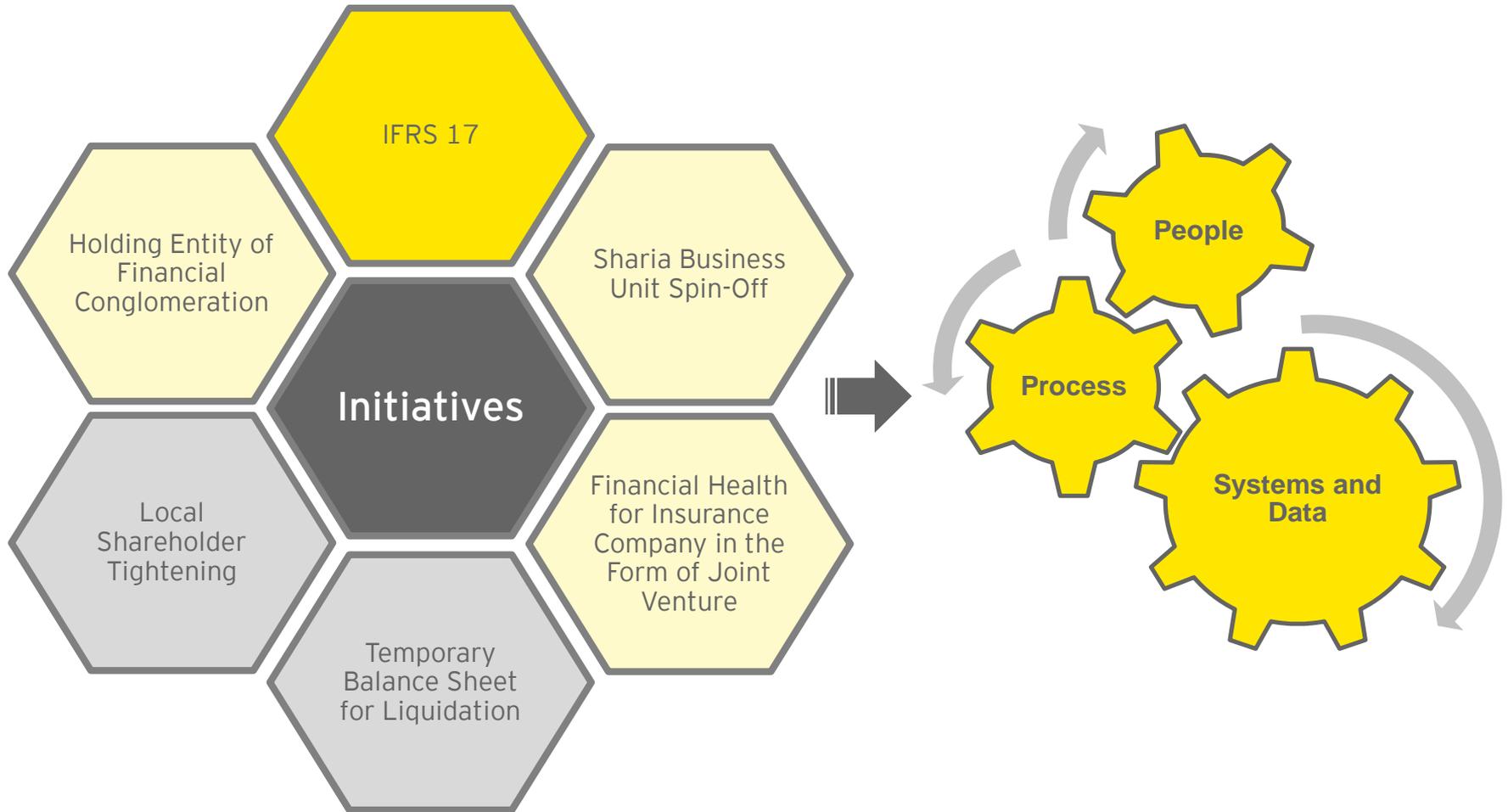


The impact of IFRS 17 *Insurance Contracts*
Increasing transparency to gain consumer
trust

