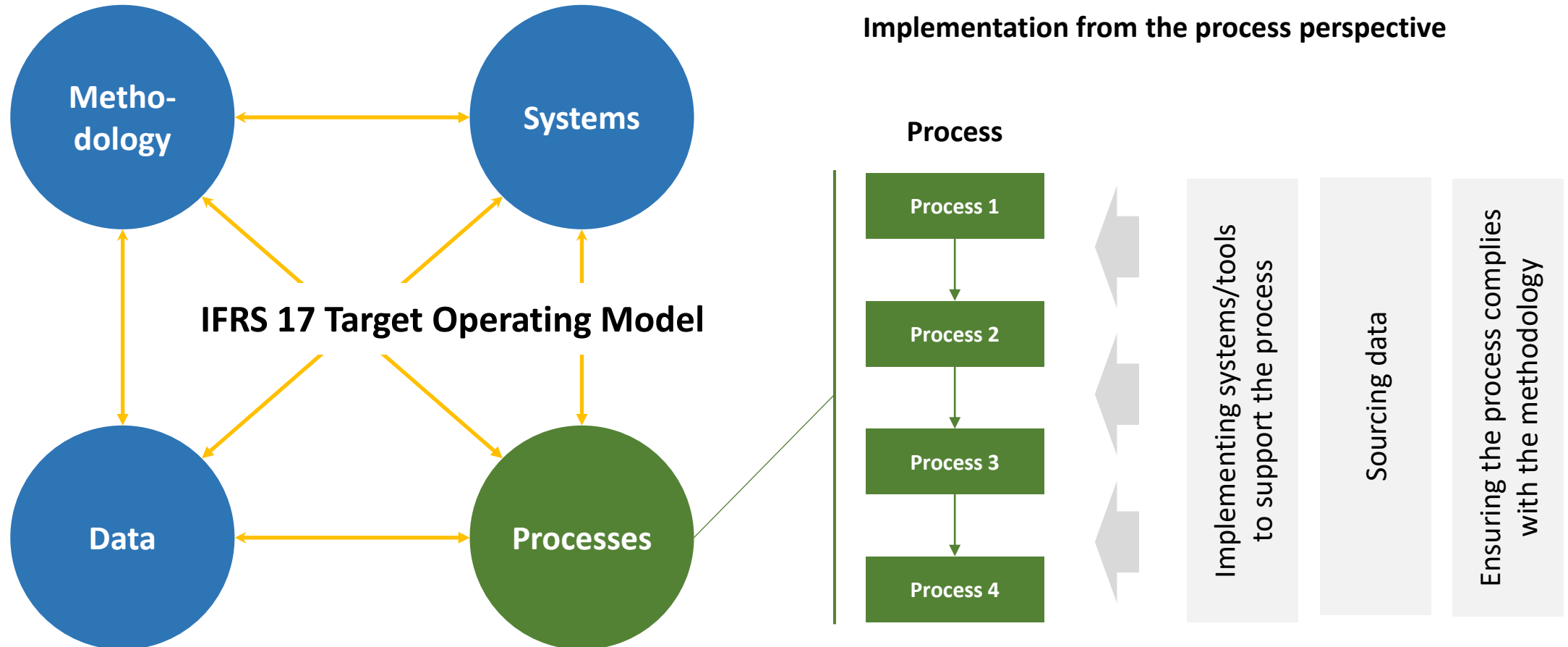
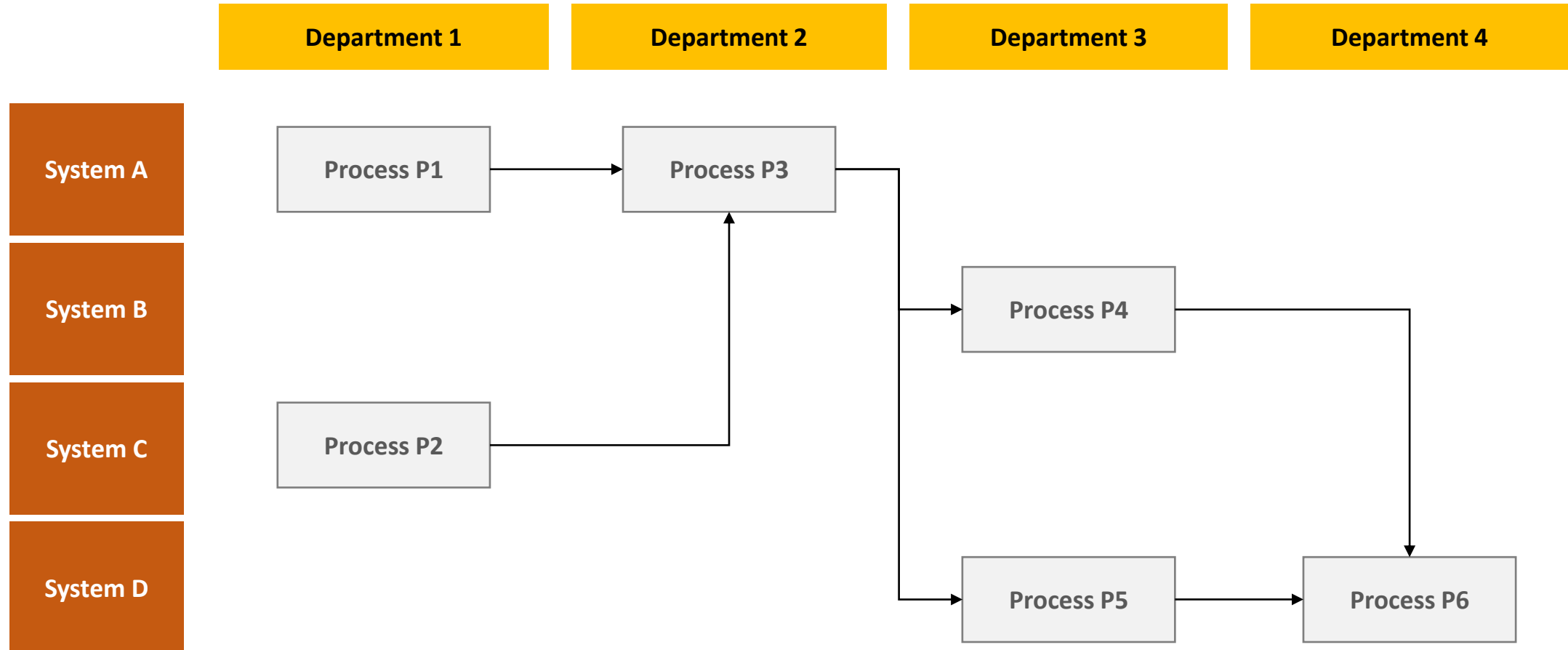
