

Reporting under IFRS 17 and IFRS 9

Observations from year-end 2025 financial statements published by insurers

May 2026



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Introduction

Observations were taken from IFRS 17 and IFRS 9 disclosures published in annual financial statements as of 31 December 2025 by a panel of 60 international insurance groups.

Background

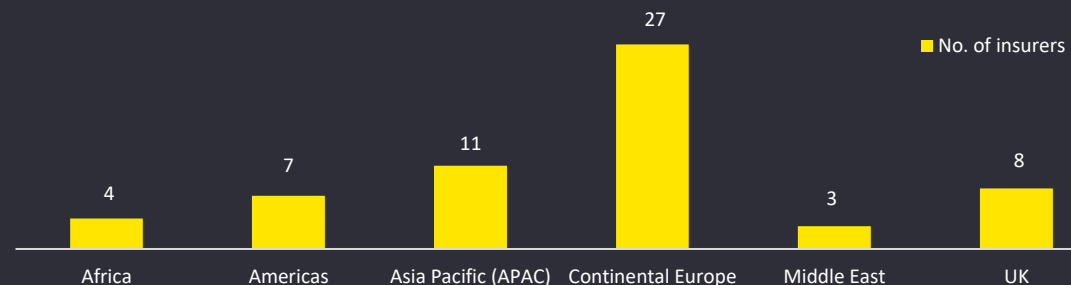
- Insurers have been reporting under IFRS 17 *Insurance Contracts* and IFRS 9 *Financial Instruments* since 1 January 2023 and have now completed their third year of financial statements under these standards.
- As IFRS 17 and IFRS 9 reporting has progressed, insurers appear to have a more robust understanding of the numbers and the underlying drivers of performance. However, differences remain in the level of detail disclosed.

Analysis performed

- We selected 60 insurers that apply IFRS in their consolidated financial statements. We analyzed the IFRS 17 and IFRS 9 disclosures in annual financial statements as of 31 December 2025¹.
- Several IFRS 17 and IFRS 9 financial metrics were analyzed to compare the insurers' results, and we looked for any changes in methodology reported compared to prior periods.
- For more information on the impacts of IFRS 17 and IFRS 9 on the first set of annual financial statements at year-end (YE) 2023 and at transition, please refer to our previous publication at the following [link](#).

¹ For the three insurers with a 30 June year-end, we have analyzed their annual report as of 30 June 2025.

Insurers in sample by geography



Insurers in sample by segment

- Composite:** underwrite both property and casualty (P&C) business, and life business (with a number of them having major inward reinsurance segments).
- L&H:** underwrite primarily life and health (L&H) business, which includes short-term and long-term savings and retirement products.
- P&C:** underwrite only P&C business.

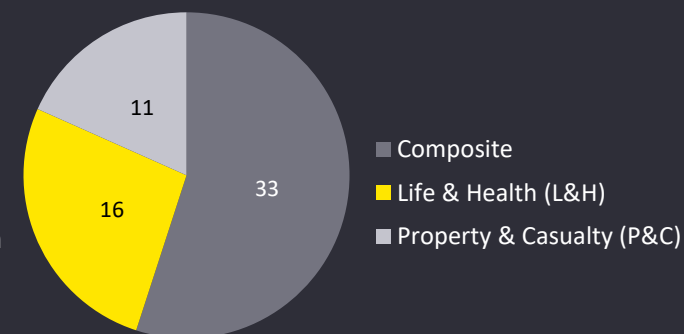


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01

Key highlights

Key highlights:

Financial metrics on 31 December 2025

Net result (profit or loss) composition

The average composition of the net result before tax is:

- +76% from insurance service result
- +53% from financial result
- 29% from other result
- = 100% total of net result

Operating profit change

Insurers headquartered in the **Americas** presented the largest increase in operating profit in 2025 compared to the prior year, with the average being **+33%**, followed by insurers headquartered in **Continental Europe** at **+24%**.

Ratio of risk adjustment to PVFCF of the LIC (PAA)

The ratio of risk adjustment to present value of future cash flows (PVFCF) of the Liability for Incurred Claims (LIC) related to PAA business is on average:

- 12%** for P&C insurers
- 4%** for L&H insurers
- 5%** for composite insurers

CSM release ratio

Insurers headquartered in **Africa** presented the largest proportion of CSM released into profit for the 12 months of 2025 which on average was **17%**, followed by insurers headquartered in **Continental Europe** and the **UK** that released an average of **12%**.

CSM transition balances

The average balance of the CSM at the end of 2025 by transition approaches is as follows:

- 45%** fully retrospective and new contracts
- 22%** modified retrospective approach
- 33%** fair value approach

CSM run-off pattern

The average proportion of the remaining CSM at the end of 2025 that is **expected to be recognized in P&L is as follows:**

- 11%** in less than 1 year
- 32%** between 1 and 5 years
- 22%** between 5 and 10 years
- 35%** in more than 10 years

IFRS 17 and IFRS 9 interaction

Thirty-two insurers applied the IFRS 17 other comprehensive income (OCI) options for insurance liabilities while **28** applied the P&L option. This choice was aligned with the IFRS 9 measurement model adopted for financial assets.

Correction of errors

Five insurers (**8%** of the sample) reported **correction of errors** in prior-period financial statements related to **IFRS 17 and IFRS 9 balances**, which have been corrected retrospectively with the balances restated.

Note: a glossary of terms is available on page 35.

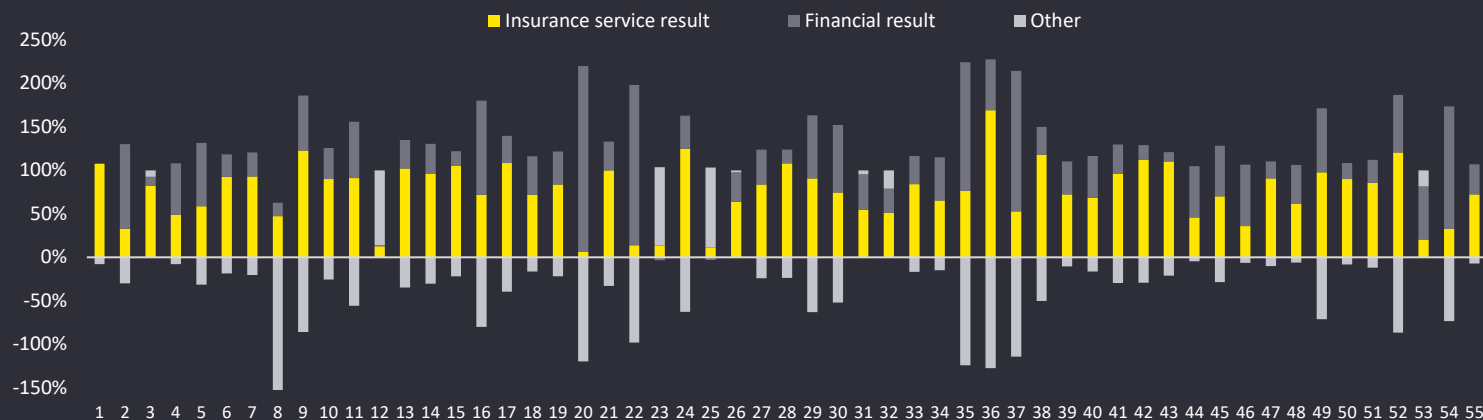


02

Financial metrics analysis

Net result: analysis of the balance on 31 December 2025

Composition of net result (before tax) on 31 December 2025



No. of insurers presented: 55. Five insurers have been excluded from the analysis due to low net result amount creating volatile relative figures.

What is the metric about?

IFRS 17 results in insurers disclosing two key profit drivers in the statement of profit or loss: the insurance service results (reflect the underwriting performance) and financial results (reflect the investing performance, including both IFRS 17 insurance finance income or expenses, and investment returns from mainly IFRS 9 and IAS 40).

The composition of the net result represents the ratio of "insurance service result," "financial results" and "other" (i.e., income and expenses not included in the other two result categories) calculated as a percentage of the net result before tax.

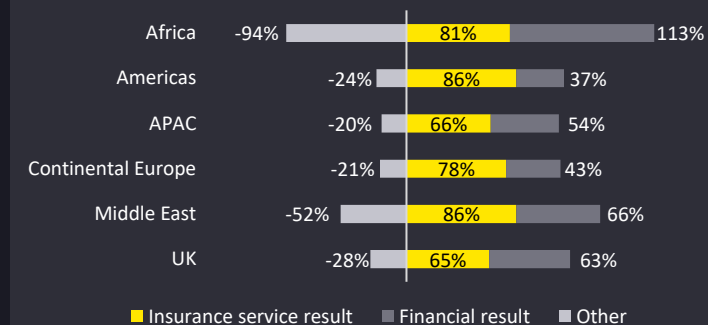
This metric provides insights into the key drivers of the results of insurers.

Key takeaways as on 31 December 2025

Net result: Only one insurer reported a net loss before tax, while all the others reported a net profit before tax. The composition of the net results is as follows:

- **Insurance service result:** A large majority of insurers reported the insurance service result as the main driver of net result. No insurers reported a negative contribution from their insurance service result, while the average ratio observed is 76%.
- **Financial result:** Twelve insurers reported the financial result as the main positive driver of the net result, while two insurers reported a negative contribution from their financial result. The average ratio is 53%.
- **Other:** A large majority of insurers reported other income and expenses as having a negative contribution to the net result. This includes, among others, other operating expenses not attributed to the insurance service result, income and expenses from investment management activities and other services provided. The average ratio is -29%.

Geography view – (arithmetic average)

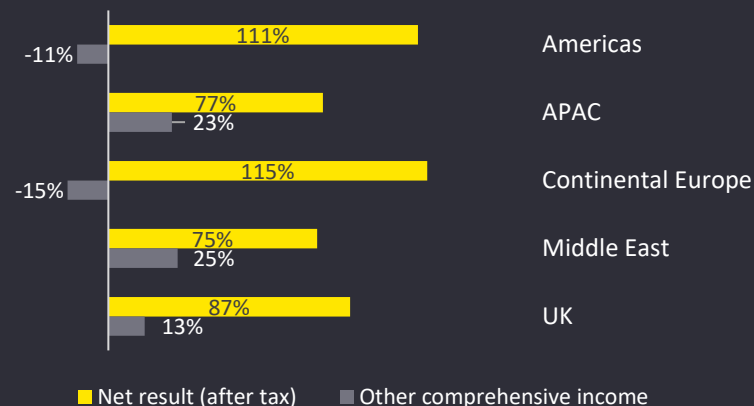


Comprehensive income:

Analysis of the balance on 31 December 2025

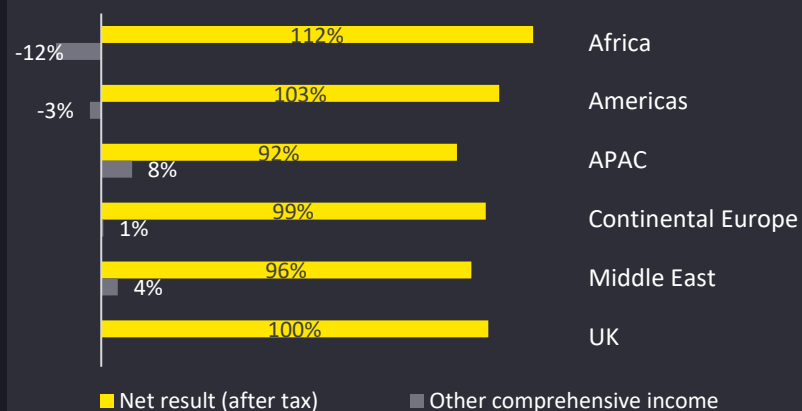
Composition of comprehensive income on 31 December 2025

Insurers that apply the IFRS 17 OCI option



No. of insurers presented: 32

Insurers that apply the IFRS 17 PL option



No. of insurers presented: 28

What is the metric about?

This metric indicates the composition of the comprehensive income of an insurer. It shows what percentage the net result (after tax) and the OCI make up of the total comprehensive income amount.

The main items that insurers include in OCI, depending on the accounting policies applied, relate to net unrealized gains and losses from the financial assets measured at FVOCI and the net insurance finance income or expenses from insurance contracts.

This metric provides insights on how insurers present their volatility across profit or loss and OCI.

