

*Webinar*

# **IFRS 17**

***AN OPPORTUNITY TO TURN  
COMPLIANCE INTO  
COMPETITIVE ADVANTAGE***

*21 SEPTEMBER 2022*

# WEBINAR HOST



Insurance Research  
Center (IRC)

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Chief Executive Officer

Iranian Insurance Research Center (IRC)



# AGENDA

1. **Who** are we
2. **Current** insurance financial accounting landscape
3. The **purpose** of having a new compliance standard
4. **Benefits** of implementing this compliance standard
5. The **improvement** to our financial disclosure including analytics
6. **Actions** we can take now
7. **Questions & Answers**



# WHO ARE WE



# ASCENTRIO & TTL ANALYTICS

- Offers IT consulting, solution & services to the financial industries
- Focusing on IFRS 17 compliance reporting and analytics for the insurance companies
  - Malaysia
  - Philippines
  - Others



# TEAM

*Speaker*



**T. T. LIM**

Over 35 years of financial, accounting and data analytics experience with in-depth knowledge & experience building financial, analytical, risk management and performance analysis solution for the financial industry

*Presentation Host*



**JARROD YAP**

Over 30 years of IT working experience in software development, integration & consulting, project management, sales & marketing, business planning & development to human resource and outsourcing for the financial industry

*Coordinator*



**JOHN CHAN**

Over 30 years of IT working experience in project management, sales & marketing, business planning & development in eLearning, ERP and wireless technology. He is also the 'Honorary Secretary' for the Malaysia Dongguan Association

# TRACTION TO DATE

- **ETIQA GROUP OF COMPANIES** (*Life & General*)
  - Etiqa Life Insurance Berhad
  - Etiqa General Insurance Berhad
  - Etiqa Family Takaful Berhad
  - Etiqa General Takaful Berhad
  - Etiqa Insurance Pte Ltd
  
- **SYARIKAT TAKAFUL MALAYSIA** (*Life & General*)
  - Syarikat Takaful Malaysia Keluarga Berhad
  - Syarikat Takaful Malaysia Am Berhad
  
- **GILBRALTAR BSN**
  
- **MNRB**



# CURRENT INSURANCE FINANCIAL ACCOUNTING LANDSCAPE





# 1.1 CURRENT INSURANCE FINANCIAL ACCOUNTING

- IFRS 4 - current standard for disclosure (an interim standard)
- IFRS 4 - not transparent, and the information is not useful, specifically regarding :-
  - *Assumptions*
  - *Time value of money*
  - *Discount rate*
  - *Sources of Profit*
  - *Accounting Policy*
  - *Definition of Revenue*
- Many examples which clearly illustrate the difficulties in understanding financial statements based on IFRS 4
- IFRS 4 is deficient as a disclosure standard, and it does not provides sufficient information for investment decision-making



## 1.2 WHAT IS THE PROBLEM WITH CURRENT IFRS 4 REPORTING?

	IFRS 4 - little transparent or useful information	IFRS 17 - more transparent and useful information
<b>Assumptions</b>	Some companies measure insurance contracts using out-of-date assumptions	Companies will measure insurance contracts at current value.
<b>Time value of money</b>	Some companies do not consider the time value of money when measuring liabilities for incurred claims	Companies will report estimated future payments to settle incurred claims on a discounted basis.
<b>Discount rate</b>	Some companies use 'expected return on assets' as the discount rate to measure insurance contracts	Companies will use a discount rate that reflects the characteristics of the insurance cash flows
<b>Sources of profit</b>	Some companies do not provide consistent or complete sources of profit recognised from insurance contracts	Companies will provide information about different components of current and future profitability
<b>Accounting</b>	Accounting for insurance contracts varies significantly	Companies will apply a consistent accounting framework for all insurance contracts.
<b>Revenue</b>	Some companies present cash or deposits received as revenue	Revenue will reflect the insurance coverage provided, excluding deposit components

# 1.3 EXAMPLE - A VERY HIGHLY REGARDED INSURANCE COMPANY

	2021	2020
<b>ASSETS</b>		
Cash and cash equivalents	2,183,023,369	1,330,866,155
Financial assets at amortized cost, net	17,964,019,527	19,115,809,705
Financial assets at fair value through profit or loss	229,265,271	219,223,104
Investment property, net	2,814,000	2,814,000
Property and equipment, net	264,792,178	258,417,765
Retirement plan asset	35,625,103	12,949,609
Other assets, net	85,819,688	8,422,287
<b>Total assets</b>	<b>20,765,359,136</b>	<b>20,948,502,625</b>
<b>LIABILITIES AND FUND BALANCE</b>		
Accounts payable and accrued expenses	2,665,696,541	2,317,134,631
Claims payable	321,455,334	284,499,824
Legal policy reserves	522,226,756	482,279,293
Premium deposits	117,825,206	120,822,452
Members' contributions	4,729,413,882	6,261,312,014
<b>Total liabilities</b>	<b>8,356,617,719</b>	<b>9,466,048,214</b>
Retained surplus		
Appropriated	9,105,535,237	9,105,535,237
Unappropriated	3,324,410,749	2,418,193,815
Accumulated other comprehensive loss	(21,204,569)	(41,274,641)
<b>Total fund balance</b>	<b>12,408,741,417</b>	<b>11,482,454,411</b>
<b>Total liabilities and fund balance</b>	<b>20,765,359,136</b>	<b>20,948,502,625</b>

So Low?