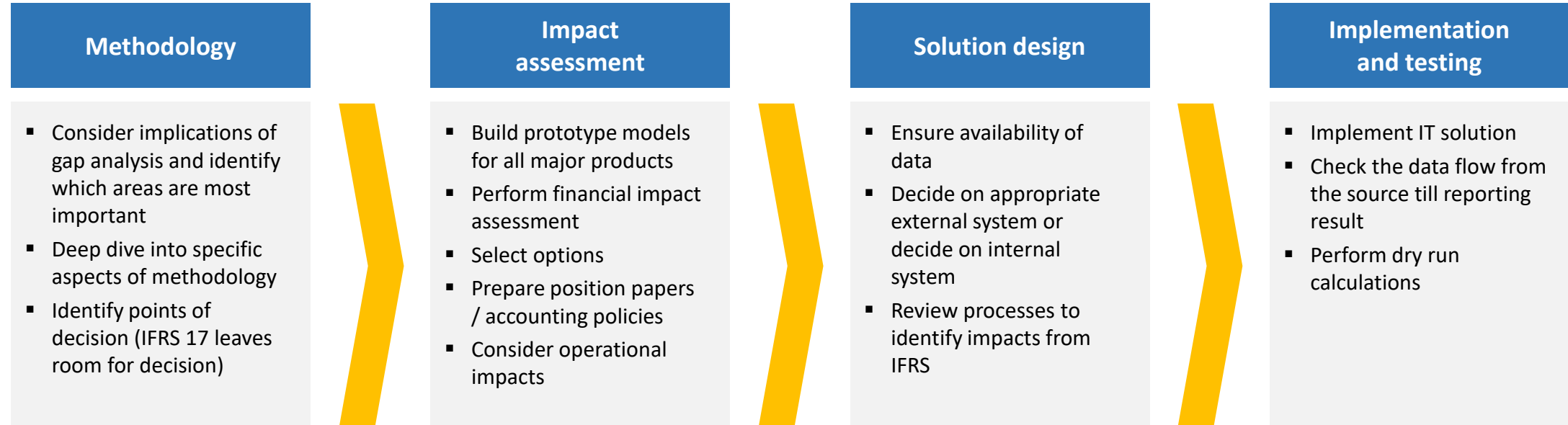