Key takeaways as on 31 December 2025

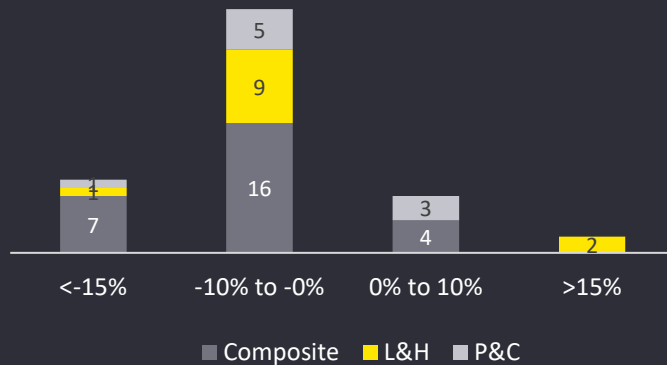
The net result (after tax) is by far the biggest component of the comprehensive income of insurers. The impact of the other comprehensive income differs as follows:

- Insurers that apply the IFRS 17 OCI option for the presentation of insurance finance income and expenses: The impact varied significantly across insurers depending on several factors including the remeasurement effect on financial assets and insurance contracts liabilities and the foreign exchange differences observed during the period (e.g., mainly due to a relatively strong decrease in the USD currency observed during 2025). The net effects, on average, contributed positively in regions like APAC, Middle East and the UK while contributed negatively in the Americas and Continental Europe;
- Insurers that apply the IFRS 17 PL option for the presentation of insurance finance income and expenses: The impact of OCI is relatively small as these insurers reported the effect from changes in insurance contract liabilities and financial assets into profit or loss.

Losses/reversal of onerous losses and experience variance

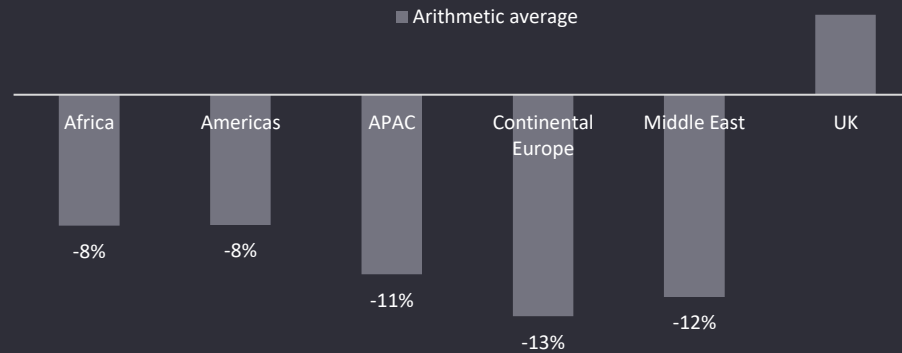
Analysis of the contribution to the insurance service result on 31 December 2025

Losses and reversal of onerous contract losses in the period (as % of the insurance service result)



No. of insurers presented: 48

Losses and reversal of onerous contract losses in the period - geography view (arithmetic average)

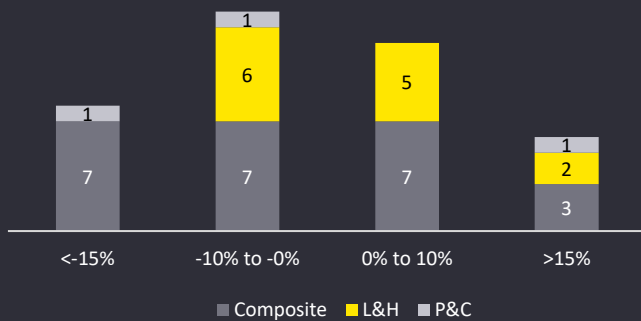


No. of insurers presented: 48

Key takeaways

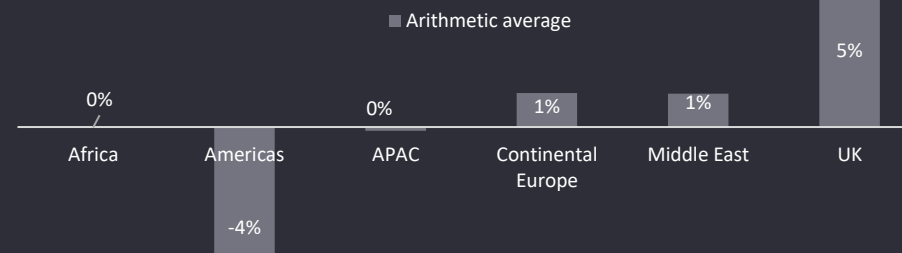
- For the large majority of insurers, the effect of losses and reversal of onerous losses in the period is negative (<0%). This means that new losses were higher than the reversal of past losses during the period.
- The region with the most negative effect is Continental Europe (-13%), while the only region with a positive effect is the UK (+5%).

Experience variance on current service (as % of the insurance service result)



No. of insurers presented: 40

Experience variance on current service Geography view (arithmetic average)



No. of insurers presented: 40

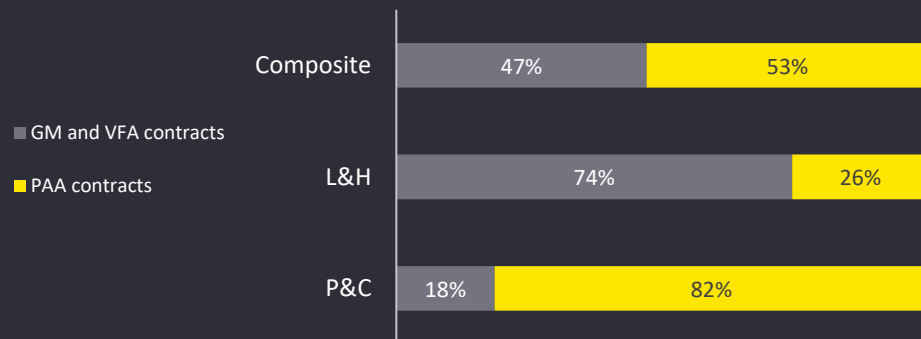
Key takeaways

- The majority of insurer presented a negative (<0%) experience variance on current service, meaning that the actual claims and expenses were higher than the expected amounts.
- The region with the most negative effect is the Americas (-4%), while the region with the most positive effect is the UK (+5%).

Insurance revenue:

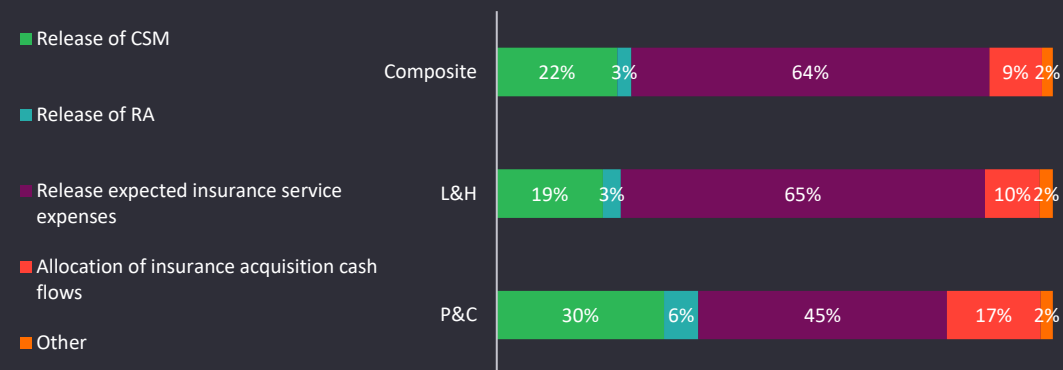
Analysis of the total for 31 December 2025

Insurance revenue analysis of the balance on 31 December 2025 by GM/VFA and PAA contracts (arithmetic average)



No. of insurers presented: 60

Insurance revenue analysis of the balance on 31 December 2025 for GM/VFA contracts (arithmetic average)



No. of insurers presented: 47

Key takeaways

- For insurance contracts accounted for under the PAA, insurance revenue represents the release of the LFRC which is the amount of premiums due in the period. The average proportion of insurance revenue from PAA contracts is the 53% for composite, the 26% for L&H insurers (mainly in relation to the health business) and the 82% for P&C insurers.
- For insurance contracts accounted for under the GM/VFA, the profit recognized in the period is given by the release of the CSM and the release of RA and it represents the 25% for composite, the 22% for L&H insurers and the 36% for P&C insurers. For P&C insurers the profit recognized in the period is higher compared to composite and L&H insurers due to the shorter duration of the contracts which results in a faster CSM run-off.

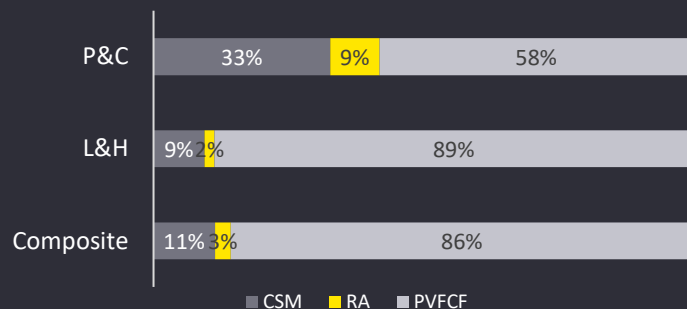
What is the metric about?

- It shows the components contributing to the total amount of insurance revenue recognized in profit or loss during the period. The contributing items are as follow:
- For GM and VFA contracts: release of CSM, release of RA, release of insurance service expenses, allocation of insurance acquisition cash flows and residual other items which includes premiums adjustments.
- For PAA contracts: release of the LFRC.

Insurance contracts liabilities:

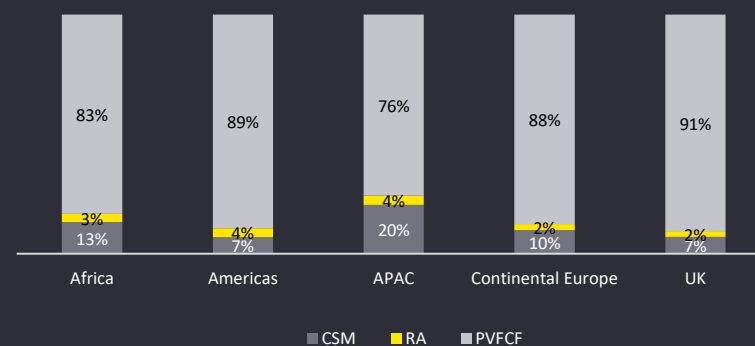
Analysis of the total for 31 December 2025

LFRC (GM and VFA) composition on 31 December 2025 - segment view (arithmetic average)



No. of insurers presented: 48

LFRC (GM and VFA) composition on 31 December 2025 - geography view (arithmetic average)

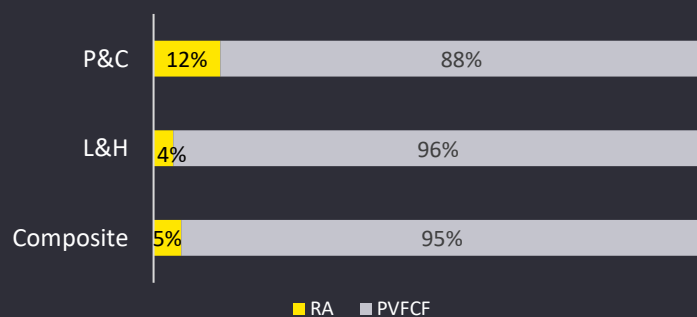


No. of insurers presented: 48

Key takeaways

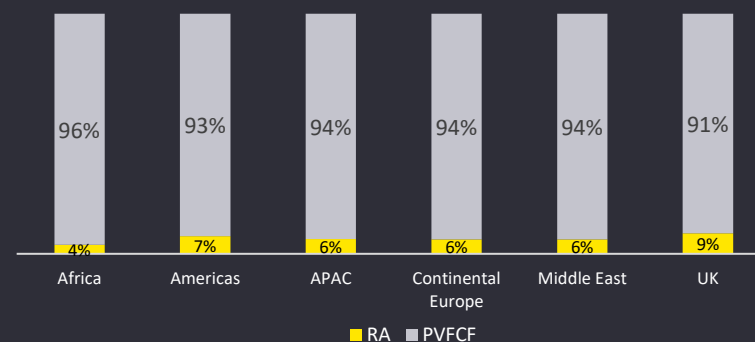
- The average composition of the LFRC is similar for composite and L&H insurers, while for P&C insurers the CSM and the RA represents a higher proportion of the LFRC resulting from the application of the GM model to a portion of their non-life business.
- APAC is the region with a higher CSM proportion (20%), while the Americas and the UK are the regions with a lower CSM proportion (7%).

