



# Finalyse Calculation and Reporting IFRS 17 Tool

## For your IFRS 17 implementation and validation

A fresh take on risk and valuation

Use Finalyse's IFRS17 tool to implement and/or validate IFRS17.

IFRS 17 CALCULATION

IFRS 17 VALIDATION

IFRS 17 REPORTING

In May 2017, the IASB (International Accounting Standard Board) published the IFRS 17 standard with an effective date extended to January 1st, 2023 and with a transition period starting from January 1st, 2022.

IFRS 17 standard redefines the treatment of insurance contract liabilities, from the contract definition to the reporting, via the calculation approaches. IFRS 17 represents a significant change for insurers, and the stakes go far beyond the purely accounting aspects. Given the magnitude of the change, the associated costs, and the risk that ineffective implementation would inflict on the company, it is crucial to properly plan the implementation program that covers the E2E IFRS 17 process (from actuarial to consolidation).

Since 2017, solution vendors worldwide have built different software solutions for IFRS 17 implementation. The level of flexibility as well as the transparency and the ability to trace the results vary from one solution to another. Moreover, the standard allows for some degree of interpretation and this may further complicate the understanding of the action performed behind the scenes.



For more information, visit [www.finalyse.com/ifrs-17-tool](http://www.finalyse.com/ifrs-17-tool)

## Our IFRS 17 tool

Finalyse has developed an **IFRS 17 calculation and reporting tool for small and medium size insurers**. This simple and robust tool can be either used to produce or validate IFRS 17 results. It uses actuals, projected cash flows and market data as input to generate IFRS 17 measures and standard reporting (Disclosure 100, 101, statement of financial income, balance sheet, etc.).

Finalyse's IFRS 17 tool is **easy to implement, user-friendly and adaptable to our clients' requirements**. It is far from being a black box as its transparency allows each IFRS 17 measure to be auditable and traceable throughout the calculation chain.

Finalyse's IFRS 17 tool can be easily adapted to our clients' interpretation of the standard and policy choices. It meets all the minimum IFRS 17 reporting requirements but can also be customised to produce additional and more granular reportings according to our clients specific needs in terms of breaking down IFRS 17 results and internal ad hoc or regular reportings.

Our validation toolkit includes a broad library of use cases which may also be used for illustration purposes as well as for validation purposes.

AMSTERDAM

BRUSSELS

BUDAPEST

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"The Artist" Avenue des Arts, 9  
1210 Brussels

+32 2 537 43 73  
info@finalyse.com

[www.finalyse.com](http://www.finalyse.com)

# Finalyse IFRS 17 tool

The tool may serve:

For a quick but robust **implementation of IFRS 17**

For **IFRS 17 validation** purposes (of your existing IFRS17 calculation engine)

**Proof of Concepts** at the beginning of your implementation project

**Impact Assessments** at the beginning of your implementation project

To perform scenario & sensitivity analysis and for **ALM, Hedging strategy purposes** by your risk and investment teams

For **planning and forecasting** purposes by your financial control teams

## Main components of our IFRS 17 tool

### The Reporting engine

It generates a set of disclosures (100, 101, 106, etc.) and financial statements (Balance Sheet and the Statement of Financial Position) required by the standard for each of the three approaches (BBA, VFA and PAA).

### The Data preparation module

This module aligns/maps the data provided by the client (such as cashflows from actuarial or accounting software) at a group/portfolio level (premium, claims, expenses, payments, etc.) with the items (such as cashflows) used by the tool. If necessary, required enrichments are made.

### The calculation engine

It illustrates step-by-step calculations of the items required by each of the three approaches (BBA, PAA, and VFA) or needed for the reporting, including Transition and Reinsurance features.