	2021	2020
UNDERWRITING INCOME		
Insurance premiums	1,477,585,695	1,403,139,420
UNDERWRITING EXPENSE		
Claims expense	(418,661,167)	(310,198,022)
Experience refund	(490,532,697)	(8,303,676)
Increase in legal policy reserves	(39,947,463)	(54,093,098)
<b>NET UNDERWRITING INCOME</b>	<b>528,444,368</b>	<b>1,030,544,624</b>
INTEREST INCOME	1,537,438,671	1,327,811,400
INTEREST EXPENSE	(470,568,083)	(488,384,600)
<b>NET INTEREST INCOME</b>	<b>1,066,870,588</b>	<b>839,426,800</b>
PROVISION FOR CREDIT LOSSES	(121,467,080)	(20,470,835)
<b>NET INTEREST INCOME AFTER CREDIT LOSSES</b>	<b>945,403,508</b>	<b>818,955,965</b>
OTHER INCOME		
Rental income	6,291,484	6,315,155
Fair value changes on financial assets through profit or loss	(6,067,683)	2,791,002
Others	4,597,589	4,354,502
<b>INCOME BEFORE OPERATING EXPENSES</b>	<b>1,490,224,266</b>	<b>1,862,961,248</b>
GENERAL AND ADMINISTRATIVE EXPENSES	(571,873,001)	(1,630,220,394)
<b>INCOME BEFORE INCOME TAX</b>	<b>906,796,265</b>	<b>232,740,854</b>
INCOME TAX EXPENSE	(579,331)	(790,158)
<b>NET INCOME FOR THE YEAR</b>	<b>906,216,934</b>	<b>231,950,696</b>
OTHER COMPREHENSIVE INCOME (LOSS)		
Item that will not be subsequently reclassified to profit or loss		
Remeasurement gain (loss) on retirement benefit obligation	20,070,072	(1,966,949)
<b>TOTAL OTHER COMPREHENSIVE INCOME (LOSS)</b>	<b>20,070,072</b>	<b>(1,966,949)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>926,287,006</b>	<b>229,983,747</b>

So High?

Insurance?  
Investment?  
Other?



## 2.1 IMPROVEMENTS INTRODUCED BY IFRS 17 (1 OF 2)

- Use of current **actuarial estimates**
- Explicit **risk adjustment**
- Current value of **financial options & guarantees**
- **Grouping contracts** in a way that reflects profitability
- Making **onerous contracts visible** in a timely way
- Consistent **recognition of profit** for insurance services
- Consistent **treatment of acquisition costs**
- Comparable **revenue**
- Understandable **claims & other expenses**



## 2.2 IMPROVEMENTS INTRODUCED BY IFRS 17 (2 OF 2)

- Use of appropriate **discount rates**
- Consistent **accounting policies**
- Consistent **accounting for non-insurance components**
- **Single approach** for all insurance components
- **Separation** of insurance, re-insurance, & investment components
- Accounting framework of **business events & accounting events**
- **Easy to understand & consistent** financial disclosure
- **Comprehensive & useful** information



# BENEFITS OF IMPLEMENTING THIS COMPLIANCE STANDARD



## 3.1 WHY DO IFRS 17?

- To be able to **compare financial results** of insurance companies with other insurance and non-insurance companies
- To **standardized the disclosure** of insurance company results
- To provide investors with comprehensive information for making **investment decisions**
- To provide regulators with a more comprehensive framework to ensure the **stability of the financial system**

A magnifying glass is positioned over a financial statement table, highlighting a specific section. The table is divided into columns for 'Current Month' and 'Year to Date', with sub-columns for 'Amount' and '% of Sales'. The rows include various financial categories such as 'Manufactured', 'Sold', 'Expenses', and 'Administrative'. The magnifying glass is centered over the 'Current Month' and 'Year to Date' columns, focusing on the 'Amount' and '% of Sales' sub-columns. The table data includes values for 'Current Month' and 'Year to Date' for various categories, with some values in red indicating negative figures. The magnifying glass is positioned over the 'Current Month' and 'Year to Date' columns, focusing on the 'Amount' and '% of Sales' sub-columns. The table data includes values for 'Current Month' and 'Year to Date' for various categories, with some values in red indicating negative figures.