LIC (PAA) composition on 31 December 2025 Segment view (arithmetic average)



No. of insurers presented: 46

LIC (PAA) composition on 31 December 2025 Geography view (arithmetic average)



No. of insurers presented: 46

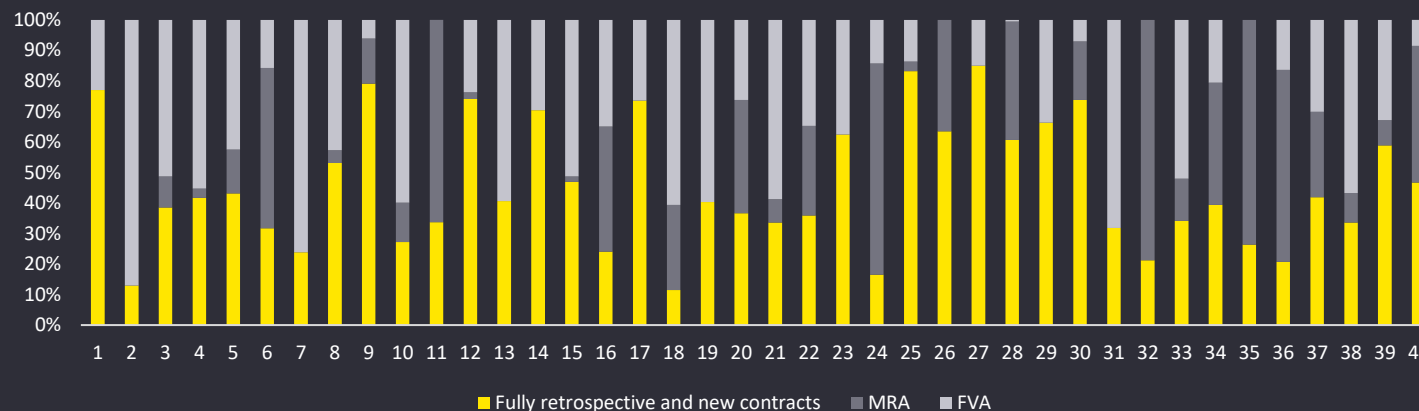
Key takeaways

- The average contribution of the RA to the LIC PAA varies across segments and geography. The amount depends by several factors including the underlying product, the technique used to measure the RA and the confidence level percentage applied.
- The UK is the region with a higher RA proportion (9%), while Africa is the region with a lower RA proportion (4%).

CSM composition by transition approaches:

Ratio of CSM split by transition approaches to CSM end of the period

CSM composition by transition approaches on 31 December 2025



No. of insurers presented: 40

What is the metric about?

Insurers are required to disclose the impacts of transition approaches to establishing the CSM on the current period for all subsequent periods until the contracts are derecognized.

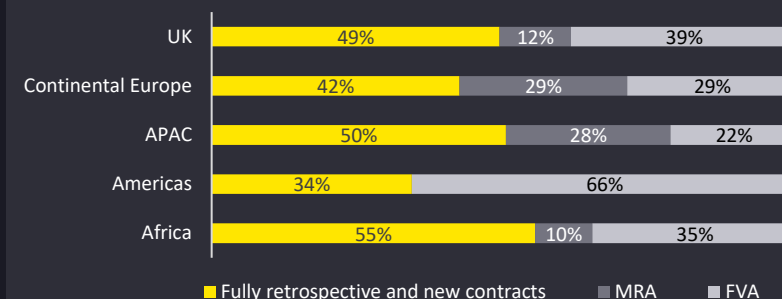
This metric provides insights on the amount of CSM that has been created using the simplified approaches available at transition (MRA or FVA), reflecting the differences in transition approaches applied across insurers.

Some insurers included the contracts subject to the EU exemption from applying annual cohorts in a separate column in the disclosure because the groups existing at the date of transition are open to new contracts recognized after transition. These insurers have not been included in the diagram.

Key takeaways as on 31 December 2025

- Fully retrospective and new contracts:** In this category, insurers presented the contracts existing at transition for which they applied the full retrospective approach, as well as the new contracts recognized after the transition date. The average percentage of CSM disclosed in this category is 45%, while the highest percentage is 85%, which has been observed for one composite insurer.
- Modified retrospective approach (MRA):** The average percentage of CSM disclosed in this category is 22%, while the highest percentage is 79%, which has been observed for one L&H insurer.
- Fair value approach (FVA):** The average percentage of CSM disclosed in this category is 33%, while the highest percentage is 87%, which has been observed for one composite insurer.

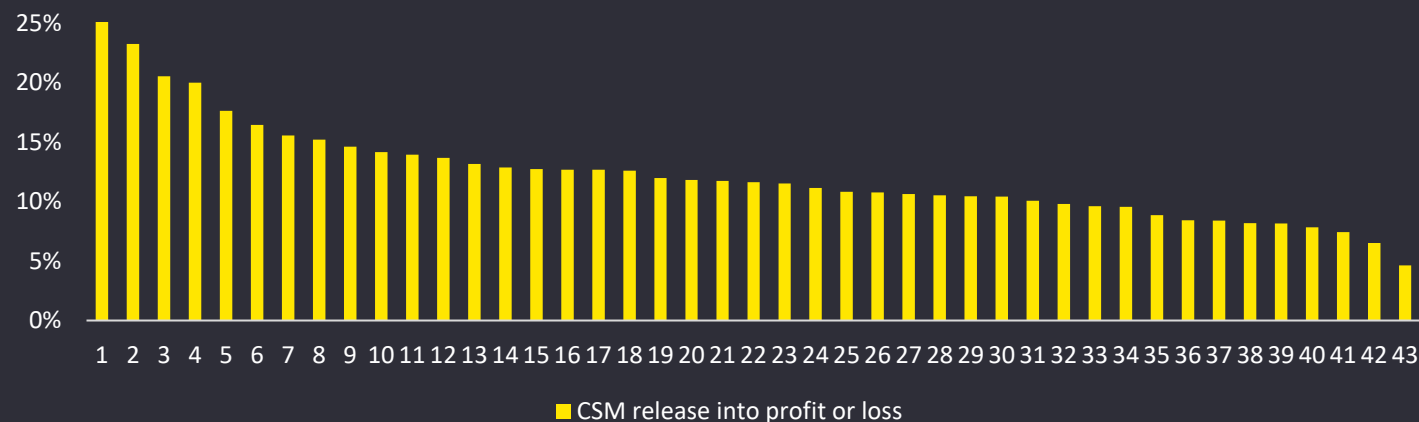
CSM composition by transition approaches on 31 December 2025 Geography view (arithmetic average)



CSM release ratio:

Ratio of CSM release in the period to total CSM at the end of the period prior to release

CSM release ratio on 31 December 2025



No. of insurers presented: 43. P&C insurers (mostly apply PAA) and composite with major reinsurance segments excluded from analysis.

What is the metric about?

It represents the amount of CSM released to profit and loss as a percentage of the total CSM balance at the end of the period, prior to the amount released into profit or loss during the period.

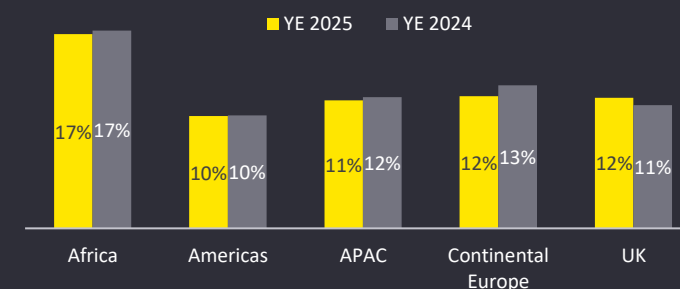
This ratio provides some indication of the run-off period of the CSM; the higher the ratio, the shorter the remaining expected CSM release period (assuming profitability remains comparable).

Further information is available on the subsequent slide, which shows the expected run-off pattern of the CSM for future periods.

Key takeaways as on 31 December 2025

- The amount of CSM for insurance contracts issued released into profit or loss in 2025 varied across insurers. This amount depends, among others, on the following factors: product mix, contract durations, the coverage unit approach adopted, the age of the CSM balance by transition methods and the application or not of the extra release to adjust for the so-called "bow-wave" effect (applied to VFA contracts).
- A higher CSM release ratio implies less of the CSM balance remains for future periods.
- The region with a higher average CSM release ratio is Africa (17%), while the region with a lower average CSM release ratio is the Americas (10%).
- The CSM release ratio remained broadly stable between 2025 and 2024 across all regions.

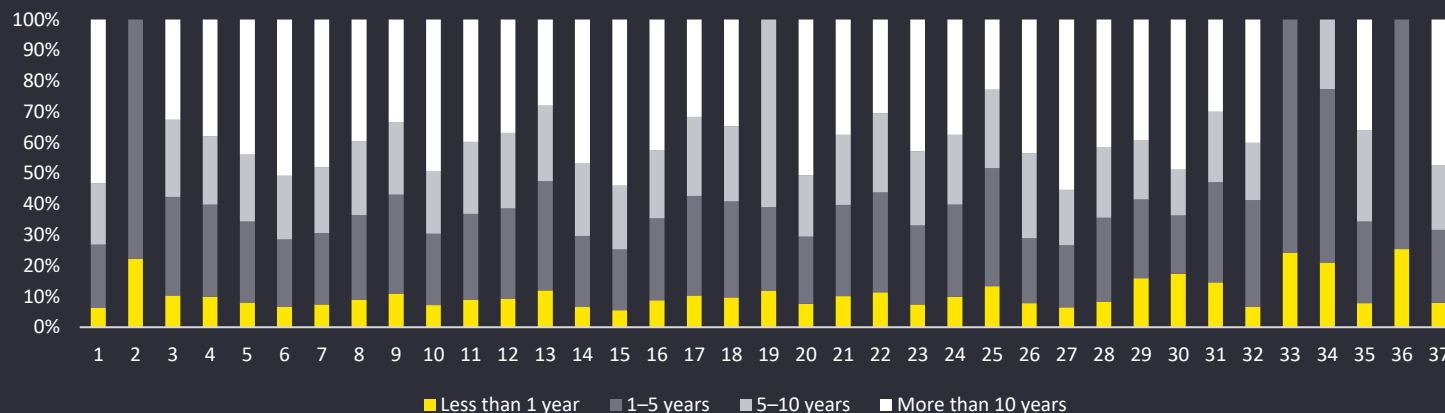
Geography view – (arithmetic average)



CSM run-off pattern:

CSM recognized in profit or loss during specified time bands (less than a year, between one and five years, between five and 10 years, more than 10 years)

CSM run-off pattern on 31 December 2025



No. of insurers presented: 37. P&C insurers not considered as they mostly apply PAA.

What is the metric about?

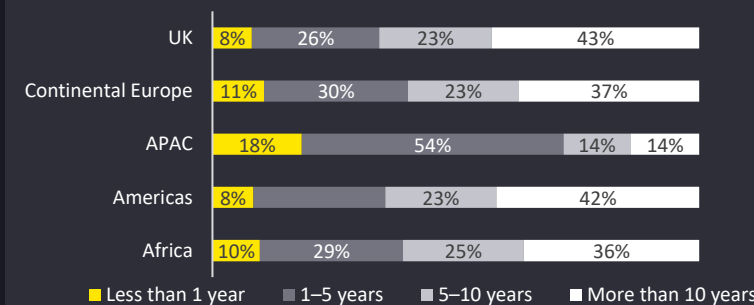
This metric provides insights on insurers' CSM run-off pattern for insurance contracts issued, including both life business (which generally has a longer run-off period) and non-life business (which generally has a shorter run-off period).

In order to compare results, we have for the purpose of our analysis, selected specific time bands. We captured the CSM release information to the extent that it was possible to fit the time bands disclosed by the insurers into our specified time bands.

