



Financial Summary – September 2025

Financial Results

ICBC's corporate net income for the first six months of the 2025/26 fiscal year (April 1, 2025 to September 30, 2025) was \$695 million, which is \$121 million higher than the same period last fiscal year (2024/25). The key factors behind the change was higher premium revenue primarily driven by higher Optional insurance product demand (which is in competition with private insurers), fewer current year claims and lower interest expense associated with past claims (i.e. net insurance finance expense). The increase to net income is partially offset by lower investment income, mainly due to lower gains from equity and interest income from bonds, as well as higher costs associated with large, legal-based claims.

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 226% as at September 30, 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 Six Months Ended September 30, 2025 and 2024¹

	Basic		Optional		Corporate	
(\$ Millions)	2025/26	2024/25	2025/26	2024/25	2025/26	2024/25
Premiums written	\$ 1,818	\$ 1,785	\$ 1,720	\$ 1,609	\$ 3,538	\$ 3,394
Insurance revenues						
Premiums earned	1,707	1,678	1,570	1,417	3,277	3,095
Service fees	54	66	45	51	99	117
Total insurance revenues	1,761	1,744	1,615	1,468	3,376	3,212
Insurance service expenses						
Current year claims	1,371	1,469	1,081	1,096	2,452	2,565
Prior years' claims adjustments	(125)	(140)	18	(160)	(107)	(300)
Total claims incurred	1,246	1,329	1,099	936	2,345	2,265
Claims services, road safety and loss management services	177	164	85	82	262	246
Total claims and related costs	1,423	1,493	1,184	1,018	2,607	2,511
Operating expenses	30	27	38	34	68	61
Premium taxes, commissions and other acquisition costs	136	135	343	321	479	456
Total insurance service expenses	1,589	1,655	1,565	1,373	3,154	3,028
Net (recovery) expenses from reinsurance contracts	(3)	1	7	7	4	8
Insurance service result	175	88	43	88	218	176
Realized investment income (loss)	267	295	117	132	384	427
Unrealized gains (losses) on investments	264	274	117	123	381	397
Net investment income (loss)	531	569	234	255	765	824
Net insurance finance expenses	90	194	36	75	126	269
Other operating expenses (income), non-attributable ²	36	35	29	33	65	68
Net insurance and investment result	580	428	212	235	792	663
Non-insurance expenses						
Administrative and other	20	19	-	-	20	19
Driver licensing	60	54	-	-	60	54
Commissions	23	22	-	-	23	22
Non-insurance other income	(6)	(6)	-	-	(6)	(6)
Total non-insurance expenses	97	89	-	-	97	89
Cost of non-insurance operations	(97)	(89)	-	-	(97)	(89)
Net income (loss)	\$ 483	\$ 339	\$ 212	\$ 235	\$ 695	\$ 574
Net income (loss) attributable to:						
Non-controlling interest ^{3,4}	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Owner of the corporation	483	339	212	235	695	574
	\$ 483	\$ 339	\$ 212	\$ 235	\$ 695	\$ 574
Insurance Industry Ratios						
%	2025/26	2024/25	2025/26	2024/25	2025/26	2024/25
Loss ratio	88.5	100.6	78.1	77.5	83.4	90.1
Expense ratio	18.2	17.9	26.7	28.1	22.3	22.5
Combined ratio	106.7	118.5	104.8	105.6	105.7	112.6

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 September 30, 2025¹ and March 31, 2025

(\$ Millions)	September 30 2025	March 31 2025
Assets		
Cash and cash equivalents	\$ 16	\$ 18
Accrued interest	15	21
Assets held for sale	32	18
Financial investments	18,243	18,052
Other receivables	227	318
Reinsurance contract assets	38	39
Investment properties	154	179
Property, equipment, intangible and lease assets	268	296
Accrued pension benefits	304	300
Prepays	55	49
	<u>\$ 19,352</u>	<u>\$ 19,290</u>
Liabilities and Equity		
Liabilities		
Current liabilities	\$ 373	\$ 470
Bond repurchase agreements and investment-related liabilities	263	396
Premiums and fees received in advance	72	77
Lease liabilities	45	50
Insurance contract liabilities ²	10,490	10,892
Pension and post-retirement benefits	218	209
	<u>11,461</u>	<u>12,094</u>
Equity		
Retained earnings	7,295	6,600
Other components of equity	593	593
Equity attributable to parent corporation	<u>7,888</u>	<u>7,193</u>
Non-controlling interest	3	3
	<u>7,891</u>	<u>7,196</u>
	<u>\$ 19,352</u>	<u>\$ 19,290</u>

Minimum Capital Test ("MCT") ratio

Corporate	226%	212%
Basic	237%	221%
Optional	203%	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	\$ 8,889	\$ 9,103
Unearned premiums	3,282	3,021
Claims related payables	182	157
Premiums receivable	(1,863)	(1,389)
	<u>\$ 10,490</u>	<u>\$ 10,892</u>



Glossary – September 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.