	Current Month		Year to Date	
	Amount	% of Sales	Amount	% of Sales
Manufactured	540,000	1	45,000	0
	123,000	0	250,000	0
	200,000	0	295,000	0
	38,000	0	200,000	0
Sold	20,000	0	95,000	0
	1,050,000	1	1,825,000	1
Expenses				
	Amount	% of Sales	Amount	% of Sales
Wages	122,000			
...	112,000	0	32,000	0
...	335,000	0	22,000	0
...	10,000	0	37,000	0
...	0,000	1		
Administrative				
...	0,000	0		
...	63,000			
...	70,000			





# 4.1 STRUCTURED BALANCE SHEET, W/ PORTFOLIO ACCOUNTING

GL	Portfolio							Grand Total							
	M0	M1	M2	M3	M4	M5	M6		M7	1.1	1.2	1.3	2.1	2.2	3.1
									Invst - Ins Issued	Ins Issued	RI Held	Invst - RI Issued	RI Issued	Non Ins	
<b>01 - Assets</b>															
0101 - Cash and cash equivalents									(11,431)	12,434	(2,870)	(6,127)	5,097	3,077	180
0102 - Equity and debt instruments at fair value through profit or loss									0	0	0	6,597	0	0	6,597
0103 - Debt instruments at fair value through other comprehensive income									11,356	0	0	0	0	0	11,356
0104 - Debt instruments at amortised cost									1,036	0	0	0	0	0	1,036
0105 - Insurance contract assets									0	102	0	0	0	0	102
0106 - Reinsurance contract assets									0	0	2,880	0	0	0	2,880
0107 - Deferred tax assets									0	0	0	0	0	0	0
0108 - Other assets									0	0	0	0	0	0	0
<b>01 - Assets Total</b>									<b>961</b>	<b>12,536</b>	<b>10</b>	<b>470</b>	<b>5,097</b>	<b>3,077</b>	<b>22,151</b>
<b>02 - Liabilities</b>															
0201 - Current tax liabilities									0	0	0	0	0	(140)	(140)
0202 - Insurance contract liabilities									0	(12,464)	0	0	(5,066)	0	(17,530)
0203 - Reinsurance contract liabilities									0	0	(25)	0	0	0	(25)
0204 - Deferred tax liabilities									0	0	0	0	0	(143)	(143)
0205 - Other payables									0	0	0	0	0	(210)	(210)
<b>02 - Liabilities Total</b>									<b>0</b>	<b>(12,464)</b>	<b>(25)</b>	<b>0</b>	<b>(5,066)</b>	<b>(493)</b>	<b>(18,048)</b>
<b>03 - Equity</b>															
0301 - Issued capital									0	0	0	0	0	(150)	(150)
0302 - Retained earnings									(782)	(267)	71	(470)	(31)	(2,394)	(3,873)
0303 - Fair value reserve									(179)	0	0	0	0	(89)	(268)
0304 - Insurance/reinsurance finance reserve									0	195	(56)	0	0	49	188
<b>03 - Equity Total</b>									<b>(961)</b>	<b>(72)</b>	<b>15</b>	<b>(470)</b>	<b>(31)</b>	<b>(2,584)</b>	<b>(4,103)</b>
<b>Grand Total</b>									<b>(0)</b>	<b>(0)</b>	<b>0</b>	<b>(0)</b>	<b>0</b>	<b>0</b>	<b>0</b>

There is a prescribed structure for the balance sheet

Insurance, Reinsurance, Investments, and Non-Insurance are accounted for separately