Key takeaways as on 31 December 2025

- Less than a year: The average amount of CSM that is expected to be recognized during this time band is 11% (total range between 5% and 25%).
- Between one and five years: The average amount of CSM that is expected to be recognized during this time band is 32% (total range between 19% and 78%).
- Between five and 10 years: The average amount of CSM that is expected to be recognized during this time band is 22% (total range between 0% and 61%).
- More than 10 years: The average amount of CSM that is expected to be recognized during this time band is 35% (total range between 0% and 55%).

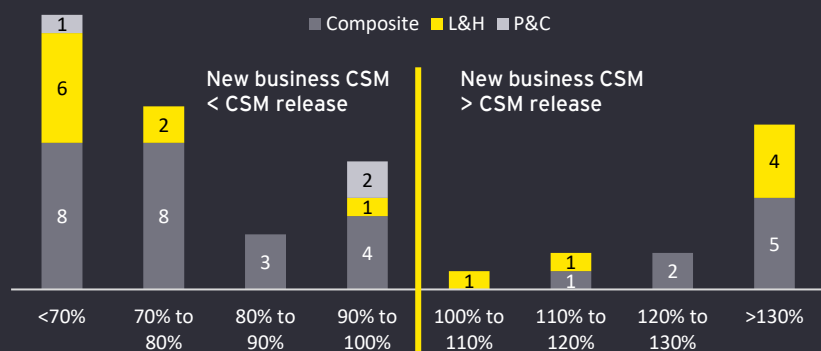
CSM run-off pattern on 31 December 2025 Geography view (arithmetic average)



CSM growth ratio:

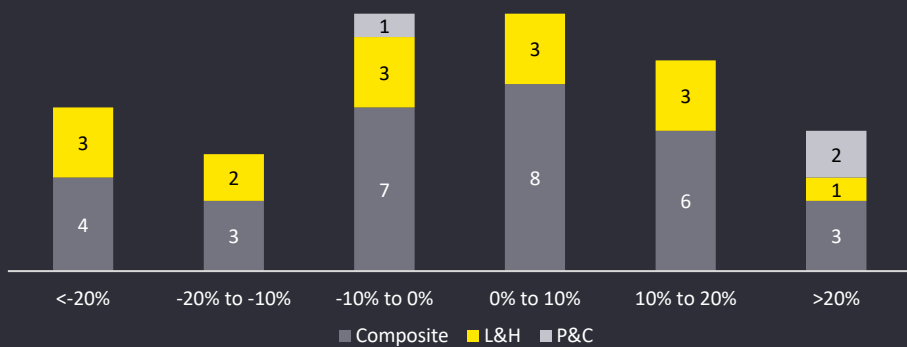
Ratio of new business CSM to CSM release

CSM growth ratio on 31 December 2025
Segment view



No. of insurers presented: 49

CSM growth ratio: 31 December 2025 vs. 31 December 2024
(YE 2024 comparison, PP change)

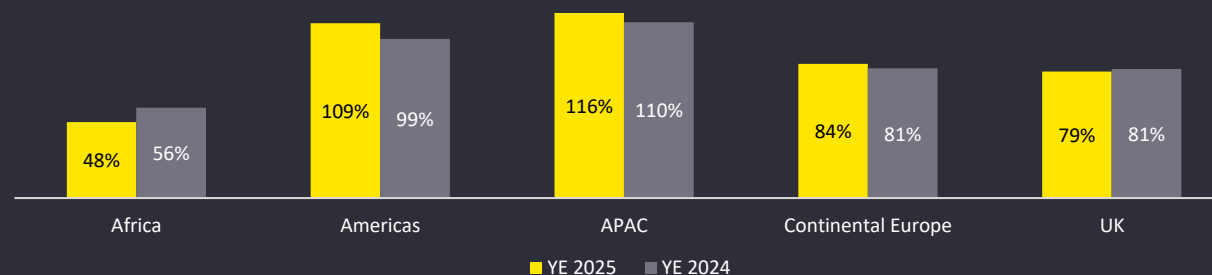


No. of insurers presented: 49

What is the metric about?

It provides an indication of the growth direction of the unearned CSM of insurers. A ratio above 100% means that the amount of new business CSM recognized in the period is higher than the amount of CSM released into profit or loss during the period. While a ratio below 100% means that the amount of new business CSM recognized in the period is lower than the amount of CSM released into profit or loss.

CSM growth ratio: 31 December 2025 vs. 31 December 2024
Geography view (arithmetic average)



No. of insurers presented: 49

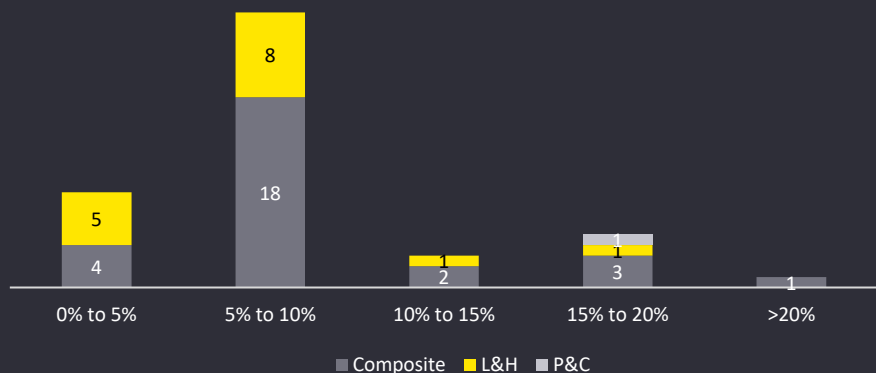
Key takeaways

- The large majority of insurers presented an amount of CSM released that is higher than the amount of CSM added for new business during the 12 months of 2025.
- APAC and the Americas are the only regions that presented a CSM growth ratio above 100%, while for the other ones the ratio is below 100% with Africa being the region that presented a lower ratio (48%).

New business CSM weight:

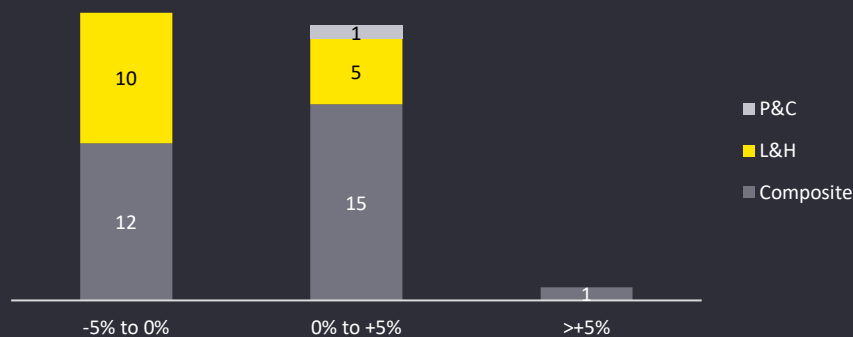
Ratio of new business CSM minus new business onerous contracts to new business present value of cash inflows

New business CSM weight on 31 December 2025
Segment view



No. of insurers presented: 44

New business CSM weight: 31 December 2025 vs. 31 December 2024
(YE 2024 comparison, PP change)

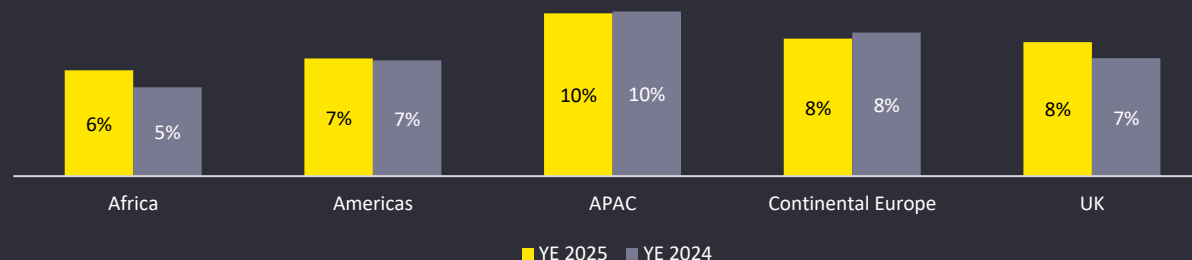


No. of insurers presented: 44

What is the metric about?

It represents the weight of the CSM new business minus the loss component of the new business in the period, compared to the amount of present value of cash inflows (expected premiums) recognized for the new business in the period. This metric provides an indication regarding the profitability of new business. The higher the ratio, the higher the amount of new unearned future profit recognized by the insurer.

New business CSM weight on 31 December 2025 vs. 31 December 2024
Geography view (arithmetic average)



No. of insurers presented: 44

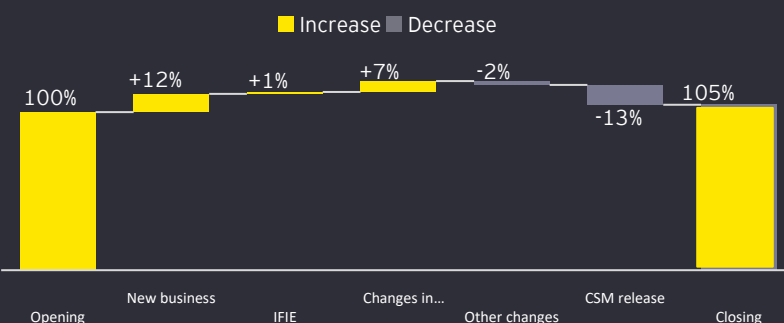
Key takeaways

- The majority of insurers presented a ratio that is in the 5% to 10% range. This percentage highlights the profit they expect to earn from the new business written in the period.
- This ratio has been relatively stable as compared to 2024, with half of insurers presenting an increase and the other half presenting a decrease. The region that presented an higher ratio is APAC (10%), while the region with a lower ratio is Africa (6%).

Insurance CSM roll-forward:

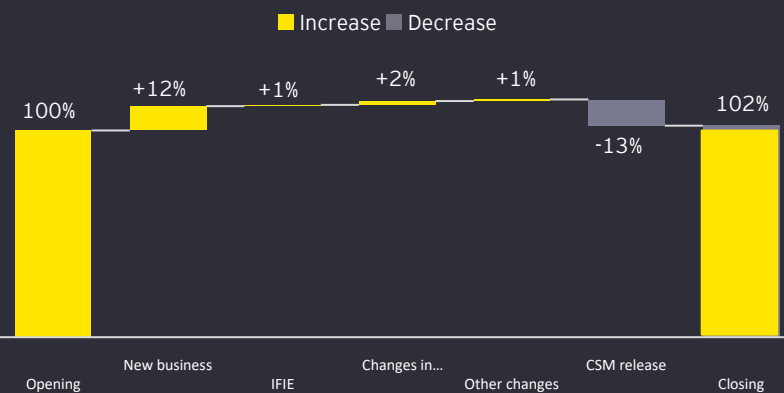
Analysis of the CSM movements for GM and VFA business – Euro, USD, GBP reporting currency insurers

EURO reporting currency insurers - 31 December 2025



No. of insurers presented: 23

EURO reporting currency insurers - 31 December 2024



No. of insurers presented: 23

What is the metric about?

We analyzed the CSM roll-forward figures for insurance contracts issued by all insurers using the EURO (this page), USD and GBP (see next page) as their reporting currency and presented an illustrative CSM roll-forward table. This table is based on the combined CSM movements per reporting currency, with the CSM at the start of the period set to 100%.

In the analysis we have considered the following CSM movements:

- **New business/CSM release:** The amount of CSM released into profit or loss and the amount of CSM added for new business.
- **Insurance finance income and expense (IFIE):** Typically includes the accretion of interest at locked-in rate for GM contracts. These items also include changes in the shareholder's share of the underlying items of VFA contracts.
- **Changes in estimates:** This includes the effect of changes in estimates that relate to future services, driven by variances and changes in actuarial assumptions.
- **Other changes:** This includes various elements, for example, foreign currency effects or changes in the composition of the insurance group.