25 October 2018

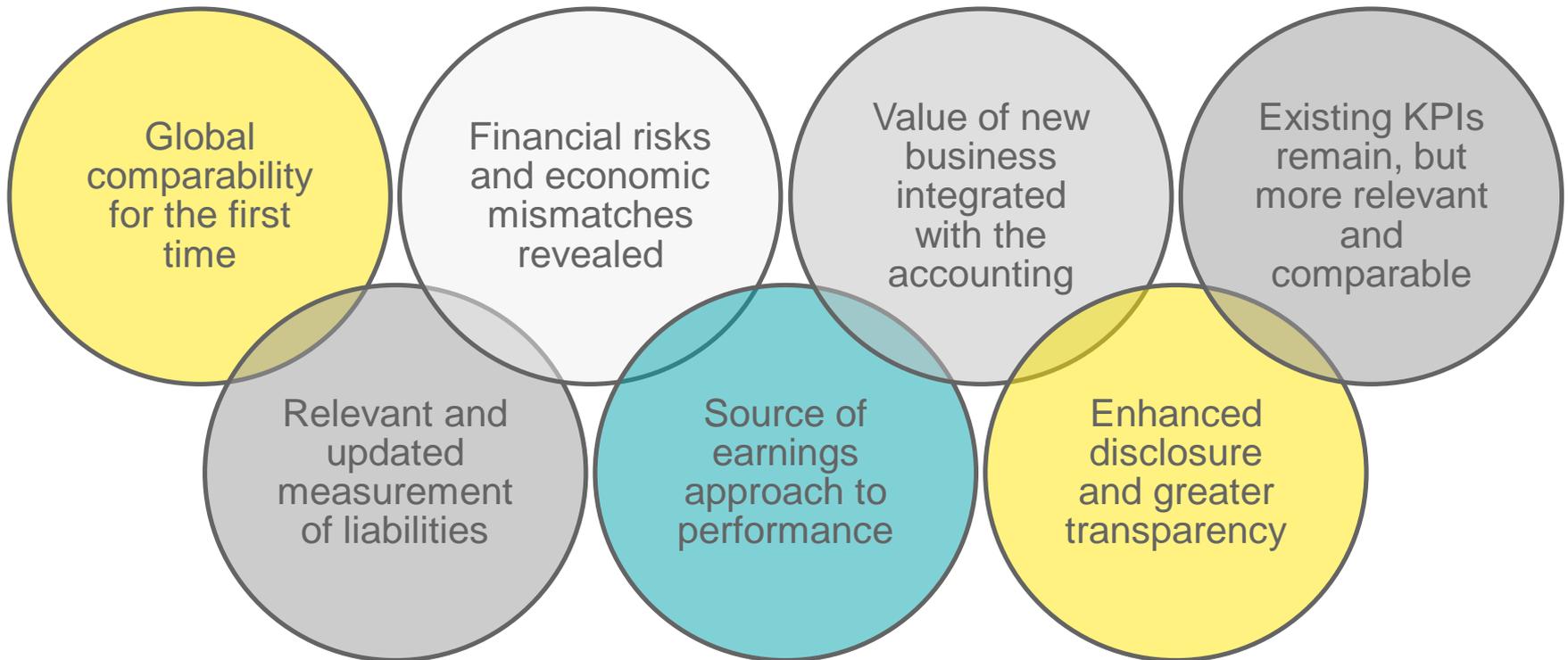
Headwinds on the horizon



**Do we really need a
new accounting standard for
insurers?**



A game changer for the global insurance industry?



IFRS 17 is impacting insurers and their stakeholders in multiple ways



Investors perspective: Revenue & Profit Profile, Capital, Dividend



Business perspective: Financial performance (actuals & planned), KPIs and Products



Preparers perspective: Group and Local Statutory, Regulatory & Tax reporting



Operational perspective: Finance, Risk, IT...

IFRS 17

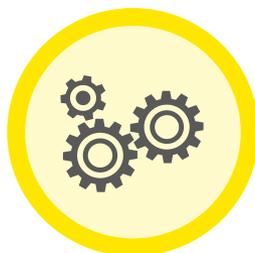
A large yellow circle containing the text "IFRS 17". A grey line with circular nodes connects this central node to the four perspective boxes on the left.

IFRS 17 targeted improvements - Business impacts



Equity and earnings

Likely that lower discount rates under IFRS 17 (all else equal) will drive higher liabilities and lower equity, but lower future interest expense



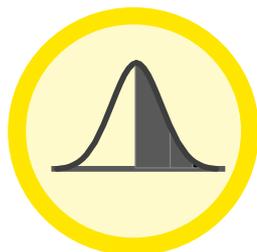
Complexity

Compared to existing GAAP, IFRS 17 is a comprehensive change and new models



Investor Story

Require more disclosures and transparency, but will also require explanations of complex outcomes



Volatility

More volatility in earnings and equity compared to today, but IFRS 17 has more options to manage it



Cost / Benefit

Require large costs (e.g. finance modernization)

The implementation of IFRS17 brings about its own broader risks that companies must consider



“Working on an IFRS 17 project feels a lot like crossing a bridge while building it at the same time!”



Source: public domain (related to “Building the bridge as you walk on it” book from Robert E. Quinn)

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