# 4.2 COMPONENTS OF INSURANCE CONTRACT LIABILITIES

GL	Portfolio							Grand Total							
	M0	M1	M2	M3	M4	M5	M6		M7	1.1	1.2	1.3	2.1	2.2	3.1
									Invst - Ins Issued	Ins Issued	RI Held	Invst - RI Issued	RI Issued	Non Ins	
<b>01 - Assets</b>															
0101 - Cash and cash equivalents									(11,431)	12,434	(2,870)	(6,127)	5,097	3,077	180
0102 - Equity and debt instruments at fair value through profit or loss									0	0	0	6,597	0	0	6,597
0103 - Debt instruments at fair value through other comprehensive income									11,356	0	0	0	0	0	11,356
0104 - Debt instruments at amortised cost									1,036	0	0	0	0	0	1,036
0105 - Insurance contract assets									0	102	0	0	0	0	102
0106 - Reinsurance contract assets									0	0	2,880	0	0	0	2,880
0107 - Deferred tax assets									0	0	0	0	0	0	0
0108 - Other assets									0	0	0	0	0	0	0
<b>01 - Assets Total</b>									<b>961</b>	<b>12,536</b>	<b>10</b>	<b>470</b>	<b>5,097</b>	<b>3,077</b>	<b>22,151</b>
<b>02 - Liabilities</b>															
0201 - Current tax liabilities									0	0	0	0	0	(140)	(140)
0202 - Insurance contract liabilities									0	(12,464)	0	0	(5,066)	0	(17,530)
020201 - Liabilitied for Remaining Coverage									0	(10,507)	0	0	(4,093)	0	(14,600)
LFRC-CSM									0	(745)	0	0	(331)	0	(1,076)
LFRC-FCF-AcqCost									0	(83)	0	0	10	0	(73)
LFRC-FCF-Claims									0	(20,085)	0	0	(7,179)	0	(27,265)
LFRC-FCF-InvComp									0	(10)	0	0	(19)	0	(28)
LFRC-FCF-LC									0	(254)	0	0	(125)	0	(379)
LFRC-FCF-MaintCost									0	(71)	0	0	(5)	0	(76)
LFRC-FCF-Premiums									0	9,438	0	0	3,550	0	12,987
LFRC-FCF-RA									0	(102)	0	0	(86)	0	(188)
LFRC-AcqCost									0	(2)	0	0	(2)	0	(4)
LFRC-Premiums-Rec'ble									0	1,408	0	0	94	0	1,502
020202 - Liabilities for Incurred Claims									0	(1,957)	0	0	(973)	0	(2,930)
LFIC-Claims									0	(734)	0	0	(96)	0	(830)
LFIC-IBNR									0	(1,010)	0	0	(814)	0	(1,824)
LFIC-InvComp									0	(100)	0	0	(50)	0	(150)
LFIC-MaintCost									0	(16)	0	0	(14)	0	(30)
LFIC-RA									0	(97)	0	0	1	0	(96)
0203 - Reinsurance contract liabilities									0	0	(25)	0	0	0	(25)
0204 - Deferred tax liabilities									0	0	0	0	0	(143)	(143)

Insurance contract liabilities have highly structured components for :-

\* Liabilities for Remaining Coverage

\* Liabilities for Incurred Claims

# 4.3 PRESCRIBED ACCOUNTING EVENTS

GL	Portfolio							Grand Total							
	M0	M1	M2	M3	M4	M5	M6		M7	1.1	1.2	1.3	2.1	2.2	3.1
									Invst - Ins Issued	Ins Issued	RI Held	Invst - RI Issued	RI Issued	Non Ins	
<b>01 - Assets</b>															
0101 - Cash and cash equivalents									(11,431)	12,434	(2,870)	(6,127)	5,097	3,077	180
0102 - Equity and debt instruments at fair value through profit or loss									0	0	0	6,597	0	0	6,597
0103 - Debt instruments at fair value through other comprehensive income									11,356	0	0	0	0	0	11,356
0104 - Debt instruments at amortised cost									1,036	0	0	0	0	0	1,036
0105 - Insurance contract assets									0	102	0	0	0	0	102
0106 - Reinsurance contract assets									0	0	2,880	0	0	0	2,880
0107 - Deferred tax assets									0	0	0	0	0	0	0
0108 - Other assets									0	0	0	0	0	0	0
<b>01 - Assets Total</b>									<b>961</b>	<b>12,536</b>	<b>10</b>	<b>470</b>	<b>5,097</b>	<b>3,077</b>	<b>22,151</b>
<b>02 - Liabilities</b>															
0201 - Current tax liabilities									0	0	0	0	0	(140)	(140)
0202 - Insurance contract liabilities									0	(12,464)	0	0	(5,066)	0	(17,530)
020201 - Liabilitied for Remaining Coverage									0	(10,507)	0	0	(4,093)	0	(14,600)
LFRC-CSM									0	(745)	0	0	(331)	0	(1,076)
LFRC-FCF-AcqCost									0	(83)	0	0	10	0	(73)
LFRC-FCF-Claims									0	(20,000)	0	0	(7,000)	0	(27,000)
00.020 - B/F FCF Claims									0	(20,000)	0	0	(7,000)	0	(27,000)
00.990 - Demo business event									0	0	0	0	0	0	0
01.020 - Init Recog of FCF Claims									0	34	0	0	(649)	0	(615)
01.080 - Init Recog of FCF LC - Sys Alloc									0	3	0	0	3	0	6
02.020 - Release of FCF Claims									0	1,299	0	0	602	0	1,901
03.020 - Change est. of FCF Claims - MC									0	(83)	0	0	41	0	(43)
03.220 - Change est. of FCF Claims - OV&A									0	(332)	0	0	162	0	(170)
04.020 - Int Accretion FCF Claims									0	(732)	0	0	(345)	0	(1,077)
04.220 - Discount Rate Change on FCF Claims									0	(365)	0	0	0	0	(365)
04.420 - Lock-In Rate Change on FCF Claims									0	0	0	0	0	0	0
05.020 - xChg Movement FCF Claims									0	125	0	0	23	0	148
06.010 - Losses/Reversals FCF Claims									0	32	0	0	16	0	48
06.040 - Losses/Reversals - Sys Alloc									0	(33)	0	0	(16)	0	(49)
06.080 - Losses/Reversals - Adj Claims									0	(32)	0	0	(16)	0	(48)
<b>LFRC-FCF-Claims Total</b>									<b>0</b>	<b>(20,085)</b>	<b>0</b>	<b>0</b>	<b>(7,179)</b>	<b>0</b>	<b>(27,265)</b>
<b>LFRC-FCF-InvComp</b>									<b>0</b>	<b>(10)</b>	<b>0</b>	<b>0</b>	<b>(19)</b>	<b>0</b>	<b>(28)</b>