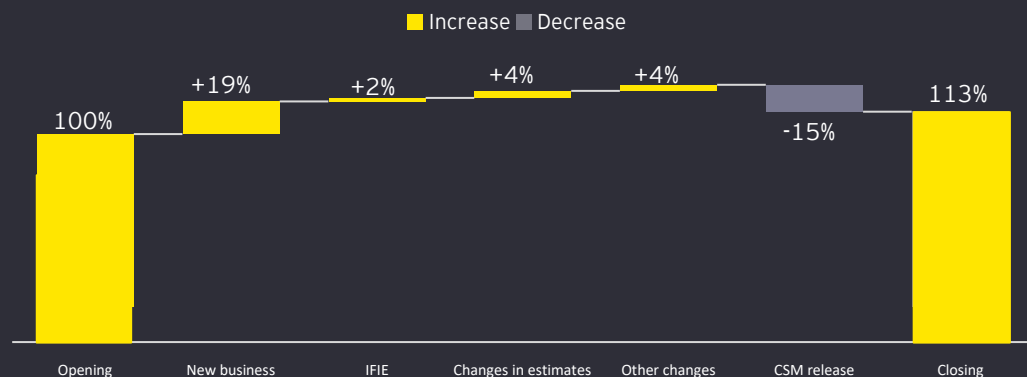
Key takeaways

- **Euro reporting currency:** The CSM balance increased by 5% during 2025, improving from the result obtained in 2024 where it increased by 2%. The main driver of the increase has been a strong positive effect from CSM adjustments due to changes in estimates, which contributed to a 7% increase.
- **USD reporting currency:** The CSM balance increased by 13% during 2025, improving from the result obtained in 2024 where it increased by 2%. The main driver of the increase has been a positive effect from the other changes and a higher amount of CSM added for new business (see next page).
- **GBP reporting currency:** The CSM balance decreased by 2% during 2025, declining from the result obtained in 2024 where it increased by 8%. The main driver of the decrease has been a negative effect from the other changes and a lower amount of CSM added for new business (see next page).

Insurance CSM roll-forward:

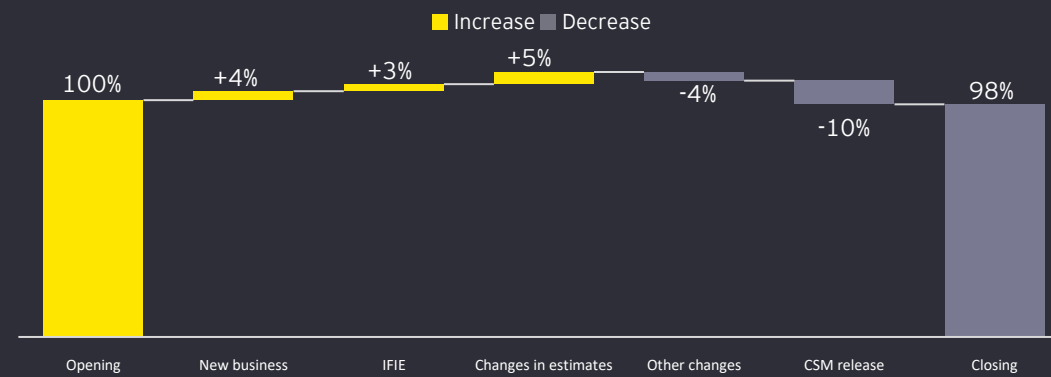
Analysis of the CSM movements for GM and VFA business – Euro, USD, GBP reporting currency insurers (cont.)

USD reporting currency insurers – 31 December 2025



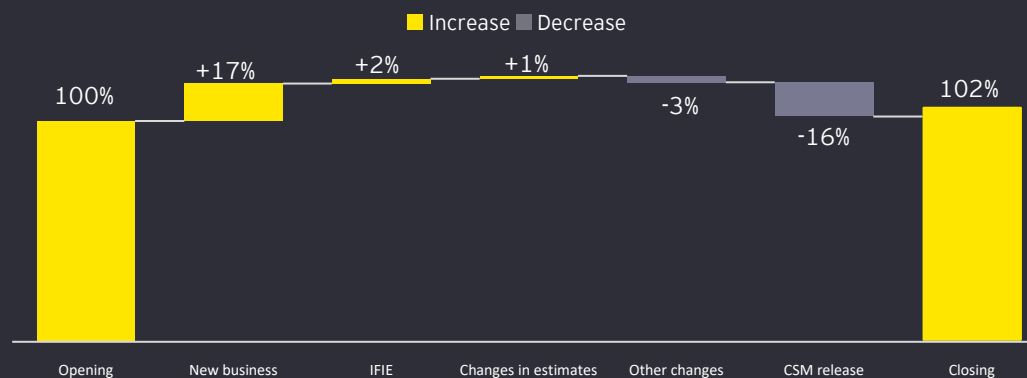
No. of insurers presented: 10

GBP reporting currency insurers – 31 December 2025



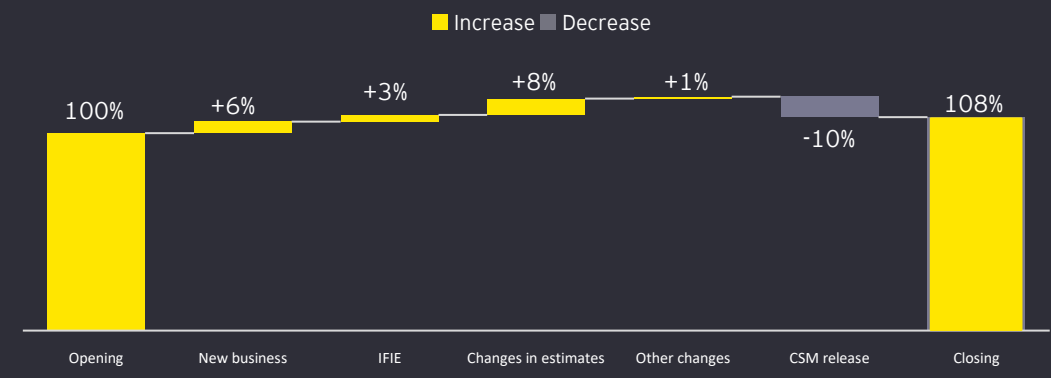
No. of insurers presented: 6

USD reporting currency insurers – 31 December 2024



No. of insurers presented: 10

GBP reporting currency insurers – 31 December 2024

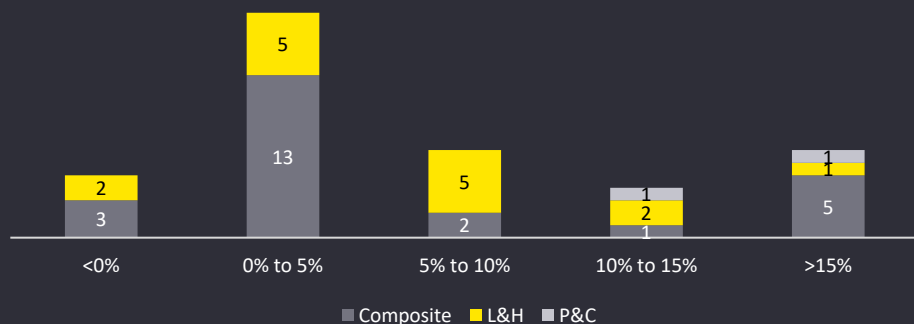


No. of insurers presented: 6

Reinsurance CSM weight:

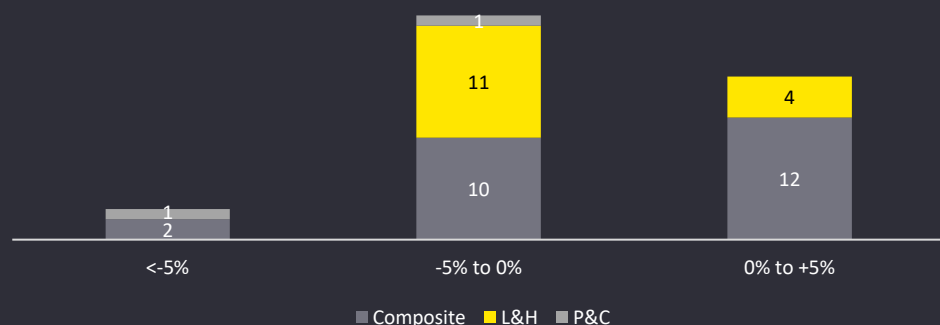
Ratio of reinsurance CSM to the CSM of insurance contracts issued

Reinsurance CSM weight on 31 December 2025



No. of insurers presented: 41

Reinsurance CSM weight: 31 December 2025 vs. 31 December 2024 (YE 2024 comparison, PP change)



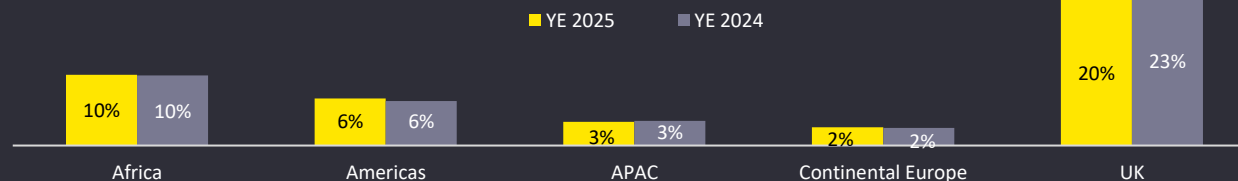
No. of insurers presented: 41

What is the metric about?

It provides insights into the weight of remaining future profitability that has been ceded to reinsurers.

A ratio above 0% means that the CSM for reinsurance contracts held represents an expected net cost (i.e., expected premiums ceded are higher than expected recoveries). A ratio below 0% means that the CSM for reinsurance contracts held represents an expected net gain (i.e., expected premiums ceded are lower than expected recoveries).

Reinsurance CSM weight on 31 December 2025 vs. 31 December 2024
Geography view (arithmetic average)



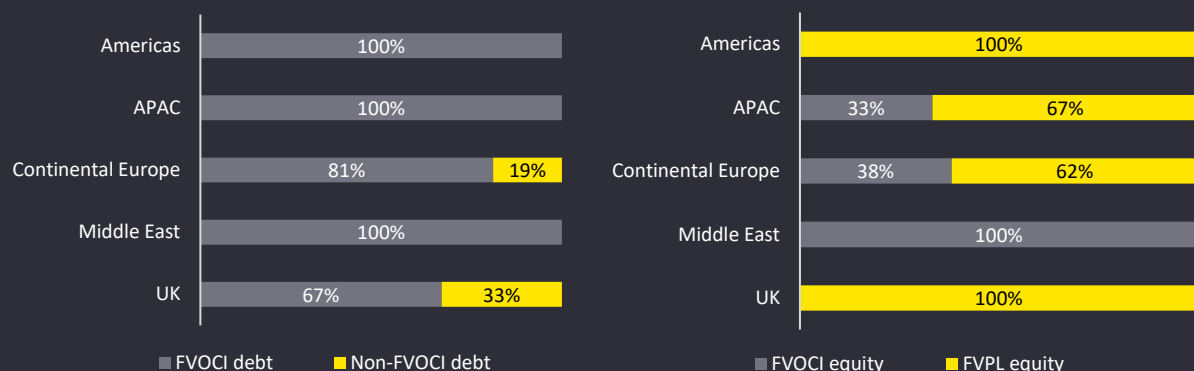
No. of insurers presented: 41

Key takeaways

- Almost all insurers presented an expected net cost from their reinsurance contracts held, resulting in a ratio for the reinsurance CSM weight above 0%.
- The region with a higher average ratio is the UK (20%), while the region with the lower average ratio is Continental Europe (2%).

