



KPMG's IFRS 17 Tool

Managing complexity

February 2021

kpmg.com/ae
kpmg.com/om



1143 2.99
23461 9.91
18721 0.41
20200 1.55
11457 6.17
2673 3.01
38918 0.23
12734 0.71
6621 7.76
7789 4.12
18775 0.02
57918 0.67
20110 1.23
7233 7.11
9011 8.19
45112 0.31
7012 6.21
9220 8.99
11457 4.21
57311 1.32
8922 0.11
11332 0.56
18066
21232
1120
3241

43210
85100
19519
12340
22103
21531
84193
32312
15121
8067
11332
27115
12544
76552
24561
11214
78951
89122
34125
11345
10225
2021

19519 4.32
12340 9.81
22103 11.21
21531 15.62
84193 3.22
32312 3.41
15121 7.65
8067 11.33
11332 27.60
27115 12.50
12544 24.59
76552 7.89
11214 10.22
78951 8.90
89122 17.11
34125 1.12
11345 19.10
10225 20.02
2021 0.22

11.21 -1.6
15.62 -0.4
3.22 -2.3
3.41 -5.7
7.65 +0.3
11.33 +2.4
27.60
12.50 -0.1
24.59 -7.7
7.89 +6.1
10.22 +0.2
8.90 -1.1
19.10 -2.9
17.11 +2.2
1.12 -0.4

19519 4.32
12340 9.81
22103 11.21
21531 15.62
84193 3.22
32312 3.41
15121 7.65
8067 11.33
11332 27.60
27115 12.50
12544 24.59
76552 7.89
11214 10.22
78951 8.90
89122 17.11
34125 1.12
11345 19.10
10225 20.02
2021 0.22

2622
3891
1734
7721
2189
18711
12918
1110
7221
18067
11011
11332
76112
27115
7023
12544
2212
76552
43457
24561
27922
11214
11922
78951
84332
89122
9066
34125
2121
11345

85100
19519
12340
22103
21531
84193
32312
15121
8067
11332
27115
12544
76552
24561
11214
78951
89122
34125
11345
10225
2021

0.4
7.0
3.3
0.2
+0.2
-0.6
-0.4
-2.2
-5.6
+0.3
+1.4
-0.2
+7.6
+6.5
+0.2
-1.1
-2.1
+2.1
+0.4
-1.1
-2.1
-3.5
+0.7

Why KPMG's IFRS 17 Tool?

KPMG's IFRS 17 Tool is an end-to-end solution that assists management to perform complex calculations, and create accounting record, financial statements and disclosures for insurance contracts under the IFRS 17 accounting standard



Business use

- Developed and implemented specifically for IFRS 17
- Clear and visible output, with detailed granularity, results to be used for further reporting activities (unit of account level)
- One web interface access point for all IFRS 17 solutions, including tools for reporting and calculation



Flexibility

- Flexible configuration ready to adapt to changes
- Opportunity to use an integrated platform for financial reporting and disclosures



Compliance

- **Audit logs:** The old and new values of the transaction updates performed on the application take place in the system
- **Application logs:** The updates and inserts that users have made on the screens on the application are saved
- **Service logs:** During service integration, data and user information are kept in the system
- **Validation of inputs** and IFRS results through tools available on the web interface



Transparency

- Traceability with the ability to drill down to the lowest level

What is KPMG's IFRS 17 Tool?