The movement for all components follow a prescribed set of consistent accounting events

# 4.4 INSURANCE SERVICE RESULT IS PRESCRIBED

GL	Portfolio							Grand Total							
	M0	M1	M2	M3	M4	M5	M6		M7	1.1 Invst - Ins Issued	1.2 Ins Issued	1.3 RI Held	2.1 Invst - RI Issued	2.2 RI Issued	3.1 Non Ins
<b>02 - Liabilities</b>															
0201 - Current tax liabilities									0	0	0	0	0	(140)	(140)
0202 - Insurance contract liabilities									0	(12,464)	0	0	(5,066)	0	(17,530)
0203 - Reinsurance contract liabilities									0	0	(25)	0	0	0	(25)
0204 - Deferred tax liabilities									0	0	0	0	0	(143)	(143)
0205 - Other payables									0	0	0	0	0	(210)	(210)
<b>02 - Liabilities Total</b>									<b>0</b>	<b>(12,464)</b>	<b>(25)</b>	<b>0</b>	<b>(5,066)</b>	<b>(493)</b>	<b>(18,048)</b>
<b>03 - Equity</b>															
0301 - Issued capital									0	0	0	0	0	(150)	(150)
0302 - Retained earnings									(782)	(267)	71	(470)	(31)	(2,394)	(3,873)
030201 - B/F from Last Year									0	0	0	0	0	(2,835)	(2,835)
030202 - Profit for the year									(782)	(267)	71	(470)	(31)	441	(1,038)
<b>03020201 - Insurance Service Result</b>															
0302020101 - Insurance revenue									0	(1,844)	0	0	(845)	0	(2,689)
0302020102 - Insurance service expense									0	1,124	0	0	525	0	1,649
0302020103 - Allocation of reinsurance premiums									0	0	448	0	0	0	448
0302020104 - Amounts recoverable from reinsurers for									0	0	(279)	0	0	0	(279)
<b>03020201 - Insurance Service Result Total</b>									<b>0</b>	<b>(720)</b>	<b>169</b>	<b>0</b>	<b>(320)</b>	<b>0</b>	<b>(871)</b>
03020202 - Investment Income									(782)	0	0	(470)	0	0	(1,252)
<b>03020203 - Insurance Finance Result</b>															
0302020301 - Insurance finance expenses for insurance									0	453	0	0	289	0	742
0302020302 - Reinsurance finance income for reinsurance									0	0	(98)	0	0	0	(98)
<b>03020203 - Insurance Finance Result Total</b>									<b>0</b>	<b>453</b>	<b>(98)</b>	<b>0</b>	<b>289</b>	<b>0</b>	<b>644</b>
03020204 - Other Income & Expenses									0	0	0	0	0	210	210
03020205 - Income Tax Expense									0	0	0	0	0	231	231
0303 - Fair value reserve									(179)	0	0	0	0	(89)	(268)
0304 - Insurance/reinsurance finance reserve									0	195	(56)	0	0	49	188
<b>03 - Equity Total</b>									<b>(961)</b>	<b>(72)</b>	<b>15</b>	<b>(470)</b>	<b>(31)</b>	<b>(2,584)</b>	<b>(4,103)</b>
<b>Grand Total</b>									<b>(0)</b>	<b>(0)</b>	<b>0</b>	<b>(0)</b>	<b>0</b>	<b>0</b>	<b>0</b>