IFRS 9 assets classification and interaction with IFRS 17

Main IFRS 9 classification: Debt and Equity instruments on 31 December 2025 Insurers that apply the IFRS 17 OCI option

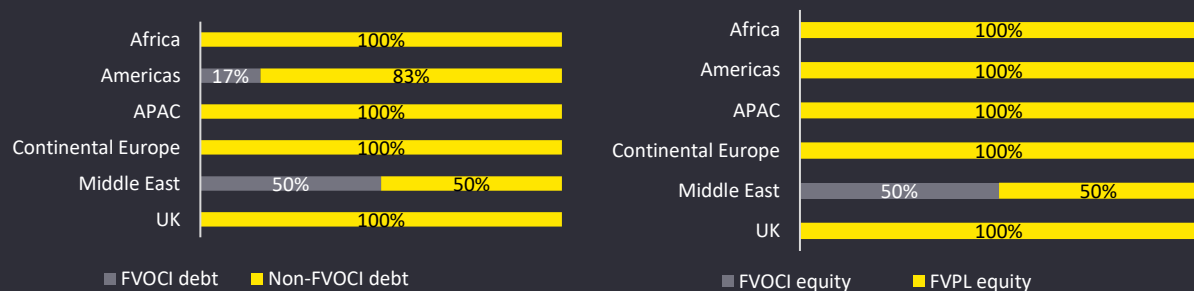


No. of insurers presented: 32

Key takeaways

- 32 insurers elected to apply the IFRS 17 OCI option and therefore disaggregated their insurance finance income and expenses between PL and OCI.
- Across all regions, these insurers are measuring the majority of their debt instruments at FVOCI in order to have a measurement model that is consistent with the one used for their insurance contracts liabilities (i.e., disaggregation of IFIE between P&L and OCI).
- Regarding equity instruments the predominant measurement model is FVTPL, as the FVOCI election depends on where an entity wishes to present its (realised) gains and losses on those instruments.

Main IFRS 9 classification: Debt and equity instruments on 31 December 2025 Insurers that apply the IFRS 17 PL option



No. of insurers presented: 28

Key takeaways

- 28 insurers did not elect to apply the IFRS 17 OCI option and therefore recognized their insurance finance income and expenses fully in PL.
- Across all regions, these insurers are measuring the majority of their debt and equity instruments at FVPL in order to have a measurement model that is consistent with the one used for their insurance contracts liabilities (i.e.; IFIE recognized fully in PL).
- This accounting choice has been applied in particular by the majority of P&C insurers given the extensive use of the PAA measurement model, which makes the benefit of applying the IFRS 17 OCI option less relevant to them.

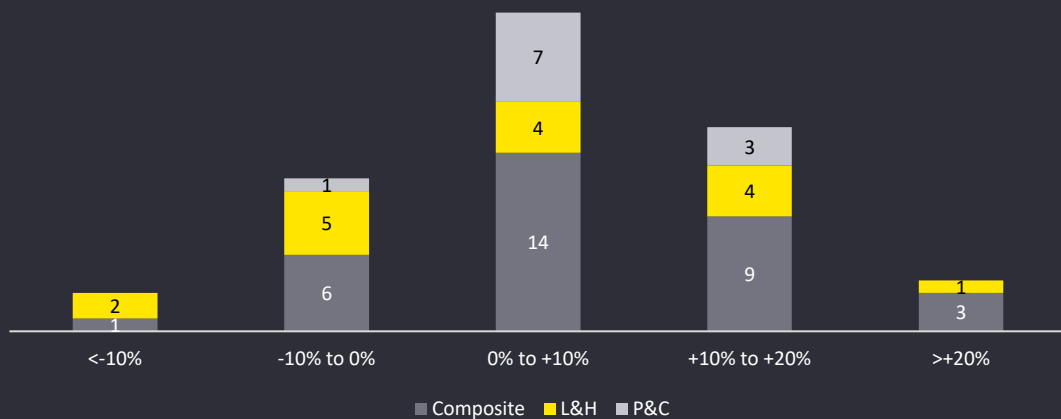


03

Reported key performance indicators

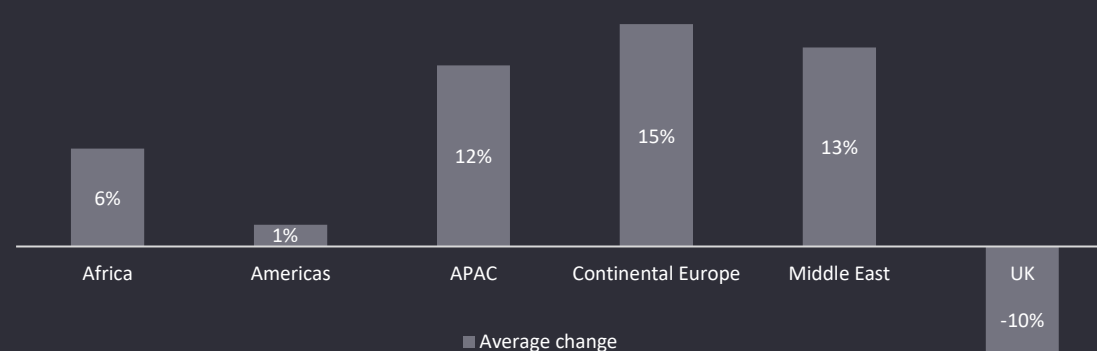
Shareholders' equity change

Shareholders' equity change: 31 December 2025 vs. 31 December 2024 – segment view



No. of insurers presented: 60

Shareholders' equity change: 31 December 2025 vs. 31 December 2024 – geography view (arithmetic average change)



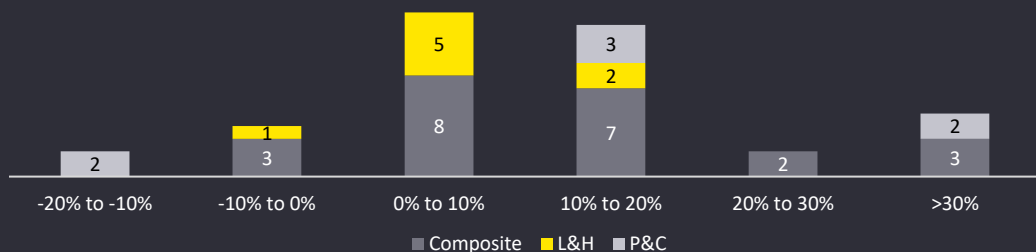
No. of insurers presented: 60

Key takeaways

- During the 12 months of 2025, the large majority of insurers showed an increase in the equity balance, with the increases that varied across segments and regions.
- The highest average increase (15%) has been observed in Continental Europe mainly driven by a composite insurer that made a large acquisition during the year, while an average decrease (-10%) has been observed in the UK mainly driven by an L&H insurer that recorded a net loss after tax during the year.
- Overall the movement in the equity balance during 2025 depended on the combination of following main factors:
 - The positive net result, which has been observed for almost all insurers during the 12 months of 2025, mainly due to the positive contribution from both the insurance service result and the financial result. This effect contributed to an increase in the amount of equity.
 - The dividend payouts, other capital transactions with shareholders and foreign exchange losses. Those effects contributed to a decrease in the amount of equity.

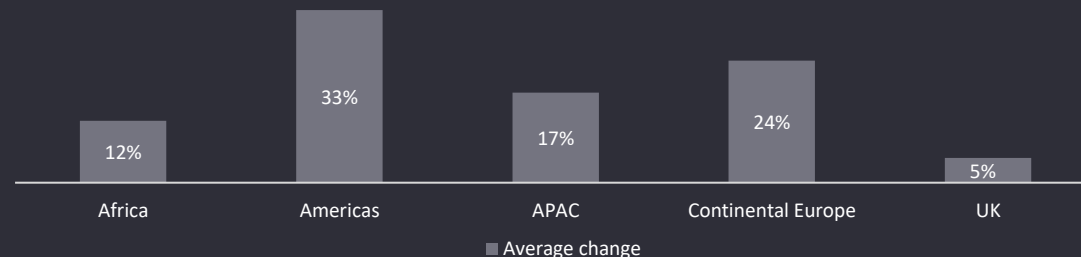
Operating profit

Operating profit: 31 December 2025 vs. 31 December 2024
Segment view



No. of insurers presented: 38

Operating profit: 31 December 2025 vs. 31 December 2024
Geography view (arithmetic average)

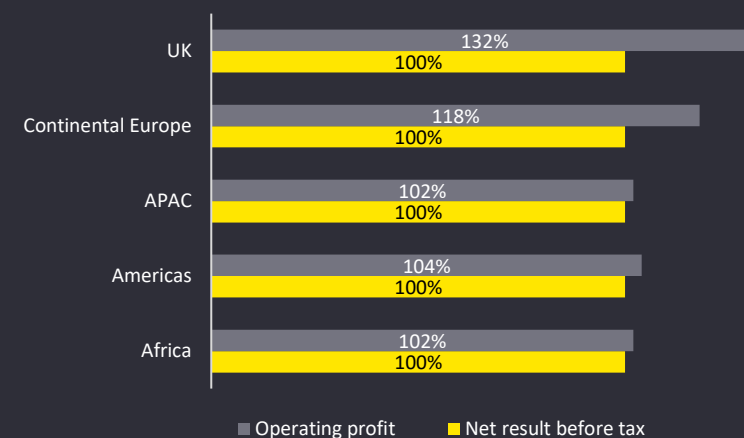


No. of insurers presented: 38

Key takeaways

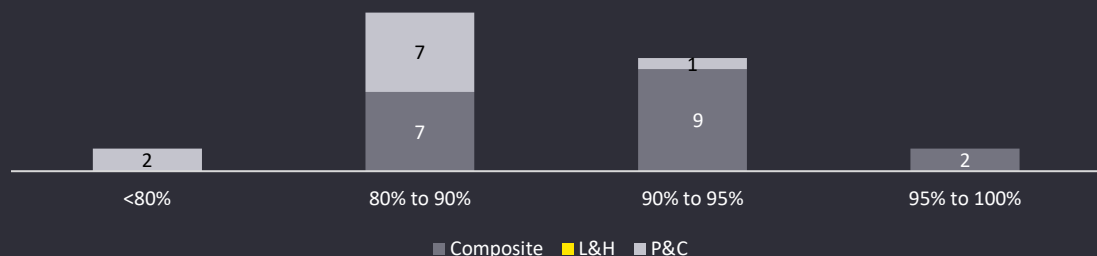
- The amount of operating profit increased for the large majority of insurers in 2025 as compared to 2024. The Americas region observed the highest average increase (33%), while the UK region observed the lowest average increase (5%).
- The majority of insurers calculated their operating profit starting from the net result before tax amount, but the measurement and definition varied significantly. Typically, insurers designed their operating profit measure to exclude elements like market volatility (e.g., interest rates and equity changes) and other non-recurring items (e.g., restructuring and corporate transactions) from their net profit.
- As compared to net profit before tax amount, the region with the highest impacts of adjustments to derive the operating profit has been the UK (+32%), while the regions with the lowest impacts of adjustments have been APAC and Africa (+2%).
- On 1 January 2027, IFRS 18, the IASB's new standard on presentation and disclosure in financial statements, will become effective. Insurers will need to carefully assess the implications of this new standard for their existing alternative performance measures.

Operating profit indexed to net result before tax on 31 December 2025 – geography view (arithmetic average)



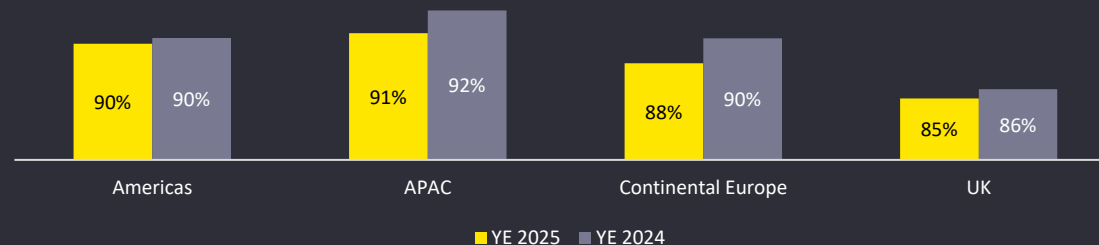
Combined ratio

Combined ratio on 31 December 2025
Segment view



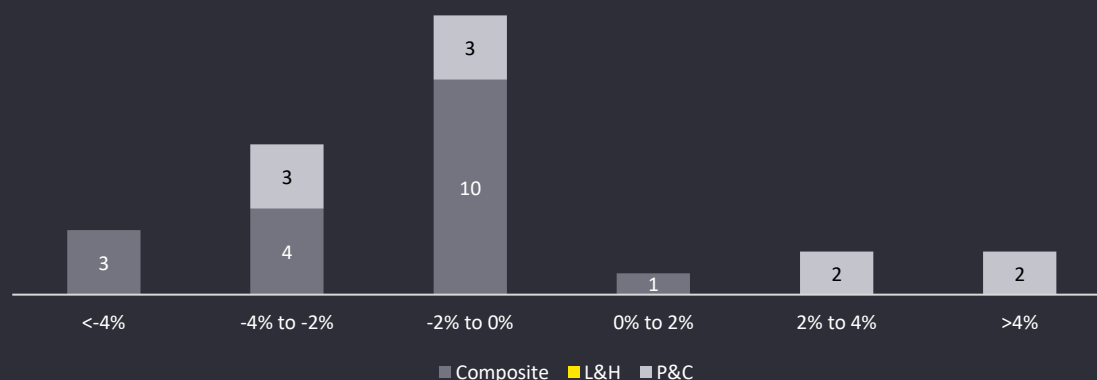
No. of insurers presented: 28

Combined ratio on 31 December 2025
Geography view (arithmetic average)