Implementation Considerations



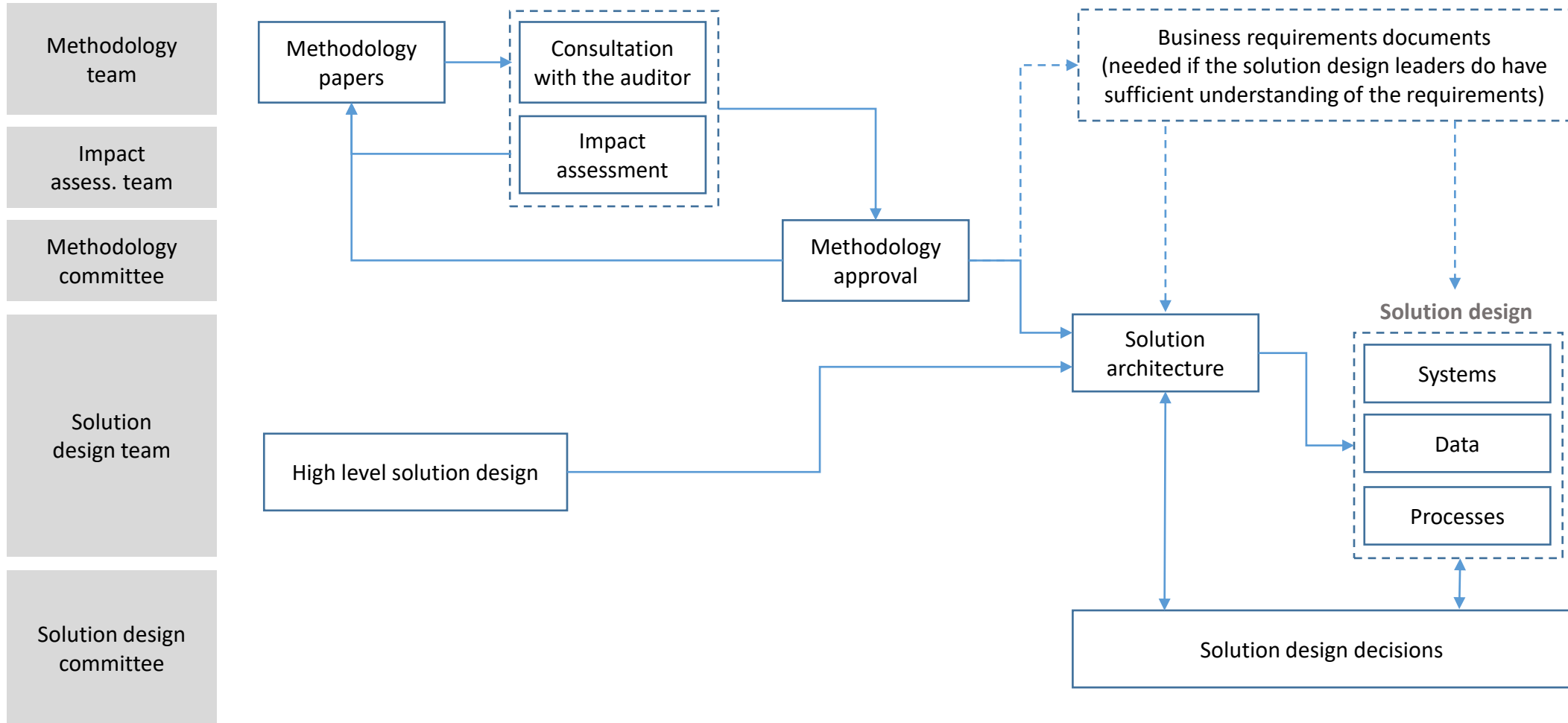






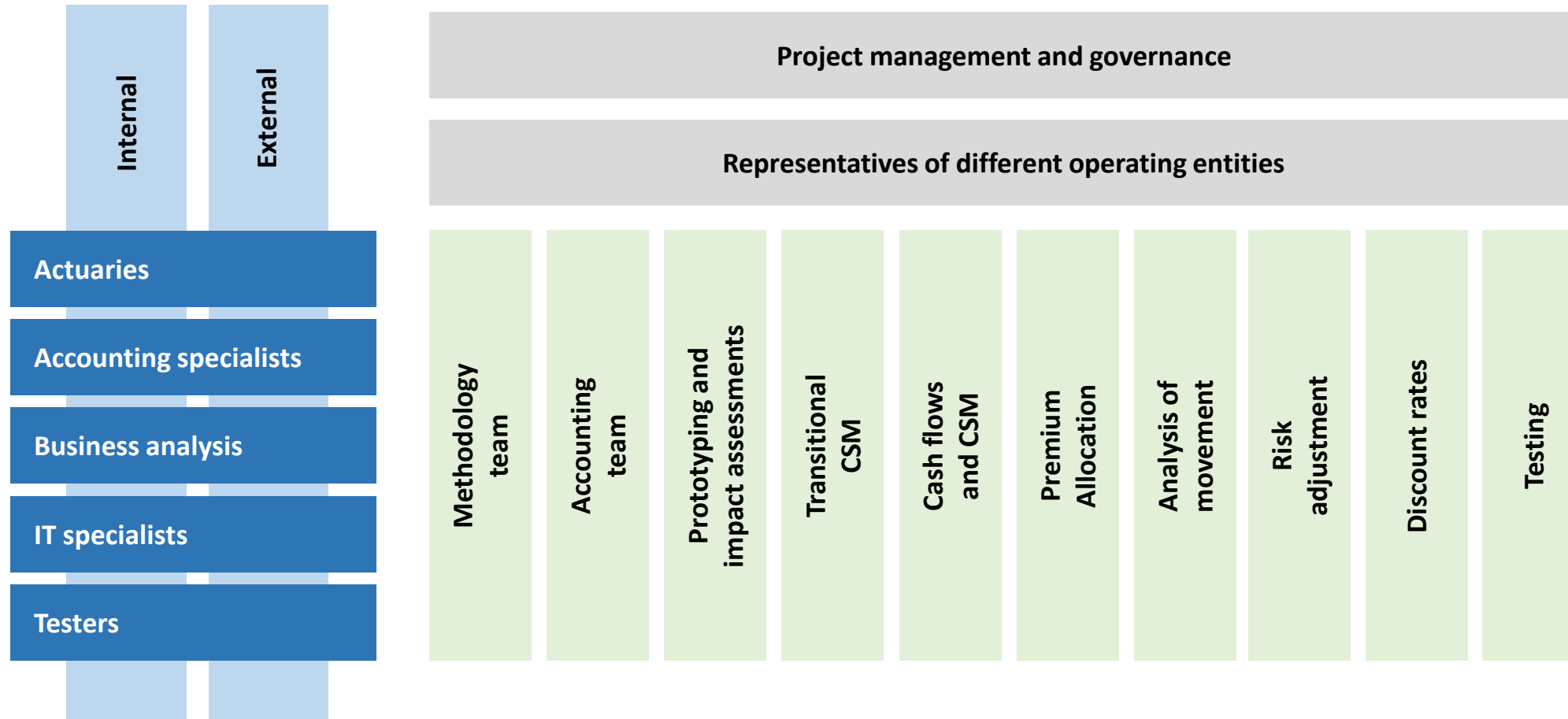
Introduction to IFRS 17

Solution design process



Introduction to IFRS 17

Teams





Steering Committee

- Sets goals and objectives for the IFRS 17 programme
- Approves the budgets and makes project strategic decisions (e.g. selection of the CSM solution)
- Reviews the progress and technical content of the programme
- Escalates issues to the relevant bodies: Management Board, Audit Committee, Risk/Capital Committee



Methodology Committee

- Monitors and controls the management of IFRS 17 methodology deliverables
- Reviews and challenges methodology proposals (e.g. use of the OCI option)
- The Methodology Committee has the methodology decision-making powers, and approves proposed accounting policies and methods



