



Financial Summary – March 2025

Financial Results

ICBC's corporate net income for the 2024/25 fiscal year (April 1, 2024 to March 31, 2025) was \$1.651 billion.

The 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 net income was \$252 million better than our net income last fiscal year (2023/24). Key factors behind the change were higher premium revenue, driven by stronger demand for Optional insurance. Optional rates, which are in competition with private insurers, have been adjusted in response to the costs to repair and replace vehicles, however we have kept Basic rates steady, with no overall changes until at least April 1, 2026.

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 rebuilt our capital levels and we have a higher MCT ratio than the last fiscal year driven by the positive net income this fiscal year. Our Corporate MCT was 212% in 2024/25, which is an improvement over the MCT of 155% at the end of 2023/24.

ICBC's strong financial position has allowed us to issue a \$406 million rebate, which resulted in a \$110 rebate to each eligible customer policy, as well as keep Basic rates steady for another year.



Statement of Operations

For the Twelve Months Ended March 31, 2025 and 2024

	Basic		Optional		Corporate	
(\$ Millions)	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24
Premiums written	\$ 2,923	\$ 2,878	\$ 3,020	\$ 2,650	\$ 5,943	\$ 5,528
Insurance revenues						
Premiums earned	2,892	2,848	2,867	2,426	5,759	5,274
Service fees	123	111	106	87	229	198
Total insurance revenues	3,015	2,959	2,973	2,513	5,988	5,472
Insurance service expenses						
Current year claims	2,226	2,262	1,811	1,839	4,037	4,101
Prior years' claims adjustments	(422)	(393)	(263)	(315)	(685)	(708)
Total claims incurred	1,804	1,869	1,548	1,524	3,352	3,393
Claims services, road safety and loss management services	349	325	166	166	515	491
Total claims and related costs	2,153	2,194	1,714	1,690	3,867	3,884
Operating expenses	53	51	70	75	123	126
Premium taxes, commissions and other acquisition costs	232	228	611	538	843	766
Total insurance service expenses	2,438	2,473	2,395	2,303	4,833	4,776
Net expenses (recovery) from reinsurance contracts	1	2	10	8	11	10
Insurance service result	576	484	568	202	1,144	686
Realized investment income (loss)	1,076	512	474	230	1,550	742
Unrealized (losses) gains on investments	(97)	473	(42)	212	(139)	685
Net investment income (loss)	979	985	432	442	1,411	1,427
Net insurance finance expenses	415	301	161	129	576	430
Other operating expenses (income), non-attributable ¹	78	57	67	55	145	112
Net insurance and investment result	1,062	1,111	772	460	1,834	1,571
Non-insurance expenses						
Administrative and other	41	38	-	-	41	38
Driver licensing	112	106	-	-	112	106
Commissions	41	40	-	-	41	40
Non-insurance other income	(11)	(12)	-	-	(11)	(12)
Total non-insurance expenses	183	172	-	-	183	172
Cost of non-insurance operations	(183)	(172)	-	-	(183)	(172)
Net income (loss)	\$ 879	\$ 939	\$ 772	\$ 460	\$ 1,651	\$ 1,399
Net (loss) income attributable to:						
Non-controlling interest ²	\$ (1)	\$ -	\$ -	\$ -	\$ (1)	\$ -
Owner of the corporation	880	939	772	460	1,652	1,399
	\$ 879	\$ 939	\$ 772	\$ 460	\$ 1,651	\$ 1,399
Insurance Industry Ratios						
%	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24
Loss ratio	88.8	87.7	65.6	75.1	77.3	81.9
Expense ratio	19.8	18.8	26.7	28.3	23.2	23.2
Combined ratio	108.6	106.5	92.3	103.4	100.5	105.1

¹ Expenses and income not directly related to ICBC providing insurance coverage.

² 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 March 31, 2025 and 2024

(\$ Millions)	March 31 2025	March 31 2024
Assets		
Cash and cash equivalents	\$ 18	\$ 13
Accrued interest	21	28
Assets held for sale	18	22
Financial investments	18,052	17,821
Other receivables	318	264
Reinsurance contract assets	39	35
Investment properties	179	234
Property, equipment, intangible and lease assets	296	336
Accrued pension benefits	300	262
Deferred premium acquisition costs and prepaids	49	44
	<u>\$ 19,290</u>	<u>\$ 19,059</u>
Liabilities and Equity		
Liabilities		
Current liabilities	\$ 470	\$ 380
Bond repurchase agreements and investment-related liabilities	396	266
Premiums and fees received in advance	77	69
Lease liabilities	50	57
Insurance contract liabilities ¹	10,892	12,607
Pension and post-retirement benefits	209	172
	<u>12,094</u>	<u>13,551</u>
Equity		
Retained earnings	6,600	4,948
Other components of equity	593	555
Equity attributable to parent corporation	7,193	5,503
Non-controlling interest	3	5
	<u>7,196</u>	<u>5,508</u>
	<u>\$ 19,290</u>	<u>\$ 19,059</u>
Minimum Capital Test ("MCT") ratio		
Corporate	212%	155%
Basic	221%	173%
Optional	193%	118%
¹ Insurance contract liabilities is made up of:		
Provision for unpaid claims	\$ 9,103	\$ 10,824
Unearned premiums	3,021	2,836
Claims related payables	157	135
Premiums receivable	(1,389)	(1,188)
	<u>\$ 10,892</u>	<u>\$ 12,607</u>



Glossary – March 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.