No. of insurers presented: 28

Combined ratio change: 31 December 2025 vs. 31 December 2024
(YE 2024 comparison, PP change)



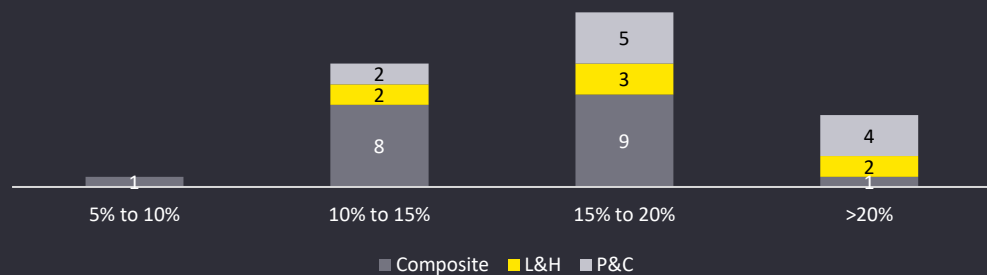
No. of insurers presented: 28

Key takeaways

- As of 31 December 2025, the most common range of combined ratio is between 80% and 90%, which has been reported by 14 insurers. The highest ratio has been observed for one Composite which reported 97%, while the lowest ratio has been observed for one P&C insurer which disclosed 73%.
- A large majority of insurers showed an improvement (i.e., a decrease) in their combined ratio as of 31 December 2025 compared with the same period in 2024. Some of the common reasons behind the decrease are improved pricing, a lower impact of large and severe claims from natural catastrophe, a better expense ratio resulting from cost control initiatives. These improvements has been observed in almost all regions.
- Differences are still observed between insurers in how they calculate the combined ratio, for example, whether it is net or gross of reinsurance ceded, the type of expenses included, the treatment of the unwinding of interest and the whether it is presented on a discounted or undiscounted basis.

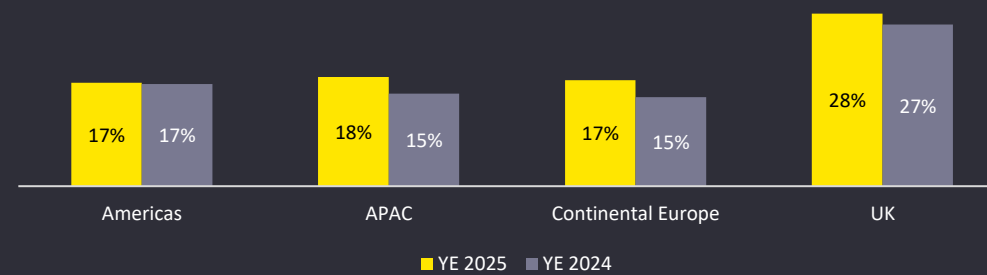
Return on Equity

ROE on 31 December 2025
Segment view



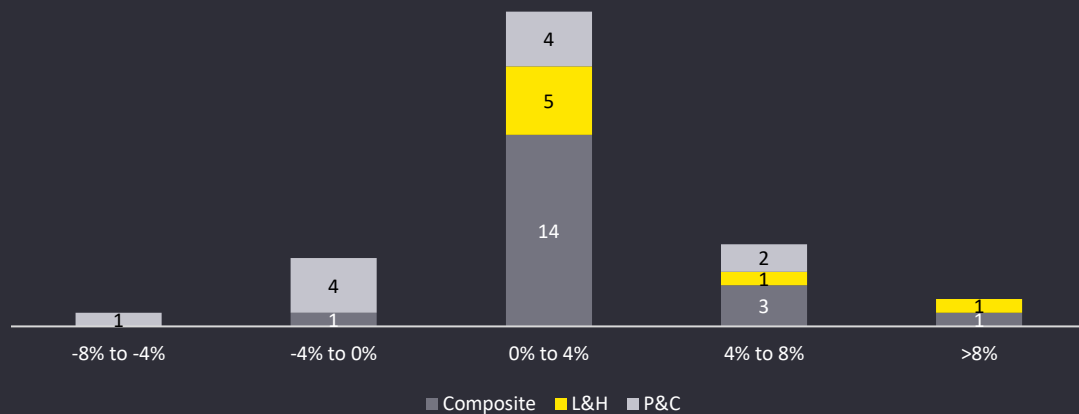
No. of insurers presented: 37

ROE on 31 December 2025
Geography view (arithmetic average)



No. of insurers presented: 37

ROE change: 31 December 2025 vs. 31 December 2024
(YE 2024 comparison, PP change)



No. of insurers presented: 37

Key takeaways

- A large majority of the insurers showed an increase in their ROE during the 12 months of 2025 compared to the same period in 2024. The increase has been observed across all regions.
- One common reason for this increase is the overall improvement in net results observed during 2025 (see slide 7).
- The highest ROE has been observed for one L&H insurer, which reported 54%, while the lowest ROE has been observed for a composite insurer, which reported 9%.
- Variations exist in how insurers determine their ROE, for e.g., using IFRS profits vs. adjusted (underlying or operating) earnings for the numerator and the exclusion of unrealized amounts in OCI for the denominator. Another adjustment made by some insurers is the inclusion of the CSM in the denominator.



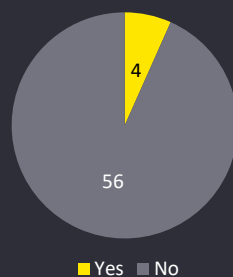
04

Changes in methodology and discount rate analysis

Changes to IFRS 17 and IFRS 9 accounting policy and estimates

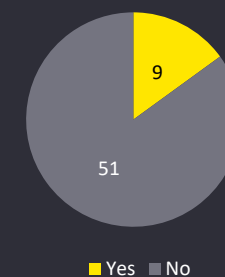
Accounting policy change on 31 December 2025

What the observation is about: IFRS 17 contains a number of accounting policy elections, the exercise of which may be relevant to understanding the financial statements of an entity. Changes in accounting policy elections are accounted for under IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.



Significant changes in estimate on 31 December 2025

What the observation is about: IFRS 17 contains specific disclosure requirements around the significant judgements and changes in judgements made by an entity in applying the standard. It requires entities to disclose any changes in methods and processes for estimating inputs used to measure contracts, the reason for each change and the type of contracts affected. In accordance with IAS 8, changes in estimates are applied prospectively and are recognized in the period in which the change occurs and in future periods.



Key observations:

- Insurers disclosed the following accounting policy changes:
 - Incurred claims that remain subject to future insurance risk are included in the LFRC rather than in the LIC, with the related experience adjustment being recognized in the CSM.
 - Application of IFRS 9 instead of IAS 39 to the hedge accounting requirements (disclosed by two insurers).
 - Changes in externally given inflation assumptions classified in "insurance finance income and expense" rather than "insurance service expense".

In addition one insurer disclosed its intention to start applying the IFRS 17 risk mitigation option to its insurance contracts with direct participation features in 2026.

No. of insurers presented: 60

Key observations:

- Insurers disclosed changes in estimate mainly regarding the following areas:
 - Updated financial and non-financial assumption included in the measurement of the present value future cash flows.
 - Recalibration of parameters to determine the illiquidity premium and the risk-free curve to discount insurance contract liabilities.
 - Updates to the methodology applied to the determination of the risk adjustment for non-financial risks.
 - Redefinition of the estimation procedure for the calculation of the investment component amount to be deducted from insurance revenue and insurance service expenses.

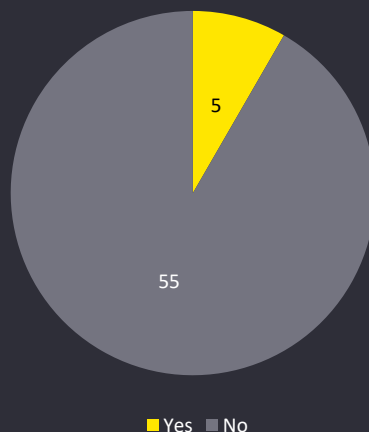
In addition a number of insurers disclosed changes that related to the measurement of insurance contracts but were not described as changes in estimate under IAS 8.

No. of insurers presented: 60

Correction of errors made in the YE 2025 financial statements

Correction of errors on 31 December 2025

What the observation is about: Corrections of errors are accounted for under IAS 8. Errors in prior period financial statements must be corrected retrospectively, which means that the financial statements for the prior period are restated as if the error has never occurred.



No. of insurers presented: 60

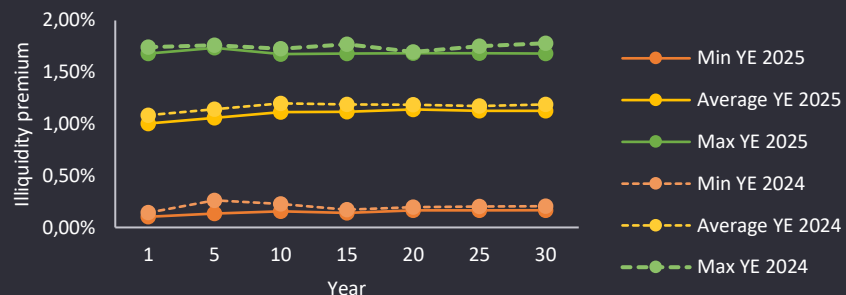
Key observations:

- Insurers disclosed the following correction of errors in relation to IFRS 17 and IFRS 9 balances:
 - Overstatement of other payable/liabilities and other assets/receivable due to a wrong presentation of reinsurance agent balances. This resulted in a reclassification with no impact on equity or earnings.
 - Material corrections in various assets and liabilities line items regarding the accounting treatment of third-party cell captive arrangement under IFRS 17. This resulted in a reclassification with no impact on equity or earnings.
 - Certain financial instruments previously reported as unlisted mutual funds have been reclassified as listed mutual funds. This resulted in a correction of the credit risk disclosure in the 2024 comparative information with no impact on equity or earnings.
 - Mortality rates were adjusted retrospectively for valuing health insurance policies. This resulted in a reduction of equity and earnings in the 2024 comparative financial statements.
 - Classification of a mortgage portfolio changed from amortized cost to fair value through profit or loss measurement model. This resulted in a correction of the fair value hierarchy and credit quality of financial assets disclosures with no material impact on equity or earnings.

Discount rate analysis:

Illiquidity premiums – GBP

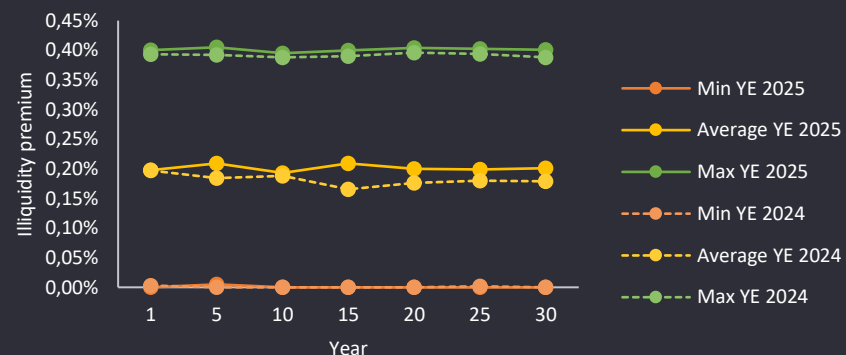
GM illiquidity premium (GBP): YE 2025 vs. YE 2024



Methodology of our analysis

- ILP is a key driver of the IFRS 17 discount rate and an element that often requires the most judgement in establishing the total discount rate.
- For the companies in our panel, we derived the indicative ILP for illustrative purposes by subtracting the “risk-free” rate based on rates provided by EIOPA for Solvency II from the disclosed IFRS 17 discount rates. As such, the actual range of ILPs applied by the companies in their financial statements may differ.
- We looked at the curves including an ILP. Some companies also apply a curve without an ILP (i.e., a risk-free rate) to some types of business.
- The analysis was done for GBP and EUR (see next slide) currencies for GM and VFA products, but with no further distinction by product types. Where necessary, interpolation was applied in our analysis.