Insurance portfolios have :-

- \* insurance service result
- \* Insurance finance result

# 4.5 COMPONENTS OF INSURANCE SERVICE RESULT IS PRESCRIBED

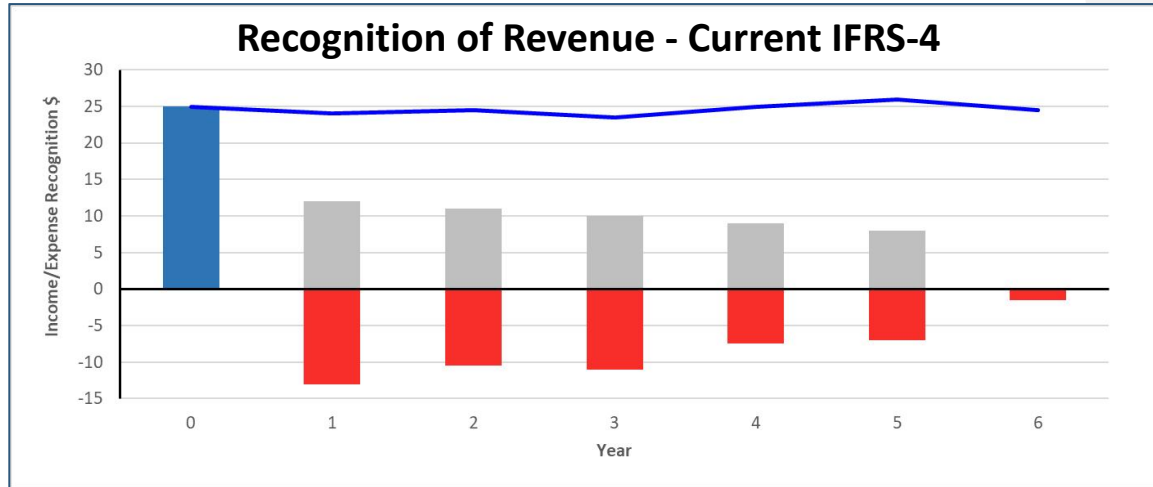
GL	Portfolio							Grand Total							
	M0	M1	M2	M3	M4	M5	M6		M7	1.1	1.2	1.3	2.1	2.2	3.1
									Invst - Ins Issued	Ins Issued	RI Held	Invst - RI Issued	RI Issued	Non Ins	
<b>03 - Equity</b>															
0301 - Issued capital									0	0	0	0	0	(150)	(150)
0302 - Retained earnings									(782)	(267)	71	(470)	(31)	(2,394)	(3,873)
030201 - B/F from Last Year									0	0	0	0	0	(2,835)	(2,835)
030202 - Profit for the year									(782)	(267)	71	(470)	(31)	441	(1,038)
03020201 - Insurance Service Result															
0302020101 - Insurance revenue									0	(1,844)	0	0	(845)	0	(2,689)
- IR-CSM									0	(280)	0	0	(120)	0	(400)
- IR-Claims									0	(1,299)	0	0	(602)	0	(1,901)
- IR-AcqCost									0	(19)	0	0	(10)	0	(29)
- IR-MaintCost									0	(130)	0	0	(60)	0	(190)
- IR-InvComp									0	(50)	0	0	(25)	0	(75)
- IR-DAAC									0	(15)	0	0	(7)	0	(22)
- IR-Past									0	0	0	0	0	0	0
- IR-RA									0	(51)	0	0	(21)	0	(72)
0302020102 - Insurance service expense									0	1,124	0	0	525	0	1,649
- ISE-Claims									0	961	0	0	447	0	1,408
- ISE-AcqCost									0	21	0	0	12	0	33
- ISE-MaintCost									0	142	0	0	70	0	212
- ISE-InvComp									0	50	0	0	25	0	75
- ISE-IBNR									0	(21)	0	0	(11)	0	(32)
- ISE-DAAC									0	15	0	0	7	0	22
- ISE-RA									0	(3)	0	0	(1)	0	(4)
- ISE-LC									0	(41)	0	0	(24)	0	(65)
0302020103 - Allocation of reinsurance premiums									0	0	448	0	0	0	448
0302020104 - Amounts recoverable from reinsurers for									0	0	(279)	0	0	0	(279)
03020201 - Insurance Service Result Total									0	(720)	169	0	(320)	0	(871)
03020202 - Investment Income									(782)	0	0	(470)	0	0	(1,252)
03020203 - Insurance Finance Result															
0302020301 - Insurance finance expenses for insurance									0	453	0	0	289	0	742
- IFIE-CoF									0	0	0	0	0	0	0
- IFIE-IntAccr									0	507	0	0	289	0	796
- IFIE-Other									0	1	0	0	0	0	1
- IFIE-xChgRates									0	(55)	0	0	0	0	(55)
0302020302 - Reinsurance finance income for reinsurance									0	0	(98)	0	0	0	(98)