1. Cash flow models hosting

2. CSM calculation tool*

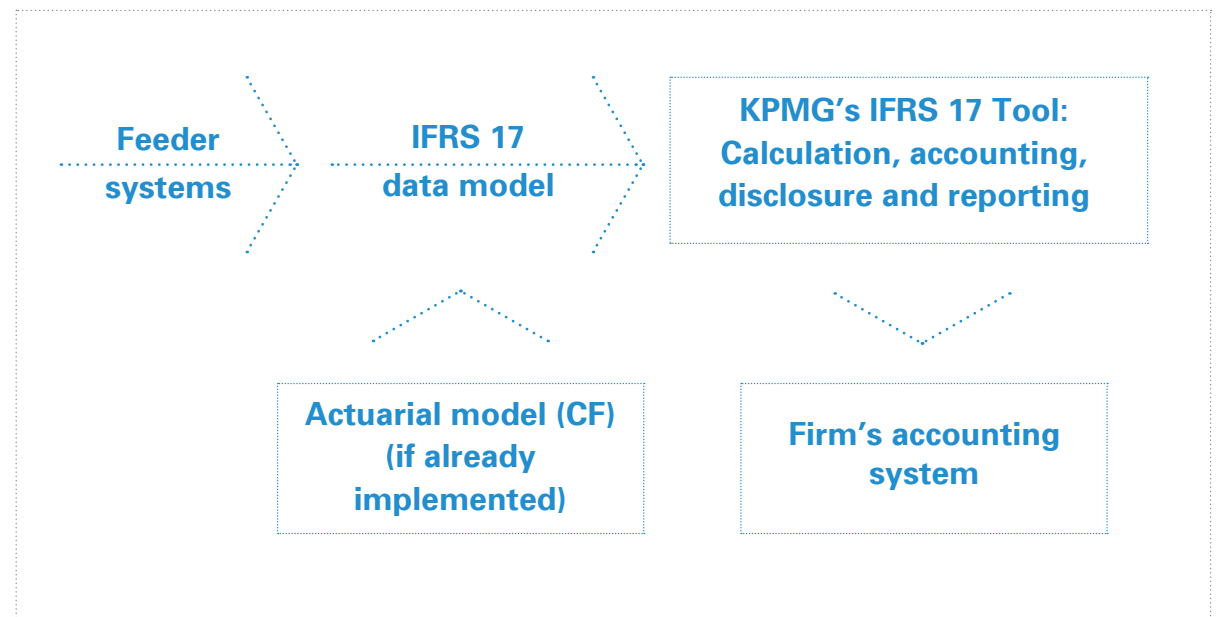
3. Reporting and disclosure tool

KPMG's IFRS 17 Tool:

- Performs IFRS 17 calculations
- Creates financial statements (accounting events)
- Prepares trial balance records
- Formulates disclosures
- Offers AoC and dashboards
- Scenario analysis

KPMG's IFRS 17 Tool can host:

- Cashflow models for generating cashflows for life and non-life portfolios



- * — IFRS 17 calculations under PAA, BBA, VFA and modified BBA
- Separate module for risk adjustment calculations (confidence interval)

Key capabilities of KPMG's IFRS 17 Tool



Data transmission and monitoring

- External data transmission to the application is provided through the file (.xls), database or service
- The data transmission process and transmitted data can be monitored via a screen in the application



Administration panel

- User management
- Role management
- Notification management
- New process definition
- Parameter definition



Reporting

- Provides detailed historical financial reports down to the unit of measurement, applied in calculations and postings
- Disclosures and legal reports in appropriate standards
- Provides database security and audit trails



Calculation and simulation

- Provides a definition template of the process (i.e. data preparation, validations, calculations, allocations and reporting) and the ability to run calculations
- Preconfigured, parametric and extendable calculation logic



Integration Points

- Integrates all external sources (actuarial, finance, risk) and the solution components
- Mail server (SMTP)
- Active directory
- Source system (ETL)



Log in

- Active directory integration
- Single sign on



Accounting

- Provides a definition of accounting events that drive postings and creates accounting data



Data quality

- Data quality rules check completeness, consistency, validity, uniqueness and accuracy of the input
- Defining data quality rules with Python and SQL



Traceability

- Enables the user to drill back to data sources
- Visibility of each step from entry of input data until posting of output data



Workflow

- Workflow management on the entire business process of IFRS 17
- New workflow definition
- Delegation
- Approval mechanism



Dashboard

- Visual reports for monitoring at management level
- Expostable dashboard reports
- Summary of financial reports