VFA illiquidity premium (GBP): YE 2025 vs. YE 2024



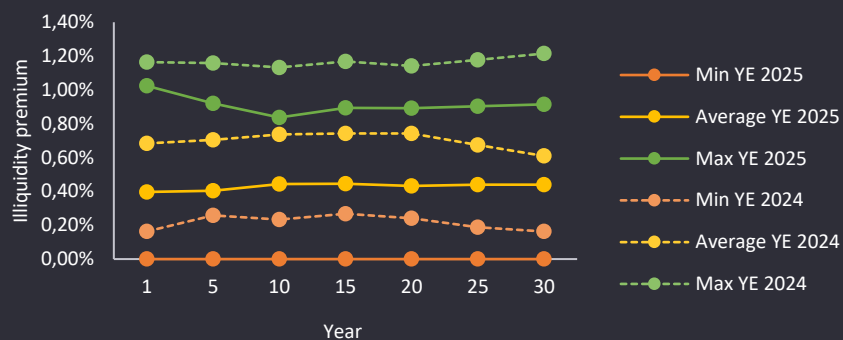
Key takeaways

- At YE 2025, a range of ILPs was observed for GBP due to the variety of products within each measurement model and potentially different methodologies for determining the ILP.
- ILPs are fairly stable across durations, implying a flat ILP assumption for most entities.
- GM ILP is typically larger than the VFA ILP, likely due to annuity business within GM and low ILPs within VFA products (e.g., with-profits and unit-linked, which are more liquid).
- The ILPs have also stayed relatively stable as compared to YE 2024. Small movements in average ILPs were observed:
 - GM: Slightly decreased, with the largest decrease of circa 4 basis points (bps) for 10-year and 30-year durations. This is consistent with the general decrease in the spreads of the GBP debt instruments.
 - VFA: Slightly increased, with the large increase of circa 4 bps seen for 15-year duration. This may be attributed towards changes in investment strategy across VFA products such as with-profits and unit-linked in the UK.

Discount rate analysis:

Illiquidity premiums – EUR

GM illiquidity premium (EUR): YE 2025 vs. YE 2024



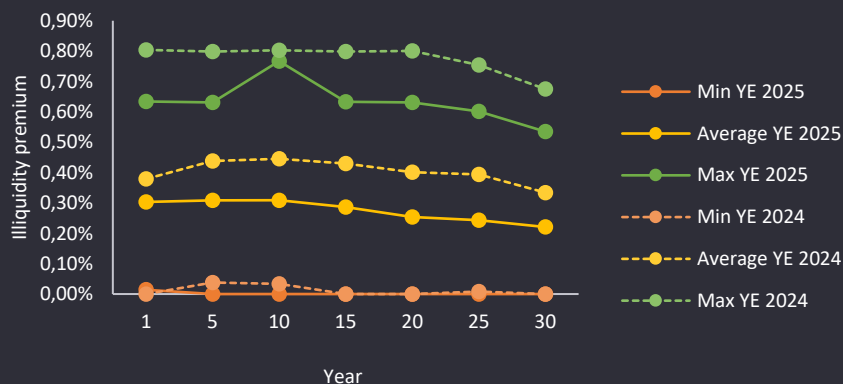
Methodology of our analysis

- Consistent with the approach to GBP discount rates (see previous slide).

Key takeaways

- Larger movement in the ILPs between YE2024 and YE2025 were observed for the EUR market compared to the GBP market.
- This may be attributed towards several reasons such as, e.g., difference in assumptions setting methodology which drives the sensitivity allowed in ILP considering the spreads of the referenced portfolio and other macro-economic factors such as short-term interest rates, but the specific factor is not identified from our analysis of disclosures.
- Similar to the GBP market, the EUR GM ILP is generally higher than the EUR VFA ILP. However, the gap between the two is narrower than in GBP, reflecting a lower average EUR GM ILP and a higher average EUR VFA ILP relative to their GBP counterparts.
- The overall range of EUR VFA ILP is noticeably wider than for GBP. This is likely driven by differences in product features, like more diverse profit-sharing mechanisms in Continental Europe and different investment policies that underly the reference portfolios used for deriving the ILP.
- The ILPs are also fairly stable across durations, implying a flat ILP assumption for most companies.
- As compared to YE 2024:
 - The range of EUR ILPs has generally narrowed for both GM and VFA, with exception of the shorter periods for GM where the range has widened slightly (circa 2 bps).
 - The average ILP for both GMM and VFA has decreased across periods, this is in line with the decrease in general reduction in spreads of debt instruments (such as corporate bonds) in the EUR market.

VFA illiquidity premium (GBP): YE 2025 vs. YE 2024





05

Appendix

Selected IFRS 17 and IFRS 9 financial metrics and KPIs

IFRS 17 or 9	Metric	Definition	Page ref.
IFRS 17 and IFRS 9	Net result analysis	$\frac{\text{Insurance service result}}{\text{Net result}} \quad \frac{\text{Financial result}}{\text{Net result}}$ $\frac{\text{Other result}}{\text{Net result}}$	7
IFRS 17 and IFRS 9	Comprehensive income analysis	$\frac{\text{Net result (after taxes)}}{\text{Total comprehensive income}} \quad \frac{\text{OCI}}{\text{Total comprehensive income}}$	8
IFRS 17	Losses/reversal of onerous losses and experience variance	$\frac{\text{Losses and reversal of losses}}{\text{ISR}} \quad \frac{\text{Experience variance on current services}}{\text{ISR}}$	9
IFRS 17	Insurance revenue analysis	Analysis of the following components of insurance revenue: release of CSM, release of RA, release of expected insurance service expenses, release of LFRC PAA, allocation of acquisition cash-flows and other adjustments	10
IFRS 17	Insurance contract liabilities analysis	$\frac{\text{PVFCF, RA, CSM}}{\text{LFRC (GM and VFA business)}} \quad \frac{\text{PVFCF, RA}}{\text{LIC (PAA business)}}$	11
IFRS 17	CSM composition by transition approaches	$\frac{\text{CSM (Other, MRA, FVA)}}{\text{CSM end of the period}}$	12
IFRS 17	CSM release ratio on LFRC	$\frac{\text{CSM release}}{\text{CSM end of period prior to release}}$	13
IFRS 17	CSM run-off pattern	CSM recognition in P&L in selected time buckets (Less than 1y, 1y-5y, 5y-10y, over 10y)	14
IFRS 17	CSM growth ratio	$\frac{\text{New business CSM}}{\text{CSM release}}$	15
IFRS 17	New business CSM weight	$\frac{\text{New business CSM} - \text{New business onerous contracts}}{\text{New business PVFCF inflows}}$	16

Selected IFRS 17 and IFRS 9 financial metrics and KPIs (contd.)

IFRS 17 or 9	Metric	Definition	Page ref.
IFRS 17	Insurance CSM roll-forward	Analysis of the CSM movements over the period for Euro, GBP and USD reporting currencies reporters	17
IFRS 17	Reinsurance held CSM weight	$\frac{\text{Reinsurance held CSM}}{\text{Insurance issued CSM}}$	19
IFRS 17 and IFRS 9	Interaction between IFRS 9 and IFRS 17	Analysis of the interaction between measurement of debt and equity instruments (FVOCI, non – FVOCI) and IFRS 17 OCI option	20
IFRS 17 and IFRS 9	Shareholder's equity change	Shareholder's equity change (during 2025)	22
IFRS 17 and IFRS 9	Operating profit	Overview of the operating profit change (YE 2025 vs. YE 2024) based on the insurer's definition of operating profit	23
IFRS 17	Combined ratio	Overview of the combined ratio change (YE 2025 vs. YE 2024) based on the insurer's definition of combined ratio	24
IFRS 17 and IFRS 9	Return on equity	Overview of the return on equity change (YE 2025 vs. YE 2024) based on the insurer's definition of return on equity	25
IFRS 17 and IFRS 9	Accounting policy changes	Overview of accounting policy changes in YE 2025 financial statements	27
IFRS 17 and IFRS 9	Significant estimates changes	Overview of significant estimates changes in YE 2025 financial statements	27
IFRS 17 and IFRS 9	Correction of errors	Overview of correction of errors in YE 2025 financial statements	28
IFRS 17	Illiquidity premiums (GBP, EURO)	Overview of the determination of the illiquidity premium for GM and VFA contracts for GBP and EURO currencies	29

List of insurers

Insurer	Segment	Geography
a.s.r.	Composite	Continental Europe
Achmea	Composite	Continental Europe
Admiral Group	P&C	UK
Aegon	Composite	Continental Europe
Ageas	Composite	Continental Europe
AIA	L&H	Asia-Pacific
Allianz	Composite	Continental Europe
Athora Limited	L&H	Americas
Aviva	Composite	UK
AXA	Composite	Continental Europe
Beazley	P&C	Continental Europe
BNP Paribas	Composite	Continental Europe
Bupa Arabia	L&H	Middle East
China Life Insurance	L&H	Asia-Pacific
CNP Assurances	L&H	Continental Europe
Coface	P&C	Continental Europe
Crédit Agricole Assurances	Composite	Continental Europe
FWD	Composite	Asia-Pacific
Generali	Composite	Continental Europe
Great Eastern	Composite	Asia-Pacific

Insurer	Segment	Geography
Great Eastern	Composite	Asia-Pacific
Great-West Lifeco	L&H	Americas
Gulf Insurance Group	Composite	Middle East
Helia	P&C	Asia-Pacific
Helvetia Baloise	Composite	Continental Europe
Hiscox	P&C	UK
HSBC	Composite	UK
IAG*	P&C	Asia-Pacific
Intact	P&C	Americas
Intesa Sanpaolo	Composite	Continental Europe
KBC Group	Composite	Continental Europe
Lancashire	P&C	Americas
Legal and General	L&H	UK
Liberty	L&H	Africa
Lloyds Banking Group	Composite	UK
M&G	L&H	UK
Manulife	L&H	Americas
Mapfre	Composite	Continental Europe
Momentum*	Composite	Africa
Munich Re	Composite	Continental Europe

Insurer	Segment	Geography
NN Group	Composite	Continental Europe
Old Mutual	L&H	Africa
Ping An	Composite	Asia-Pacific
Prudential Plc	L&H	Asia-Pacific
QBE	Composite	Asia-Pacific
Samsung Life	L&H	Asia-Pacific
Sampo	Composite	Continental Europe
Sanlam	Composite	Africa
SCOR	Composite	Continental Europe
Societe Generale	Composite	Continental Europe
Standard Life	L&H	UK
Suncorp*	Composite	Asia-Pacific
Swiss Life	L&H	Continental Europe
Swiss Re	Composite	Continental Europe
Talanx	Composite	Continental Europe
Tawuniya	Composite	Middle East
Tryg	P&C	Continental Europe
Unipol	Composite	Continental Europe
W&W	Composite	Continental Europe
Zurich	Composite	Continental Europe

Glossary

Abb.	Full expression
AC	Amortized cost
AFRC	Asset for remaining coverage
BEL	Best estimate liabilities
Bps	Basis points
CSM	Contractual service margin
CU	Currency
ECL	Expected credit loss
EU	European Union
EUR	Euro
FVA	Fair value approach
FVOCI	Fair value through other comprehensive income
FVTPL	Fair value through profit and loss
FY	Fiscal year
GM	General model
IFRS	International financial reporting standard
ICL	Insurance contracts liabilities

Abb.	Full expression
IFIE	Insurance finance income and expenses
ILP	Illiquidity premium
LFRC	Liability for remaining coverage
L&H	Life and health
LIC	Liability for incurred claims
LLP	Last liquid point
MRA	Modified retrospective approach
NB	New business
OCI	Other comprehensive income
PAA	Premium allocation approach
P&C	Property and casualty
PL	Profit and loss
PP	Percentage Point
RA	Risk adjustment for non-financial risk
VaR	Value at risk
VFA	Variable fee approach

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