Insurance revenue (IR) has consistent components

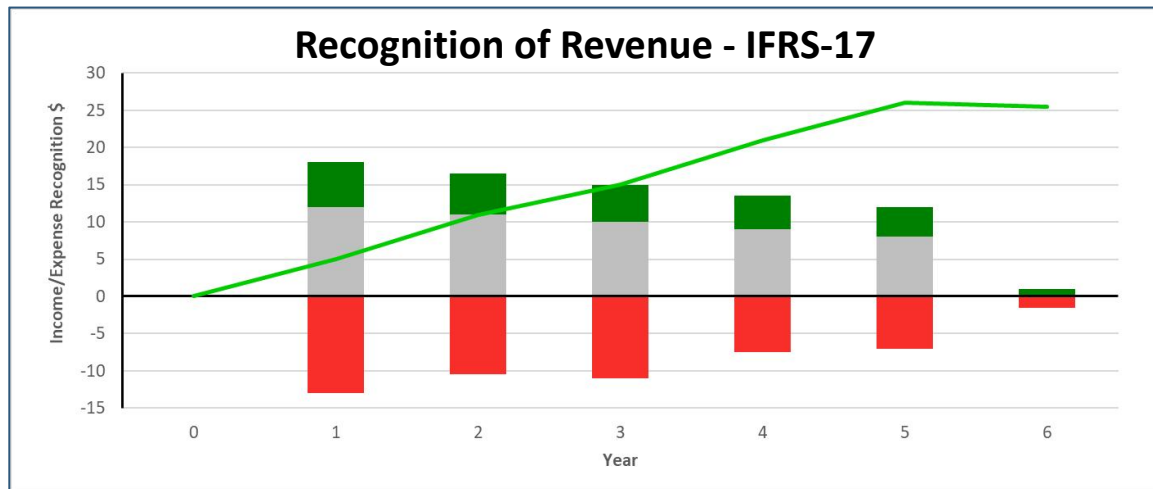
Insurance service expenses (ISE) has consistent components