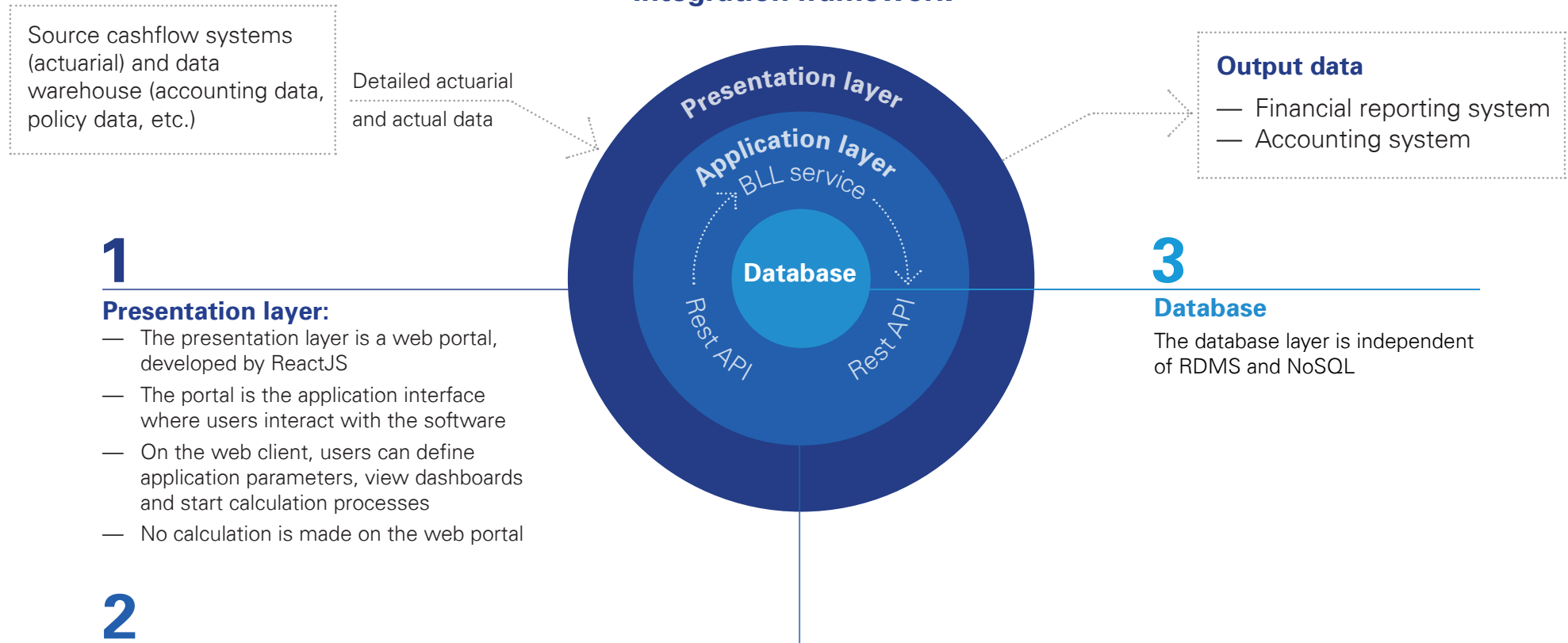


Results output

- Enables viewing of the calculation results
- Exporting results with delimited formats