Assumptions at Inception  
Present Value

Run Name	Reporting Year	Input Variable	Occurrence	Op Locked in YC	Current Opening YC
New Business	2019	Premium	BOP	-110,606.03	-110,606.03
New Business	2019	Acquisition Costs	BOP	20,686.02	20,686.02
New Business	2019	Expenses	BOP	3,414.76	3,414.76
New Business	2019	Claims	EOP	42,332.82	42,332.82
New Business	2019	Cost of Capital	EOP	4,344.36	4,344.36
New Business	2019	Investment Component	EOP	3,327.60	3,327.60

	Opening (Previous)	Opening (Locked in)	New Business	Model Changes	Interest Accrual	Expected CF Release - Current/Sign Service
Premium	0.00	0.00	-110,606.03	0.00	775.70	-
Acquisition Costs	0.00	0.00	20,686.02	0.00	-38.79	-
Expenses	0.00	0.00	3,414.76	0.00	-22.76	432.07
Claims	0.00	0.00	42,332.82	0.00	-458.70	-
Investment Component	0.00	0.00	3,327.60	0.00	-34.15	-
BEL	0.00	0.00	40,844.83	0.00	216.32	8,285.92
RA	0.00	0.00	4,344.36	0.00	-44.44	-1,000.00

	Opening (Locked in)	New Business	Model Changes	Interest to LC	Interest Accrual	Change in Estimate of PVFCF + RA
CSM	0.00	36,500.47	0.00	0.00	-204.77	0.00

CSM → LC: -

LC → CSM: -

Inception: Profitable

Disclosure 101

	PVFCF	RA	CSM	Total Liability
Opening	-	-	-	-
Change that relates to future services	-40,844.83	4,344.36	36,500.47	-
New Business	-40,844.83	4,344.36	36,500.47	-
Change in estimates that adjust CSM	-	-	-	-
Onerous contracts losses (and reversals)	-	-	-	-
Experience Adjustments	-	-	-	-
Change that relates to current services	-	-1,000.00	-7,259.14	-8,259.14
Release of CSM	-	-	-7,259.14	-
Release of RA	-	-1,000.00	-	-
Experience Adjustments	-	-	-	-
Change that relates to past services	-	-	-	-
Changes in FCF relating to incurred claims	-	-	-	-
Insurance Finance Expenses	149.09	9.69	-204.77	65.37
Interest accretion	216.32	44.44	-204.77	-
Change in DR	67.22	34.75	-	-
Effect of changes in the risk of non-performance (Reins. Held)	-	-	-	-
Cash	-	125.16	-	125.16
Premiums received	25,344.00	-	-	-
Acquisition CF	-16,422.92	-	-	-
Incurred claims & expenses paid	-8,285.92	-	-	-
Investment component	-760.32	-	-	-
Closing	-40,820.90	3,354.67	29,036.56	-8,449.67



Contact us for a demo:  
[riskadvisory@finalyse.com](mailto:riskadvisory@finalyse.com)

## Our Team

Our IFRS 17 implementation partner team comprises of very experienced IFRS 17 actuaries, business analysts and project managers who will accompany you through each step of your IFRS 17 implementation or IFRS 17 validation project.

We also provide IFRS 17 training and learning materials for your actuarial, risk and accounting teams.



**Yannis Pitaras**  
**Partner**

yannis.pitaras@finalyse.com

Yannis is a qualified actuary with experience in risk management, actuarial modelling and capital management for insurers. He has acquired in-depth knowledge of the insurance sector through the performance of key roles such as CRO and Head of Actuarial Function. He is a subject matter expert in the fields of Solvency II, Risk Appetite Frameworks, Balance Sheet Valuation and ORSA projection models.



**Stéphane Kengne Toguem**  
**Senior Consultant**

stephane.kengne.toguem@finalyse.com

Stéphane is a senior consultant with proven skills in credit and market risk and extensive knowledge of financial markets. He is a subject-matter expert in IFRS 17, Basel II, Basel III and Solvency II. Stéphane has been involved in the implementation of IFRS 17 for many insurance and reinsurance companies in Europe and North America. He is an active member of the Finalyse IFRS 17 Centre of Excellence, where he has been leading the development of the Finalyse IFRS 17 calculation and reporting tool.



**Hassane Boubacar**  
**Associate Consultant**

hassane.boubacar@finalyse.com

Hassane is an actuarial consultant with experience in IFRS 17 implementation and expertise in Actuarial Sciences, Quantitative Finance and Risk Modelling. Hassane has supported several IFRS 17 validation projects. He is an active member of the Finalyse IFRS 17 Centre of Excellence, where he has been involved in the development of the Finalyse IFRS 17 calculation and reporting tool.