Insurance finance inc & exp (IFIE) has consistent components

# 4.6 RECOGNITION OF REVENUE

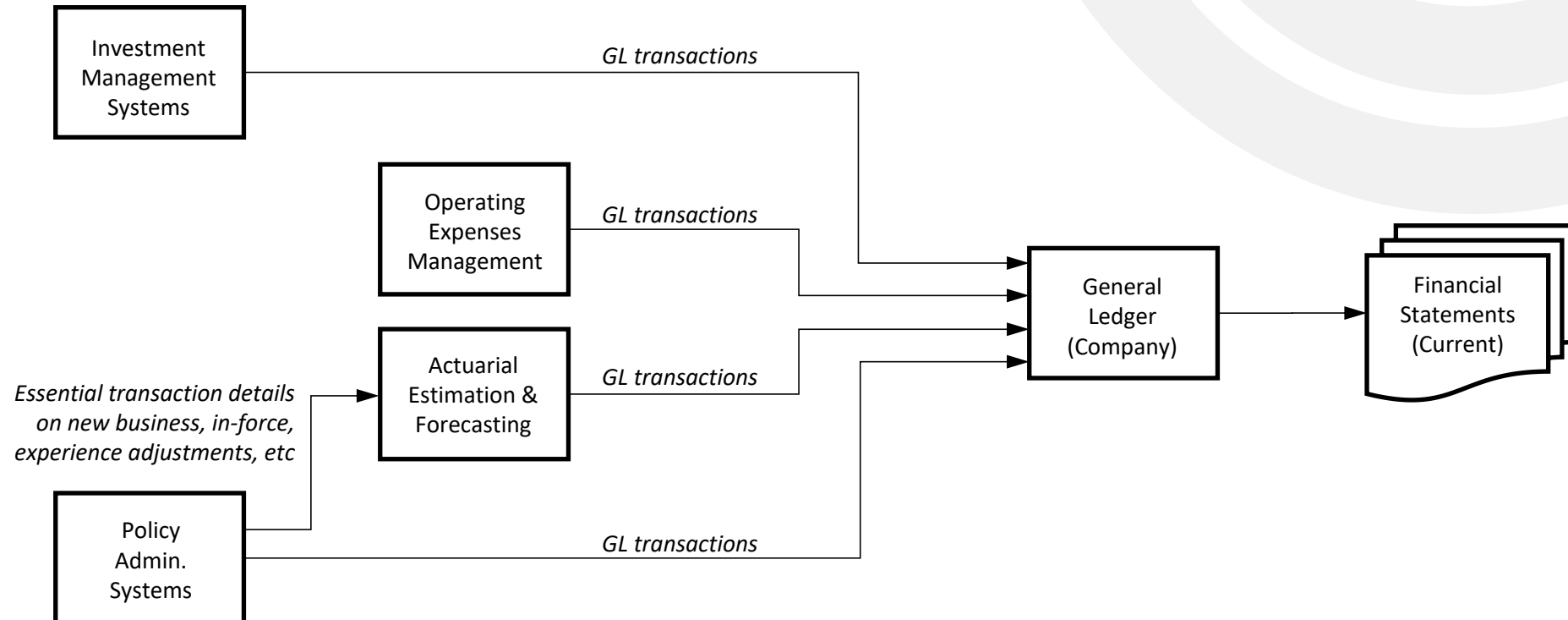


- Day 1 Revenue
- Change in ICL
- Actual Claims
- Cumulative Revenue



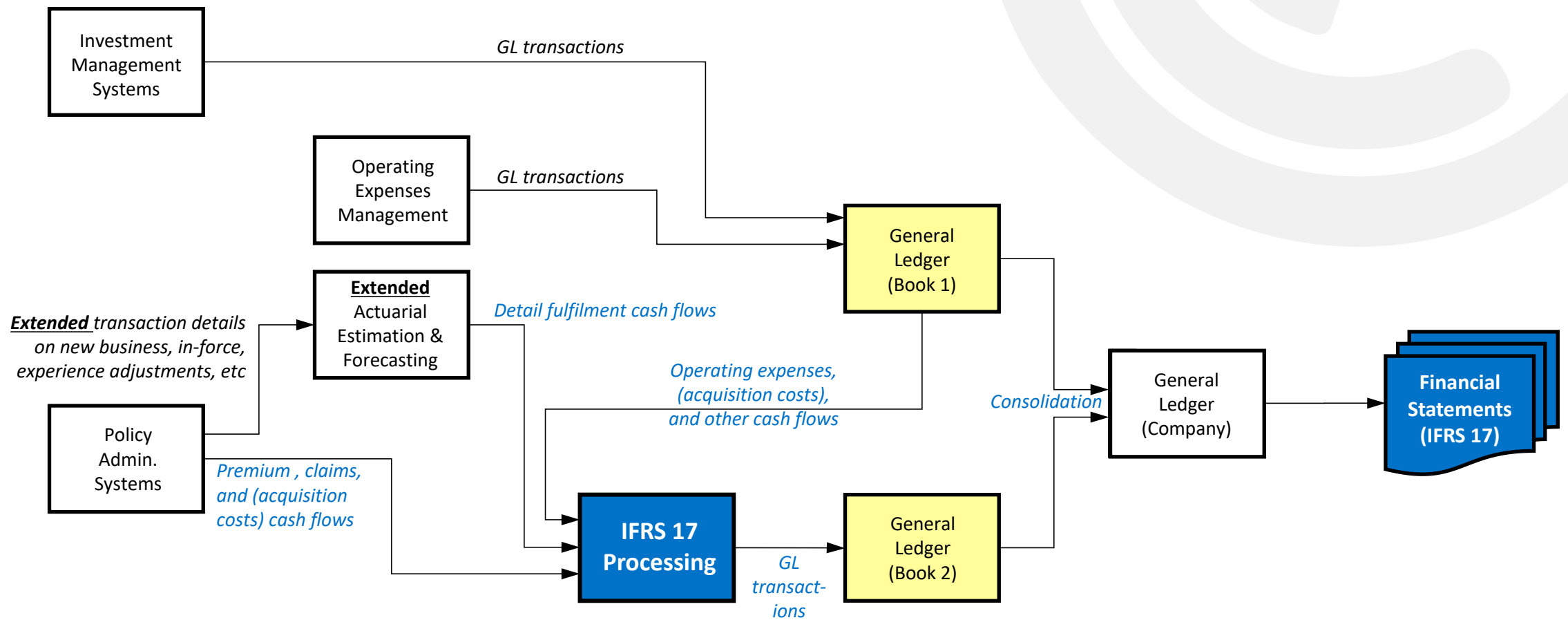
- Revenue from Release of CSM
- Change in ICL
- Actual Claims
- Cumulative Revenue

## 4.7 FLOW OF INFORMATION - TYPICAL SETUP





# 4.8 FLOW OF INFORMATION - WITH IFRS 17



## 4.9 SPINOFF - NATURAL CLUSTERS FOR SALES ANALYTICS

- Empirically observed that there is a correlation between **IFRS 17 cohorts & sales performance** (channel parameter)
- By adding in **sales team/persons** to the insurance contract grouping, an even clearer picture emerges
- Further incorporating sales actions before conversion forms the basis for an analytics model for **sales performance**
- May be implemented in the form of a **network graph of sales actions and events** with conversion as the target objective function
- Being tested on a POC basis in a large insurance company



# ACTIONS WE CAN TAKE NOW



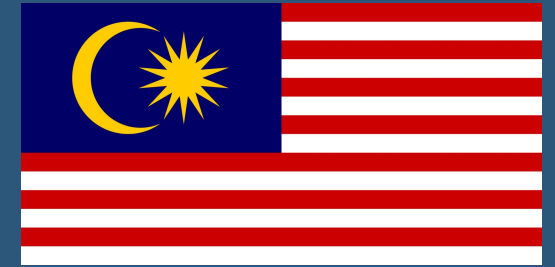
## 5.1 ACTION WE CAN TAKE NOW

- Perform a **Operational Gap Assessment** in the areas of IT, actuarial, accounting
- Perform an analysis on the **Financial Impact of implementing IFRS-17**
- Finalize with authorities on the **Scope of IFRS 17** to be implemented, and the readiness of compliance standards



# QUESTIONS & ANSWERS





**THANK YOU!**