Architectural design

Integration framework





1143	2.99	43210	19519	4.32	11.21	-1.6	19519	4.32	2622	85100	-0.4	2.99	12340	9.81	12340	9.81	2622	85100	-0.4	2.99
23461	9.91	85100	2340	9.81	15.62	-0.4	12340	9.81	3891	19519	+7.0	9.91	18721	7.0	18721	7.0	3891	19519	+7.0	9.91
18721	0.41	19519	22103	11.21	3.22	-2.3	22103	11.21	1734	12340	-3.3	0.41	20200	-3.3	20200	-3.3	1734	12340	-3.3	0.41
20200	1.55	12340	21531	15.62	3.41	-5.7	21531	15.62	7721	22103	-0.2	1.55	11457	-0.2	11457	-0.2	7721	22103	-0.2	1.55
11457	6.17	22103	84193	3.22	7.65	+0.3	84193	3.22	2189	21531	+0.2	6.17	2673	+0.2	2673	+0.2	2189	21531	+0.2	6.17
2673	3.01	21531	32312	3.41	0.33	+2.4	32312	3.41	1871	84193	-0.6	3.01	38918	-0.6	38918	-0.6	1871	84193	-0.6	3.01
38918	0.23	84193	15121	7.65	27.60	-0.1	15121	7.65	12918	32312	-0.4	0.23	12734	-0.4	12734	-0.4	12918	32312	-0.4	0.23
12734	0.71	32312	18067	11.33	27.60	-0.1	18067	11.33	84193	15121	-2.2	0.71	6621	-2.2	6621	-2.2	84193	15121	-2.2	0.71
6621	7.76	15121	11332	27.60	27.60	-0.1	11332	27.60	18711	84193	-5.6	7.76	7789	-5.6	7789	-5.6	18711	84193	-5.6	7.76
7789	4.12	1110	7221	18067	11.33	+2.4	7221	18067	12918	32312	+0.3	4.12	18775	+0.3	18775	+0.3	12918	32312	+0.3	4.12
18775	0.02	7221	11332	27.60	27.60	-0.1	11332	27.60	15121	76552	+1.4	0.02	57918	+1.4	57918	+1.4	15121	76552	+1.4	0.02
57918	0.67	11011	27115	12.50	27.60	-0.1	27115	12.50	8067	11332	-0.2	0.67	20110	-0.2	20110	-0.2	8067	11332	-0.2	0.67
20110	1.23	76112	12544	24.59	27.60	-0.1	12544	24.59	11011	11332	+7.6	1.23	7233	+7.6	7233	+7.6	11011	11332	+7.6	1.23
7233	7.11	27115	76552	7.89	27.60	-0.1	76552	7.89	76112	27115	-0.2	7.11	9011	-0.2	9011	-0.2	76112	27115	-0.2	7.11
9011	0.31	76112	12544	24.59	27.60	-0.1	12544	24.59	27115	12544	+6.5	0.31	45112	+6.5	45112	+6.5	27115	12544	+6.5	0.31
45112	6.21	43457	24561	7.89	27.60	-0.1	24561	7.89	7023	12544	-1.1	6.21	7012	-1.1	7012	-1.1	7023	12544	-1.1	6.21
7012	8.99	27922	11214	8.90	24.59	+6.1	11214	8.90	76552	76552	-2.1	8.99	9220	-2.1	9220	-2.1	76552	76552	-2.1	8.99
9220	4.21	11922	89122	11.2	24.59	+6.1	89122	11.2	43457	24561	+2.1	4.21	11457	+2.1	11457	+2.1	43457	24561	+2.1	4.21
11457	1.32	84332	34125	19.10	7.89	+0.2	34125	19.10	24561	1022	+0.4	1.32	8922	+0.4	8922	+0.4	24561	1022	+0.4	1.32
8922	0.11	9066	11345	20.02	10.22	-1.1	11345	20.02	1022	11922	-1.1	0.11	18066	-1.1	18066	-1.1	1022	11922	-1.1	0.11
18066	0.56	2121	10225	19.10	8.90	+2.2	10225	19.10	11922	78951	-2.1	0.56	21232	-2.1	21232	-2.1	11922	78951	-2.1	0.56
21232	17.11	10225	11345	20.02	17.11	+2.2	11345	20.02	78951	89122	+0.7	17.11	1120	+0.7	1120	+0.7	78951	89122	+0.7	17.11
1120	-0.4	10225	10225	19.10	1.12	-0.4	10225	19.10	89122	34125	-3.5	-0.4	724	-3.5	724	-3.5	89122	34125	-3.5	-0.4
724	1.12	10225	10225	19.10	1.12	-0.4	10225	19.10	34125	11345	+0.7	1.12	19511	+0.7	19511	+0.7	34125	11345	+0.7	1.12
19511	1.12	10225	10225	19.10	1.12	-0.4	10225	19.10	11345	10225	-3.5	1.12	19511	-3.5	19511	-3.5	11345	10225	-3.5	1.12

Contact us



Bhaskar Sahay

Partner

Advisory Services
KPMG Lower Gulf

t: +971 4 424 8914

m: +971 56 993 2291

e: bsahay@kpmg.com



Anay Srivastava

Director

Advisory Services
KPMG Lower Gulf

t: +971 4 403 0464

m: +971 56 683 3237

e: anaysrivastava@kpmg.com

www.kpmg.com/ae

Follow us on:



[@kpmg_lowergulf](https://www.instagram.com/kpmg_lowergulf)

Disclaimer

Some or all of the services described herein may not be permissible for KPMG audit clients and their affiliates or related entities.

The services described herein are subject to the approval of client management, who will remain responsible for the adoption of and approve of all KPMG deliverables.

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

© 2021 KPMG Lower Gulf Limited, licensed in the United Arab Emirates, and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

Publication name: KPMG's IFRS 17 Tool

Publication number: 3191

Publication date: February 2021