. These impacts to net income were partially offset by higher premium revenue driven primarily by higher Optional insurance product demand (which is in competition with private insurers), lower current-year claims costs, a larger discounting adjustment which reduced our balance of unpaid claims (meaning future payments on incurred claims are valued lower relative to last year) and lower interest expense associated with past claims (i.e. net insurance finance expense).

The positive net income is 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.

We have a corporate MCT ratio of 238% as at December 31, 2025, which is an improvement over the recent 2024/25 fiscal year end (March 31, 2025) ratio of 212%, driven by the consistent positive net income so far this fiscal year.



Statement of Operations

For the Nine Months Ended December 31, 2025 and 2024¹

(\$ Millions)	Basic		Optional		Corporate	
	2025/26	2024/25	2025/26	2024/25	2025/26	2024/25
Premiums written	\$ 2,618	\$ 2,576	\$ 2,488	\$ 2,325	\$ 5,106	\$ 4,901
Insurance revenues						
Premiums earned	2,562	2,515	2,368	2,156	4,930	4,671
Service fees	78	98	65	77	143	175
Total insurance revenues	<u>2,640</u>	<u>2,613</u>	<u>2,433</u>	<u>2,233</u>	<u>5,073</u>	<u>4,846</u>
Insurance service expenses						
Current year claims	1,809	2,079	1,509	1,580	3,318	3,659
Prior years' claims adjustments	67	(295)	19	(272)	86	(567)
Total claims incurred	<u>1,876</u>	<u>1,784</u>	<u>1,528</u>	<u>1,308</u>	<u>3,404</u>	<u>3,092</u>
Claims services, road safety and loss management services	275	250	130	126	405	376
Total claims and related costs	<u>2,151</u>	<u>2,034</u>	<u>1,658</u>	<u>1,434</u>	<u>3,809</u>	<u>3,468</u>
Operating expenses	45	41	58	51	103	92
Premium taxes, commissions and other acquisition costs	196	194	498	467	694	661
Total insurance service expenses	<u>2,392</u>	<u>2,269</u>	<u>2,214</u>	<u>1,952</u>	<u>4,606</u>	<u>4,221</u>
Net (recovery) expenses from reinsurance contracts	<u>(6)</u>	<u>2</u>	<u>9</u>	<u>9</u>	<u>3</u>	<u>11</u>
Insurance service result	<u>254</u>	<u>342</u>	<u>210</u>	<u>272</u>	<u>464</u>	<u>614</u>
Realized investment income (loss)	611	738	269	331	880	1,069
Unrealized (losses) gains on investments	(68)	121	(30)	54	(98)	175
Net investment income (loss)	<u>543</u>	<u>859</u>	<u>239</u>	<u>385</u>	<u>782</u>	<u>1,244</u>
Net insurance finance expenses	<u>113</u>	<u>289</u>	<u>49</u>	<u>114</u>	<u>162</u>	<u>403</u>
Other operating expenses (income), non-attributable ²	55	51	48	49	103	100
Net insurance and investment result	<u>629</u>	<u>861</u>	<u>352</u>	<u>494</u>	<u>981</u>	<u>1,355</u>
Non-insurance expenses						
Administrative and other	31	29	-	-	31	29
Driver licensing	88	82	-	-	88	82
Commissions	33	32	-	-	33	32
Non-insurance other income	(8)	(9)	-	-	(8)	(9)
Total non-insurance expenses	<u>144</u>	<u>134</u>	<u>-</u>	<u>-</u>	<u>144</u>	<u>134</u>
Cost of non-insurance operations	<u>(144)</u>	<u>(134)</u>	<u>-</u>	<u>-</u>	<u>(144)</u>	<u>(134)</u>
Net income (loss)	<u>\$ 485</u>	<u>\$ 727</u>	<u>\$ 352</u>	<u>\$ 494</u>	<u>\$ 837</u>	<u>\$ 1,221</u>
Net (loss) income attributable to:						
Non-controlling interest ³	\$ (1)	\$ (1)	\$ -	\$ -	\$ (1)	\$ (1)
Owner of the corporation	<u>486</u>	<u>728</u>	<u>352</u>	<u>494</u>	<u>838</u>	<u>1,222</u>
	<u>\$ 485</u>	<u>\$ 727</u>	<u>\$ 352</u>	<u>\$ 494</u>	<u>\$ 837</u>	<u>\$ 1,221</u>
Insurance Industry Ratios						
%	2025/26	2024/25	2025/26	2024/25	2025/26	2024/25
Loss ratio	88.1	92.5	72.3	72.1	80.6	83.1
Expense ratio	17.9	17.5	26.1	26.9	21.8	21.8
Combined ratio	106.0	110.0	98.4	99.0	102.4	104.9

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 December 31, 2025¹ and March 31, 2025

(\$ Millions)	December 31 2025	March 31 2025
Assets		
Cash and cash equivalents	\$ 15	\$ 18
Accrued interest	18	21
Assets held for sale	5	18
Financial investments	18,155	18,052
Other receivables	172	318
Reinsurance contract assets	36	39
Investment properties	128	179
Property, equipment, intangible and lease assets	241	296
Accrued pension benefits	262	300
Prepays	47	49
	\$ 19,079	\$ 19,290
Liabilities and Equity		
Liabilities		
Current liabilities	\$ 400	\$ 470
Bond repurchase agreements and investment-related liabilities	200	396
Premiums and fees received in advance	51	77
Lease liabilities	44	50
Insurance contract liabilities ²	10,128	10,892
Pension and post-retirement benefits	222	209
	11,045	12,094
Equity		
Retained earnings	7,438	6,600
Other components of equity	593	593
Equity attributable to parent corporation	8,031	7,193
Non-controlling interest	3	3
	8,034	7,196
	\$ 19,079	\$ 19,290

Minimum Capital Test ("MCT") ratio

Corporate	238%	212%
Basic	248%	221%
Optional	219%	193%

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	\$ 8,632	\$ 9,103
Unearned premiums	3,197	3,021
Claims related payables	143	157
Premiums receivable	(1,844)	(1,389)
	\$ 10,128	\$ 10,892



Glossary – December 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.