Working Groups

- Working groups are set up across the programme to concentrate on specific topics (e.g. actuarial working group, accounting working group)
- Working groups do not have decision making powers but they act as “think tanks” to apprise the proposed solutions before they are passed to the Methodology or Solution Design Committee



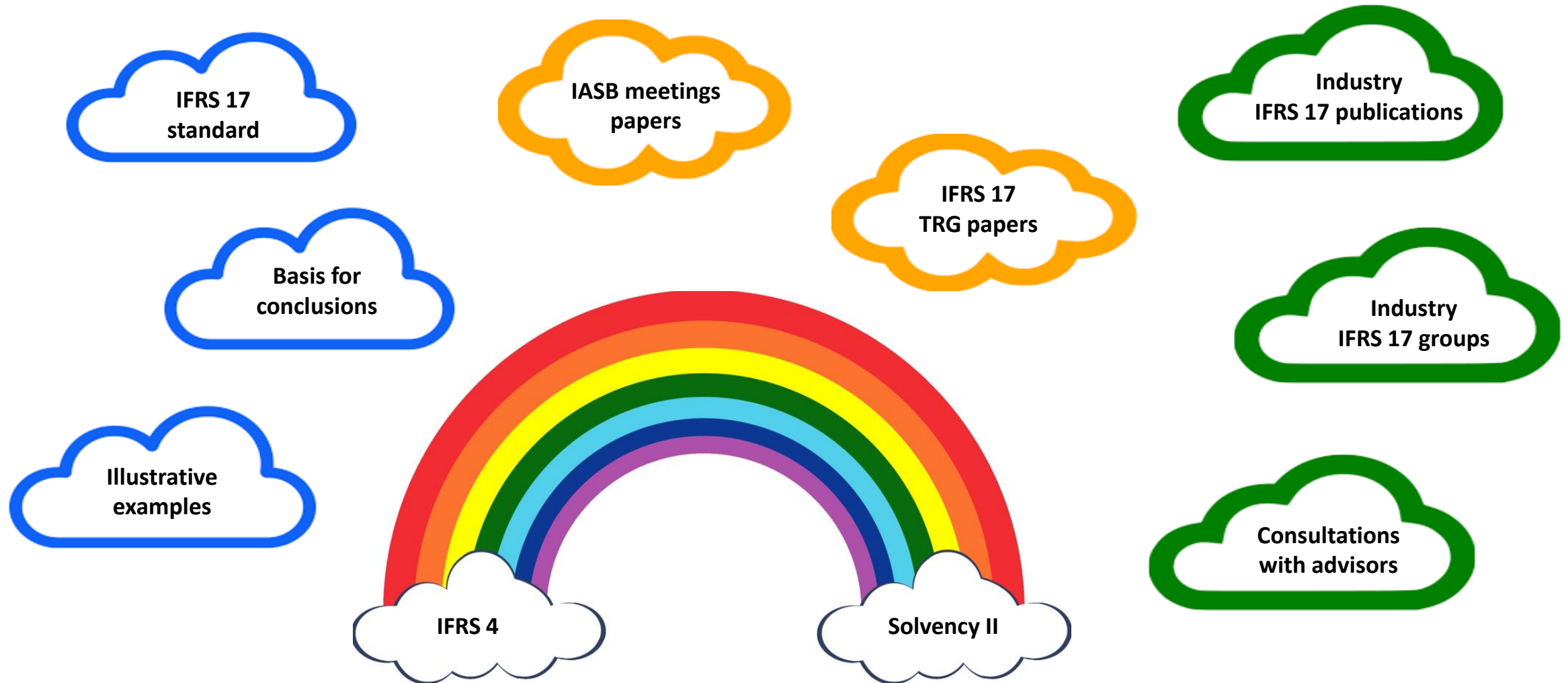
Solution Design Committee

- Monitors and controls the management of IFRS 17 solution design deliverables
- The Solution Design Committee has the solution design decision-making powers, and approves proposed IFRS 17 solution design papers
- If required, escalates the strategic solution design decisions to the Steering Committee

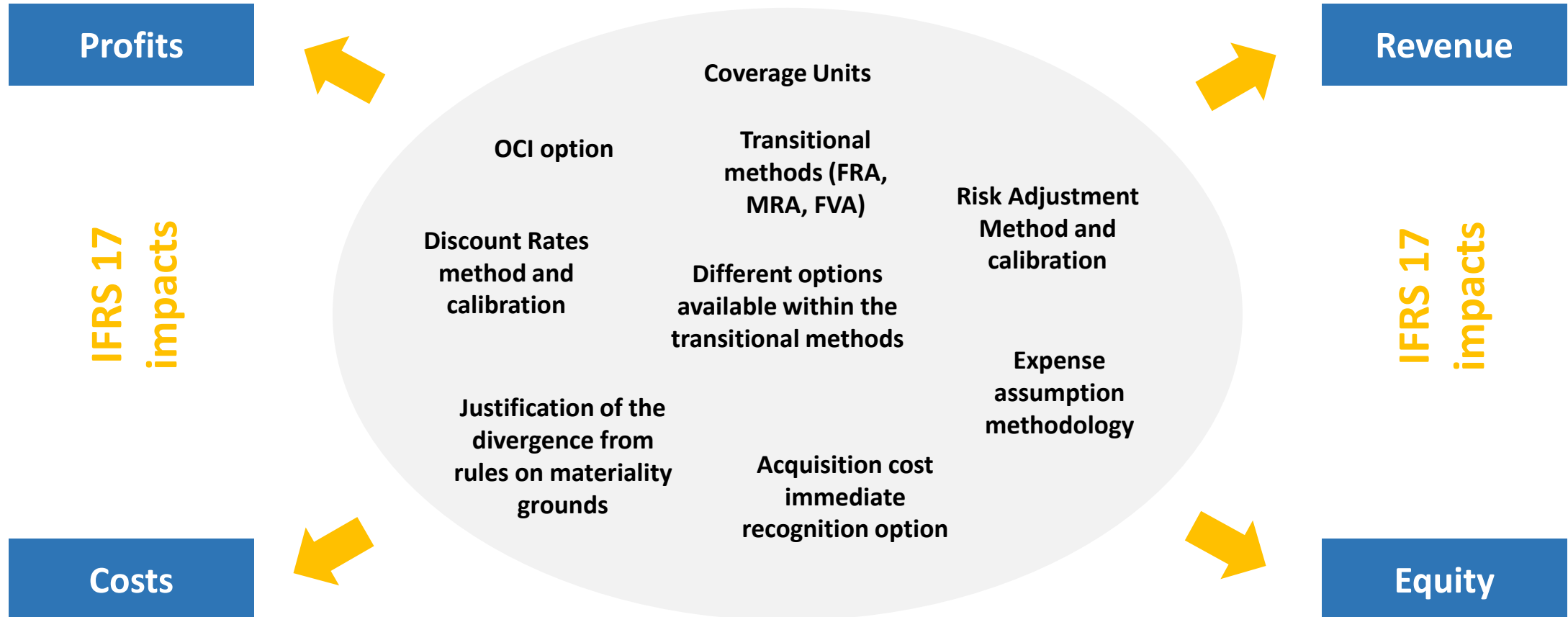


Introduction to IFRS 17

IFRS 17 methodology sources







Prototype models



How are they built?

- Using a simple Excel spreadsheet with formulas (ensures visibility and traceability)
- For typical / average policy
- Using standard assumptions



What do they calculate?

- Major cash flows
- Draft balance sheet and income statements
- Liability and CSM calculations



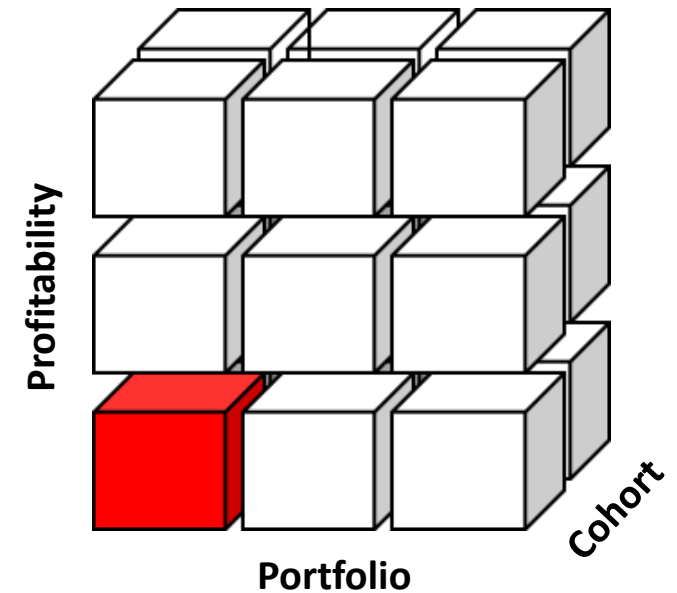
Why use them?

- To facilitate impact analysis
- To perform financial impact assessment for options allowed under IFRS 17
- To trigger discussion on accounting treatment
- For education purposes (enhance understanding of IFRS 17)

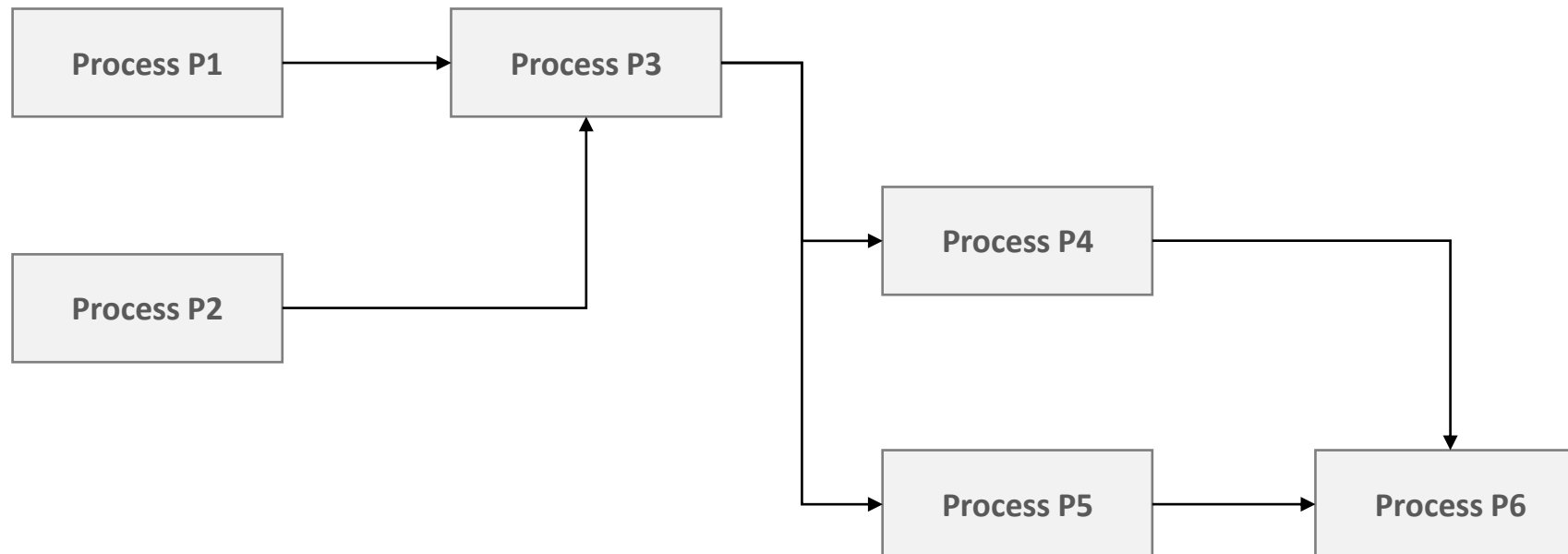
Product matrix

- Line of business / product
- IFRS 17 portfolio
- Solvency II HRG
- Ins. / Invest. with DPF / Re. held
- Contract boundary
- Coverage period
- IFRS 17 model: GM, VFA, PAA
- Transitional CSM: FRA, MRA, FVA
- Profitability profile

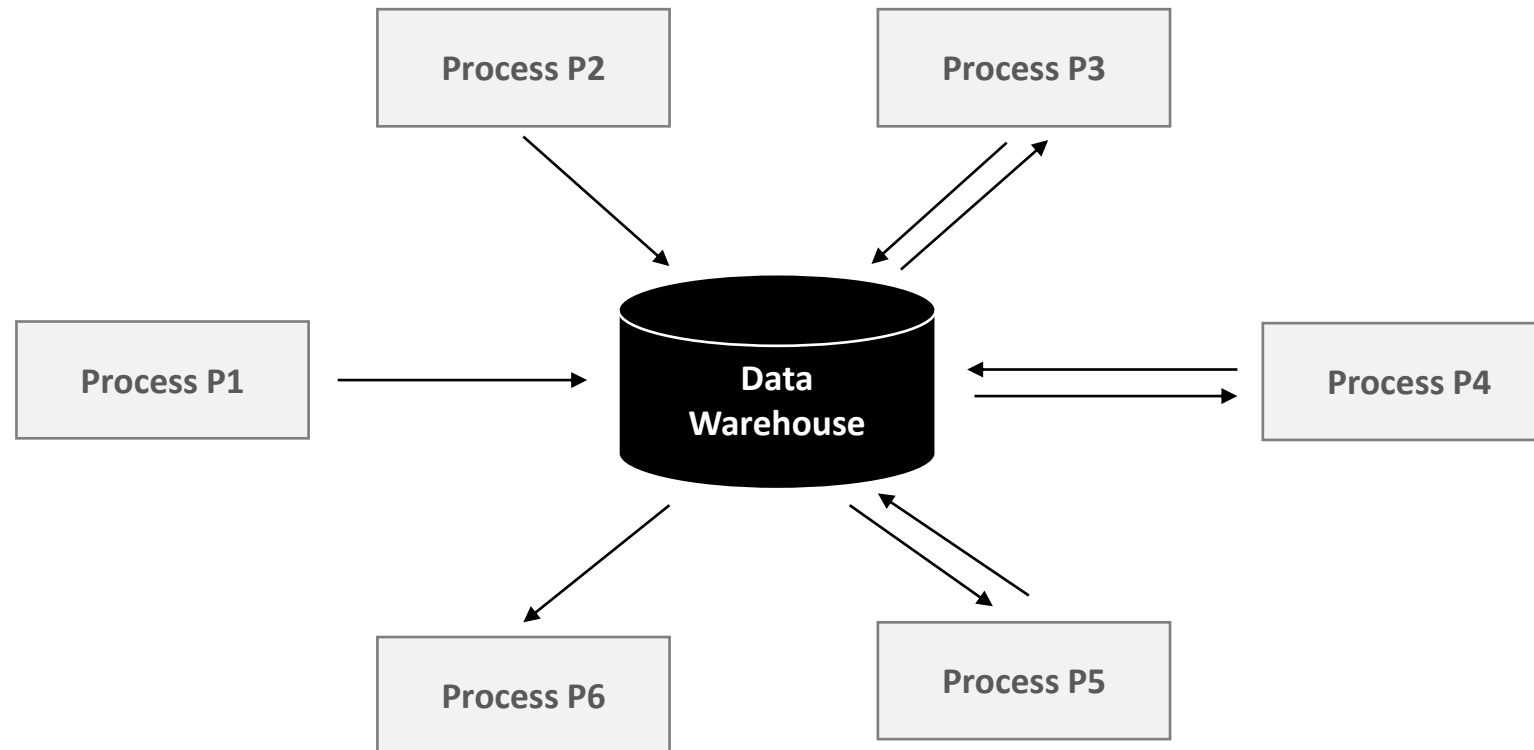
First step and foundation of
the IFRS 17 implementation



Process without the central data warehouse



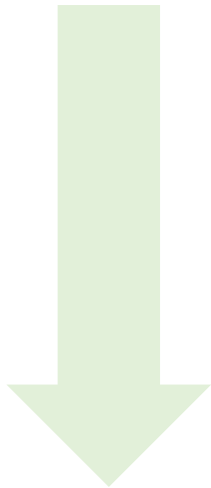
Process with the central data warehouse



Introduction to IFRS 17

Processes

Processes with high impact from IFRS 17



Processes with low impact from IFRS 17

- Reporting
- Budgeting, planning and forecasting
- External communication
- Internal control and internal audit
- Reinsurance strategy
- Risk management
- Pricing and product development
- HR

- IFRS 17 requires new reporting process

- Budgeting and planning needs to be done according to IFRS 17 metrics
- External communication of financial results will be more complex
- Materiality thresholds for internal control processes need to be redefined

- Reinsurance impact on income statement will be different
- Risk management metrics based on equity or profits need to be adjusted
- Product requirements such as payback period and IRR need to be modified

- Incentive schemes based on new metrics